

**Monday**  
**4 July 2016**

**Volume 612**  
**No. 19**



**HOUSE OF COMMONS**  
**OFFICIAL REPORT**

**PARLIAMENTARY**  
**DEBATES**

**(HANSARD)**

**Monday 4 July 2016**

---



# House of Commons

*Monday 4 July 2016*

*The House met at half-past Two o'clock*

## PRAYERS

[MR SPEAKER *in the Chair*]

## Oral Answers to Questions

### EDUCATION

*The Secretary of State was asked—*

#### Academies: Teacher Pay

1. **Marion Fellows** (Motherwell and Wishaw) (SNP): What assessment she has made of the effect of conversion of schools to academies on teacher pay scales. [905608]

**The Minister for Schools (Mr Nick Gibb):** Academies have the freedom to determine their own pay arrangements. They are not bound by the provisions of the “School teachers’ pay and conditions document”, and can set the pay of their staff at the level they consider appropriate to recruit and retain the high-quality teachers they need. Academies’ freedoms also extend to other areas, including the curriculum, enabling them to develop approaches that better meet the needs of their pupils.

**Marion Fellows:** For local authority maintained schools, teacher pay scales are nationally agreed, as the Minister has just said, and they give teachers a clear indication of how their salaries will increase. However, allowing academies and academy trusts to set their own pay scales means that staff pay is very variable. What assessment has the Secretary of State carried out of the effect of deregulating pay scales on teacher morale and retention?

**Mr Gibb:** May I first welcome the hon. Member for Ashton-under-Lyne (Angela Rayner) and congratulate her on her appointment as shadow Secretary of State? She follows in the footsteps of the long-serving hon. Member for North West Durham (Pat Glass), and I suspect she was more surprised than I was by her appointment. Having worked with her in seeking to raise standards in Oldham schools, I know how able a shadow Secretary of State she will be.

In answer to the hon. Member for Motherwell and Wishaw (Marion Fellows), flexibility is of course important. It enables academies to flex their salaries and to recruit and retain the top-quality graduates they need. It is a very worthwhile policy, and it is working.

**Andrew Bridgen** (North West Leicestershire) (Con): Does my hon. Friend agree that it is essential that headteachers have the ability to flex salaries to retain

the very best staff? Will he also comment on whether resigning after 48 hours in the education sector sets a new record?

**Mr Gibb:** I think it must be the record for the shortest-serving shadow Secretary of State. I am particularly offended, though, that there is no one to shadow me, and I wonder what I have done to deserve that offence.

**Mr Speaker:** I am sure the hon. Gentleman will bear up stoically and with fortitude under the burden.

**John Cryer** (Leyton and Wanstead) (Lab): Could the Minister now answer the original question? Is he advocating the abolition of national pay scales, because that is what it sounds like he is saying?

**Mr Gibb:** What I am saying is that, with the new freedoms academies have, they are able to pay salaries to attract the best teachers. That is a very good policy; it enables them to retain and attract the graduates in maths, physics and modern languages that schools and headteachers are telling us they need to recruit.

**Nic Dakin** (Scunthorpe) (Lab): The School Teachers Review Body reported a very long time ago, and we are nearly at the end of the academic year. What is holding up the Government’s response to this report?

**Mr Gibb:** Ah, so there is my shadow, sitting on the Back Benches. He is very welcome. I wish he were sitting on the Front Bench and not there. However, in answer to his question, we are currently considering the STRB report, and we will publish it shortly, together with the Government’s response.

24. [905632] **Alan Brown** (Kilmarnock and Loudoun) (SNP): It is likely that academies in better-off areas will be able to access more funding and therefore pay higher salaries and attract the best teachers. What will that do for staff morale in academies in poorer areas? How will they be able to attract the teachers needed to close the attainment gap?

**Mr Gibb:** Academies’ funding rates are the same as those for the area in which they are situated. My right hon. Friend the Secretary of State will say something shortly about the national fair funding formula, which we hope will make funding across the country fairer.

**Angela Rayner** (Ashton-under-Lyne) (Lab): It is a pleasure to face the Minister for the first time today. As he mentioned, we have discussed education issues in one of the areas in my constituency, in Oldham. It has been an interesting week, and I am really pleased that there are still two women at the Dispatch Box overseeing education; that is really good news.

We face a crisis in the teaching workforce, and it has not been made any better by the potential problems with teachers’ pay. Almost 50,000 teachers quit this year—the highest figure ever. More teachers left than were recruited, and applications are still falling. The crisis has left academies spending nearly £200 million more on supply teachers in the last year. Is the Minister now prepared to apologise for the Government’s accusation that the Opposition were scaremongering in raising this issue?

**Mr Gibb:** The truth is that there are record numbers of teachers in the profession today. There are 456,000 teachers—15,000 more than there were in 2010. Some 43,000 teachers left the profession in 2015, but they were replaced by 45,000 coming into it. Talking down the teaching profession does not help to encourage graduates to come into it. Wherever I go, I talk up the profession. I hope that the hon. Lady, in her role, will do the same.

**Angela Rayner:** I think that every single teacher does an absolutely superb job. Ministers should listen to teachers when they talk about the issues that teachers face every single day in the classroom. On today's evidence, it seems that Ministers are failing and not coasting. They are not prepared to apologise. Where is the evidence that devolving terms and conditions to school level will lead to higher standards? Can the Minister tell us of any other high-performing country in which this has been done?

**Mr Gibb:** Academies are improving their standards at twice the rate of local authority schools; that is particularly the case for primary schools that have been underperforming and have been turned into academies. After two years, they are improving their standards by 10 percentage points—twice the rate of local authority schools—and using their flexibilities to ensure that they can recruit the best teachers into their classrooms.

**Carol Monaghan** (Glasgow North West) (SNP): Academies are able to pay higher rates of pay to keep teachers, but deregulation of pay scales means that staffing budgets can also be slashed, with the key resource—the teacher—becoming a second-class asset. What steps has the Minister taken to protect pay scales to ensure that teachers have a nationally guaranteed level of pay?

**Mr Gibb:** It is odd to hear people complaining that we are going to cut teachers' salaries and at the same time saying that there is a shortage of teachers and that it is difficult to recruit. The free market will ensure, of course, that salaries—the jobs market—*[Interruption.]* We are living in a strong economy. We have to compete for our graduates with companies up and down the country. That is what will secure high salaries for the teaching profession.

**Carol Monaghan:** Tomorrow's planned strike by members of the National Union of Teachers has come about as a result of the ongoing erosion of teachers' pay and conditions, with entitlements such as sick leave and maternity rights under threat. How does the Minister plan to protect teachers' maternity rights under the academy system?

**Mr Gibb:** The strike is based on a ballot in which under 25% of teachers in the NUT voted. I agree with Deborah Lawson, the general secretary of Voice, which is a non-striking teachers' union, who has called these strikes a "futile" and "politically motivated" gesture. As my right hon. Friend the Secretary of State has said, this strike will

"harm children's education, inconvenience parents and damage the profession's reputation in the eyes of the public".

Does the hon. Lady agree with that assessment?

## Teacher Workload

2. **Mrs Flick Drummond** (Portsmouth South) (Con): What steps her Department is taking to assist teachers in managing their workload. [905609]

8. **Rebecca Pow** (Taunton Deane) (Con): What steps her Department is taking to assist teachers in managing their workload. [905616]

**The Secretary of State for Education (Nicky Morgan):** First, I add my welcome to the hon. Member for Ashton-under-Lyne (Angela Rayner). I look forward to engaging with her on our mutual interests: education and, I understand, women and equalities. I pay tribute to the hon. Member for Manchester Central (Lucy Powell) for her work as shadow Education Secretary. I think it is fair to say that we did not agree on everything, or perhaps even much, but I do pay tribute to her hard work, and that of the hon. Member for Scunthorpe (Nic Dakin), who I have also worked with over the years.

We are continuing our extensive work to remove unnecessary workload for teachers. As part of my commitment to taking action in this area, we established three independent review groups to tackle workload relating to marking, lesson planning, and data management. We have accepted all their recommendations to Government. We urge school leaders and others in the education system also to act on those recommendations, and we will continue to work on this.

**Mrs Drummond:** Has my right hon. Friend considered lengthening the school day to allow teachers the space to plan and mark during the school day, rather than during evenings and weekends? That would also give pupils the opportunity to engage in subjects such as art, music, drama and sport that may not be part of their curriculum at the moment.

**Nicky Morgan:** My hon. Friend will remember that in the Budget the Chancellor mentioned support for a longer school day. Many schools already offer extra activities as part of a longer school day. We are keen to support this, and hope that they will broaden their range of activities. However, if we have a longer school day, there is no requirement for teachers to increase their workload to accommodate that. We will come forward with more details in due course.

**Rebecca Pow:** Having spoken to many teachers in Taunton Deane, it is clear to me that a significant number feel under continual pressure to adapt to a constantly changing system, and there are worries that more changes are on the horizon. Will the Secretary of State give assurances that following the White Paper, teachers will begin to see greater consistency? Will she meet me, and perhaps some local teachers, to discuss these issues?

**Nicky Morgan:** Of course I will be very happy to meet my hon. Friend and any teachers or headteachers she might like to invite from her constituency. Our aim is to give schools and colleges as much stability as possible to deliver the ambitious reforms set out in the White Paper. We want to give teachers and leaders the

confidence to make changes based on their own professional judgment. We have a workload protocol that gives schools the time to prepare for significant changes, and we are making sure that it takes fully into account the implications for workload.

**Sue Hayman** (Workington) (Lab): I have raised on the Floor of the House on a number of occasions the problems in west Cumbria with teacher recruitment and retention, which are leading to workloads building up, to the detriment of our children's education. I am concerned to see that figures provided by the National Union of Teachers project that Cumbria will see a 4.5% real-terms cut in funding under the Government's new national funding formula. What is the Secretary of State doing to address that, and to ensure that there is no detriment to children in my constituency?

**Nicky Morgan**: We are aware of issues relating to recruitment in certain parts of the country and in certain schools. I am pleased to say, as the Minister for Schools has said, that we have recruited more teachers to teacher training for the start of next year. The hon. Lady is right to say, however, that among the reasons that teachers often struggle to stay in the profession are workload, behaviour and other expectations. We will have more to say about the national funding formula. I ask the hon. Lady to wait for the consultation and to make sure that she takes part in it, but I think she will agree that it must be right that pupils with the same needs attract the same amount of money, regardless of where they are based.

**Chris Leslie** (Nottingham East) (Lab/Co-op): If the Secretary of State really does want to help teachers with the workload pressures that they are under, she has to do much more to tackle the serious shortage of teacher colleagues in schools and the duplicative paperwork that teachers are coping with, and not rely so much on the Minister for Schools, who sees the wonders of the free market as the solution.

**Nicky Morgan**: The Minister for Schools does a fantastic job, and it is a delight to have his sunny outlook in all of our ministerial meetings. There are schools across the country that manage workload issues. When I visit schools, I always ask about workload, and it is interesting that there are some schools—they are very similar—where teachers are supported in terms of workload, and others where there clearly are issues. I challenge the hon. Gentleman to make sure that when he next visits schools in his constituency, he takes with him, or looks at, the workload report, and asks teachers and heads in the staffroom how they are getting on with implementing the recommendations. I accept that there are recommendations for Government, Ofsted and school leaders; between us all, I am sure that we can make progress.

#### Academies: Parent Involvement

3. **Rehman Chishti** (Gillingham and Rainham) (Con): What steps her Department is taking to ensure that parents have greater say in the running of their children's schools when they become academies. [905610]

**The Minister for Schools (Mr Nick Gibb)**: The White Paper set out our commitment to ensure that parents have a more significant voice in schools. We will build on existing effective practice in academies to strengthen the expectation that they will listen to the views and needs of parents. We will also launch a new parent portal, setting out key information that parents need to know about schools.

**Rehman Chishti**: Parent governors play a vital role in schools across the country and in my constituency of Gillingham and Rainham. The excellent portfolio holder for children's services in Medway, Councillor Mike O'Brien, asks the Minister to confirm that the parent governor role will continue under the Government's new plans for academies.

**Mr Gibb**: I agree with my hon. Friend and the excellent Councillor Mike O'Brien, whom I know well and wish all the very best, that parents play a very important role in the governance of our schools. I fully expect that to continue as more schools become academies. High-quality governance is vital for the success of our schools, and boards need governors with the right skills to perform the role well. Many parents have the skills to make them effective governors, and boards will continue to appoint them as governors for that reason. There is nothing in the White Paper proposals to prevent academies from continuing to have elected parent governors if they wish to.

**Tristram Hunt** (Stoke-on-Trent Central) (Lab): The Secretary of State sought to ban parents from becoming school governors. She has blocked Ofsted from inspecting academy chains, and she refuses to have any democratic oversight of regional school commissioners. In her final days in office, with school improvement stalled, according to the chief inspector, has she not realised that the command-and-control, "Whitehall knows best" approach to schools and education does not work?

**Mr Gibb**: This seems like an upside-down House: the Labour Front Benchers are on the Back Benches, and its Back Benchers are on the Front Bench. We intend to increase academy engagement with parents by creating an expectation that every academy will put in place arrangements for meaningful engagement with parents and for listening to their views and feedback.

23. [905631] **John Howell** (Henley) (Con): Will the Minister use this occasion to reassure parents of pupils at the Europa School in my constituency that they will still be able to play a part in the running of their school?

**Mr Gibb**: Yes, I am very happy to give my hon. Friend that assurance. Of course they will. The Europa School provides an excellent education. Since it became a free school in 2012, it has been rated good by Ofsted, and it continues to provide a very high-quality education.

**Heidi Alexander** (Lewisham East) (Lab): Parents in my constituency have been left feeling bewildered and angry after an academy order was issued for Sedgemoor School but was withdrawn for six months because the regional schools commissioner could not find a sponsor.

What does this uncertainty say about the state of the Government's academy programme, and how can this uncertainty possibly be good for pupils?

**Mr Gibb:** What it says is that the regional schools commissioners are very selective about the sponsors that oversee our academies programme. That is why two thirds of secondary schools are now academies, one in five primary schools is now an academy and standards are rising faster in academies than in local authority schools.

**Angela Rayner** (Ashton-under-Lyne) (Lab): I would also like to pay tribute to my predecessor, my hon. Friend the Member for Manchester Central (Lucy Powell), and her team for the work that they did with MPs from across the House to convince the Secretary of State that full-scale forced academisation is not right for our children or our communities. As glad as we are that the right hon. Lady was for turning, she still plans to convert schools into academies across vast swathes of our country. Will she now rethink her description of parents as “vested interests”, which added insult to injury?

**Mr Gibb:** May I correct the hon. Lady? Her predecessor was not the hon. Member for Manchester Central (Lucy Powell); it was the hon. Member for North West Durham (Pat Glass), and I regret that she felt it necessary to resign. The academies programme is very successful, even without taking the powers that we had suggested. The programme is moving at pace—there were 200 academy conversions last month—and sponsored academies are improving faster under this arrangement. I hope that the hon. Member for Ashton-under-Lyne (Angela Rayner) will support a programme that began under the Labour party, although it began under a new Labour Government, not this old Labour Opposition.

### School Funding

4. **Christopher Pincher** (Tamworth) (Con): What progress her Department is making on ensuring that funding is fairly distributed across schools. [905611]

11. **Peter Aldous** (Waveney) (Con): What progress her Department is making on ensuring that funding is fairly distributed across schools. [905619]

14. **Luke Hall** (Thornbury and Yate) (Con): What progress her Department is making on ensuring that funding is fairly distributed across schools. [905622]

**The Secretary of State for Education (Nicky Morgan):** A fairer funding system is crucial to deliver our aim of educational excellence everywhere. It was a proud moment when Her Majesty said in her most recent Gracious Speech:

“There will also be a fairer balance between schools, through the national funding formula.”—[*Official Report, House of Lords*, 18 May 2016; Vol. 773, c. 2.]

The first stage of our two-part consultation on a national funding formula closed in April, and I thank everybody who responded to it. We are carefully considering the many responses we received.

**Christopher Pincher:** As the funding formula consultation progresses, will my right hon. Friend listen carefully to the voices of parents in Staffordshire—a county that has done relatively badly out of former formulas because it has areas of social deprivation—so that schoolchildren from the Kerria and Glascote estates in Tamworth have the same opportunities as those from Wolverhampton?

**Nicky Morgan:** I thank my hon. Friend for his question, and I know that he is a powerful champion on this issue. Of course we will listen to the views from Staffordshire, and I know that the Schools Minister has met a number of delegations from Staffordshire already. As I said earlier, the intention is that children with the same needs do not attract different amounts of money simply because of where they live. The new formula will ensure that pupils from disadvantaged backgrounds receive additional funding. The reforms are significant, so we are determined to get them right, which is why we will consult extensively.

**Peter Aldous:** I am interested in that answer. What steps will the Secretary of State take to ensure that the new funding arrangements for high-needs blocks are implemented promptly, and that low-funded counties such as Suffolk do not have to wait many years until they receive the level of funds to allow them to meet the needs of vulnerable learners?

**Nicky Morgan:** My hon. Friend demonstrates the desire of Members from all parts of the House and from different counties to ensure that the funding formula is looked at. We are distributing additional high-needs funding. This year, Suffolk will receive an extra £1.2 million. As I have said, we are considering carefully the responses to the first stage of the national funding formula consultation on high needs, because we are determined to ensure that those who have been underfunded in the past benefit as quickly as possible.

**Luke Hall:** I warmly welcome the announcement that South Gloucestershire and Stroud College has been successful in its application for the SGS Pegasus free school. It will be an 80-place school for autistic pupils, opening in September 2017. Can the Secretary of State assure me that Pegasus and other schools in South Gloucestershire and in my constituency of Thornbury and Yate will receive their fair share of funding following the introduction of the new formula?

**Nicky Morgan:** My hon. Friend is absolutely right. My Ministers and I want to ensure that all schools receive their fair share of funding. South Gloucestershire and Stroud College has indeed been successful in applying to open the SGS Pegasus free school. Free schools form an integral part of the Government's education policy to improve choice and drive up standards in schooling.

**Lucy Powell** (Manchester Central) (Lab/Co-op): I did not expect to be on the Back Benches today, having resigned from a job that I relished doing over the past few months, but we are where we are.

Yesterday on the television, the Secretary of State again presented the illusion that school budgets have been protected over the course of this Parliament, yet she and I both know that school budgets are facing significant cuts in real terms, which are having a huge

impact on the frontline. Given that the Chancellor has all but abandoned his fiscal approach, will she be the first person at his door to ensure that our schools have the real-terms budget protection they need?

**Nicky Morgan:** I pay tribute to the hon. Lady, because I could see how much she loved doing her job as shadow Secretary of State for Education. The truth is that we have protected the overall schools budget in real terms. This year, the core schools budget will be over £40 billion, which is the highest amount on record.

**Catherine McKinnell** (Newcastle upon Tyne North) (Lab): What would the Secretary of State say to Schools NorthEast, which represents 1,000 schools in my region and has said that

“the Government risks fuelling the North-South divide in education by proposing to fund schools with similar characteristics differently, based on their location.”?

**Nicky Morgan:** I would completely disagree with that assertion. I ask the hon. Lady to ensure that she and the schools in her area take part in the next stage of the consultation. She should not forget the funding that has already been allocated by my right hon. Friend the Chancellor as part of the northern powerhouse fund for schools.

**Angela Rayner** (Ashton-under-Lyne) (Lab): I am afraid that the Government’s claim that they are providing fair funding is unravelling as fast as the pledge of £350 million for the NHS on the Vote Leave bus. Will the Secretary of State confirm that analysis by the Institute for Fiscal Studies shows that the new funding settlement will implement an overall cut of at least 8% in school budgets?

**Nicky Morgan:** I applaud the hon. Lady’s activity today and her grip on her brief, but the answer is no. In 2016-17, the dedicated schools grant will total £40.68 billion, which is an increase of more than £4 billion since 2011-12 and the biggest amount any Government have ever spent on schools.

**Neil Carmichael** (Stroud) (Con): The Secretary of State will know that the Education Committee is very keen to press the Department on fairer funding to ensure that it delivers what it says on the tin. Does she agree that another important element of reform is ensuring that schools can plan ahead, and that it would be good if fairer funding enabled schools to do exactly that?

**Nicky Morgan:** I pay tribute to the work that my hon. Friend and his Select Committee have done on this issue. I know that the Minister for Schools is due to meet Members shortly to discuss it further. My hon. Friend the Member for Stroud (Neil Carmichael) is absolutely right: not only do we have to get the formula correct and make it much more transparent, I am also very keen that schools are able to plan ahead, like we would ask any other organisation to do, so that they know how they can manage their budgets in the years ahead.

**Imran Hussain** (Bradford East) (Lab): When the Government redraw the funding formula to make it fairer, as they say they will, they must remember that

fair does not necessarily mean equal and that many schools face differing challenges, particularly in respect of teacher training. Will the Secretary of State therefore look at ways in which we can change the funding formula to help areas and schools with a history of low teacher recruitment rates?

**Nicky Morgan:** I pay tribute to the work the hon. Gentleman has done to represent schools in Bradford, and I know that other Bradford Members of Parliament are also very committed to raising educational standards in their area. In talking about fairer funding earlier, I spoke very specifically about children with the same needs attracting the same amount of money. It is right that children from disadvantaged backgrounds should receive more money. I would ask him to engage with us on things such as the “achieving excellence areas”, which were outlined in the White Paper that was published earlier this year.

**Several hon. Members** *rose*—

**Mr Speaker:** Order. Progress this afternoon is very slow. I will take a couple of supplementaries, but they must be very brief and so must the replies.

20. [905628] **Michael Tomlinson** (Mid Dorset and North Poole) (Con): Will the Secretary of State, in reaffirming her commitment to fairer funding, set out the timetable for the consultation process and say when it will eventually be implemented?

**Nicky Morgan:** I hope to be able to consult extremely shortly. This is complicated and I want to give local authorities time, but my hon. Friend is right that we need to make progress.

**Andrew Gwynne** (Denton and Reddish) (Lab): Is there not a danger for the Secretary of State that some schools will risk losing funding and that those that gain from the new funding settlement will not gain nearly enough to offset both the freeze in the education grant and the national insurance increases?

**Nicky Morgan:** I do not want to pre-empt the consultation. There are always dangers for Secretaries of State, but there is a danger in inaction, too. We have had an unfair national funding formula for well over a decade, and probably longer. I am not going to go down as the Secretary of State who had the opportunity to try to right that wrong but did not take it.

21. [905629] **Kevin Hollinrake** (Thirsk and Malton) (Con): Will my right hon. Friend confirm that small rural primary schools, which are currently on the margins of financial viability, will be as secure under the new formula with academy status as when maintained by the local authority?

**Nicky Morgan:** We are very aware of the specific demands for rural schools. There will be specific funding to recognise their characteristics, including sparsity in particular. I hope my hon. Friend will take part in the consultation.

### Deferred School Starts

5. **Stephen Hammond** (Wimbledon) (Con): What progress her Department is making on giving parents of summer-born and premature children the choice to defer their child's start at school. [905613]

**The Minister for Schools (Mr Nick Gibb)**: Subject to parliamentary approval, we have decided to amend the school admissions code to support summer-born children in delaying entry to the reception year. We are now considering how to implement that change, and what other changes it would be appropriate to make to the code at the same time.

**Stephen Hammond**: I thank the Minister for that answer. He will know that the delay to the consultation on the code is causing some concern, because of inconsistent responses from local authorities. May I press him further: can we ensure that the code covers the difference between actual dates of birth and due dates?

**Mr Gibb**: My hon. Friend has been a strong campaigner on this issue. As a consequence of his representations, and as part of our review of the code, we are considering whether it would be appropriate to use the due date of premature children rather than the birth date to determine when they start school.

### Pupils from Non-UK EU Countries

6. **Patrick Grady** (Glasgow North) (SNP): If she will make it her policy that all school children who are non-UK EU nationals retain access to the education system in the event of the UK leaving the EU. [905614]

**The Secretary of State for Education (Nicky Morgan)**: As a matter of principle all children resident in the United Kingdom receive a free state school education. That provision goes back to 1880, when compulsory attendance at school to age 10 was introduced in England and Wales. The UK remains a member of the EU until the article 50 negotiations have concluded, which could take two years or more. Until the process is completed, nothing will change. Let me tell the hon. Gentleman my view, because the Home Secretary is about to make a statement on this issue: I think that EU citizens already here, including children, should have the right to remain.

**Patrick Grady**: I thank the Secretary of State for that answer, but does she recognise the impact that such uncertainty is having on young people and their education? The First Minister, the National Association of Head Teachers and others are seeking precisely these assurances, so can she give an assurance that children from EU countries will be allowed to complete their education and will not be used as bargaining chips in negotiations about Brexit?

**Nicky Morgan**: The hon. Gentleman makes a very powerful case. There is obviously an awful lot to discuss in the light of the result of 23 June, which is not the result that I campaigned for. I completely accept his point that we should of course make sure that children of non-UK EU nationals resident here are educated.

### Character Development

7. **David Warburton** (Somerton and Frome) (Con): What steps her Department is taking to ensure that young people develop character at school. [905615]

**The Minister for Children and Families (Edward Timpson)**: As some Members of this House have discovered in recent days, character—whether that be perseverance, respect for others, bounce-backability or the ability to build strong relationships—is an important attribute that should not be underestimated. That is why we are working with schools to ensure that all young people can develop the character traits that will support their future success. We are investing £6 million to test approaches to character education and are delivering character awards to highlight the excellent practice that already exists.

**David Warburton**: I thank the Minister for that answer. I chair the all-party group on the British Council, which is about to launch an inquiry into the causes of extremism and radicalisation. I am sure that my hon. Friend well understands the crucial importance of the arts in developing breadth and depth of character—we will be debating arts education later today. How is the Department working to ensure that schools are provided with the right tools to build tolerance, balance and understanding in our young people?

**Edward Timpson**: I commend my hon. Friend for launching his inquiry. I know that there is a debate later in Westminster Hall on the EBacc, and I am sure many of these issues will be discussed. In many ways, schools provide the best protection from radicalisation by ensuring that pupils are encouraged to explore and debate ideas, and to test each other and themselves, so that they leave school with the resilience and critical thinking skills they need to challenge extremist views. To that end, we have launched the educate against hate website to provide practical advice to parents, teachers and school leaders on how to protect children from extremism and radicalisation.

18. [905626] **Sarah Champion** (Rotherham) (Lab): Child abuse is rife in the UK, and I welcome the comments about character. Will the Secretary of State support my call for all primary school children to have statutory resilience and child protection lessons to prevent child abuse?

**Edward Timpson**: The Secretary of State is very aware of the hon. Lady's campaign, as well as of the need to ensure that children are as resilient as they can be to the greater dangers that face them in the world in which they live. Those matters remain under review as part of personal, social, health and economic education, and we will return to them in future.

**Mr Speaker**: I call Karl McCartney.

19. [905627] **Karl McCartney** (Lincoln) (Con): Thank you for spotting the link, Mr Speaker. The original question about character is all very good, but what is the Minister doing to ensure that young people have sound moral judgment and a tough backbone, so that

they pick the right side of an argument and accept democratic decisions, supported by their peers and the wider populace?

**Edward Timpson:** Perhaps I could pick out two traits that would be well worth considering: one is common sense, and the other is kindness—two things that we would do well to try to instil in every young person as they grow up in the society we have created for them.

**Liz McInnes** (Heywood and Middleton) (Lab): We would all agree that participation in sport at school is character building, and the Chancellor announced in his Budget that moneys raised from the sugar tax will be spent on sport in schools. How much money is expected to be raised from the sugar tax, and what talks have taken place on how those funds will be spent?

**Edward Timpson:** The hon. Lady is right to highlight that money from the sugar levy will be spent directly on sport and physical activity. There is also a commitment of £500 million to help up to 25% of secondary schools extend their school day, and we have doubled the PE and sport premium for secondary schools from £150 million to £300 million per year, which is already making a significant impact on the quality of PE in many of our primary schools.

**Mr Gordon Marsden** (Blackpool South) (Lab): Character development includes turning young people to the outside world and helping them to gain confidence when thinking and working with people. Work experience in the teens is crucial, and it is damaging that Ministers scrapped the key stage 4 requirement in the curriculum. No wonder business groups urged them to do more, as did the skills commission on careers advice; and a five-year policy and funding vacuum has failed to prepare young people for that world of work. Will Ministers use the new Education and Adoption Act 2016 to restore work experience to the curriculum?

**Edward Timpson:** Many of us have had the benefit of work experience—I am sure some Members are enjoying that right now on the Opposition Front Bench—and we know that it provides people with a better understanding of the opportunities that they have in later life. The Careers and Enterprise Company is an important development because it seeks to open up those opportunities and create better links between schools and business.

### Mindfulness: Schools

9. **Jessica Morden** (Newport East) (Lab): What steps she is taking to increase access to mindfulness programmes in schools. [905617]

**The Minister for Children and Families (Edward Timpson):** Good mental and emotional health is a key priority for this Government, and it is crucial if we want all children to fulfil their potential both academically and for their general wellbeing. It is for schools to decide how best to provide appropriate mental and emotional health to support their pupils, and the Department is undertaking a national survey to find out what activities schools offer, including mindfulness, to help us decide how best to support schools in practice.

**Jessica Morden:** Having visited schools in my constituency that are running mindfulness programmes in the classroom, I know how much such programmes are appreciated by young people. Given the growing mental health crisis, there is a real urgency to innovate, and mindfulness can be part of that. Will the Minister agree to meet a cross-party group to discuss the availability of such programmes?

**Edward Timpson:** I am happy to meet the hon. Lady and a delegation to discuss the matter further. I am all for greater innovation in schools and for deciding how we can better support children so that they are strong and stable emotionally, which we know is a better backdrop to them being academically successful. I am sure we can arrange a meeting to discuss that further.

**Caroline Nokes** (Romsey and Southampton North) (Con): Mindfulness can be an important component of a wider PSHE programme, which our good and outstanding schools already implement. What progress is being made towards making PSHE statutory in all our schools?

**Edward Timpson:** I refer my hon. Friend to the earlier answer on this subject. At the core of this issue is ensuring that we have the highest quality PSHE possible. We continue to keep the matter under review, and will return to it shortly.

**Kevin Brennan** (Cardiff West) (Lab): Does the Minister agree that mindfulness can be helpful not only with the social and emotional aspects of learning but in improving the attentiveness of pupils in schools, and therefore their academic achievement as well as their personal wellbeing?

**Edward Timpson:** There is a small but increasing amount of evidence that backs the hon. Gentleman's claim. That is why we want to look at this area more carefully, hence the national survey that is under way to enrich the evidence and knowledge to see what really works so that we can improve all the aspects of a child's life to which he refers.

### School Funding Formula (London)

10. **Victoria Borwick** (Kensington) (Con): What plans she has to ensure that reform of the school funding formula does not have a negative effect on schools in London. [905618]

**The Parliamentary Under-Secretary of State for Education (Mr Sam Gyimah):** I thank my hon. Friend for raising this issue and for contributing to the recent debate on education funding in London. The second stage of our consultation will detail the impact of the formula on schools. I understand the importance of giving schools stability and budget security, but in advance of that consultation it would not be appropriate to speculate on the specific impact of the formula. That would be unfair to schools and parents.

**Victoria Borwick:** As a long-term governor, and having visited the outstanding Bevington school in Kensington this morning, can I ask the Minister to talk about the area school cost adjustment in respect of meeting the higher costs and vulnerability of schools in London?

**Mr Gyimah:** My hon. Friend makes a very important point. That is why in the first stage of the consultation we propose to include an area cost adjustment in the national funding formula—an increase for schools facing extra costs from higher wages, which will be important for London schools. We have also protected the pupil premium at current pupil rates, so every school knows that they will receive that funding on top of their core budget. London receives over 20% of the whole pupil premium budget.

**Wes Streeting** (Ilford North) (Lab): Educational standards improved dramatically in London under the previous Labour Government, a timely reminder of the virtue of Labour winning elections. In the Minister's attempt rightly to increase funding to levels needed across the rest of the country, will he confirm that school budgets in London will not suffer, thereby setting back the enormous progress that has been made?

**Mr Gyimah:** The hon. Gentleman is absolutely right: educational standards and attainment have improved dramatically, in London in particular, over the past decade or so thanks to teachers, parents and pupils in London. As my right hon. Friend the Secretary of State made very clear, the purpose of the funding formula reforms is to fund need, so where there is need in London it will be funded on the same basis as need in other parts of the country.

**Ruth Cadbury** (Brentford and Isleworth) (Lab): Is the Minister aware that schools in my constituency in west London are already having to implement the biggest cuts to their budgets they have ever made? Will he assure the head teachers I met this morning that there will be no further cuts when fair funding comes in?

**Mr Gyimah:** My right hon. Friend the Secretary of State made it very clear: the core education budget of £40 billion is the highest amount ever invested in education. We are supporting our schools to achieve educational excellence everywhere. We are reforming the funding formula to ensure that that excellence can be delivered across all schools, rather than it being determined by a postcode lottery, as it is at the moment.

### Underperforming Schools

12. **Dr James Davies** (Vale of Clwyd) (Con): What steps her Department is taking to improve schools in parts of the country where there has been persistent underperformance. [905620]

**The Minister for Schools (Mr Nick Gibb):** Our strategy for what we are calling “achieving excellence areas” will tackle entrenched underperformance in areas where low school standards are reinforced by a lack of capacity to deliver and sustain improvement. We want to eradicate pockets of underperformance in our school system, and we will do so by targeting leadership and other school improvement programmes in areas of greatest need. We look forward to working with the first areas from this autumn.

**Dr Davies:** I thank the Minister for his reply. Sir Michael Wilshaw, the chief inspector of schools, has called on the Welsh Assembly Government to introduce

academies in Wales, saying that they improve performance. Does the Minister agree with me that raising standards is vital to helping the economy, and that it is important that political boundaries do not get in the way of business growth in my own area of north-east Wales?

**Mr Gibb:** How wise Sir Michael is, on this and on so much else! Raising standards is key to helping the economy grow and to improving productivity. Officials at the Department will be more than happy to hold discussions with their counterparts in the Welsh Government on how academies are raising standards. We would also be happy to discuss our education reforms over the past six years, which are raising standards and expectations in reading, writing, maths and the whole curriculum, in sharp contrast to what is happening in Wales under a Labour Administration.

### GCSEs: Languages

13. **Jake Berry** (Rossendale and Darwen) (Con): What steps her Department is taking to increase the uptake of languages at GCSE. [905621]

**The Minister for Schools (Mr Nick Gibb):** The Government have acted to halt the serious decline in the number of pupils taking language GCSEs—40% of pupils in 2011 took a GCSE in modern foreign languages, down from 76% in 2000—and thanks to the EBacc, the proportion of pupils in state schools entered for a modern foreign language GCSE increased by 20% between 2011 and 2015. Our ambition is that 90% of pupils in mainstream secondary schools will enter GCSEs in EBacc subjects, including a language.

**Jake Berry:** The internationalist manufacturing and business base across Rossendale and Darwen needs people with modern language skills if it is to continue to compete and succeed. What steps can schools take to co-operate with local businesses, such as those in my constituency, to ensure that the menu of language skills that pupils leave school with matches business requirement?

**Mr Gibb:** My hon. Friend is absolutely right, and one of the key goals of the Careers and Enterprise Company is to increase that engagement with business. The CBI's recent report found that 77% of businesses valued foreign language skills and that nearly one third rated Mandarin as a useful language.

**Rob Marris** (Wolverhampton South West) (Lab): Will the Minister make sure that Punjabi continues to be available at GCSE for many years to come?

**Mr Gibb:** Yes, I can make that commitment.

### Child and Family Social Work

15. **Nusrat Ghani** (Wealden) (Con): What plans her Department has to improve child and family social work. [905623]

**The Minister for Children and Families (Edward Timpson):** Excellent social work transforms lives, which is why we are establishing a regulatory body to drive up standards and raise the quality of social work training and practice. We are attracting new talent to the profession, investing

in high-quality training, rolling out a practice-focused career pathway and developing a new What Works centre to ensure that social workers are equipped with the best knowledge and skills for their practice. This clear strategy to improve child and family social work is set out in the children's social care policy paper, "Putting Children First", which I and the Secretary of State published today and by way of a written statement. I encourage all hon. Members to read it.

**Nusrat Ghani:** Will the Minister explain how the Department's new graduate entry routes to social work, such as Step Up to Social Work and Frontline, and including the award-winning provision of children's services from East Sussex County Council, have impacted the social work profession?

**Edward Timpson:** Step Up and Frontline are beginning to have a significant impact: more than 670 Step Up participants have qualified as social workers and more than 450 students and 103 local authorities started training this year. An evaluation of cohort 1 showed high retention, and 99 Frontline participants have now qualified as social workers. An independent evaluation in March 2016 was hugely encouraging.

**Mrs Emma Lewell-Buck** (South Shields) (Lab): Children can remain in foster care until they are 21, while those in residential care have to leave at 18, which creates a truly unfair system. I have organised for MPs to pledge their support tomorrow to show that we care equally about all looked-after children. Will the Minister sign the pledge?

**Edward Timpson:** I commend the hon. Lady for her continued and passionate commitment to this matter, based on her professional experience and desire to make a difference. If she reads the paper, "Putting Children First", which I mentioned a few moments ago, she will find a response to a recommendation from Martin Narey's review into residential care explaining that we will start to pilot "staying close" for children leaving care in residential care settings. This is in line with his recommendation and I am sure will be hugely welcomed.

#### Children: Physical Activity

16. **Tom Pursglove** (Corby) (Con): What discussions she has had with the Secretary of State for Health and the Secretary of State for Culture, Media and Sport on steps to achieve the Government's aim to make children more physically active. [905624]

**The Minister for Children and Families (Edward Timpson):** We are working closely with colleagues in the Department of Health and the Department for Culture, Media and Sport on the forthcoming childhood obesity strategy, which will build upon our existing measures to promote school-based physical activity for pupils. Physical education remains a compulsory subject at all four key stages in the national curriculum, which sets out our expectation that pupils should be physically active for sustained periods of time.

**Tom Pursglove:** What plans does the Minister have to combat the drop-off in participation in sport from primary school to secondary school?

**Edward Timpson:** I have already alluded to the doubling of the PE and sport premium at primary school—we have invested more than £450 million. We are also determined to ensure that children continue to sustain participation in PE and sport as they move into secondary education. In the Government's sports strategy, we have committed to working with the sector to better understand the barriers and issues around drop-off and to identify good practice. By knowing what works, we can be better equipped to combat the drop-off that my hon. Friend rightly mentions.

#### Childcare

17. **Karin Smyth** (Bristol South) (Lab): What progress the Government have made on providing 30 free hours of childcare per week for three and four year-olds. [905625]

**The Parliamentary Under-Secretary of State for Education (Mr Sam Gyimah):** We are delivering at great pace on our commitment to provide parents with 30 hours of free childcare for three and four-year-olds. With cross-party support, we have already taken the Childcare Act 2016 through Parliament. We announced in the November spending review that we would invest an additional £1 billion a year into the system from 2019-20—more than ever before—and we are not waiting until 2017 to deliver on our commitment: around 5,000 children from eight areas will get their 30 hours a year from this September.

**Karin Smyth:** The Public Accounts Committee, of which I am a member, highlighted the danger that the Government will be unable to deliver their pledge to give three and four-year-olds 33 hours of childcare a week. In view of all our findings, what is the Minister doing to ensure that local authorities manage their childcare markets effectively or intervene if necessary?

**Mr Gyimah:** The hon. Lady asks an important question. I am in contact with a lot of local authorities, and the Department has the local authority working group. In addition to the increased funding we have provided, we are working to ensure that local authorities have the capital they need—an extra £50 million—to create places in their local areas where there is a need.

#### Topical Questions

T1. [905633] **Patrick Grady** (Glasgow North) (SNP): If she will make a statement on her departmental responsibilities.

**The Secretary of State for Education (Nicky Morgan):** The Minister for Children and Families has mentioned today's publication of "Putting Children First", which provides much-needed reforms to children's social care—often a much under-sung service. I am sure that colleagues will condemn tomorrow's strike action by the National Union of Teachers, which is both unnecessary and counter-productive. It will harm children's education, inconvenience parents and damage the profession's reputation in the eyes of the public. Finally, I would like to send my appreciation to teachers and students across the country who will receive their key stage 2 results this week.

**Patrick Grady:** Following the safe and successful return of Major Tim Peake from the international space station, what plans does the Secretary of State have to work with the UK Space Agency to promote space and science, technology, engineering and mathematics education, especially among women and girls?

**Nicky Morgan:** The hon. Gentleman raises a really important issue, and we of course want to see more young people studying STEM subjects. My first boss in the House in the last Parliament, now Lord Willetts, told me that there were two ways to engage young people in science—space or dinosaurs.

T2. [905634] **Mrs Flick Drummond** (Portsmouth South) (Con): Following a rather poor Ofsted report for the local authority in Portsmouth, will the Secretary of State outline what support her Department can give to help schools in Portsmouth to become centres of excellence?

**The Minister for Schools (Mr Nick Gibb):** My hon. Friend is a strong promoter of educational excellence in Portsmouth. Centres of excellence in initial teacher training will be designated on the basis of criteria such as the quality of trainee teachers recruited, the quality of training courses, the outcomes for trainee teachers and training providers' effectiveness in recruiting. We expect to confirm the schools and universities that have been designated as centres of excellence for the 2017-18 academic year when the allocation of training places is made in the autumn.

**Mr Gordon Marsden** (Blackpool South) (Lab): Ten days ago, we had the Government's latest figures for apprenticeships. They showed that only one in four apprenticeships was going to young people under 19, whether it be in the number of starts or participation, and, even worse, that there were only 12,000 traineeship starts compared to 109,000 apprenticeship starts for under-19s. Does this not show that, after all the time and money Ministers have devoted to apprenticeships, they are still flailing around for a coherent strategy to get young people under 19 to the starting-block—either for traineeships or apprenticeships?

**Mr Gibb:** The hon. Gentleman is absolutely wrong. Following the apprenticeships review in 2012, employers are designing new apprenticeships that are more responsive to the needs of business. More than 1,300 employers are involved; 241 standards have been published; and more than 160 new standards are in development. In the last Parliament, there were 2.4 million apprenticeship starts, and the reforms to technical education will build on that. This is a very successful part of our education system.

T3. [905635] **Bob Blackman** (Harrow East) (Con): One of the concerns about the fairer funding formula is what happens to sixth-form students. Can Ministers confirm that fairer funding will apply to sixth-form students in particular, and clarify what is proposed for sixth-form colleges?

**The Parliamentary Under-Secretary of State for Education (Mr Sam Gyimah):** My hon. Friend will be aware that in the spending review, my right hon. Friend the Chancellor

confirmed funding of £4,000 per pupil for post-16 education, and that remains the case. Obviously, where there are school sixth forms, reforming the national funding formula will impact on the whole school budget. I do not want to pre-empt what the consultation will say, but I am sure we can have a discussion once we have published it.

**Stephen Timms** (East Ham) (Lab): As the Secretary of State knows, there are already examples of academies ignoring the concerns and views of parents, and removing the requirement to have a parent-governor or parent-governors will make matters worse. The White Paper proposes that parents should be able to petition to have their academy moved from an under-performing multi-academy trust to a different MAT, will she tell us how that will work?

**Nicky Morgan:** I refute the first part of the right hon. Gentleman's question. I do not know of any academies or schools that ignore parents' concerns. As for the second part, we will make that clear when we have published the Bill. I very much hope that the right hon. Gentleman will be part of the Committee that scrutinises the "education for all" Bill.

T4. [905636] **Michael Tomlinson** (Mid Dorset and North Poole) (Con): Some schools and headteachers are nervous about becoming academies. I believe they need not be, but what reassurance and guidance can the Minister give them on the path to academisation?

**Mr Gibb:** The process of conversion to academies will be assisted by the Department and once a school notifies the Department it wants to convert to academy status, with all the professional freedoms that that brings, there will be a named official who will help it through the process.

T9. [905642] **Martyn Day** (Linlithgow and East Falkirk) (SNP): When research shows that six out of 10 LGBT students have experienced homophobic bullying, there is much to be done to improve life for LGBT pupils. Following her support for UK school diversity week, what plans does the Secretary of State have to ensure schools offer an LGBT-inclusive education?

**Nicky Morgan:** The hon. Gentleman is right to say that we must ensure that there is an absolutely inclusive education. I do not want to see any young person missing a day of education, and certainly not because they are worried about being made fun of or not being able to be who they are. The hon. Gentleman will know that I have already announced over £3 million for specific homophobic, biphobic and transphobic bullying. That is having an effect. I pay tribute to the charities who are working across the country to roll that out and I look forward to continuing to support, and to expand, that work.

T5. [905637] **Caroline Ansell** (Eastbourne) (Con): As my right hon. Friend knows, before coming to this place I was a teacher. Teaching colleagues have concerns, which I share, about the appointment of Amanda Spielman as the new chief inspector of Ofsted. She does not hold a teaching qualification or have classroom experience.

Does this appointment risk eroding the standing of the teaching profession and teachers' esteem and morale? What assurances can my right hon. Friend give?

**Nicky Morgan:** I thank my hon. Friend for her very heartfelt question. [*Laughter.*] Well, I do not think that the appointment of the new chief inspector is funny, but a recent shadow Education Secretary, the hon. Member for Stoke-on-Trent Central (Tristram Hunt), apparently does. Amanda Spielman has a passion for improving children's lives through education. Her work at ARK has transformed the life chances of children in some of our most disadvantaged areas.

I know parents and teachers want Ofsted to inspect in a fair, consistent and reliable way that supports improvement. The chief inspector's role is not to tell teachers how to teach or to second-guess them; it is to run Ofsted, to provide an inspectorate, to build on evidence and tell the Secretary of State what sometimes she does not want to hear. I know that Amanda Spielman will do that on behalf of teachers across the country.

**Kate Green** (Stretford and Urmston) (Lab): The Secretary of State will be aware of the recent report by the Traveller movement showing that Gypsy, Roma and Traveller children are four times more likely to be excluded from school than other groups, yet 100% of appeals against exclusions from Gypsy, Traveller and Roma children are successful. What action is the Secretary of State taking to address this state of affairs?

**Mr Gibb:** We had a group in the last Parliament to address this very issue, and we are considering how to take that work forward. It is very important that all children, regardless of their background, attend school and we do not have any lesser expectations for children from different ethnic groups. This is a particular group that is underperforming in our system and we need to do more to ensure that they attend school and achieve.

T6. [905639] **Kevin Foster** (Torbay) (Con): The principal of Paignton academy, Jane English, recently received a lifetime achievement award for teaching and inspiring generations of students, yet the school has been held back by having some elderly buildings that urgently need replacement. Can the Minister update me on when funding will be made available to do this?

**Mr Gyimah:** First, may I take this opportunity to congratulate Jane English on her lifetime achievement award? She has done a tremendous job. The condition improvement fund was three times over-subscribed this year, which is why the school was unsuccessful—there were a lot of quality bids. I can give my hon. Friend the reassurance that the next fund will be opening in autumn 2016.

**Mr Kevan Jones** (North Durham) (Lab): Durham county council is part-way through the legal process of merging South Stanley infant and junior schools to form a primary school, but on Friday the Department issued a notice that the infant school will now be part of Greenlands junior school as a new academy, completely ignoring any consultation with local parents. How does that fit with what the Minister has said about the involvement of parents in these decisions?

**Mr Gibb:** That decision will have been taken after consultation. It will have been taken by the regional schools commissioner, with his local knowledge, in the best interests of pupils in that area.

T7. [905640] **Rehman Chishti** (Gillingham and Rainham) (Con): More schools in Medway are now being rated outstanding and good. Will the Minister join me in paying tribute to the excellent work of Councillor Mike O'Brien, the cabinet member for children's services at Medway council, who, alongside council officers, school leaders and parents, is working hard to raise standards in Medway?

**Nicky Morgan:** I pay tribute to the work of Councillor Mike O'Brien and I am sorry to hear that he is not well. He is a hard-working and conscientious Medway councillor who is dedicated to serving his constituents and to improving education. His nine years' experience on Medway Council and his years on Gillingham Borough Council have made him a very effective local representative. Our thoughts are with him and his family at this time.

**Diana Johnson** (Kingston upon Hull North) (Lab): The children of Thoresby primary school have an abundance of common sense and kindness, and I was delighted that they were awarded the National Character Award last week by the Children's Minister. Does he agree, however, that we also want to instil determination, grit and tenacity in our young people?

**The Minister for Children and Families (Edward Timpson):** Absolutely.

T8. [905641] **Steve Double** (St Austell and Newquay) (Con): I thank the Schools Minister for his recent visit to the Acorn alternative provision academy in my constituency to see the excellent work that it is doing. Does he agree that the delivery of high quality and innovative alternative provision education is vital to raising the life chances of children who find themselves in the most difficult and challenging situations? Can he update the House on the work that his Department is doing to support alternative provision across the country?

**Mr Gibb:** I was actually expecting a question on term-time holidays from my hon. Friend, but I am nevertheless delighted to join him in congratulating the Acorn AP academy. It is an excellent alternative provision academy with a real focus on academic achievement for vulnerable pupils. I certainly agree that outstanding alternative provision is vital, and in our education White Paper we set out reforms that will help to build a world-leading system of alternative provision. The reforms will incentivise schools to commission high-quality provision and make the schools more accountable for the outcomes of alternative provision pupils.

**Mr Speaker:** I can authoritatively pronounce from the Chair that the screeds written for Ministers at Education questions are significantly longer than those written for other ministerial Question Times. That is not a compliment.

**Bill Esterson** (Sefton Central) (Lab): The Secretary of State was telling us earlier about her plans to support young people who leave care, whether it is foster care or

residential care. Will she tell us where the new members of staff are going to come from to support them and where the young people are going to live?

**Edward Timpson:** The hon. Gentleman needs to look carefully at Martin Narey's report and at our response in the social care policy paper. This is not a question of simply expanding the current provision; we are trying to find innovative ways of supporting young people out of care that will serve them much better in the long term.

**Mr Alan Mak (Havant) (Con):** Ensuring that students have access to the latest technology is key to raising standards in schools. Will the Minister join me in congratulating Havant College on its pioneering partnership with Google, which ensures that every student has access to a tablet computer?

**Mr Gibb:** Yes, I would be delighted to join my hon. Friend in congratulating Havant Sixth Form College on harnessing the expertise and ingenuity of Google's staff and products. The intelligent selection and use of technology in schools and colleges can be a great asset in helping to improve educational outcomes. I hope that this screed was within the time limit, Mr Speaker.

**Mr Speaker:** Just.

**Fiona Mactaggart (Slough) (Lab):** Is the Minister of State surprised to learn that when I shared his latest response to my correspondence about teacher shortages in Slough with our local headteachers, they found it cynical and said that it failed to address the real recruitment and retention problems that they face? Will he meet me and those headteachers to discuss a practical arrangement to deal with the teacher shortages in our town?

**Mr Gibb:** Of course I will meet the right hon. Lady and the teachers from her constituency to discuss this issue, which we take very seriously. We are competing for graduates in a strong economy, and we have recruited 15,000 more teachers since 2010. There are 456,000 teachers in the teaching profession, and 14,000 more teachers returned to teaching last year. That is a higher figure than in previous years. Teaching is still a popular profession, but we are dealing with the challenge of a very strong economy and competing in the same pool

for graduates. We take this issue seriously, which is why we have very generous bursaries to attract the best graduates to teaching.

**Mark Pawsey (Rugby) (Con):** I was rather surprised to find that the number of children being home schooled in Warwickshire had trebled over the past three years. There are 452 such pupils in the current year. Will Secretary of State tell us what provisions exist to ensure that such children get a full and rounded education?

**Nicky Morgan:** We have already made it clear that we want to know more about what is happening to children who are home educated. The majority will be educated extremely well, but we believe that there is more to do on this. We also want local authorities to know when children are being withdrawn from schools in order to be home educated, and I expect further proposals to follow.

**Mrs Sharon Hodgson (Washington and Sunderland West) (Lab):** Last month, Baker Small gloated on social media about a win in the Special Educational Needs and Disability Tribunal. Since then further information has come to light, revealing that Baker Small is advising councils on making it harder for children to be given assessments for an education, health and care plan to help cut costs. That goes completely against the principle of the Children and Families Act 2014, which is to create a less adversarial system. Can the Minister assure me, the House, and parents of children with SEND that he is doing all that he can to end the practice, and may I ask what he is going to do about Baker Small?

**Edward Timpson:** Let me put on record that practices of that kind are totally unacceptable. The new tribunal arrangements that we introduced were intended to make the system less adversarial and more inclusive for parents and young people, so that we could achieve a better resolution of any problems that emerged. We will continue to watch carefully how matters develop, but the hon. Lady can be reassured that we do not accept that that practice is appropriate.

**Several hon. Members rose—**

**Mr Speaker:** Order. I am sorry, but, as usual, demand exceeds supply, and we must now move on.

## EU Nationals: UK Residence

3.36 pm

**Ms Gisela Stuart** (Birmingham, Edgbaston) (Lab): To ask the Secretary of State for the Home Department if she will make a statement on the legal status of EU nationals residing in the United Kingdom in the event of the United Kingdom's leaving the European Union.

**The Minister for Immigration (James Brokenshire):** EU nationals make an invaluable contribution to our economy, our society and our daily lives. They should be assured that, as the Prime Minister and the Home Secretary have repeatedly said, there will be no immediate change in their status in the UK. The Prime Minister has made it clear that decisions on issues relating to the UK's exit will be for a new Prime Minister. I am therefore not in a position to make new policy announcements this afternoon.

The discussions that we have with the European Union to agree the arrangements for the UK's exit will undoubtedly reflect the immense contribution made by EU citizens to our economy, our NHS and our schools, and in so many other ways; but they must also secure the interests of the 1.2 million British citizens who live and work elsewhere in the EU.

The Home Secretary was clear yesterday when she said that we should seek to guarantee that the rights of both groups were protected, and that this would be best done through reciprocal discussions with the European Union as part of the negotiations to leave the EU. It has been suggested that the Government could now fully guarantee EU nationals living in the UK the right to stay, but that would be unwise without a parallel assurance from European Governments regarding British nationals living in their countries. Such a step might also have the unintended consequence of prompting EU immigration to the UK.

It is in the best interests of all for the Government to conduct detailed work on this issue, and for the new Prime Minister to decide the best way forward as quickly as possible. In the meantime, let me stress that EU nationals continue to be welcome here. We have seen some truly abhorrent hate crimes perpetrated against EU nationals in the past week or so, and we will not stand for attacks of that kind. They must be, and will be, tackled in the strongest possible terms.

EU nationals can have our full and unreserved reassurance that their right to enter and to work, study and live in the UK remains unchanged, but to pre-empt future discussions at this point would risk undermining our ability to protect the interests of EU and British citizens alike, and to secure the best outcome for both.

**Ms Stuart:** I hate to teach the Minister about British constitutional organisations and structures, but ours is a Cabinet Government structure. Irrespective of whether Prime Ministers decide to leave, the Cabinet can still make decisions.

May I point out to Ministers that people are not bargaining chips? It is deeply offensive to assume that this country retrospectively changes the rights of its citizens. It is a duty of Government to allow people to live their lives and to make arrangements and predictions.

We have 3 million EU citizens in this country, and 1.2 million British people live in the EU. They have a right to expect the Government to make clear statements.

The Minister may have read a letter to *The Sunday Telegraph* in which Members of Parliament, including my right hon. Friend the Member for Normanton, Pontefract and Castleford (Yvette Cooper), the hon. Member for Clacton (Mr Carswell) and the right hon. Member for Hitchin and Harpenden (Mr Lilley), Frances O'Grady of the TUC, Simon Walker of the Institute of Directors, and Sunder Katwala of British Future—the Co-op is also concerned—say that it is the duty of this Government to state clearly and unequivocally that any EU citizen here will maintain and continue to enjoy the rights that they have acquired. Anything else would represent a failure of the Government to protect their people and future obligations. The Minister may also be aware that the House of Lords is far from happy with the Government's position. Will he do the right thing now and not turn people into bargaining chips and not worry about what might happen in future but at this moment stand up and say that we honour human rights, that EU citizens have made an important and valuable contribution that will be honoured and that those who are here will continue to be here?

**James Brokenshire:** I entirely understand the basic premise of the right hon. Lady's point, which is that we should seek to reassure EU nationals here in the UK and British citizens in other EU countries. On that broad premise, we are not poles apart. The question is about how we achieve that objective, which raises several complex issues. She will understand that we are talking about not only the right to reside, but employment rights, the right to study, entitlement to benefits, access to public services, and the ability to be joined by family members.

This is not, as the right hon. Lady seeks to characterise it, about viewing people as bargaining chips in some way; it is about getting the best possible outcome for EU citizens who are here and for the 1.2 million British citizens who are elsewhere in the European Union. The Government are absolutely focused on getting the best possible solution through discussions with the European Union. She and other EU nationals who are here and contributing to our society can be assured that that is absolutely at the forefront of what we are seeking to achieve in the negotiations that will follow.

**Damian Green** (Ashford) (Con): I am sure that everyone on both sides of the House wants to see no disadvantage given either to EU citizens living in this country or to UK citizens living in other European countries. I detect the faint whiff of synthetic indignation over this entire urgent question process. What judgment has the Minister made about the best way to protect the interests of the more than 1 million British citizens living, and in many cases working, in other EU countries, so that no one is disadvantaged at the end of this process?

**James Brokenshire:** We need to ensure that there is an overall balance and that all the issues are given careful consideration. We have to view things in the round. That is why it would be a mistake to view this in a narrow way and to make statements now that could impede broader discussions about the position of British

[James Brokenshire]

nationals in other European countries. That is the right approach and is precisely why the Prime Minister set out that we need to consider things very carefully.

**Andy Burnham** (Leigh) (Lab): I should probably begin by declaring an interest: my wife, Marie-France, is a Dutch national and our three children are half-Dutch. So many British families are similar to ours, with relatives born in Ireland or in other EU countries. The 3 million or so EU nationals living here are the fathers and mothers, aunties and uncles, and grandmas and granddads of millions of British children. To leave any uncertainty hanging over their right to be here is tantamount to undermining family life in our country. That does not strike me as a very prime ministerial thing to do, but it is what the Home Secretary did yesterday. She said that “people who have an established life here”

would be part of negotiations with Brussels. For people making a huge contribution to our society to be talked of as a bargaining chip, as was said, is insensitive to say the least. But when she adds that “nobody necessarily stays anywhere forever”, it becomes quite threatening.

I hope the Minister will go back and tell the Home Secretary that my kids would quite like their mum to stay here forever, if that’s okay with her. In retrospect, does he not accept that the Home Secretary’s comments were ill-judged? Is it not the case that people who have made a life here when it was perfectly legal for them to do so should not now have the rug pulled from under them? Furthermore, is it not entirely within the gift of the UK Government to remove this uncertainty today? Why is the Home Secretary not here today doing precisely that, rather than prioritising her leadership campaign? This is entirely a matter for the UK Government to decide, and it is this Government’s own decision to make this an issue in the negotiations. By doing so, are they not creating the conditions for the unwelcoming climate to continue, and for the rise in xenophobic and racist abuse we have seen?

Finally, does the very fact that we are having to hold this debate today not illustrate how flawed the referendum campaign was? Did people not have a right to know the answer to this crucial question before they went to vote? Sending any EU nationals home has enormous implications for families, for public services and for the economy, so why on earth did the Government instruct civil servants not to carry out any contingency planning on the implications of Brexit? Was that not the very height of irresponsibility? And has it not left us with “neither compass nor chart”, as Lord Hennessey has said? The Conservative party has reduced our country to chaos and created uncertainty being felt in every family. If the Home Secretary wants to be the person to lead us out of it, she needs to have the courage to come to this House and clear up her own mess.

**James Brokenshire:** If anything was ill-judged, I think the right hon. Gentleman’s comments were and the manner in which he approached his contribution this afternoon. I have been clear that there is no concept of bargaining chips or viewing people in that way. I have been clear on the contribution I see EU citizens making to our country, now and in the future, which is why it

will be a part of that negotiation as we look towards a positive future for our country outside the EU. It would not be responsible to take a stance now that could have an impact on the 1.2 million British citizens in countries outside the UK. [Interruption.] It is not a choice of one or the other; it is a question of looking at both of them, and getting the best possible outcome for UK citizens in other European countries as well as giving assurance on the rights of European citizens who are here. It is important that we approach the negotiations in that way.

The right hon. Gentleman makes the point about the rise in community tensions, as he did fairly to us last week when the Under-Secretary of State for the Home Department, my hon. Friend the Member for Staffordshire Moorlands (Karen Bradley), made her statement on hate crime. We would have common cause in utterly condemning hate crime—I absolutely condemn it again today—with the further work that will be introduced on tackling hate crime and the further work that the police are doing in our communities at the moment. We celebrate the work of so many European citizens here in our country now, which is why this does need to be part of those discussions and agreements with the European Union, to give that assurance and, yes, to get the best possible outcome for them, as well as for British citizens abroad.

**Sir William Cash** (Stone) (Con): Will the Minister understand that many of us regard the Home Secretary’s recent remarks as wholly inappropriate? Does he also accept that any EU citizen who currently resides in the UK will continue to do so, as he has suggested, but that once the repeal of the European Communities Act 1972 has taken place, it will be a matter for domestic legislation here at Westminster to decide, in our traditional fair and reasonable manner, on what basis people should remain, having regard to the interests of UK nationals in other member states?

**James Brokenshire:** I underline again that we are an open, welcoming country and recognise the contribution that EU citizens make to our country, our economy and our communities. That is why this must form part of our assessment, our consideration and our negotiations and agreement with our European partners. I stress it in those terms very clearly. I hope my hon. Friend will understand why the matter needs to be viewed in that broader construct in the best interests of our country and to get the best outcome from those discussions.

**Joanna Cherry** (Edinburgh South West) (SNP): May I start by observing that this is one of many questions to which it might have been prudent to have an answer before the right hon. Member for Birmingham, Edgbaston (Ms Stuart) and her fellow Brexiteers persuaded so many of their fellow citizens to vote to leave the EU? Be that as it may, Scotland voted overwhelmingly to stay in the European Union, and our fellow citizens who were born outside the UK are now anxious to know what the referendum results mean for them, not just now but in the future. And so are EU citizens across the UK. It is wrong and irresponsible to prevaricate about this.

In launching her bid for the leadership of the Tory party last week, the Home Secretary said:

“We will strive to make Britain a country that works for everyone—regardless of who they are and regardless of where they’re from.”

Actions speak louder than words. Why is the Home Secretary not here today to give the sort of reassurance that one might have expected in the light of that election pitch? What could be more important than her coming to this House to give that reassurance?

At the opening of the Scottish Parliament on Saturday, the First Minister said:

“We are one Scotland and we are simply home to all of those who have chosen to live here. That is who and what we are.”

Will the Minister reconsider, follow the First Minister’s example, and offer such reassurance for the whole of the United Kingdom? If he is not prepared to do that, will he clarify today in what circumstances he thinks it would be appropriate to remove the rights of EU citizens already living here?

**James Brokenshire:** The hon. and learned Lady has rightly highlighted that there were and will be a range of issues that need to be addressed, and obviously this is one of them. It was a consequence of the decision to leave the European Union; it was not shied away from and was clear in advance of the referendum. She makes her point in a clear and concise way. To come to her broader point, we want to get to a position where we can tell EU nationals who live in the UK that everything will be fine, that we can see them continuing here. I reverse the approach and take it from that standpoint. That is the approach that we will take as we look towards those negotiations and those EU discussions.

**Several hon. Members** *rose*—

**Mr Speaker:** Order. If I am to accommodate most colleagues, there will be a premium upon brevity, to be exemplified by the right hon. Member for Brentwood and Ongar (Sir Eric Pickles).

**Sir Eric Pickles** (Brentwood and Ongar) (Con): The hyperbole and the overstatement from the Opposition Benches will do much to frighten EU nationals in this country, more so than anything that has been said from the Front Bench. But there is an urgency to giving a clear message on the matter. EU citizens are among our top surgeons, our top consultants, our top anaesthetists. They are among our top engineers and our top architects. These are people who can work anywhere in the world and we need to be very clear that we want them here, as part of our economy.

**James Brokenshire:** I recognise the contribution made by all the people my right hon. Friend mentioned to our economy and also, as I said, to schools, the health service and so many other parts of our communities. I stress again that there is no change to their status now. We have to approach the discussions and focus on how we get the best possible outcome for them as well as for our own citizens, and that is what we will do.

**Edward Miliband** (Doncaster North) (Lab): Is it not obvious that the forced deportation of millions of EU citizens is something that no sane or fair Government would contemplate doing? Given that no Government would do it, all we see from the Minister is that the Home Secretary has an incredible “negotiating position” and is causing untold fear and misery for many people in our country. It is time the Government gave clarity on this issue.

**James Brokenshire:** I am sorry, but I entirely reject the assertions the right hon. Gentleman makes. We have been very clear on confronting the division in our society, and in actually doing the work and setting out the best possible outcome for EU citizens, as well as British citizens, and that is the job we will get on with.

**Mr Andrew Tyrie** (Chichester) (Con): I was glad to hear a moment ago, in one response from the Minister, that foreign residents are not to be treated as pawns in the negotiations, but I have to say that that was not the impression I had from his opening statement. Protecting their rights is the only ethical position that can now be taken. What is more, the longer the uncertainty about this question persists, as my right hon. Friend the Member for Brentwood and Ongar (Sir Eric Pickles) pointed out, the greater the risk of the economic downturn and the economic consequences. The Minister has been sent to do a holding operation today. Will he now take back from this urgent question debate the clear message that waiting until 9 September or beyond is simply not a realistic option and that the best thing to do now is to just get on with granting these rights?

**James Brokenshire:** I note my right hon. Friend’s contribution, and I would reassert the comments I made about people not being bargaining chips. We are talking about people’s lives here, and we fully appreciate and recognise the personal significance that this has. I do say to him, though, that it is appropriate that we look at this in the round, with all the complexities and all the unintended consequences that might arise from making statements now. It is appropriate to consider it in that way and to get the best outcome.

**Yvette Cooper** (Normanton, Pontefract and Castleford) (Lab): There are unintended consequences in not making a statement now and allowing this issue to drift. There are children in schools, whose parents are French or Polish, who are in tears because they fear that they may have to leave. Extremists are exploiting this for “Go home” campaigns and repatriation campaigns that are vile, and the Home Secretary is just giving them succour. The Minister has been sent out here to waffle, while the Home Secretary, once again, has gone to ground on something that she could sort right now. Parliament is sovereign; we could sort this before the recess. Why do we not have a motion through this Parliament, which every one of us could sign up to and support, to say we will respect people’s rights if they are settled here and contributing to our country already? That is the fair thing to do.

**James Brokenshire:** We do have the certainty of knowing that there will be no immediate change, so people should not be fearful. Equally, others should not try to stoke up anxieties in the way that, I think, has been done in some contributions. It is important that we get this right and that people can continue in the way that they have done. Again, this process of leaving the EU is likely to take a number of years, and there will be no change while we remain a member of the European Union. People need to have that confidence and certainty. We will certainly confront any division, any hatred and any racism that we see, and the police are already taking action on that.

**Crispin Blunt** (Reigate) (Con): While I understand the immediate logic of my right hon. Friend's position, he does need to understand that our partners are not going to be in a position to make a reciprocal commitment, because 27 nations have to agree a position in the negotiations. This is an area in which the uncertainty needs to be brought to an end as soon as possible. Since it is inconceivable that we would not grant retrospective rights, should we not get on with it immediately?

**James Brokenshire:** My hon. Friend is right in saying that it is important that we look at the reciprocal rights and at how we do this at an EU level, rather than with individual member states. I think that is the right approach to take. However, it is important to view this in the round, viewing the role and responsibilities of British citizens who are in other European countries, and ensuring that the actions we take do not have unintended consequences for them.

**Dr Philippa Whitford** (Central Ayrshire) (SNP): I find it hard to comprehend: the Minister keeps talking about not using EU citizens as bargaining chips, but then talks as if that is exactly what he is going to do. I also have to declare an interest: my husband is German, he has been a GP in this country for 30 years and, along with others in the community, he is anxious. The Minister says there will not be an answer for several years. In what way should people feel reassured? We caused the problem; we should set the example, and then other countries will respond in kind—just give them the reassurance.

**James Brokenshire:** I commend and congratulate the hon. Lady's husband on the contribution he has made to the NHS, as have so many other EU nationals. Again, it is important to underline the fact that EU nationals who have been exercising treaty rights for a period of five years are entitled to permanent residence under existing rules. That is why we need a calm approach to these issues, underlining the existing arrangements that EU citizens will continue to benefit from, as well as looking at what those arrangements will need to be in future. That is where the negotiation plays such an essential part.

**Mr Christopher Chope** (Christchurch) (Con): Is not my right hon. Friend making a bit of a meal of this? Why do we not just do what this House clearly wants to do—to grant the rights to these people? Could not that be implemented very quickly if we repealed the European Communities Act 1972? Does he not accept responsibility for gross negligence in not having any contingency plans?

**James Brokenshire:** I am afraid that there are significant legal complexities glossed over by my hon. Friend in outlining those solutions. A range of quite complex, multi-faceted issues arise. I have already highlighted things like benefit rights, access to public services, and employment rights, and there are others as well. It is not as simple as some have set it out to be. That is why we need to work through this carefully to get the best outcome.

**Ms Karen Buck** (Westminster North) (Lab): There are 36,000 EU passport holders in the London borough of Westminster—almost one in eight of the population.

This week I have been flooded by emails from people concerned about the jobs they do, the businesses they run, and the future of their children's education. Does not the Minister understand that “not immediately” is simply not good enough? People are making decisions about their lives, their businesses and their children: they need reassurance, and they need it now.

**James Brokenshire:** Of course I understand the points that the hon. Lady very fairly makes. I do not think there is much difference between us on getting to that objective. That is why I make the point that I do about the certainty that people have now, and therefore working towards giving that certainty and assurance as part of the discussions at EU level. I absolutely understand the point that she fairly makes. That is precisely why this needs to be a priority as part of those discussions with our European partners, so that there is certainty for their citizens here, as well as our citizens in those member states.

**Kit Malthouse** (North West Hampshire) (Con): Does the Minister agree that we should hold ourselves to a higher moral standard than trading off one group of immigrants against another, and immediately unilaterally declare a new immigration status of EU-acquired rights that would give people the right to reside here if they had been here for less than five years, at the same time as advertising to those who have been here for longer than five years that they now automatically have the right of permanent residence, so that as many of them as possible can avail themselves of that right?

**James Brokenshire:** I have already, in response to an earlier question, explained the position in relation to permanent residence. Those rights are there. Obviously we will retain and respect all existing rights while we remain a member of the European Union. My hon. Friend makes a number of points about potential solutions. Ultimately, that will be a matter for the next Prime Minister.

**Tom Brake** (Carshalton and Wallington) (LD): Will the Minister join me in condemning Lord Pearson, who has said,

“it is we who hold the stronger hand if we retaliate, because so many more of them”—

“them” being EU citizens—

“are living here”?—[*Official Report, House of Lords, 29 June 2016; Vol. 773, c. 1563.*]

For two specific categories—the 10,000 EU doctors, just under 10% of the staff, who work in the NHS, and EU students who have just embarked on their studies—can the Minister give any guarantees that they will be able to continue?

**James Brokenshire:** On the right hon. Gentleman's first point, I entirely agree—those comments are simply not acceptable. On his second point, yes, we know that about 50,000 EU citizens are working within the NHS. The contribution that they make is absolutely essential. I underline the points that I have made about the certainty that they have now in relation to existing EU rights, and working towards a position where we can give clarity moving forward.

**Dr Sarah Wollaston** (Totnes) (Con): Some 55,000 members of our NHS workforce qualified elsewhere in the European Union, as did 80,000 members of our equally valued care sector. They need security, not just now, but in the long term, because the workforce crisis is one of the biggest challenges facing the NHS. In addition to welcoming the extraordinarily valuable contribution that those people make to our health and care sector, will the Minister take back the clearest possible message from this House that we need long-term security now?

**James Brokenshire:** I am grateful to my hon. Friend for underlining the contribution that EU and other citizens make in providing care in the NHS and in the care sector for our elderly. Obviously, as part of the negotiations, we want to ensure that there is an assurance. It exists now—I stress that again—but I acknowledge the priority she has given to it.

**Mike Gapes** (Ilford South) (Lab/Co-op): My right hon. Friend the Member for Birmingham, Edgbaston (Ms Stuart) led the campaign that got us into this mess. May I take up with the Minister something he said about the British people living in other European countries? I declare an interest as president of Labour International. We have heard from lots of people who live in Spain and elsewhere who are very concerned about their future. Can the Minister end the uncertainty for those British people—many of whom could not vote in the referendum because they have been abroad for longer than 15 years—that they will not be forced out of Spain, France or elsewhere, by ensuring that the British Government make a quick, early statement on security for citizens of those countries here?

**James Brokenshire:** The hon. Gentleman makes his point well on the bigger implications and broader issues that we absolutely have to acknowledge in making decisions. That is why we need to act with care, consideration and thought, to ensure that we consider the rights not only of those from the EU who are here, but of British citizens overseas, who will be feeling equally uncertain. We need to think about both in our discussions.

**Mrs Anne Main** (St Albans) (Con): As the right hon. Member for Birmingham, Edgbaston (Ms Stuart), who asked the urgent question, will know, nobody on the official leave campaign raised the prospect of sending people away and deporting people. The issue has been raised by the Home Secretary and it is a catastrophic error of judgment for someone who wishes to lead this country even to suggest that those people who are here legally, who are working and who have families and are settled, should be part of the negotiations. She has made a big error of judgment and that message needs to go back to the Home Secretary today.

**James Brokenshire:** I am very sorry, but I think that my hon. Friend has completely mischaracterised what the Home Secretary said. She was merely saying that people come and go: some people who work here may go back to their home countries. That is the fluidity that we see in labour markets and in the movements of people between different countries. That is what the Home Secretary was referring to. We want to work to

ensure that the rights of those who are here are guaranteed, and that will form part of the negotiations.

**Alison McGovern** (Wirral South) (Lab): The Minister's answer to the question seems to be, "Trust me: it's all in hand." Is it any wonder that the family of my right hon. Friend the Member for Leigh (Andy Burnham) and thousands of other families up and down this country cannot trust the Government, given how they have handled the immigration question for years? May I ask the Minister to do a little better than saying, "Just trust me", and to say whether he has made representations on this issue to his opposite numbers in the French or Spanish Governments?

**James Brokenshire:** The issue is being treated seriously. It is not about multilateral negotiations but about getting it right and assessing all the complexities that I have already highlighted this afternoon. That is the appropriate response. As the Prime Minister has said, we need to look at the issue very carefully and it will be for the next Prime Minister to act.

**Kevin Foster** (Torbay) (Con): Knowing the contribution that EU nationals make to Torbay, I welcome this afternoon's far more positive portrayal of their contribution to society, particularly by one or two Members who have not done that over the past couple of months. Does the Minister agree that, in order to reassure them, we could make it very clear that, unless there is a retaliation within the European Union against British passport holders, we will guarantee their rights in the UK?

**James Brokenshire:** I welcome my hon. Friend's comments. We want to make sure that EU nationals who are already here can stay in Britain, but we also, as I have already stressed, need to guarantee the rights of British nationals living in EU member states. That needs to be a priority of our negotiations.

**Caroline Lucas** (Brighton, Pavilion) (Green): On exactly that point, can the Minister explain how it can possibly be likely to prejudice the rights of UK nationals in the EU if we do the right thing—if we do the moral thing—and uphold basic human rights by extending the rights of EU nationals here? Does he recognise how out of touch he is on this issue, and will he take that message back to the Home Secretary in no uncertain terms?

**James Brokenshire:** Of course, I understand the point that the hon. Lady makes about wanting to act. We need to be careful about the unintended consequences and other implications of things that we do now, up front, to ensure that we get the best possible outcome for British citizens overseas. It is about looking at this in the round to achieve the best outcome. I think she and I both agree on that, but we differ on how we should go about it.

**David Rutley** (Macclesfield) (Con): I understand the concerns that have been expressed today. My mother is a Danish national who has lived in the UK for more than 50 years. My right hon. Friend has set out that there are complexities here. However, can he reassure the House that this is an urgent priority and that plans

[David Rutley]

are being developed urgently, not only in the Home Office but by the EU Brexit unit that has been set up recently by the Prime Minister?

**James Brokenshire:** Yes, I can. My hon. Friend makes reference to the new unit that has been established, and this is certainly seen as an early item in that work.

**Fiona Mactaggart (Slough) (Lab):** Is the Minister aware that his remarks and the remarks of the Home Secretary have created real insecurity among a number of people, who are now seeking to become British and who are perfectly qualified for British citizenship? The Minister is about to make hundreds of thousands of pounds of profit from those applications. What is he going to do right now to cut the cost of becoming British, or at least to make it happen faster and more efficiently, for the many European citizens who will become British because they are so unsure of their own future?

**James Brokenshire:** I do not accept that my comments or the comments of the Home Secretary have in any way added to the uncertainty that the right hon. Lady has pointed to. The Prime Minister said clearly that nothing changes while we remain a member of the European Union. Obviously, we need to make decisions for the future, and that will be for the next Prime Minister.

**Ms Tasmina Ahmed-Sheikh (Ochil and South Perthshire) (SNP):** Interestingly, throughout the referendum campaign the Government did not indicate what their position would be on the matter. Since the result, they have demonstrated nothing other than that they are completely unprepared for this and every other issue. EU nationals are part of our communities, and our children share classrooms and friendships with them. The Secretary of State for Education stated in an answer to oral questions just before this urgent question that she believes that EU nationals and their children should be allowed to remain in this country. Does the Minister agree with his colleague?

**James Brokenshire:** As I have indicated, I believe that we need to work to make sure that people who are here can stay in the UK. Securing that needs to be part of the negotiations. That is part of those discussions, as is the position of British nationals overseas.

**Mr David Hanson (Delyn) (Lab):** The Minister's statement condemns large numbers of constituents of mine who are married to foreign nationals, expecting children with foreign nationals or employed in factories here and abroad with foreign nationals to great uncertainty. If he will not accept the will of the House today, will he give a clearer indication of the timescale than simply, "It is a matter for the next Prime Minister"?

**James Brokenshire:** The right hon. Gentleman will know that there are a number of issues that flow through from the decision that has been made for the UK to leave the European Union, and this is but one of them. I entirely recognise the points that he and others have made, but this is how we are able to get the best outcome for European citizens here and British nationals

overseas, and therefore it is part of our detailed, considered work. As I have indicated, it is certainly a priority aspect of that work.

**Douglas Chapman (Dunfermline and West Fife) (SNP):** What does the Minister say to my constituent Teodóra Bokonyi, one of the 1,183 EU nationals to whom I wrote last week, who is in full-time education in Scotland and has two years of study left before she gains her degree? What pre-Brexit legal advice was sought by the Government, and will he share that advice, so that I can advise my constituent on how best to be safe and secure in following her studies in the UK?

**James Brokenshire:** I wish the hon. Gentleman's constituent well with her studies, which should continue, and she should have no fears in relation to the current situation, as I have highlighted. We do not share legal advice. That has been the well-founded position of many Governments over the years. I want to assure people that nothing is changing now and the process could take a number of years. I wish her well with her studies in Scotland.

**Andy Slaughter (Hammersmith) (Lab):** Thank you very much, Mr Speaker, for granting this urgent question, although it is somewhat bizarre to see the Brexiteers on both sides of the House weeping crocodile tears. What am I to tell the 15% of my constituents who are EU nationals, hundreds of whom have written to me to express their dismay and, given the racist attacks like that on the Polish centre in Hammersmith, fear? Many of them are thinking of going to another country. If they do, it will be we, not they, who are the poorer for it. We need certainty, and we need it now.

**James Brokenshire:** I utterly condemn attacks on any citizens in this country as a consequence of their nationality, faith, creed or colour. They are completely unacceptable and do not represent the country that I or this Government believe in. This House has unequivocally condemned such actions. There have been ministerial visits to the Polish centre. I recognise the points that the hon. Gentleman makes. Clearly, nothing is changing now and it is the negotiations that will provide the ultimate certainty. We want to ensure that the UK remains an open and attractive place for people to come to, to live, work and study. For my part, that is the approach that I will continue to advocate.

**Brendan O'Hara (Argyll and Bute) (SNP):** In the disgraceful absence of the Home Secretary, can the Minister offer any reassurance beyond "not immediately" to my constituent, Alex Westley, and his French-born wife, Morgan, who fear that her long-term future in the UK cannot be guaranteed? Morgan came to Scotland in good faith. She has built a life here and is contributing to Scottish society. Surely, common decency dictates that she and the millions like her deserve guarantees of their long-term security?

**James Brokenshire:** I entirely understand the point the hon. Gentleman makes and the assurance he seeks. Nothing will change immediately, as the Prime Minister has stated clearly. I want us to get to the position where EU nationals who are already here can stay in Britain, but that needs to be part of the negotiation.

**Kate Green** (Stretford and Urmston) (Lab): Yesterday, I was stopped in the street by a constituent who is an EU national whose children were born here. The family are from Denmark, but the children do not speak a word of Danish and the older child is due to start school next term. Does the Minister understand that the Government have an obligation to uphold the best interests and welfare of children and that this uncertainty is putting parents in an impossible position?

**James Brokenshire:** As I have said in response to other questions, I understand the position we face as a consequence of the UK's decision to leave the EU. As I have indicated, no immediate changes will happen while we remain an EU member state. Clearly, we want to be in a position to give the guarantees that the hon. Lady's constituent seeks. That will be a core part of the negotiations that will follow.

**Wes Streeting** (Ilford North) (Lab): In a written parliamentary question in January, I asked the Home Secretary to outline the contingency plans her Department was making for a leave vote. In the reply, the Minister gave no assurances. Is it not clear that on this issue, as with every question thrown up by the leave vote, the Government have done absolutely no contingency planning? The consequence in this instance is that people who are making decisions about their education, their jobs and their families have no assurances whatsoever from the Government. Is the Minister not ashamed of that position, and does it not reflect the cavalier approach of this Government since they were elected last year?

**James Brokenshire:** No. I do not accept the characterisation that the hon. Gentleman seeks to proffer. I say to him very clearly that the security and guarantees that he and his constituents may be seeking require the positive outcome of the negotiations with the European Union. That is the absolute focus of this Government with the establishment of the new unit in the Cabinet Office. It will be for the new Prime Minister to take that forward.

**Steven Paterson** (Stirling) (SNP): Since this Government have shown themselves to be woefully inadequate in setting the right policy and doing the right thing by EU nationals, will the Minister consider devolving these powers to Scotland, which has a Government who can lead and will do the right thing?

**James Brokenshire:** No.

**Tristram Hunt** (Stoke-on-Trent Central) (Lab): Following on from the question from the hon. Member for Ochil and South Perthshire (Ms Ahmed-Sheikh), can we be clear that the Secretary of State for Education confirmed at the Dispatch Box that the children of all EU nationals would continue to be educated in British schools? Will the Minister tell us whether that will go up to the age of 18, or 21, or does he not have clue, as with the rest of his answers?

**James Brokenshire:** The Secretary of State for Education made her comments this afternoon and clearly he will need to direct further comments to the Department.

**Tristram Hunt:** You're part of the same Government!

**Mr Speaker:** Order. Members are in a very excitable state. *[Interruption.]* Normally, the hon. Member for Stoke-on-Trent Central is a very cerebral and well behaved fellow. He must take some sort of soothing medicament, because I am sure he wants to listen to his hon. Friend the Member for Denton and Reddish (Andrew Gwynne).

**Andrew Gwynne** (Denton and Reddish) (Lab): It is frankly unbelievable that no contingency planning had taken place in respect of a leave vote, not just on EU citizens living and working in the UK but on UK nationals living and working in other EU member states. Given that those people are disproportionately older and retired, and EU citizens living and working in the UK tend to be younger, in work and paying tax to the Exchequer, what kind of bargaining chip does the Minister think he has?

**James Brokenshire:** This is not a question of bargaining chips at all, as I have said very clearly throughout my contributions this afternoon; rather, it is about looking at this issue in the round, with all the implications there are. It is not right to suggest that every EU national here fits the categories that the hon. Gentleman described. We have the self-employed, those who are employed, retained workers of self-employed persons, those who are retired, jobseekers, students, the self-sufficient and family members. These are complex issues that require careful consideration. That is what we need to do.

**Stuart Blair Donaldson** (West Aberdeenshire and Kincardine) (SNP): If the Government are unwilling to guarantee the future of EU nationals living here, what assessment have they made of the impact on public services of the exodus of EU nationals and the potential return of hundreds of thousands of retirees from abroad?

**James Brokenshire:** As I have already indicated, we want to be in a position in which EU nationals who are already here can stay in Britain. As I have already made clear, there is no change to the current arrangements or situation. We want to work quickly to see that these issues are resolved, but I again repeat that that needs to be part of the negotiations.

**Seema Malhotra** (Feltham and Heston) (Lab/Co-op): May I put on the record my absolute disappointment with the Minister's statement today? On an issue that appears to command consensus among those who campaigned both for leave and for remain, it beggars belief that the Home Secretary yesterday and the Minister today cannot give the reassurance that the millions of people in this country need that they can stay here and have the rights that they deserve, and it is notable that not one Member of this House has so far agreed with the Government's position. These people are our teachers, our doctors, our entrepreneurs; they are also our taxpayers. They deserve that reassurance. The tone the Minister would then send to other European nations would in my view be the kind of tone we need to keep relations with our allies and protect the rights of our British citizens abroad.

**James Brokenshire:** I absolutely appreciate and recognise the huge contribution that EU citizens make to our economy and in so many other different ways. They enrich our country. There are difficult challenges to face

[James Brokenshire]

now as a consequence of the decision that has been taken for the UK to leave the European Union. I have been very clear, as has the Prime Minister, that EU nationals' rights remain unchanged while we remain a member of the European Union. Clearly, we are working to ensure that the negotiations are successful in giving those guarantees to ensure that those who are here are able to stay.

**Tommy Sheppard** (Edinburgh East) (SNP): The Minister keeps evading our inquiries on the whereabouts of his boss. What is so important that the Home Secretary cannot attend this urgent question, which in large part has been occasioned by her comments to the press? Does the Minister understand that many thousands of our fellow citizens are fearful and anxious for their future and that his procrastination serves only to fuel rather than to allay that anxiety?

**James Brokenshire:** I respond to issues relating to migration and our immigration system, so it is entirely appropriate for me to respond to this urgent question. I note and appreciate the hon. Gentleman's point about uncertainty for European citizens in the UK, as well as for British citizens overseas. That is why I have been clear that there are no immediate changes. I have sought to give that assurance, and it is unfortunate that many contributions have sought to stoke up some of those uncertainties, when the Government have been providing clarity and assurance on the process that will need to take place to give the sort of comfort that the hon. Gentleman seeks.

**Alan Brown** (Kilmarnock and Loudoun) (SNP): The right hon. Member for Birmingham, Edgbaston (Ms Stuart) has a brass neck for bringing this urgent question to the House, and the Minister has a brass neck for saying that EU citizens will not be used as bargaining chips, because that is exactly what he is doing. His boss, the Home Secretary, has a brass neck for making comments and then not coming to the House. I have continually heard the phrase "strong government", so will the Minister find the strength to find his boss, do the right thing and make a decision for EU citizens?

**James Brokenshire:** The hon. Gentleman makes his point in his own way, and I will make mine in my own way. We recognise and respect the contribution that EU citizens make in the UK, and equally we must ensure that the rights of British citizens overseas are protected. We will take that combined approach to get the best possible outcome for both.

## Surplus Target and Corporation Tax

4.27 pm

**John McDonnell** (Hayes and Harlington) (Lab) (*Urgent Question*): To ask the Chancellor of the Exchequer if he will make a statement on proposals regarding the Government's surplus target and plans to further cut corporation tax.

**The First Secretary of State and Chancellor of the Exchequer (Mr George Osborne):** In the past week, I have sought to be realistic with the British people about the economic challenges we now face but to mix that realism with reassurance that we can rise to those challenges. The financial contingency plans that the Governor of the Bank of England and I put in place have proved effective to date. Financial markets have adjusted, but I can report today that, although we remain vigilant, they have shown no signs of disorder. We must now respond to developments in the real economy, which will require a supreme national effort.

First, we must look to support demand and ensure that credit flows freely in our economy. The Governor of the Bank of England said on Friday that

"some monetary policy easing will likely be required over the summer".

Thanks to the reforms that I introduced, the independent Bank of England has the tools that it needs to act against the cycle and support lending in the economy. The Financial Policy Committee will publish its decisions tomorrow, and we stand ready in the Treasury to act in concert with the Bank of England should more need to be done to support funding for lending.

The second part of our national effort must be to maintain Britain's fiscal credibility. Eight years ago, people questioned Britain's ability to pay its way in the world; eight years later, British gilts are seen as a safe haven and funding costs have fallen to record lows. We should maintain the fiscal consolidation measures that we have announced. However, our rules were always explicit that, in the face of what the fiscal charter calls a "significant negative shock", we should allow the automatic stabilisers to operate, and with the consensus of economic forecasters now lowering the forecast growth for the UK next year—from close to 2% before the referendum to 0.4% now—that is what we will do. We must be realistic that the target for a surplus is unlikely to be achieved in 2019-20. The Office for Budget Responsibility will conduct a formal assessment when it produces a new independent forecast in the autumn, and then we will have a clear idea of what additional measures are required to maintain fiscal credibility.

Thirdly, we need to broadcast loud and clear the message that Britain remains the best place in the world to do business. In the past six years, we have reduced Britain's corporation tax rate from 28% to 20% today, and 17% in the future. I did that at the same time as taking difficult decisions elsewhere to balance the books. In my view, the strongest signal we could send to the world that Britain, after the referendum, is open to the world and ready to do business would be to cut corporation tax still further. We should aim for a rate of 15% and preferably lower, because if we are pro-business, we are pro-jobs, pro-living standards and pro-working people.

Fourthly, the referendum result revealed a deep-seated feeling of disfranchisement in too many of our communities, especially in the midlands and the north of England. As I said in Manchester on Friday, the northern powerhouse is the right response and we need to redouble our efforts with elected mayors and new transport infrastructure. In my view, once both parties have determined who their leader should be, we should then get on and build a new runway in the south-east of England, because we cannot be open to the world if we cannot fly there.

Fifthly and finally, while we must seek with our European neighbours the best possible terms of trade in goods and services, including financial services, now is the time also to redouble our efforts to promote trade with the rest of the world. I have spoken to my US counterparts. Later this month, I will be travelling to China to build on that important new partnership.

To conclude, this is a blueprint to meet our economic challenge. Nothing positive will come from looking back in anger. We must lift our eyes to the horizon ahead and make the best of what is to come.

**John McDonnell:** I would like to thank the Chancellor for his response. I think it is important that, as in the Opposition day debate last week, we set the tone of our response at the level of the national interest and take care to avoid making any statements that would adversely impact on fragile markets.

I have to say, however, that a lack of planning for a leave vote is becoming evident across all policy areas. Instead of a clear plan of action, we have so far had a series of ad hoc statements and announcements, including the grateful abandonment of the “Brexit Budget”, which was to increase the sharply the level of austerity being applied. The fiscal surplus target has been abandoned and today the Chancellor has announced planned reductions in the headline rate of corporation tax.

Rather than ad hoc announcements, we need a framework for economic decision making. Previously, the Government sought to do that with the fiscal charter, which was passed into law last autumn despite Labour opposition. May I ask the Chancellor now, since he is no longer pursuing the fiscal surplus target, if the charter is also to be abandoned? Will he be putting a motion to repeal the law before this House? Will he be seeking to place a new fiscal rule on a similar basis in legislation?

The Chancellor has announced today that he will redouble his efforts to invest in the northern powerhouse. Of course the details of that are to be decided, but will he tell the House when he expects to have a detailed programme of investment? What scale of investment should we expect? What areas, and how focused will that investment be? Does he now agree with Labour Members, and the Secretary of State for Work and Pensions, that a major programme of Government investment is urgently needed? Does he agree with the Home Secretary’s decision not to give a guarantee to existing EU nationals living and working in this country? What will be the economic effects of that? Will he therefore give a more detailed statement to the House on the economic consequences of this decision?

The Chancellor has promised that, while seeking to boost investment, he will be maintaining  
“the consolidation that we put in place last year.”

May I ask him for some clarification on this point? Is he now ruling out any further or additional consolidation in light of the leave vote? Regarding the planned cuts to the headline rate of corporation tax, the news has not been well-received by our international partners. Pascal Lamy of the World Trade Organisation has accused the Chancellor of “tax dumping”. He also highlights the risk to future negotiations with the EU.

I want to raise three critical questions on this issue. The Chancellor’s Budget this year suggested that his one percentage point reduction in the headline corporation tax rate will reduce expected revenues by about £1 billion. Does the Chancellor still hold to that estimate? How will the Chancellor pay for any losses in tax revenues from the proposed corporation tax cuts? Who will pay? The evidence from existing cuts to corporation tax is not favourable. Despite year-on-year reductions in the headline rate to the lowest rate in the G7, business investment remains low by G7 standards and has now fallen for two consecutive quarters.

Businesses are sitting on a cash pile of at least £500 billion yet are failing to invest. What assessment has the Chancellor made that a dramatic reduction in the corporation tax rate will have the desired effect on business investment, given the absence of evidence so far?

Finally, we know that the circumstances after the leave vote will be trying and that major forecasters now anticipate the UK possibly entering a recession over the next year. The Chancellor’s fiscal approach has failed and has been steadily abandoned. In the interests of the country, will he now commit to adopting a fiscal approach that allows the flexibility to invest while maintaining fiscal discipline, as the Opposition and now some on his own side are urging?

**Mr Osborne:** When I became Chancellor, there was a question mark over Britain’s ability to pay its way in the world, and that was reflected in our bond yields, but because of our determined effort over the last six years, when we have hit an economic shock, as we have done in the last two weeks, the response has been a fall in bond yields—because people have confidence in the UK.

First on planning, extensive contingency plans were in place to deal with financial market disorder as a result of a leave vote, and the fact that we are not debating that today shows that those plans have been effective—we remain vigilant, but those plans were in place. Secondly, we must now decide on the new model of our relationship with the EU. That was not on the ballot paper and has to be a decision for Parliament. We set out the options for the country in advance of the referendum debate, and now we must have that discussion.

Thirdly on planning, the fiscal charter specifically provides for the impact of a negative shock, which is what we have had, and as a result the rules of the charter apply. As I say, it is unlikely that the surplus will be achieved in 2019-20—although that will be for the OBR formally to assess—and it will then be up to the Chancellor to produce new plans to restore the public finances to surplus and for Parliament to vote on them. We thought about that in advance: it is in the charter that the House voted on.

[Mr Osborne]

The hon. Gentleman talked about investment. On Friday, I met the Labour leader of Manchester City Council, Richard Leese. We talked about how we could redouble our efforts to invest in transport across the Pennines and about devolved powers for mayors and the like. That will be part of our response to the disfranchisement that too many of our citizens in the midlands and the north of England have clearly felt.

Finally, the hon. Gentleman also asked about business confidence and the corporation tax cuts. Not only have our corporation tax cuts given us the lowest corporation tax rate of all the advanced economies of the world, but we have seen a 20% increase in receipts from corporation tax—because businesses are coming to this country, growing their businesses in this country and employing 2 million people. The best response we can send to the world to show that we are open for business is to go on reducing business tax.

**Mr Andrew Tyrrie** (Chichester) (Con): The Chancellor has done the right thing to buttress the decisions of the Bank on monetary policy with fiscal measures, particularly by allowing the automatic stabilisers to kick in. The 2020 fiscal surplus target was always likely to be a casualty at the first sound of Brexit gunfire, and so it has proved—hence the need to take advantage of the charter's flexibility. Does he agree that, in order most effectively to bolster credibility in the coming years, over the next few months we need to develop a rule that sets fiscal policy in a longer-term framework and which is resilient to changes in the OBR's short-term forecasts?

**Mr Osborne:** It is clearly likely that we will be impacted by a cyclical downturn in the public finances—we can already see the growth forecasts being adjusted. The OBR will help us to make an assessment of the referendum result's structural impact on the public finances and our chances of hitting the target—as I say, it looks unlikely that we will hit it—and then, under the fiscal charter, it will be up to the Government to produce a plan that will be debated and voted on by the House. We have provided for this contingency, and now we need to let the OBR do its work.

**Stewart Hosie** (Dundee East) (SNP): I welcome what the Chancellor said about possible monetary policy easing from the Bank, about the automatic stabilisers and, in particular, about export promotion—we hope that that will be matched by a U-turn on the cuts to the UK Trade & Investment's export promotion budget.

In general terms, we welcome the U-turn on the arbitrary fiscal surplus rule, which, we should remember, planned to cut more than £40 billion a year and was required to run a balanced current account budget. While we support tax competition and recognise that corporation tax cuts might be a useful tool in the fight against capital flight in the aftermath of the appalling Brexit decision, it is also true if we look at the 2016 Red Book numbers as a guide, that a substantial cut in corporation tax—say, 5%—could, in the absence of behavioural change, lead to a reduction of revenue yield of about £2.5 billion a year. I ask the Chancellor one question in particular. Given that he has abandoned his fiscal rule, will he today rule out any plans to claw back

potential losses in revenue yield from the cut in corporation tax, in the absence of behavioural change, through the mechanism of further attacks on the welfare budget?

**Mr Osborne:** First, as a result of the reforms we have made over the last six years, the Bank of England has many more tools at its disposal than it did in the financial crash. Obviously, it can act on monetary policy consistent with its inflation target. The Governor of the Bank of England, speaking in a personal capacity as a member of Monetary Policy Committee, said that easing was likely to be required. A number of other tools, including counter-cyclical financial tools, are available, which means that there is a range of options to deploy. Over the coming weeks, we will hear whether, how and why the Bank of England, which is independent in its decision making, needs to deploy those tools.

I am rather disappointed that the SNP spokesman has not reminded us that it was SNP policy to cut corporation tax. Indeed, that has been its policy for year after year. In the independence referendum, the SNP said that one of the benefits of independence was the ability to cut corporation tax. The great thing about being in the United Kingdom is that the SNP can get corporation tax cuts in any case.

**Mr Christopher Chope** (Christchurch) (Con): When did my right hon. Friend decide that he was not going to introduce an emergency Brexit Budget to penalise the people who voted leave?

**Mr Osborne:** We have to be realistic about the economic shock that the referendum result has created, which is acknowledged not just by the Bank Governor but by many independent forecasters—it is reflected in the financial markets. It will have an impact on the public finances, which will partly be cyclical, but also partly structural. In the end, a structural deficit—my hon. Friend, who is a good fiscal conservative, will know this—needs to be addressed through either reduced spending or higher taxes over time. Obviously, as a Conservative, I tend to look at the spending solution rather than the tax one, but that is what happens when there is a structural deficit, as we know to our cost in this country. Let us wait for the OBR to make its assessment in the autumn, then we can collectively decide how to proceed.

**Rachel Reeves** (Leeds West) (Lab): The OBR says that cuts in corporation tax have so far had no discernible impact on either business investment or growth. Indeed, in the latest forecast, despite cuts to corporation tax, business investment was revised down. I urge the Chancellor to look instead at helping small businesses or investing in infrastructure rather than going ahead with further cuts in corporation tax, which so far seem to have made no difference.

**Mr Osborne:** I am all for supporting small businesses, which is why we have a package of rates relief in the Budget. I am all for making the big transport investments, which this country has, frankly, not done for a generation. That is why I support High Speed 2 and indeed High Speed 3, as well as a new runway in the south-east of England.

The OBR has revised up its economic forecast for business investment when we have introduced corporation tax cuts, so it draws a link between the two. A study on the long-term impact of our corporation tax cuts so far suggests that they have seen an increase in our long-run GDP of 1.3%, which is the equivalent of £24 billion in today's prices.

**David Rutley** (Macclesfield) (Con): Before the referendum, the Finance Bill set out the path to lower corporation tax, so I am pleased, following the result, that the Chancellor has set out further steps to reduce it and to invest much more in the northern powerhouse. Will my right hon. Friend tell us what conversations he has had with business leaders about his proactive approach, following the referendum result?

**Mr Osborne:** Over the past 10 days I have had numerous conversations with various business leaders and leaders of financial institutions, and tomorrow I will be meeting the heads of some of the major banks to discuss how we proceed. The overall, and very clear, message from the Prime Minister's business council, which met on Thursday, was, "Let us send a message round the world that we are not closed for business, we are not turning our back on the world; we are open to business and we are reaching out to the world." A good way of doing that is to further reduce corporation tax, and then we must make the most of our links not just with our European friends, but with countries such as China, India and the United States, where we should be seeking to strengthen our trading links.

**Helen Goodman** (Bishop Auckland) (Lab): Cutting corporation tax in this way is highly likely to annoy our EU partners, which is extremely foolish in the run-up to the article 50 negotiations. Would not a better way of averting the risk of recession be to promise to replace the EU funds we are going to lose, and which were such an important part of the northern devolution deals?

**Mr Osborne:** When it comes to annoying our European partners, I do not think this is going to be the thing that tips the balance after the last couple of weeks. Ireland is a member of the EU and has a 12.5% corporation tax rate. When it comes to investment in the north and the midlands, I am very much open to what further steps we can take. I do not pretend that we have done everything possible; I think there is more we are going to have to do, and all of us collectively—particularly those who represent constituencies in the north and the midlands—need to focus on what we can do to make sure that people feel more enfranchised and connected with this country's economic success.

**Kit Malthouse** (North West Hampshire) (Con): The Brexit vote was always going to require a Treasury response so I am pleased the Chancellor has produced one, but, rather than concentrate on the profit and loss, I wonder if he would care to look more at the balance sheet and consider measures to lift or relieve some of the constraints on the operational liquidity of capital in the economy. Our capital base is fundamental to our growth, and taxes and regulations on the operation of capital are significant constraints. So will the Chancellor look at investment allowances, tax breaks on starting

new businesses and capital gains tax, in the hope that we can maintain a nice liquid market for capital investment in the UK?

**Mr Osborne:** My hon. Friend is right to say that, while taxes on business profits are important, capital taxes are also vital to stimulating investment. That is why in the Budget we reduced capital gains tax—and, with hindsight, that is an even more sensible move than I thought it was at the time. I am always ready to consider further investment allowances, and we have very successful allowances such as the enterprise investment scheme. Of course, the balance has always got to be between simplification and simplicity of the tax system and new allowances, and sometimes people call on me in the same breath to do both things—not my hon. Friend, because he is very clear in his thinking. We have got those allowances, but reducing headline rates is generally the better approach.

**George Kerevan** (East Lothian) (SNP): With the benefit of hindsight, does the Chancellor accept that his original threat to introduce a deflationary Budget in the event of a Brexit vote was both bogus and counterproductive?

**Mr Osborne:** What I was setting out with Alistair Darling, my immediate predecessor, was the realism that will be required when we understand that the economy, impacted by the vote, will have an impact on the public finances, and then it will be up to the House of Commons to decide how we proceed. It was important that that information was in the public domain before people voted.

**Kevin Foster** (Torbay) (Con): First, may I put on record my thanks to the Chancellor for the work he has done over the last week in stabilising the economy following the Brexit vote? Gooch & Housego in my constituency is a company that depends on exports. What message does the Chancellor have for such exporting businesses about Britain's future role in the world, particularly in terms of trade?

**Mr Osborne:** We need to do two things. First, we need to determine our new trading relationship with our European partners; about half of our exports go to the European continent and, in my view, we should be pushing for the best possible terms of trade in goods and business services, including financial services. Secondly, we should be maximising our links with the rest of the world. We have a real opportunity with China. As my hon. Friend will know, I have been very involved in trying to strengthen the relationship with that big emerging economy in our world, but we should also look to our links with Japan, India, the United States and the Commonwealth, and this is a call to action that we need to redouble our efforts.

**Stephen Timms** (East Ham) (Lab): The Chancellor gained his office because he promised in 2010 that he would eradicate the deficit by 2015. He failed on that, as we always knew he would, and he is now giving up on achieving that aim by 2020 or indeed by any specific date. Was not his long-term economic plan, which he has now dumped, only ever just a vacuous slogan?

**Mr Osborne:** We gained office because we were faced with the complete economic mess created under the last Labour Government. We promised to turn that around,

[*Mr Osborne*]

and we got a record number of people into work and have had the fastest growing economy for the past three years. When it comes to the deficit, the right hon. Gentleman was a Treasury Minister and he left me with an 11% budget deficit—the highest in the peacetime history of this country—but this year it is forecast to be below 3%, so I will compare our record with Labour's record.

**Antoinette Sandbach** (Eddisbury) (Con): The Chancellor will be aware that I have many small and medium-sized businesses in my constituency that export to Europe. Will he explain what steps he is taking to ensure that UKTI has a package that will allow such businesses to look more globally for their exports?

**Mr Osborne:** I know my hon. Friend's constituency well, as it neighbours my own. We represent similar communities in Parliament. We as a country do not have to make a choice between exporting to Europe and exporting to the world; we should be doing both. Of course we should be doing everything we can to maintain close trading links with our European partners, and indeed building on them if that is possible, but we should also be looking for opportunities around the rest of the world. The trip that I am making to China will provide an opportunity to communicate that message, and I have also spoken to the Speaker of Congress and others in the United States Administration about what we can do to strengthen our links with that huge market. In the end, however, the best thing that UKTI can do is to help not only our largest companies but the small businesses that my hon. Friend has referred to. In countries such as Germany, many more small and medium-sized companies are exporting than is the case in the UK, but it is within our own gift to address that and we need to give those companies all the help that we can.

**Seema Malhotra** (Feltham and Heston) (Lab/Co-op): This week marks a year since the Chancellor published his productivity plan, and his record speaks for itself. UK productivity remains at the bottom of the G7 league table and 20% lower than the average. The plan was never a plan. Indeed, his decision today shows that he is continuing down that road. Is it not time for him to do what British businesses are actually calling for, which is to provide investment in our schools, in infrastructure and in affordable housing for workers, rather than doing as he is today and running the risk of our becoming tax haven Britain?

**Mr Osborne:** I do not think that the business community wants higher business taxes, which is the Labour proposal. When it comes to major transport investments, we are making them. Labour was in office during all those years when money was apparently coming in, but where were the major investments in the railways and the roads? Labour Members complain about our energy investments, but where are the power stations that were opened under the Labour Government? The more we look at that period of our economic history, the more we can see what a massive missed opportunity it was.

**Tom Brake** (Carshalton and Wallington) (LD): I am disappointed that none of the leading leave campaigners is here to listen to what the Chancellor has to say about

the impact of Brexit. Will he put the economy on a war footing to stave off a recession? Will he invest in infrastructure, particularly housing, and prioritise support to small and medium-sized businesses through the British Business Bank, which was set up by the Liberal Democrats in coalition, so that innovative companies will continue to receive support if bank lending dries up?

**Mr Osborne:** The British Business Bank—which was created under a policy announced by me at this Dispatch Box—is working successfully, and I pay tribute to Liberal Democrat colleagues in the coalition Government for helping us to deliver it. Of course it has an important role to play in the future. The right hon. Gentleman is right, in the broader sense, to say that we need to look at what we can do to support demand and credit in the economy. The Bank of England has many tools, and the Governor of the Bank has already indicated that, in his personal opinion, we should be looking at monetary easing.

**Jeremy Quin** (Horsham) (Con): I congratulate the Chancellor on his fiscal response, and also on his comment on Heathrow in the statement. Will he reassure the House about the strength and stability of the UK banking system, given the reforms of the last six years?

**Mr Osborne:** I thank my hon. Friend for his remarks. I should point out that I did not identify where the additional runway should be in the south-east of England, although I cannot but note that his constituency is next to Gatwick, so that may have been a loaded question.

As for my hon. Friend's broader point, he is right to point to the stability of the banking system. Although we remain vigilant, we are not, today, talking about a banking crisis, despite a very significant adjustment in financial markets. That is because of difficult decisions made by this Government and their coalition predecessor to strengthen the capital requirements, so that banks have 10 times as much capital as they had seven or eight years ago, and to strengthen the oversight of our banking system by putting the Bank of England in charge. I think that those decisions have been justified by what has happened in the last 10 days, but that does not mean that we can ease up; of course we remain vigilant.

**Andrew Gwynne** (Denton and Reddish) (Lab): The Chancellor referred to his fiscal charter, which, of course, has three pillars: the welfare cap, debt reduction in every year of this Parliament, and his target of deficit reduction by 2019-20. We know that he is not going to meet the last one, but can he update the House on the other two pillars?

**Mr Osborne:** The fiscal charter was explicitly designed to ensure that the House of Commons could hold Ministers to account for their fiscal policy, and, indeed, maintain controls on welfare policy. However, it also provided for a specific requirement, in the event of a negative shock, for them to come back to the House of Commons with a new proposal. That, it seems to me, is thinking ahead, and it has been required because of the challenges that we now face in the economy.

**Craig Whittaker** (Calder Valley) (Con): Nearly 20% of people in the Calder Valley work in manufacturing, much of which involves high-end niche manufacturers

who export. Does my right hon. Friend agree that those businesses need us to negotiate trade agreements not just with the European Union but with the rest of the world, and that it would be wise for us to draw breath before rushing into triggering article 50 for our exit from the EU?

**Mr Osborne:** The Prime Minister's position—which I share, and which I think is sensible for the country—is that we should trigger article 50 when we are clear, collectively, about the new model of the relationship that we want with our European allies, so that we are well prepared for the negotiations on which we would then embark.

**Ms Margaret Ritchie** (South Down) (SDLP): The Government have already approved a power for the Northern Ireland Executive to reduce corporation tax. In that context, does the Chancellor accept that the decision to cut corporation tax in Britain to 15% raises issues of attractiveness and competitiveness for the Northern Ireland rate when it comes to foreign direct investment?

**Mr Osborne:** As the hon. Lady knows, we still have to work out the fiscal underpinning of these arrangements, but they allow the Northern Ireland Executive to set any rate that they want. The good news about the reduction in the UK rate is that it applies to businesses throughout Northern Ireland as well, and, to put it bluntly, makes it cheaper for the Northern Ireland Executive to reduce their corporation tax rate.

**James Cartlidge** (South Suffolk) (Con): I welcome the commitment to lower the corporation tax rate, but may I echo the point made by my hon. Friend the Member for North West Hampshire (Kit Malthouse) about the need to look at our corporation tax regime in the round? I recently visited Lavenham Press, a printing company in my constituency, whose representatives pointed out that capital allowances had been cut. Given the importance of manufacturing, may I ask my right hon. Friend at least to keep the issue of capital allowances under review?

**Mr Osborne:** Of course we keep taxes under review. As I have said, my revealed preference is generally to try to reduce reliefs and reduce headline rates, which I think is the least economically distorting approach, but there are many exceptions to that. One of them has been the investment allowance, which we have increased, and which is particularly targeted at small and medium-sized businesses. It now stands at £200,000 as a permanent annual allowance, which is the highest that it has ever been.

**Alison McGovern** (Wirral South) (Lab): As ever, the Chancellor is fond of having a pop at the previous Labour Government, but there was a crisis in the markets to which that Government had to respond. This is a crisis made in Government to which the markets are responding. With that in mind, and because he has not answered this yet, will he say what proper assessment he has made of the impact of this cut in corporation tax on our country's productivity crisis?

**Mr Osborne:** First of all, the problems in the financial markets eight years ago hit this country more severely than almost any other country in the world, and the

Government at the time take some responsibility for that. Secondly, the challenge we face is one that was delivered by our democracy. It is a democratic outcome that we accept and respect and we have to make it work for our country. I am determined to make that happen.

As the hon. Lady well knows, productivity growth is a challenge in every western democracy at the moment. Indeed, the US is now predicted to have negative productivity growth. Productivity is still growing in the UK, but we need to do more to improve it. Education reform, welfare reform and transport investment are good places to start.

**Andrew Bridgen** (North West Leicestershire) (Con): From the moment the result of the EU referendum was announced and the British people said that they wanted to leave the European Union, prominent commentators in most areas of the media have revelled in running down the British economy and its future prospects. With employment at a record high and unemployment at a 10-year low, does my right hon. Friend agree that the British economy is well placed to face the future?

**Mr Osborne:** I completely agree with my hon. Friend. We are well placed because we have got behind Britain's businesses, large and small. The essential decision that we—he and I and our colleagues—took collectively six years ago was to push for a private sector recovery, rather than to continually pump in Government money to try to sustain the economy. That approach has been vindicated by the record numbers of jobs and businesses created and our record growth compared with other advanced economies.

**Alan Brown** (Kilmarnock and Loudoun) (SNP): A few weeks ago, we were told that a punishment Budget would be presented to Parliament if there was a leave vote. We are now told that we do not need one and that we can cut corporation tax. The contingency plan that the Chancellor is taking credit for is actually the work of the Bank of England, which presented him with the chance to go into hiding in the aftermath of the leave vote. Given the failure to meet targets and the number of U-turns, is it not the case that the Chancellor is making up a plan as he goes along?

**Mr Osborne:** The contingency plans that we had in place were joint plans of the Treasury and the Bank of England and require the authorisation of a Chancellor in certain aspects. Based on the assessment we made before the referendum of the different models available to the UK, we now have to make a decision about how we want to proceed as a country. I am clear that we want the closest possible economic links, so that vital industries—not just manufacturing, but financial services, which is important to the Scottish economy—are able to trade as freely as possible with our European neighbours.

**Mr Alan Mak** (Havant) (Con): The UK is a world leader in the financial services sector, which employs hundreds of thousands across the country and contributes substantially to corporation tax receipts. Will the Chancellor continue to do all that he can to protect this vital sector?

**Mr Osborne:** Financial services is our largest private sector employer, and two thirds of its jobs are outside our capital city. It is a vital industry in the many

[*Mr Osborne*]

different towns and cities of the United Kingdom. One of our key priorities is ensuring not only that our financial services industry continues to be a real success and that it is able to sell its services into Europe, but that we strengthen our links with other great global financial centres and economies. For example, becoming the offshore trading centre for the renminbi has been one of the real success stories of recent years.

**Nick Smith** (Blaenau Gwent) (Lab): Will the Chancellor support investment in projects such as further upgrading the Heads of the Valleys Road and electrifying the south Wales metro? Improving transport links will help to improve employment in the south Wales valleys and boost demand across the UK.

**Mr Osborne**: I am always happy to consider any good proposals to make further investment in our transport infrastructure. We of course support the electrification of railway lines both into south Wales and through the valleys. The Cardiff city deal has just been signed for the wider Cardiff city region, but if the hon. Gentleman has further proposals, I am happy to look at them.

**Mike Wood** (Dudley South) (Con): When the Chancellor cut corporation tax in the Budget, he reduced the losses that banks could offset against corporation tax liabilities. Will he consider extending that to ensure that while we have the lowest possible rates, everyone pays their fair share of corporation tax?

**Mr Osborne**: My hon. Friend rightly says that as well as reducing corporation tax rates, we did a lot to reduce some of the reliefs that have been used—and some that have been abused. Broadly speaking, that is the right direction of travel for our tax system.

**Madam Deputy Speaker (Mrs Eleanor Laing)**: The prize for patience goes to Nigel Mills.

**Nigel Mills** (Amber Valley) (Con): That is not a prize I get often. I welcome the Chancellor's decision to further reduce the rate of corporation tax—I called for it in the Budget debate last week, so I ought to welcome it. To get the most benefit out of that, we need to simplify our business tax system further to make it more attractive. Will he therefore agree to hold a review to try to make our system as simple as it can be?

**Mr Osborne**: We are seeking to make our business tax system simpler, and our Office of Tax Simplification will be on a statutory footing and will help us. Let me be a bit discursive at the end here. In this job, I get many requests for tax reliefs and tax breaks for particular things, all of which are very worthy and sensible. They do, however, complicate the tax system. Sometimes the more difficult path is to say that welcome though lots of different reliefs would be, the simpler thing would be to reduce the rate. Broadly speaking—there are exceptions to this—that is the approach that I have followed and intend to follow in the future.

## BILLS PRESENTED

### VEHICLE NOISE LIMITS (ENFORCEMENT) BILL

*Presentation and First Reading (Standing Order No. 57)*

Kevin Foster, supported by Wendy Morton, Kit Malthouse, Mark Field and Michael Tomlinson, presented a Bill to make provision for the enforcement of noise limits for vehicles via automatic monitoring equipment; and for connected purposes.

*Bill read the First time; to be read a Second time on Friday 2 December, and to be printed (Bill 27).*

### BROADCASTING (RADIO MULTIPLEX SERVICES) BILL

*Presentation and First Reading (Standing Order No. 57)*

Kevin Foster, supported by Wendy Morton, Michael Tomlinson, Maggie Throup, Valerie Vaz, Peter Heaton-Jones, David Warburton, Kit Malthouse, Danny Kinahan and Mike Wood, presented a Bill to make provision about the regulation of small-scale radio multiplex services; and for connected purposes.

*Bill read the First time; to be read a Second time on Friday 13 January 2017, and to be printed (Bill 28).*

### WILD ANIMALS IN CIRCUSES (PROHIBITION) BILL

*Presentation and First Reading (Standing Order No. 57)*

Kevin Foster, supported by James Heapey, Nusrat Ghani, Wendy Morton, Michael Tomlinson, Louise Haigh, Will Quince, Anna Turley, Simon Hoare, Mr Philip Hollobone, Bob Blackman and Jim Dowd, presented a Bill to prohibit the use of wild animals in circuses; and for connected purposes.

*Bill read the First time; to be read a Second time on Friday 24 February 2017, and to be printed (Bill 29).*

### ANIMAL FIGHTING (SENTENCING) BILL

*Presentation and First Reading (Standing Order No. 57)*

Kevin Foster, supported by Nusrat Ghani, Wendy Morton, Michael Tomlinson, Jim Dowd, Anna Turley, Mr Philip Hollobone, Louise Haigh, Simon Hoare, Philip Boswell, Rebecca Pow and Dr Lisa Cameron, presented a Bill to amend the Animal Welfare Act 2006 to increase the sentence available to the court for those convicted of a criminal offence related to animal fighting; and for connected purposes.

*Bill read the First time; to be read a Second time on Friday 24 February 2017, and to be printed (Bill 30).*

### LOCAL AUDIT (PUBLIC ACCESS TO DOCUMENTS) BILL

*Presentation and First Reading (Standing Order No. 57)*

Wendy Morton, supported by Kevin Foster, Michael Tomlinson, Sir David Amess, Mary Robinson and Ben Howlett, presented a Bill to extend public access to certain local audit documents under section 26 of the Local Audit and Accountability Act 2014.

*Bill read the First time; to be read a Second time on Friday 25 November, and to be printed (Bill 31).*

### CROWN TENANCIES BILL

*Presentation and First Reading (Standing Order No. 57)*

Wendy Morton, supported by Kevin Foster, Michael Tomlinson, Sir David Amess, Ben Howlett, Mark Pawsey and Jeremy Lefroy, presented a Bill to provide that

Crown tenancies may be assured tenancies for the purposes of the Housing Act 1988, subject to certain exceptions; to modify the assured tenancies regime in relation to certain Crown tenancies; and for connected purposes.

*Bill read the First time; to be read a Second time on Friday 16 December, and to be printed ( Bill 32 ).*

#### HIGHWAY WORKS (WEEKEND WORKING AND TRAFFIC MANAGEMENT MEASURES) BILL

*Presentation and First Reading ( Standing Order No. 57 )*

Wendy Morton, supported by Kevin Foster, Michael Tomlinson, Sir David Amess, Mary Robinson, Maggie Throup, Ben Howlett, Amanda Solloway, Jeremy Lefroy and Victoria Prentis, presented a Bill to regulate works on certain highways in England by making provision about weekend and bank holiday working and provision about removal of traffic lights and other traffic management measures after the completion of works.

*Bill read the First time; to be read a Second time on Friday 20 January 2017, and to be printed ( Bill 33 ).*

#### LOCAL AUTHORITY ROADS (WILDLIFE PROTECTION) BILL

*Presentation and First Reading ( Standing Order No. 57 )*

Wendy Morton, supported by Kevin Foster, Michael Tomlinson, Sir David Amess and Anna Turley, presented a Bill to place a duty on local highways agencies and local transport authorities to make provisions safeguarding wildlife on roads passing through, or adjacent to, specified protected areas; and for connected purposes.

*Bill read the First time; to be read a Second time on Friday 3 February 2017, and to be printed ( Bill 34 ).*

#### USE OF PROPERTY (PROTECTION) BILL

*Presentation and First Reading ( Standing Order No. 57 )*

Michael Tomlinson presented a Bill to make provision about protecting existing and established use of property; and for connected purposes.

*Bill read the First time; to be read a Second time on Friday 21 October, and to be printed ( Bill 35 ).*

#### ROAD TRAFFIC OFFENDERS (SURRENDER OF DRIVING LICENCES ETC) BILL

*Presentation and First Reading ( Standing Order No. 57 )*

Michael Tomlinson presented a Bill to make provision about the surrender, production or other delivery up of driving licences, or test certificates, in relation to certain offences; to make provision in relation to identifying persons in connection with fixed penalty notices, conditional offers and the payment of fixed penalties under the Road Traffic Offenders Act 1988; and for connected purposes.

*Bill read the First time; to be read a Second time on Friday 27 January 2017, and to be printed ( Bill 36 ).*

#### PROVIDERS OF HEALTH AND SOCIAL CARE (SCHEMES UNDER SECTION 71 OF THE NATIONAL HEALTH SERVICE ACT 2006) BILL

*Presentation and First Reading ( Standing Order No. 57 )*

Michael Tomlinson presented a Bill to amend section 71 of the National Health Service Act 2006 to enable schemes under that section to make provision to meet

liabilities of health and social care providers in respect of integrated health and social care services.

*Bill read the First time; to be read a Second time on Friday 24 March 2017, and to be printed ( Bill 37 ).*

#### CARBON MONOXIDE POISONING (SAFETY ABROAD) BILL

*Presentation and First Reading ( Standing Order No. 57 )*

Michael Tomlinson presented a Bill to require companies offering or marketing holiday accommodation in other countries to British citizens to undertake specified health and safety measures in relation to carbon monoxide emissions; and for connected purposes.

*Bill read the First time; to be read a Second time on Friday 24 March 2017, and to be printed ( Bill 38 ).*

#### PROTECTION OF FAMILY HOMES (ENFORCEMENT AND PERMITTED DEVELOPMENT) BILL

*Presentation and First Reading ( Standing Order No. 57 )*

Steve McCabe presented a Bill to make provision about guidance to local authorities on when to take enforcement action for breaches of planning law; to clarify guidance on the scope of permitted development rights; to make provision about rights and entitlements, including of appeal, for people whose homes are affected by such breaches; to make provision for the inspection and regulation of building under the permitted development regime; to establish financial penalties for developers who breach planning law in certain circumstances; and for connected purposes.

*Bill read the First time; to be read a Second time on Friday 28 October and to be printed ( Bill 39 ).*

#### PERSONAL, SOCIAL, HEALTH AND ECONOMIC EDUCATION (STATUTORY REQUIREMENT) BILL

*Presentation and First Reading ( Standing Order No. 57 )*

Caroline Lucas, supported by Mrs Maria Miller, Kate Green, Teresa Pearce, Liz Saville Roberts, Barbara Keeley, Valerie Vaz, Thangam Debbonaire, Jess Phillips, Sarah Champion and Diana Johnson, presented a Bill to require the Secretary of State to provide that Personal, Social, Health and Economic education (PSHE) be a statutory requirement for all state-funded schools; for PSHE to include Sex and Relationships Education (SRE) and education on ending violence against women and girls; to provide for initial and continuing teacher education and guidance on best practice for delivering and inspecting PSHE and SRE education; and for connected purposes.

*Bill read the First time; to be read a Second time on Friday 20 January 2017, and to be printed ( Bill 40 ).*

#### HOUSING (TENANTS' RIGHTS) BILL

*Presentation and First Reading ( Standing Order No. 57 )*

Caroline Lucas, supported by Mr David Lammy, Mary Glendon and Jonathan Edwards, presented a Bill to establish a Living Rent Commission to conduct research into, and provide proposals for, reducing rent levels in the private rented sector and improving terms and conditions for tenants; to require the Secretary of State to report the recommendations of the Commission to Parliament; to introduce measures to promote long-term tenancies; to establish a mandatory national register of

landlords and lettings agents; to prohibit the charging of letting or management agent fees to tenants; and for connected purposes.

*Bill read the First time; to be read a Second time on Friday 20 January 2017, and to be printed (Bill 41).*

#### RAILWAYS BILL

*Presentation and First Reading (Standing Order No. 57)*

Caroline Lucas, supported by Ian Mearns, Ian Lavery, John Cryer, Steve McCabe, Jonathan Edwards and Hywel Williams, presented a Bill to require the Secretary of State to assume control of passenger rail franchises when they come up for renewal; and for connected purposes.

*Bill read the First time; to be read a Second time on Friday 20 January 2017, and to be printed (Bill 42).*

#### ANIMAL CRUELTY (SENTENCING) BILL

*Presentation and First Reading (Standing Order No. 57)*

Anna Turley, supported by Kevin Foster, Alex Cunningham, Kerry McCarthy, Liz McInnes, Wendy Morton, Mr Philip Hollobone, Sarah Champion, Jim Dowd and Margaret Ferrier, presented a Bill to increase the maximum sentences available to the court for specified offences related to animal cruelty; and for connected purposes.

*Bill read the First time; to be read a Second time on Friday 24 February 2017, and to be printed (Bill 43).*

#### MALICIOUS COMMUNICATIONS (SOCIAL MEDIA) BILL

*Presentation and First Reading (Standing Order No. 57)*

Anna Turley, supported by Ruth Smeeth, Paula Sherriff, Chris Matheson, Angela Rayner, Louise Haigh, Melanie Onn, Jess Phillips, Justin Madders, Chris Elmore, Carolyn Harris and Helen Hayes, presented a Bill to make provision about offences, penalties and sentences in relation to communications containing threats transmitted or broadcast using online social media; and for connected purposes.

*Bill read the First time; to be read a Second time on Friday 24 March 2017, and to be printed (Bill 44).*

## Estimates Day

[1ST ALLOTTED DAY]

### ESTIMATES 2016-17

#### MINISTRY OF JUSTICE

### Courts and Tribunals Fees

*[Relevant Documents: Second Report from the Justice Committee, Courts and tribunals fees, HC 167.]*

*Motion made, and Question proposed,*

That, for the year ending with 31 March 2017, for expenditure by the Ministry of Justice:

(1) further resources, not exceeding £4,017,927,000 be authorised for use for current purposes as set out in HC 967 of Session 2015-16,

(2) further resources, not exceeding £360,850,000 be authorised for use for capital purposes as so set out, and

(3) a further sum, not exceeding £4,305,530,000 be granted to Her Majesty to be issued by the Treasury out of the Consolidated Fund and applied for expenditure on the use of resources authorised by Parliament.—(*Simon Kirby.*)

5.11 pm

**Robert Neill** (Bromley and Chislehurst) (Con): It is a great pleasure and a privilege to speak to the motion and raise the issue arising from the report by our Select Committee. This is the first time that one of our Committee's reports has been debated on the Floor of the House in this way.

I begin by expressing my appreciation to all the members of the Committee for the constructive and diligent way in which they have approached the work of the Committee and this report in particular. It was undertaken in an entirely collaborative and non-partisan spirit. As is perhaps appropriate for anything that touches upon the law and justice, we have endeavoured throughout to base our conclusions on the evidence that has come before us. I am grateful for that. The report was agreed unanimously, and I hope that that will weigh with the House and with Ministers when they consider it.

We had significant assistance from the evidence, both written and oral, that we received from witnesses. It is particularly worth noting that in this case we were assisted by the evidence of very senior members of the judiciary—the Master of the Rolls, the president of the family division, and the senior president of tribunals. When they speak, their views ought to carry very considerable weight indeed.

There is no doubt that over the past few years, fees for litigants bringing cases have spread and increased across our civil courts, the family courts and tribunals, and there have been a number of proposals for further increases. When we set up the inquiry, we identified four objectives to be looked into. First, how have the increased court fees and the introduction of employment tribunal fees affected access to justice? How have they affected the volume and the quality of cases brought? Secondly, how has the court fee regime affected the competitiveness of the legal services market in England and Wales, particularly in an international context? Thirdly, we particularly wanted to look at the effect on defendants of the introduction of the criminal courts charge, about

which I shall say more. Fourthly, we wanted to examine the impact of the increases in courts and tribunals fees announced in “Court and Tribunal Fees”, Cm 9123, published on 22 July 2015, and subsequent proposals.

I am grateful to the Government for moving swiftly on the criminal courts charge. The evidence was clear that it did not work and was, if anything, counterproductive, arguably costing as much to administer as it would ever bring in. We therefore decoupled the issue from the main part of the report and brought it forward swiftly. I am grateful to the Government for their prompt response and for moving to accept our recommendation and abolish the charge.

In fairness, the Secretary of State for Justice and his ministerial team deserve great credit for that. We should not criticise politicians when they are prepared to change their minds. I think it was John Maynard Keynes who famously said, “When the facts change, I change my opinion.” The Government listened to the evidence and removed the criminal courts charge. I hope they will be as expeditious and responsive on a number of the other matters we raise in the report—as a West Ham supporter, I am always an optimist.

**Andy Slaughter** (Hammersmith) (Lab): I compliment the hon. Gentleman on an excellent report, but would it not be fairer to say that the Secretary of State changed? I do not know whether that is one of Keynes’s principles. The facts did not change at all; some light was suddenly shone on what was always a mad scheme, and a change came about. However, I do not want to detract from the credit that is owed to the hon. Gentleman’s Committee.

**Robert Neill:** I am grateful to the hon. Gentleman for the spirit in which he made his contribution. I am a friend of the current and the former Secretary of State, and giving credit to those who responded to the evidence is perhaps the appropriate and balanced way to deal with the issue.

It is worth looking at a little of the chronology of one of the matters I am going to turn to. As well as having significant witnesses from the judiciary, we heard evidence from the trade unions, the business community, the Bar Council, the Law Society and a number of individuals and interest groups. We had four oral evidence sessions between November 2015 and February 2016, the last of which was on 9 February, when we heard from the legal profession and then from the Under-Secretary of State for Justice, my hon. Friend the Member for North West Cambridgeshire (Mr Vara).

We then waited, because we were anticipating the promised post-implementation review of the impact of employment tribunal fees, which had formed an important part of the evidence that was put before us. We knew that the review had been commissioned some time back, so we waited—and nothing came forward. In the end, on 25 April, the Under-Secretary of State for Justice, my hon. Friend the Member for Esher and Walton (Mr Raab), who is on the Front Bench and who had taken over responsibility, courteously responded, but he was unable to give any indication of a publication date. I have to say that we do not regard that as satisfactory.

It was against that background that, rather than waiting for the two months the Government normally have to reply to a Select Committee report to lapse, we

thought it right to bring our report to the House today in this estimates day debate.

**John Howell** (Henley) (Con): Will my hon. Friend tell us whether we have yet received that report?

**Robert Neill:** No, we have not, and I have to say that we used quite strong language about that in our report, because we were, frankly, disappointed. What happened does actually go against the spirit of courtesy, openness and co-operation I have seen from the Ministry of Justice team throughout the year or so I have chaired the Select Committee, and I hope it is an outlier. I hope the Minister will give us an indication of why the review report has taken so long and when we will get it. I know it is sometimes not easy to agree these things across Government, but it is pretty clear that the data required for the analysis were collected a long time ago, and, as we say in our report, there can be no reason why at least that factual material cannot be published forthwith, even if the Government are not yet in a position to respond, because the more informed the House and the public are, the better. That is an area of regret, and that is why today’s debate is important and timely.

Let me touch on some of the principles we are concerned with. The levels of various courts and tribunal fees have been politically controversial. We all need to bear it in mind that a balance must be struck between the cost to the public purse of administering a justice system, which is an integral part of any civilised society and of the rule of law, and how much can reasonably be recovered from litigants. We say that, in principle, we do not object to the idea that there should be some financial discipline on those who choose to go to law—those who choose to litigate—in deciding whether that is a wise decision for them to make. We do not have a problem with the principle of a certain level of a fees. Equally, however, we must bear in mind the comments that have been made consistently ever since Magna Carta but were recently elegantly captured by the late Lord Bingham of Cornhill in his book, “The Rule of Law”—which I always think should be compulsory reading for anyone in the political sphere—in which he says, in essence, that the accessibility of justice is as much a part of the fundamentals of the rule of law as clarity of the law itself. He says that justice is not a commodity—it cannot be commoditised in the way that, perhaps, other services can be. It is important to get the balance right. That is where we have some concerns that I will now turn to.

We accept that there is no problem, in principle, with fees for litigants. We know that there are financial pressures on the Ministry, which is not a protected Department. I understand the pressures that Ministers were under when these decisions were taken. We think it is entirely legitimate to find a number of means of reducing the number of vexatious claims. That could be done as part of the financial discipline we referred to, but it could also be done by changing the substantive law to raise the threshold or by making changes to court procedure. That is a legitimate part of the mix. But—we then have to say a number of “buts”, looking at the evidence—the answer to what is a reasonable charge in striking this balance will vary depending on a number of factors such as the effectiveness of fee remission, the vulnerability or otherwise of the claimants, and the degree of choice

[Robert Neill]

that they have. There is a distinction, for example, between someone who chooses to litigate over a commercial contract dispute and someone who is charged by the state with an offence, or someone whose marriage has broken down and has no other recourse, in order to have the marriage dissolved and move on with their life, than to go to the courts. The degree of choice is an important issue that must be considered carefully in each case.

There is an argument for trying to recover, as far as one can within that balance, some of the costs that fall on the public purse. In some cases, it may be possible to recover all the costs, but that cannot be an absolute. We were particularly struck by the fact that in some cases there are fees that exceed the full cost of the operation of the court; they are sometimes referred to as “enhanced fees”. We take the view, consistent with Lord Bingham’s formulation and with a public policy approach that we have had in this country for decades, that making a profit from the justice system, in effect, albeit one that is intended to be used elsewhere, requires particular care and a strong justification.

**Hannah Bardell** (Livingston) (SNP): Surely the Ministry of Justice should not be making a profit out of justice. Getting rid of tribunal fees and having equality of access to justice is about making sure that everybody in this country can be productive, particularly women, who can be discriminated against—it drives up productivity and boosts the economy.

**Robert Neill**: We do not go so far as to say that it follows that there should never be fees in any particular class of case—that includes employment tribunal fees—but we do say that a balance has to be borne in mind. I suppose that one could conceive of an argument—we did not rehearse it in detail in our report—whereby an enhanced fee might be recycled within the system. If, for example, some of the fees were being used to cross-subsidise, as it were, other elements of the family jurisdiction, then there might be something in that, but we do not have any evidence that that is the case. The hon. Lady makes a fair point, which is consistent with our report, about the undesirability of going down that route.

The situation provides a contrast with the speed with which the Government acted over both the criminal courts charge, quite rightly, and the new proposals for higher fees ever since the employment tribunal fees were introduced, with some controversy. The Department made those proposals with great speed, but it has been remarkably tardy in producing its review of the impact of those employment tribunal fees. That is why we conclude that, although a legitimate balance has to be found in the interests of society, where the objective of achieving cost recovery and the principle of preserving access to justice are in conflict, it is the latter—access to justice—that has to prevail. In a sense, that is a restatement of the point made by the late Lord Bingham of Cornhill, and I would have thought that most Members saw the logic of that.

Other members of the Select Committee will wish to make particular points, so I will touch on a few of the major matters. I have already referred to the quality of

the evidence from the Ministry of Justice, particularly that in relation to employment tribunal fees. Ultimately, the Department may not have the evidence; if that is the case, it should say so, rather than pretend otherwise.

It is worth giving a flavour of some of the comments we received about the evidence base. The Master of the Rolls, Lord Dyson, described the Department’s research as “lamentable”. It is pretty serious when the head of civil justice in this country talks in those terms. The chairman of the Bar Council described the research undertaken in relation to the domestic effects of fees as “insignificant”, and the president of the Law Society said it was “poor”.

I appreciate that the Under-Secretary of State for Justice, my hon. Friend the Member for Esher and Walton has only just started the job—I do not blame him or any of his colleagues personally—but the truth is that the Government did not produce adequate evidence. On the face of it, it seems to have been a “wet your finger and hold it up in the wind” job, rather than being based on significant research. We do not think that that is satisfactory.

Perhaps things would have been different if the Government had brought forward their review. We might have been less critical if we had seen the evidence that they have collated but not yet made available. As it was, we had to base our conclusions on the evidence that we had, which I am afraid went significantly in another direction. It is ironic that, by not providing that material, the Government have not been the best of advocates of their own cause.

I am not going to say that everybody had difficulties with employment fees. In their evidence to us, the Federation of Small Businesses and Peninsula Business Services said that it was reasonable to have the objective of discouraging weak and vexatious claims. That was certainly the Government’s assertion when they introduced the fees, but hard material to support that view has not yet been forthcoming. We must bear in mind the comments of the senior president of tribunals, Sir Ernest Ryder, who said that it was simply too soon to say whether that has happened. If that is the case, and if the valuation is not yet available, now is not the time to be rushing similar increases in other parts of the civil and family and immigration jurisdictions, which I will turn to later. I will leave it to others to go into more detail about employment fees, as I know they will.

**Ian Murray** (Edinburgh South) (Lab): I am grateful to the distinguished Chair of the Justice Committee for allowing me to intervene on him. If there is very little evidence to suggest that there were vexatious claims in the employment tribunal system and if the number of claims in some regions has dropped by a quantum of about 80%, is it not possible to make the opposite argument that fees are a block to justice and that, to get access to justice, they will have to be lowered? If this is about cost recovery, the number of employment tribunal cases is now so low that no costs are being recovered at all.

**Robert Neill**: That is why we made the point that we need to have a much better evidence base before we go forward with like increases in other areas. We did not rule out the fact that a fee may be appropriate in some cases, but we need better evidence to know the proper

level to pitch it at and whether there are any unintended consequences—whether it will deter not just unworthy claims, but, as we fear, meritorious claims as well. A particular concern raised was that the employer and the employee claimant would get into a war of attrition, depending on who has the deepest pockets. That is not really consistent with the “equality of arms” argument that we have always regarded as being central to our justice system. Funnily enough, it may tend to make cases more protracted than they need to be, when the swiftest and earliest possible settlement would, as a general rule, be in everybody’s interests. I am grateful to the hon. Gentleman for his point. We were much assisted in our inquiry by evidence on the matter from the Law Society of Scotland, and we are grateful for its assistance.

Against that background, we made all due allowance for the fact that there has been some change in the substantive law, for the improving economic situation, for the previous downward trend in tribunal cases and for the ACAS conciliation schemes. Those things could account for some of the drop, but we were looking at a drop of about 70%, and we found no evidence to suggest that it was accounted for entirely or substantially by those matters, so we were led to the conclusion that the clear majority of the decline was attributable to the level of fee. That is why the matter needs to be looked at seriously and we need the factual information immediately.

We set out certain indicative thoughts about the sorts of changes that might be made; they are indicative because we do not have the evidence to go further than that. We think that this is an important issue, which really cannot be kept back for much longer.

**Andy Slaughter:** I commend the hon. Gentleman on many of the recommendations in the report, but—as I would, I suppose—I want to highlight one that I think is slightly problematic. The Justice Committee went along with the decision of the independent commission on freedom of information to disallow appeals from the Information Commissioner to the first-tier tribunal, despite the fact that 20% of those appeals are successful. Would the hon. Gentleman like to look at that again? The Select Committee stated in its report:

“We see no reason to disagree with the Commission’s view.”

Has the hon. Gentleman simply gone along with the view of the commission? What is his reason for making that decision?

**Robert Neill:** Simply that there was no compelling evidence presented to us to the contrary. We followed the evidence, as we did in the other matters. It is not because we are afraid of pulling our punches; as the hon. Gentleman has seen, we have not pulled our punches in some areas. We simply did not find any evidence to suggest that that assessment by the independent body was wrong.

I will move on quickly to some other matters. There has been particular concern about the impact of employment tribunal fees, but certain other matters have also been brought forward. The April 2015 increase in fees for money claims should, in our judgment, be reviewed. That may seem rather remote and arcane, but it is very important, because it affects the international competitiveness of London and the UK as a jurisdiction of choice, especially for commercial litigation. That is a great strength of this country, and some figures released

today by the Legal Services Board highlight its significance. Legal services and their related supply chain contribute something like £35 billion towards this country’s GDP. Legal services exports have increased by some 33% over the past eight years, and something like 10% of the legal profession have instructions from overseas clients.

At the same time, there are pressures on the British jurisdiction and threats to its exclusiveness. We have already seen, in places such as Singapore and Dubai, courts operating on the basis of English common law but outside our jurisdiction. It is worth observing that very recently in Amsterdam, in the Netherlands, an English-language court was established. We should be very wary of biting off the hand that feeds us—or, to use another metaphor, doing anything to kill the goose that lays the golden egg—by reducing the value of the British legal system and its attractiveness to litigants nationally and internationally.

We think that the Government should review the increase in fees for money claims, and they should certainly not resurrect the proposal to double the £10,000 cap or remove it altogether. They were right not to proceed with that when it was originally proposed, but they did not rule it out for the future. We are saying that they should not think about going anywhere near it, at least until they have had a proper review of what has been done.

Another point, which goes back to an issue that has been raised already, is about the increase in the divorce petition fee from £410 to £550. Given that the cost to the state of the average straightforward divorce petition is about £270, that is a mark-up of about 100%. We find it difficult to see how making a 100% profit out of divorce cases can be justified, when it is an entirely captive audience because there is no other way to get divorced than going to the courts. We say very clearly that the increase should be reversed.

Our view was fortified by the trenchant evidence from the president of the family division, the right hon. Sir James Munby. It is pretty unusual for a senior member of the judiciary to speak in such terms to a parliamentary Committee or any other body. Sir James said, rather tellingly, that he was concerned that the Ministry of Justice was

“battening on to the fact that there is a captive market” and that it was

“putting up the fees until it becomes another poll tax on wheels”. That is pretty strong language. I would put it slightly differently. We say that there is a risk that it will become a “divorce tax”. That cannot be just and we strongly urge Ministers to look at it again most urgently.

Immigration and asylum tribunals are another important issue. There are concerns over whether our immigration and asylum system and the appeals system are abused. There must be safeguards to ensure that proper cases are properly heard. Someone with a legitimate claim must have a decent chance of challenging the decisions of the state or of any Executive body. Equally, it is in everybody’s interests that weak and unmeritorious cases are weeded out. Nobody has a problem with that. Our concern is that fees have been brought in with remarkable swiftness, without a significant evidence base.

In July 2015, the Government consulted on doubling the fees in the first-tier tribunal from £80 to £160 for an application for a paper determination and from £140 to

[Robert Neill]

£280 for an application for an oral hearing. In December 2015, after the consultation, it was confirmed that that would go ahead. Only a few months later, in April this year, a further consultation was brought out, without any review of the impact of the last set of increases, proposing a sixfold increase in the fees in those jurisdictions, so that there was full cost recovery. It was proposed that an application for a paper decision would cost £490 and an application for an oral hearing would cost £800.

We have the same concern that I have raised more than once: there is no apparent evidence base to support that increase. If there were, we might have taken a different approach to it. Making that increase does not seem justified when the people involved are, by the nature of these cases, vulnerable. That is why we express considerable concern over the proposals.

I am surprised that the Government have adopted that approach, given their experience with employment tribunal fees and the criminal courts charge. The idea is to have full cost recovery. The problem is that we are dealing with people who are by their nature—particularly those in the asylum system, but also those in the immigration system—very unlikely ever to have any means to recover even a decent percentage of the cost against, let alone the full cost. The Government will end up in exactly the same position as with the criminal courts charge. They are setting themselves an objective to raise money that they have no hope of raising because the people they are trying to get it from do not have the means—it is getting blood out of a stone. We think that it is pointless to pursue an unachievable objective. That is why we urge the Government to think again.

I have endeavoured to outline what is a detailed report. I hope that it is useful to the House. Given the nature of its technical but important topic, we make no apology for its detail. These are issues that impact not just on our system, but on individuals, because every piece of litigation involves an individual somewhere. The Government have had ample time to consider the report, so I hope that we will have a substantive response from the Minister in which he says when the information will be published, what they will do about the increase in divorce fees, what they will do about the realism or otherwise of moving to full cost recovery in the immigration and asylum chamber, and what they will do about the other significant pieces of evidence that we have detailed in the report. I am grateful for the House's indulgence.

5.40 pm

**Mr David Hanson** (Delyn) (Lab): I, too, welcome the work undertaken by the Justice Committee, of which I am a member. I am also grateful for the chairmanship of the Committee of the hon. Member for Bromley and Chislehurst (Robert Neill), who has brought us to a consensus on the recommendations in the report. The Government need to reflect very seriously on those recommendations. At the heart of the proposals before us today is access to justice, and that issue is also central to our recommendations.

As the Chair of the Justice Committee has said, we remain concerned first and foremost that the Minister has not yet brought forward the results of the review. That has influenced very strongly how we have been able to present our report, as well as the points we are

putting today and the way we are putting them. The Minister could have saved himself a lot of trouble had he brought forward the information requested in the timescale in which we requested it.

As hon. Members will know, during the 2010-2015 Parliament the coalition Government pursued a range of policies aimed at decreasing the net cost of Her Majesty's Courts and Tribunals Service through the pursuance and introduction of a range of various fees, including, in particular, charges for employment tribunals. As the Chair of the Justice Committee has said, we looked at whether the increase in court fees and the introduction of fees for employment tribunals had affected access to justice. It is fair to say that the conclusions of all members of the Committee were straightforward, especially in the area I will focus on, namely the recommendations on employment tribunal fees. All the evidence we have had—from the judiciary, the trade union movement and organisations dealing with vulnerable people with especially vulnerable status relating to maternity provisions or other similar issues—has shown that there is a real challenge from the impact of fees on employment tribunals as a whole.

I will make one plea to the Minister. It would be helpful if, before the summer recess, he could meet the commitment that he gave to the Committee to publish the results of his one-year review as soon as possible. Given our concerns, it is important that that information is put into the public domain. This is not something he can avoid. He said that he would deliver that information to the Committee before it reported, yet even after the publication of the report the Committee has still not seen it.

Employment tribunal fees are of particular concern to members of the Committee from across the House—certainly to me. As I have just said, the Committee found it unacceptable that the Government had not reported on their review. There was also some damning evidence about the impact of employment tribunal fees on access to justice.

Let me touch on a couple of statistics so the House can get a flavour of why we have those concerns. The number of employment tribunal cases brought by single individuals declined by 67% to around 4,500 per quarter between October 2014 and June 2015. The number of cases brought by more than one person—multiple claims—declined by 72%, from 1,500 per quarter to around 400 per quarter. That is a major decline. It is important that the Minister reflects on that. Is that decline because there are no injustices in the workplace? Is it because people do not feel aggrieved with their employment position? Has the figure declined because people have decided that applying to the employment tribunal for justice is not worth a candle? To all three questions, the answer is no. The decline is due to the prohibitive fees that the Government have put in place.

Statistics provided to the Committee by the TUC and Unison compare cases brought in the first three months of 2013 and 2015, and they show reductions across the board in areas of key industrial activity. For example, the number of cases brought to employment tribunals under the working time directive fell by 78%. My question, which I hope the House will reflect on, is this: is that because 78% fewer employers are making people work longer than their hours under—dare I say it?—European legislation?

The number of tribunals brought for unauthorised deductions from wages has fallen by 56%. Has some miraculous activity meant that employers stopped unfairly deducting from individuals' wages during that period? If so, the information that the Minister is supposed to have considered might help us to understand that fall in wage deductions. Cases of unfair dismissal have fallen by 72%, equal pay claims are down by 58%, and those for a breach of contract by 75%. Sex discrimination cases have fallen by 68%. Therefore, one of two things has happened: either employers have dramatically improved their performance over the past two years in those areas, in which case let us see the evidence to show that; or people who have been unfairly discriminated against regarding deductions from wages, breach of contract, sex discrimination, the working time directive, or unfair dismissal, have not taken their claims to courts and employment tribunals because of the fees introduced by the Government.

Several cross-party witnesses to the Committee claimed that on maternity pay and pregnancy, for example, employment tribunal fees were having a profoundly discriminatory effect on pregnant women and new mothers who receive poor treatment at work. Rosalind Bragg of Maternity Action said that fees had led to a 40% drop in claims for pregnancy-related detriment or dismissal. The Fawcett Society—again, not a party political organisation—stated that pregnancy discrimination was widespread in the public and private sectors, but that very few women were able to take action because of the deterrent effect of the fees.

That is particularly true for low-value claims. When people are deciding whether to take a case to a tribunal, they will inevitably weigh the cost of the fee against the likely size of an award. If the likely size of an award is low but the sense of having access to justice and feeling strongly about an issue remains high, the levels of fees are still deterring people from taking claims to employment tribunals. Do not listen to me, Madam Deputy Speaker—the Council of Employment Judges told us that, and said that there had been a

“particularly marked decline in claims for unpaid wages, notice pay, holiday pay and unfair dismissal”.

Those are the types of cases brought by ordinary working people, and those are the words of the Council of Employment Judges, not mine.

That shows that there is a problem that the Minister needs to consider seriously. If his evidence indicates that the problem is not as we think it is, he should bring that evidence forward so that we can consider it. The Council of Employment Judges also stated:

“Many judges reported that they now hear no money claims at all. Prior to the introduction of fees money claims were often brought by low paid workers in sectors such as care, security, hospitality or cleaning and the sums at stake were small in litigation terms but significant to the individual involved. There are few defences to such claims and they often succeeded.”

Now, however, such cases are not being taken forward, which should be a worry to the House.

In written evidence, Unison used figures for the median awards for different types of discrimination claims in 2012-13—ranging from just under £4,500 in age discrimination cases, to £7,500 in disability discrimination cases—to support its contention that fees constituted such a high proportion of probable awards that many claims would not go forward because people found

them excessively difficult to pursue. Indeed, a survey by Citizens Advice indicates that 47% of its respondents would have to put aside—wait for this, Madam Deputy Speaker—six months of their discretionary income to be able to afford the £1,200 needed to bring a type B claim. If people on a low income feel aggrieved but have to put away £1,200—six months of their discretionary income—it is self-evident that those who have a just claim will not take it forward because of the fee.

**Dawn Butler** (Brent Central) (Lab): Does my right hon. Friend concur with trade union reports, which have found that women and black and Asian people have been particularly affected by not being able to afford the fees?

**Mr Hanson:** That is an important point. Women are more likely to be in low-paid jobs and there is employment discrimination in many areas against black, Asian and minority ethnic communities. The key point in the case I am putting to the Government is that the Committee heard evidence showing that the fees have a discriminatory effect. The Government have investigated this matter, but have not yet produced their report to say whether they believe that to be the case. There may be other reasons—I do not doubt that there are—but the key point from today's report is for the Government to provide evidence to the House. The Committee was unanimous in saying that there is a discriminatory effect that deters claims from the poorest, the lowest paid and those in the most insecure employment. It is therefore hitting those who have no other defence than an employment tribunal, which is now out of reach.

This is a matter of access to justice, which we on the Committee, on a cross-party basis, have put on the agenda. We have said that there is a real case to answer. It is for the Minister, both today and in the future, to respond to the report and answer that case.

5.51 pm

**John Howell** (Henley) (Con): It is a great pleasure to follow the right hon. Member for Delyn (Mr Hanson) and my hon. Friend the Member for Bromley and Chislehurst (Robert Neill), the Chairman of the Justice Committee. The difficulty for me is that they have already covered all the issues I was going to cover, but let me touch on one highlighted by the right hon. Member for Delyn and the Chairman of the Committee: access to justice.

Access to justice has been the key issue for all of us throughout this process. It was a big issue for the Committee, but it is a big issue for the courts and the senior judiciary. Through an Industry and Parliament Trust Fellowship, I have had the opportunity to talk to members of the judiciary about many of these issues, and I can assure the House that they are very concerned about access to justice.

Without the information from the Ministry of Justice, it is difficult to know what the impact of the changes will be. An enormous number of reforms are taking place; it is not just court and tribunal fees that are being put through at a rapid pace by the MOJ. The Lord Chief Justice is a great reformer, and when talking to him one really gets the feeling that he understands the issues relating to access to justice. At the same time, Lord Justice Briggs is taking forward his views for an

[John Howell]

online court, which could reduce the costs of justice by taking lawyers out of the equation in bringing a relatively small case to court. A lot of work needs to be done to get the detail of online courts right. Nevertheless, it will be there to provide access to justice.

The Committee's report highlights the need to consider other means of determining court applications. One of those comes under the term "alternative dispute resolutions". I happen to be the chairman of the all-party group on alternative dispute resolutions, so it is an area I am aware of. The courts, too, are aware of this. When I sat in the commercial courts, the judges were very keen to ensure that when there was an option of alternative dispute resolution, people took it. Some did and some did not, but it is important that it is offered as an alternative to their carrying on with their day in court. If they do take the option, it is important to ensure that the alternative dispute resolution sector can also keep costs down.

When I sat with judges in the courts, the issue on their minds all the time was how to keep costs down. We went through this with a lot of the cost hearings and cut out quite a lot of the barristers' fees. It is important to ensure that we can tell whether it is the changes to the courts that are having the effect on tribunal numbers, or whether it is the effect of the fees being charged. I say that because as part of the experience I spent a day with an employment tribunal. There were three members sitting and I asked them how long it would go on for. They said that they had scheduled six days for an employment tribunal that could have lasted one day, so the court fees had not had a significant effect on this individual bringing their case. They had assigned six days to it, because it was a litigant in person and they wanted to bend over backwards to provide the time for that individual to make their case. A much more sensible approach would have been to ensure that the case went on for a lot less time, while still preserving access to justice and ensuring that the litigant in person could still achieve what they wanted to achieve.

The senior judiciary have been pursuing one line of cost reduction, while the Government have been pursuing another. There is nothing wrong with pursuing reductions along a twin track, provided that the two groups work together and talk to each other. The criticism that came back to me from the senior judiciary I sat with was that the Government were not talking to them about the changes they were making. That is a great shame, because without that I do not see how we can make sense of, and really get to the bottom of, access to justice.

My hon. Friend the Member for Bromley and Chislehurst, the Chair of the Committee, has already highlighted the issues around the impact assessment of the changes to court fees and the fact that the information is still not available. He also pointed out that the Master of the Rolls was absolutely scathing about the quality of that evidence. I put that on record again, because it is very important when someone as senior as the Master of the Rolls is critical of the Government's approach. I have to say that I share his views. The courts and tribunal fee is not a milch cow; it is a real issue of access to justice. Without the information we still have not received, we cannot assess the impact of the fees on access to justice and what impact they will have.

5.59 pm

**Karl Turner** (Kingston upon Hull East) (Lab): I am pleased to be called to speak in this important debate. I start by declaring an interest: my wife sits as a fee-paid, part-time tribunal judge in the social entitlement tribunal and is a criminal solicitor receiving public money. Prior to my election to this House, I was with Wilberforce barristers chambers in Hull, where I practised criminal law, and recently I have re-enrolled—if that is the right term—as a solicitor.

In my respectful opinion, the Select Committee Chairman, the hon. Member for Bromley and Chislehurst (Robert Neill), goes about his business fairly and is entirely impartial and objective. I welcome the Committee's report and recommendations urging the Government to publish the impact of employment tribunal fees and its proposal that fees must be substantially reduced. It is worth noting—I make a party political point here—that Labour, in opposition, when the fees were being considered and discussed, opposed them absolutely. We opposed them throughout the debate. I remember attempting to speak to Ministers to make submissions directly to them. I cannot remember whether I got a sit-down meeting, but I do recall chasing them through the Lobby, telling them what problems I thought the fees would create and what the consequences would be.

We also opposed and voted against the statutory instrument, because we knew from the evidence from the experts, from people contacting us, from the unions and Citizens Advice briefings, from the Bar Council and the Law Society—from anybody who knew anything about it—that the fees were unlikely to work. The number of tribunals has dropped by a massive 70%. We are talking huge percentages. We cannot begin to pretend—I doubt that the Minister, in good conscience, would get to the Dispatch Box and pretend—that the majority of those cases were unmeritorious. I do not think that the Government would say that. So what does it mean? It means that people are being shut out of accessing justice. I pay tribute to Unison the union for bringing legal challenges in judicial review. The latest case is to be heard by the Supreme Court later this year. I will not predict the outcome, but it seems to me, as a lawyer, pretty favourable to the union.

When the fees were introduced, the Government told us they were to pay for the employment tribunal service's running costs, but it is not working. In 2014-15, the Ministry of Justice said that the net income from the fees was £9 million, but the expenditure of the service is £71.4 million. Thousands of workers are being shut out of seeking justice. That leads me to think that this is purely ideological. The Justice Secretary has overturned so many of the policies of his predecessor Lord Chancellor that the rumour in this place is that he is considering changing the name of his children. It would not harm anybody, would it, if he just said, "Look, this isn't working. We didn't expect this to be the fiasco it has become"? We can do something about this. We should scrap the fees, and we should scrap them now.

6.5 pm

**Mr Jonathan Djanogly** (Huntingdon) (Con): Much of the preliminary work on court and tribunal fee reviews was carried out in the early days of the coalition Government, when I had the pleasure of minding those issues at the Ministry of Justice. I acknowledge the

point made by my hon. Friend the Member for Bromley and Chislehurst (Robert Neill): the issues are complex and dependent on the differing circumstances. I think, however, there is now a level of understanding that was not generally prevalent back then—first, that it costs money to have, as we do, a decent court service, decent quality courts and an excellent quality of judges; and, secondly, that this cost should not just be for the taxpayer to shoulder.

We invested £300 million in the state-of-the-art Rolls building to hear large international and money cases. This gave the UK the quality of courts required to retain our premier status as the place to seek justice, using English and Welsh jurisdiction clauses, and thereby added greatly to the offering and income of UK plc. I have to ask, however, whether very high-value cases should be subject to a £10,000 fee cap. The first case to be heard in the Rolls building involved two Russian oligarchs and would have cost them hundreds of thousands of pounds per week in lawyers' costs but, relatively, peanuts to hire the court and judge. I appreciate concerns that fees should not be so high as to impact on international competitiveness, but I would appreciate hearing from the Minister whether he feels that we have the balance right.

On employment tribunals, the claim figures may be smaller—most of the time—but the principle remains that the service has to be paid for. Given that an employment contract is a private contract that does not involve the state, except when the state is the employer, why should the taxpayer subsidise the private claim? I think we now have the right formula: so far as possible, and as the starting point, the fees paid by the applicant should cover the cost of the application, but following that, where it is in the interests of justice, people who need help should be individually assisted via a remission scheme.

In that context, I do not agree with the Justice Committee's suggestion that the overall quantum of fees should be reduced, and I do not believe that its report justifies that in any event, although I accept that the Chairman has just acknowledged that more data are required to make the assessment.

The figures for employment tribunals are material. There were 67% fewer single cases from October 2013 to June 2015, although that still represents tens of thousands of claims per year. The fall in multiple cases by 72% was more expected, as lots of public sector equal pay claims were working their way through the system. There seems to be some debate, however, about the extent to which fees have put people off claiming, and this will always be a hard figure to tie down. The Committee speculated that it could be 13,000 a year, based on 26% of ACAS claimants saying they would not progress their claim because they found the fees off-putting. Of course, a significant proportion might have believed this, but possibly only or mainly because they had weak claims. We would need more research.

The debate around employment tribunal fees often focuses on the questions raised by vexatious or highly risky claims and the impact on business and the economy. I shall come back to these important issues, but they did not form the starting point of our initial review, which was, first, to get those who could pay to do so; secondly, to encourage parties to seek alternative methods of dispute resolution, where possible; and, thirdly, to maintain access to justice. I still maintain that those were sound

principles on which to proceed, and I think that this has been justified by the very many judicial reviews, brought mainly by the trade unions, that have to date consistently failed.

I strongly believe that when a claimant could issue a claims form at zero cost to themselves, he or she had every incentive to do so—but, most importantly, every incentive to do whatever the weakness of the claim itself. The Justice Committee report describes a witness who suggested that vexatious claims may be less than 5% of claims, but that still represents a significant number for the unfortunate companies that are subjected to them. Witnesses also stated that fees had deterred claimants who would otherwise have won as the proportion of successful claimants has not increased, despite a fall in the number of cases.

**Andy Slaughter:** The hon. Gentleman says that 5% is significant, but we are talking about falls of 70%. If he is genuinely concerned about discouraging unmeritorious or frivolous claims, a small charge—not one of £1,200—might be appropriate. Does he not think that that amount is disproportionate, even if he agrees with the principle?

**Mr Djanogly:** I am coming on to alternative ways of funding. The starting point is to get cost recovery and then to look at individual circumstances, where necessary. I would have liked hon. Members to spend a little more time talking about the remission system rather than fees—perhaps one of my hon. Friends is about to do so. More winnable cases leads to more of them being settled before going to tribunal, but even if this is an access-to-justice issue it should be dealt through the remissions system rather than the fee itself.

I certainly recall personally the significant numbers of businesses complaining that the threat of employment claims alone was enough to put them off employing more people. Interestingly, this was very much more prevalent among small businesses than large ones. Indeed, this is reflected in the Justice Committee's report, as the Chairman said, which clearly shows the CBI to be more relaxed on the issue than the FSB. This is undoubtedly because it is the larger companies that have the large HR departments that can manage claims as part of their overall business. For small businesses, processing a claim, let alone taking time off to go to tribunal, can take up an impossible amount of the principal's time.

**Angela Crawley (Lanark and Hamilton East) (SNP):** Does the hon. Gentleman accept that if the employer is given an unfair financial position or advantage over the claimant, ultimately, regardless of whether it is a big or a small firm, the greatest cost will be borne by claimants themselves?

**Mr Djanogly:** The hon. Lady talks about unfair advantage, but I am not sure how she defines it, particularly if it is a single employer. Most of the FSB's membership are two-person companies. If the hon. Lady is saying that it is unfair if it is one employer against one employee, I would say it was not. The answer to her question is that it would depend on the circumstances.

There grew a culture of settling claims, even weak claims, so that they would simply go away. The fact remains that there is more to business confidence than

[Mr Djanogly]

statistics. If the indirect impact of fees has been to change this perception among business owners, which I feel it has, fees have made a significant contribution to an economy that is delivering the creation of the highest level of employment the UK has ever enjoyed. We should be cautious about meddling with that.

The big change from when I was a Minister in the Ministry of Justice is the use of ACAS conciliation. I should be interested to hear more from the Minister, but the figure of 83,000 claims being dealt with by ACAS at an early stage sounds very promising indeed. It was the policy of the last Labour Government and then of the coalition Government and this Government that alternative dispute resolution should be promoted as a cheaper, quicker, more consensual and less stressful form of sorting out problems, including employment disputes. I shall be interested to hear whether the Minister has plans to extend the use of ADR further still.

I note that, on access to justice, the Justice Committee's report is rather limited to looking at the status quo—fees versus remissions, which seems to have a feeling of trade union influence.

**Robert Neill:** Will my hon. Friend comment on our specific proposal that there should be an uprating of the remission threshold to take account of inflation? Otherwise, there will be a risk of fiscal drag. That is one of a number of specific points we make about remission.

**Mr Djanogly:** It is useful to look at that, perhaps along with a wider review of the way in which remissions are working. A new system has been put in place, and I accept that such things need review.

The report totally overlooks the changing nature of the funding of legal claims now and possibly in the future—for instance, the use of loans to fund claims, or the use of no-win, no-fee agreements and insurance to fund claims. It assumes that the burden of risk is simply to be shared between claimant and defendant, which is unreflective of reality. What about the risk of claims being shared between insurers, lenders, lawyers—and, yes, even trade unions? For instance, should we not investigate what level of risk they should all take on board, before the taxpayer has to step in? Neither Opposition party statements so far, nor the Justice Committee report seems to be looking at the broader issues in an area where we need innovative ideas and an assessment of the wider marketplace. I would therefore be grateful to hear the Government's views.

6.15 pm

**Patricia Gibson** (North Ayrshire and Arran) (SNP): This debate is apparently about courts and tribunal fees. It is unfortunate that this Government's programme of reforming courts and tribunal fees has been pursued as part of a wider Government austerity programme. In practical terms, this means that tribunal fees introduced in 2013 require financial contribution from claimants to have their case heard, and further fees look set to be imposed.

The governance and function of the management and operation of employment tribunals will be devolved to the Scottish Parliament in 2017, but the First Minister

of Scotland has outlined her concerns about this system and expressed her desire to look forward to abolishing fees for employment tribunals. In the interests of justice, access to a fair hearing and fair work should not be the preserve of those who can raise the funds to have their voices heard, and it risks falling foul of the Human Rights Act.

We have heard that part of the reason for introducing such fees for claimants was to discourage weak and vexatious claims that, while costing the employee nothing, could impose significant legal costs on the employer. However, since these fees were introduced, we know there has been a significant drop in the number of claims accepted by the employment tribunal. Is anyone seriously suggesting that the drop can be accounted for by so-called "weak and vexatious claims" no longer being pursued? Surely the drop in claims must mean that many of these employees simply cannot afford to pursue their cases due to the costs involved, so they are effectively being priced out of the justice system.

**Mr Jim Cunningham** (Coventry South) (Lab): I agree with the hon. Lady. Organisations such as citizens advice bureaux or law centres in Coventry tell us that they are inundated with people who cannot secure justice at tribunals because they cannot afford it. The real reason for the cuts in these budgets was very much the Government's philosophy of making gigantic cuts, but the important point is that people are being denied basic justice.

**Patricia Gibson:** I absolutely appreciate the hon. Gentleman's point: this is nothing to do with a justice agenda; it is about an ideologically driven motivation towards austerity that effectively hits people who cannot raise the funds for justice. Surely no one can defend that.

Research undertaken by Citizens Advice, which the hon. Gentleman just mentioned, has demonstrated that an eye-watering 82% of those surveyed who were experiencing problems at work said they would be deterred from bringing a claim due to the fees; and only 29% of respondents were aware that they could apply for a fee remission. We have heard a similar chorus of concern from the Law Society of Scotland and other experts, which shows that genuine cases are not reaching tribunals as a result of the prohibitive fees. The impact on women is particularly damaging and, as a result, unlawful employment practices are undeterred and are going unpunished.

Let us look at still further evidence that such fees are a barrier to justice. On 20 June, the Justice Committee published its review into court and tribunal fees and found that the introduction of fees for claimants in employment tribunals had led to a drop of almost 70%, as we have heard, in the number of cases. It found further that changes are urgently needed to restore an acceptable level of access to the employment tribunal system. That by definition shows that the Justice Committee, after its investigations and deliberations, found that the current level of access to the employment tribunal system is not acceptable. That is why when these powers are devolved to Scotland these fees will be abolished.

Access to justice cannot and must not be limited to those who can afford it. That is not acceptable in any country that seeks to see itself as enlightened and

democratic. Despite talk of austerity, politics is about choices, and these choices are based on the shared values of the society in question; it is as simple as that.

The hon. Member for Bromley and Chislehurst (Robert Neill), who chairs the Justice Committee, says in its report on tribunal fees:

“Where there is conflict between the objectives of achieving cost-recovery and preserving access to justice, the latter objective must prevail.”

I could not agree more.

Worryingly, as has been pointed out, there has been a lengthy delay in the publication of the Government’s post-implementation review on the impact of employment tribunal fees, which aims to assess their effect against the three main objectives of transferring some of the cost from the taxpayer and towards those who can afford to pay and encouraging parties to seek alternative ways to resolve disputes while maintaining access to justice. Like the hon. Member for Bromley and Chislehurst, I am deeply concerned that such an implementation review has not taken place.

I crave your indulgence for a few moments, Madam Deputy Speaker. I would like the House to bear it in mind that it is an estimates day debate. I believe it was Benjamin Franklin who said the only certainties in life are death and taxation. He was certainly right about the first, but recent events may suggest he is a wee bit off the mark on the second. However, there is another certainty in life that Mr Franklin overlooked: the one thing we may be sure will not be debated during a Westminster debate on estimates are the actual estimates. This issue may not exercise the minds of the general public, but that is because it is not well known outside this place just how little scrutiny there is of the spending plans of Departments. The scrutiny is negligible and it has suited successive Governments of all persuasions that it should be so. If the public knew just how inscrutable this process was, they would rightly be alarmed.

The estimates process is a very technical process by which spending is approved by Parliament. I further crave your indulgence, Madam Deputy Speaker, for just a few minutes more and ask you to allow me to recall that during the EVEL—English votes for English laws—debates the Leader of the House noted the possibility of a review of this process while seeming to be completely adamant that estimates already allow for affecting the Barnett consequential. The Procedure Committee, on which I sit, is continuing to review the estimates process and many very distinguished and learned experts—far more distinguished than I am—from all sides have argued while discussing EVEL that the estimates process is simply not fit for purpose.

The way in which this House deals with the supply and estimates process is not sustainable. We need to have proper debate around supply procedure to achieve clarity on Barnett consequential. The scrutiny of the estimates process is not robust and this Parliament has the least scrutinised spending arrangements in the western world—in this, the so-called “mother of Parliaments.”

Madam Deputy Speaker, I crave your indulgence for one minute more. Adam Tomkins, who is now a Conservative MSP, told the Procedure Committee on 8 September last year that—I quote him for fear of misrepresenting him—

“whatever we do with English votes for English laws has to be made practicable and operational in the light of and through using the Barnett formula. I think that can happen, but I think it can happen only if there is a clear opportunity for MPs representing constituencies from across the whole of the UK effectively and robustly to engage in deliberation and debate in the supply or Estimates process. At the moment, it seems that there is no such opportunity because...Estimates debates tend to be very wide-ranging—about everything other than the Estimates”.

He concluded:

“The fly in the ointment is to have this current inability or unwillingness to debate robustly and effectively parliamentary Estimates.”

The process is such that these procedures simply do not give MPs the full opportunity to scrutinise any Barnett consequential of England only or England and Wales only legislation, and that is required in a healthy and mature parliamentary democracy. We need not take my word for it; we have the opinion of an eminent Conservative MSP—an expert in the field, or so I have been told. It should be a consequence of EVEL that the supply process be reformed in the interests of this being a “process of development”, as promised and envisaged by the Leader of the House on 22 October 2015.

I thank you, Madam Deputy Speaker, for satisfying my craving for your indulgence, and I will return momentarily to employment tribunal fees.

**Madam Deputy Speaker (Mrs Eleanor Laing):** Order. For clarity, I should tell the House and the hon. Lady that she is perfectly in order. She is talking about estimates and this is an estimates day and, whatever anyone else says, in my judgment the points she is making are perfectly reasonable and ought to be debated.

**Patricia Gibson:** I thank you enormously, Madam Deputy Speaker, for that supportive comment.

Regarding employment tribunal fees, the SNP Government in Scotland understand, as I fear the UK Government do not yet seem to, that the introduction of these fees is a significant barrier to justice, not least for women facing maternity discrimination who cannot afford to take a rogue employer to a tribunal. Last year a report for the Department of Business, Innovation and Skills and the Equality and Human Rights Commission found that unlawful maternity and paternity discrimination is now more common in the UK workplace than ever before, with as many as 54,000 pregnant women and new mothers—one in nine—being forced out of their jobs each year.

We in Scotland will listen to the experts. We will abolish these prohibitive and punitive fees. It is the right thing to do and justice must be the guiding principle of all we do. When any state puts a price on justice for its citizens, that is a state in peril. I urge the Minister to reflect on this and reconsider the pernicious effects of such fees on ordinary working people.

6.28 pm

**Victoria Prentis (Banbury) (Con):** I am grateful for the opportunity to speak and to follow such experienced and learned speakers from across the House. I will concentrate on courts and tribunal fees. I am grateful for the opportunity to have served on the Select Committee that produced this report, and I wholeheartedly endorse the report and its recommendations.

[Victoria Prentis]

I want to focus not on the more newsworthy aspects of the report such as employment tribunals, but on the structure and remission of fees. It is critical that fees do not impede access to justice. Fees are useful, and indeed necessary, for two reasons. First, they help to pay for the justice system, as my hon. Friend the Member for Huntingdon (Mr Djanogly) reminded us. Secondly, fees can be used effectively to deter frivolous and vexatious claimants. As ever, as has been said across the House this afternoon, getting the balance right is key. The introduction of fees before employment tribunals has clearly had an enormous impact on the number of cases issued, and it was right that we focused on that.

I know from speaking to many of my fellow barristers that fee increases have had a significant impact in other areas, particularly that of professional negligence. It is not the welfare of my fellow barristers that concerns me; it is the welfare of individuals such as those injured when medical treatment goes wrong and who cannot issue claims. That should be a matter of concern for us today.

The Justice Committee looked closely at fee structure and fee remission during our inquiry and received evidence from senior members of the judiciary, the Bar Council and the Law Society, among others. One suggestion to alleviate the deterrent effect of the increases was to allow fees to be met in a series of staged payments throughout the course of a claim. At first glance, staged fees seemed to be a good idea, but the suggestion was not universally supported by the evidence given to us by senior members of the judiciary. Both Lord Dyson and Sir James Munby were hesitant when questioned by the Committee about the concept of staging fees. Lord Dyson said specifically that it was not a proposal that he had previously thought about. He agreed that it was an interesting idea but voiced serious concerns about how fee staging might be used by respondents to put pressure on claimants at various stages of the litigation.

One solution, suggested by Sir Ernest Ryder, could be to adopt the Scottish civil justice model of requiring a respondent's fee to be paid alongside sequential fees for claimants. This, he said, would level the playing field and place the risk more fairly on both parties. As the evidence did not point us clearly in one direction or another, the Committee's proposal in this area is a tentative one. A graduated or sequential schedule of fee payments could be a positive step, but we feel that a pilot scheme should be carried out in the first instance to evaluate the best way to operate such a system.

I turn now to fee remission, and I shall again take employment tribunals as an example. To be successful in an application for remission, a claimant must first pass the disposable capital test and then the gross monthly income test. The claimant has to fill out a separate fee remission application for each court or tribunal fee. While taking evidence, we were given statistics about how many pages claimants had to fill in. The forms are clearly not simple. Thompsons Solicitors pointed out that the guidance booklet itself was 31 pages long. Major changes have been made with the introduction of a new, supposedly user-friendly way to deal with fee remission, which has now been rebranded as "help with fees". There has clearly been some improvement but complexities remain. This is possibly symptomatic of the much wider problem of litigants in person not having

a great deal of understanding of the system in which they have to operate. The situation clearly needs to be kept under review.

The Law Society has spent a considerable amount of time looking at fee remission in general and has called for the Ministry of Justice to introduce a system for regular re-rating of the remission thresholds to take account of inflation. It has also suggested that a further review of the affordability of civil court fees and the remission system should take place and that simplification in all areas should be considered. The Committee endorsed those proposals. Personally, I think that there is a lot of merit in the suggestion of enabling automatic remission for all basic rate taxpayers. That would simplify the system enormously. Fee structure and remission may not seem at first glance to be an obvious cause célèbre for reforming lawyers, but without structural change our justice system becomes less accessible and less affordable for those who need it.

6.33 pm

**Justin Madders** (Ellesmere Port and Neston) (Lab): I shall start by declaring that I practised as an employment solicitor for many years before I entered this place. My speech will focus primarily on the impact of employment tribunal fees, but I want to start by making a broader point. Many people are still struggling to understand why a majority voted contrary to the mass of economic evidence that leaving the EU would be bad for jobs and growth, and the subject matter of this debate should give us food for thought about why some people voted in the way they did. Messages about risks to the economy will only work if we have an economy that works for the whole population. Therefore, as well as aiming for full employment, we must ensure that the jobs we create are permanent, secure and properly paid. Telling people on zero-hours contracts or in agency work that there was a risk to their jobs from Brexit was not persuasive.

A culture has been created in this country that views employment as a flexible, disposable concept, not as the basic building block needed to create a cohesive and prosperous society. When the few rights that we have are locked away in a system that deliberately prevents people from enforcing them, we should not be surprised that so many voices say they feel disfranchised. For too long, the question of fairness at work has been at the fringes of political debate. I am sure that most hon. Members would agree that opportunity should exist for everyone, that there should be no glass ceilings and that those with different backgrounds should have just as much chance of making it into their chosen job as the next person. Too often, however, lip service is paid to those aims and—crucially, in the context of this debate—little thought appears to be given to the consequences of employment ending. There are workplace rights and protections that this place has deemed a necessary part of the social contract that the Government have with the country, and we must be absolutely sure that those rights can be genuinely be enforced if we are not to have an illusory system of protection. Opportunity, security and sustainability in work should be given as much priority as the creation of the job in the first place.

It is recognised that losing a job is a major cause of extreme pressure and stress in life. Many people who have lost their jobs have no discretionary income to speak of, and keeping a roof over their family's heads

and putting food on the table will always take priority over pursuing a claim, no matter how badly they have been treated. I am aware that there is a fee remission system, but let us not pretend that it is anything more than a fig leaf, because many people do not qualify for it. The average monthly take-home salary in this country is just under £1,800. Remission is not available to people on that salary, yet claimants are being asked to stump up two thirds of that amount to pursue a tribunal claim. It is simply unrealistic to expect them to do that, and I agree with Lord Dyson's view that "ordinary people on modest incomes" will

"inevitably be deterred from litigating."

We have heard from the Chair of the Justice Committee, the hon. Member for Bromley and Chislehurst (Robert Neill), about the recommendations in his report, so I will not repeat them, but it is quite remarkable that the Committee feels that it has been strung along by Ministers in relation to the outcome of the review of employment tribunal fees. The review was commissioned over a year ago and it has apparently been on the Minister's desk for nine months. Having heard the Minister previously responsible for this area flounder in a Westminster Hall debate on this subject, I think it is pretty clear that the review has been sat on because the introduction of fees has been a disaster.

We know that this has been a disaster because the number of tribunal claims being lodged fell off a cliff following the introduction of fees in July 2013. Whatever comparisons are used, there has been a drop of around 70% on average in the number of claims lodged. Other Members have already mentioned the fact that the TUC and Unison provided statistics to the Select Committee comparing the number of cases brought in the first three months of 2013 with the number brought in the first three months of 2015. Those statistics showed that claims relating to the working time directive were down 78%, wages claims were down 56%, unfair dismissal claims were down 72%, equal pay claims were down 58%, breach of contract claims were down 75% and sex discrimination claims were down 68%. I am sure that the Government would like to claim that the success of the ACAS early conciliation scheme explains the drop, but that scheme was not in place for the period immediately after fees were introduced, and we know from an ACAS survey that at least 26% of claimants who did not progress their cases said that they did not do so because they found the fees off-putting. Lord Justice Underhill, referring to employment tribunals, has stated in the High Court:

"It is quite clear from the comparison between the number of claims brought in the ET before and after 29 July 2013 that the introduction of fees has had the effect of deterring a very large number of potential claimants."

The hon. Member for Huntingdon (Mr Djanogly) suggested earlier that the introduction of loans to fund claims might be an option, but who is going to lend money to someone who has just lost their job? That is completely unrealistic. Substantial evidence was put to the Select Committee that fees were encouraging employers not to resolve disputes as they knew that many employees would not be able to find the fee to pursue their claim. This leaves us with unresolved complaints and unenforceable rights because of a Government policy that effectively rewards and encourages bad practice. The Committee reported that many judges say that they now hear no

money claims at all. As my right hon. Friend the Member for Delyn (Mr Hanson) mentioned, the report states:

"Prior to the introduction of fees money claims were often brought by low paid workers in sectors such as care, security, hospitality or cleaning and the sums at stake were small in litigation terms but significant to the individual involved. There are few defences to such claims and they often succeeded."

Like my right hon. Friend, I do not buy for a minute the idea that all those employers have suddenly changed their behaviour and everyone is being paid correctly. What is far more likely is that those whose wages are being docked are saying to themselves, "It will cost me more to go to a tribunal to recover the money than the amount that I have lost, so can I actually afford to challenge it?" The rules have a disproportionate impact on those whom employment laws are there to protect, whether those with the least resources or those who have been discriminated against in work. The current system gives employers an incentive not to respect such rights.

Employment tribunals play a vital role in ensuring that basic rights—such as the rights to a minimum wage, paid holidays and maternity leave, and the right not to be unfairly dismissed or discriminated against—are effective. Valuing those rights, such as they are, is not enough; the ease with which people are able to exercise them is just as important. They are not just about individual dignity and respect in the workplace. They bring important social and economic benefits to the country. They ensure that more people can participate in the labour market without facing unfair discrimination. They give vulnerable workers more job security and stability of income. They help to produce a committed and engaged workforce and encourage the retention of skilled workers, and they allow people to plan their lives and plan for a future, knowing that if they do a good job and their employers run their businesses well, they are likely to stay in work. What we have instead is a "hire and fire" culture, in which workers are seen as disposable commodities—figures on a spreadsheet—rather than people with real lives who actually matter.

It seems to me that the Government are incapable of recognising the importance of employment rights. As we enter a period of tremendous uncertainty with the fallout from Brexit, we need, now more than ever, a Labour Government to protect those whom we represent, and we must all reflect on how best to achieve that. Although I do not doubt that there will be differing views on the way ahead, I sincerely hope that all members of my party will agree that if we cannot unify and present ourselves as a serious Government in waiting, we cannot expect to do a single thing to reverse this contemptible, repugnant race to the bottom.

6.41 pm

**Andy Slaughter** (Hammersmith) (Lab): It is a pleasure to follow my hon. Friend the Member for Ellesmere Port and Neston (Justin Madders), who knows far more about the issue of employment tribunals than I do. For understandable reasons, that issue has dominated the debate. I practised in the civil and criminal courts before I came here, but that seems some time ago now.

Let me begin by complimenting the Justice Committee, its Chair—the hon. Member for Bromley and Chislehurst (Robert Neill), who spoke very persuasively today—and

[*Andy Slaughter*]

all its members, including my right hon. Friend the Member for Delyn (Mr Hanson). It has produced a good report, which makes our task easier because we can endorse it and agree with its recommendations, many of which do not pull their punches with the Government. I might go further in some respects, but I suspect that it will be sufficient to ask the Minister to respond to the points made by the Committee. I trust that he will not simply say that matters will be dealt with in due course; I have become rather used to his saying that.

I apologise to those on both Front Benches for the fact that I may not be able to stay for the closing speeches. If I cannot, I will of course read the Minister's comments assiduously tomorrow, as I always do. He has made some interesting speeches recently.

I have another reason for not saying much about the substantive issue. During the five years for which I held the shadow brief—until last year—I probably said everything that I wanted to say about courts and tribunal fees. However, unusually, I want to correct something that was said earlier by my hon. Friend the Member for Kingston upon Hull East (Karl Turner). I did not take the view that fee increases should always be opposed. On the contrary, given the constraints on the public finances, and the particular pressures on the other parts of the Ministry of Justice budget—which are now coming to fruition in very unpleasant ways that affect the prison service and legal aid—I always took the view that fee increases were appropriate, and that full cost recovery, and in some cases more, could be justified on its merits, provided that it did not interfere detrimentally or substantially with access to justice.

That is where the Government have lost their way. In fact, they have lost their way rather more than that: they eventually began to introduce changes that were self-defeating, such as the criminal courts charge, and had to do a U-turn. The report criticises many elements of fees and charges, not just employment tribunal fees but civil fees, which have risen by up to 600%—that figure alone should have set alarm bells ringing—commercial fees, and the fees for divorce. Now there are proposals for an increase of up to 500% in immigration tribunal fees. Those increases will clearly not be affordable, especially in the light of a remission system that does not appear to function properly.

I think that many Members have concentrated on the issue of employment tribunal fees because we have had more time to experience it, and because there is something particularly insidious about the way in which the fees were introduced. They have led to a 70%—in some cases, an 80%—drop in the number of claims, which must have been the intention, because this does not represent a great saving of public finances. I think that the estimate is about £10 million a year, and although that is a substantial sum, it is not substantial in the context of the overall budget. The aim appears to be to restrict access in a way that some employers may find convenient, but people who are experiencing a time when they are vulnerable, have little money at their disposal, and face having to undergo what is, even at a tribunal, the intimidating process of putting their case forward will be easily put off. They do not need fees, and they certainly do not need fees at this level, to discourage them.

I do not want to take up too much time, so let me return to a point that I raised during the speech of the hon. Member for Bromley and Chislehurst. It is one of the few points on which I disagree with the Committee. It relates to Freedom of Information Act appeals from the Information Commissioner to the First-tier Tribunal. The Chair of the Committee was very kind in replying to my intervention. The Committee said that, according to the Independent Commission on Freedom of Information,

“considerable resources and judicial time are being taken up by unmeritorious appeals’. It recommended that legislation should be introduced to remove the right of appeal to the First-tier Tribunal against an Information Commissioner decision”,

only allowing an appeal to the Upper Tribunal on a point of law. The report continues:

“This recommendation is under consideration by the Government. We see no reason to disagree with the Commission's view.”

This is not really a criticism, but it appears that the Committee ticked a box because it had not received submissions. I accept, if that is what the Chair says, that it had not received submissions to the contrary, but the independent commission had certainly received many such submissions. It may well be that the Committee did not receive any because the impression given by the report was that it concerned levels of fees and charging rather than the existence of rights of appeal in themselves.

Let me return to what the commission said, and why the Committee may have been led into error. There appears to have been a simple confusion between unmeritorious appeals, which are weeded out—between January 2014 and March 2015, 10% cases were struck out for being unmeritorious—and unsuccessful appeals, which are very different. The Committee said that 79% of appeals to the First-tier Tribunal against the Information Commissioner were unsuccessful, but that means that more than 20% were successful.

In my experience—including my experience as a litigant: I have been a frequent user of the Freedom of Information Act, and have gone through all those stages, up to the First-tier Tribunal—it is an absolutely necessary safeguard. The Information Commissioner does a good job although he is under-resourced, and, generally speaking, the independent commission did not come up with the horrors that we all thought it was going to come up with, such as charging more, restricting access, or in other ways trying to discourage freedom of information requests. Nevertheless, the appeal to the First-tier Tribunal is an extremely important stage of the process.

Let me exemplify that by referring to some of the cases that have succeeded at that level in the past year. I am grateful to the News Media Association, a combination of the Newspaper Society and the Newspaper Publishers Association, which, understandably and for very good reasons, wishes to see this right of appeal. I am particularly grateful to the Campaign for Freedom of Information, led by the redoubtable Maurice Frankel, who has rung alarm bells on the issue.

Let me give half a dozen examples. The First-tier Tribunal ordered the Cabinet Office to release information about the adoption of the selection criteria for appointing members of the Chilcot inquiry. It told the Ministry of Defence that it was wrong to withhold information about its failure to warn soldiers that they will get a criminal record if convicted of minor disciplinary offences. It ordered the Department for Education to reveal

payments to new sponsors taking over failing academy schools. It ordered the Cabinet Office to disclose documentation for the expenses, of up to £115,000 per annum each, claimed by four former Prime Ministers in connection with their public duties. It also ordered—the Minister will appreciate this one—the Ministry of Justice to identify landlords convicted of Housing Act 2004 offences for letting dangerous or grossly substandard accommodation. Those are just some examples from central Government; there are even more examples from the national health service and local government.

I ask the Chair of the Justice Committee, who is a fair and reasonable man, to reconsider the issue. I assure him that the bodies that I have mentioned will be delighted to supply him with a plethora of information, just as they provided such material to the Independent Commission on Freedom of Information, albeit in vain.

The Freedom of Information Act was one of the key pieces of legislation of the previous Labour Government. Like anything else, it can be open to abuse, but it is generally used well not only in individual instances, but in promoting good government. It is right that the Information Commissioner's Office is independent, but the Information Commissioner does not always get everything right. A 20% success on appeal rate is good, and the role of the First-tier Tribunal is materially different from that of the Information Commissioner. It brings a judicial eye to proceedings and, from the results that we have seen, allows for fresh and fuller scrutiny.

I will end on that point so as not to take up any more time, but I hope that that single issue—I apologise for picking out what I think are the errors in the report and do not mean to obscure the many good things in it—will be reconsidered by both the Committee and the Government.

6.52 pm

**Marie Rimmer** (St Helens South and Whiston) (Lab): May I first agree with the deserved compliments to the Chair of the Justice Committee, the hon. Member for Bromley and Chislehurst (Robert Neill), made by my hon. Friends the Members for Kingston upon Hull East (Karl Turner) and for Hammersmith (Andy Slaughter)? It has been a pleasure to serve on the Committee, which has been bipartisan and united in its conclusions.

The Government's case for introducing fees was cost recovery, but with spend at £71.4 million and income at £9 million that has failed, and the goal was to reduce the number of vexatious claims, which I will address in more detail later. The issue for the Committee was whether fees have had an unacceptable impact on access to justice. The introduction of fees has led to an enormous and undisputed drop—approaching 70%—in the number of cases brought. It is well worth repeating what my right hon. Friend the Member for Delyn (Mr Hanson) said about single individual tribunal cases declining by some 67%, but I will not repeat all the figures. Cases brought by more than one person, or multiple claims, declined by 72%.

The Under-Secretary of State for Justice, the hon. Member for North West Cambridgeshire (Mr Vara), told the Committee that 83,000 early conciliation cases had been dealt with by ACAS in the year beginning April 2014 and that other factors may account for part of the reduction in the number of cases being brought.

The evidence submitted to the Committee was that of the 60,800 early conciliation notifications made in the period from April to December 2014, 15% were settled and only 22% progressed to an employment tribunal. Some 63% of notifications—38,304—dropped off the radar. I put it to the Chamber that that was down to affordability.

Comparing the cases in the first three months of 2013 with those in the same period in 2015, the TUC and Unison, as referred to by my hon. Friend the Member for Ellesmere Port and Neston (Justin Madders), found that the most common types of cases where access has been restricted since the introduction of fees were those relating to the working time directive, down 78%; unauthorised deductions from wages, down 56%; unfair dismissal, down 72%; equal pay, down 58%; breach of contract, down 75%; sex discrimination, down 68%; and pregnancy-related detriment or dismissal, down 40%. That is quite shameful in a democracy.

In an ACAS survey, 26% of claimants who did not progress their cases said they did not do so simply because they found the fees off-putting. Tribunal fees have the opposite effect to what the Government are saying. They do not encourage early conciliation because the employer has no incentive to settle in cases in which the claimant may have difficulty raising the tribunal fee. The Senior President of Tribunals said:

“The Council of Employment Judges and the leadership judges would all say that there is clear behavioural material as to the way in which respondents”—

employers—

“are behaving. They are avoiding engagement in conciliation processes and waiting for the next fee to be paid, which means that settlement opportunities are lost.”

Kate Booth, from Eaton Smith LLP, legal representatives of both employers and employees, asked why would employers engage in early conciliation? She said:

“You wait for the employee to pay a fee. Ultimately you want to call their bluff—are they prepared to put their money where their mouth is?—so you sit back and see whether they do it.”

In other words, they want cases to drop off.

The Law Society and the Police Action Lawyers Group claim that there is emerging evidence of people and employers hanging back, waiting to see whether a claim progresses before settling. There is little evidence to suggest that such claims are vexatious. In evidence to the Committee, the charity Working Families said that vexatious claims

“may be less than 5%, even less than 2%”.

The Senior President of Tribunals said that if the aim was to remove vexatious claims, one would have expected the success rate of claims to go up, but, in so far as there is any material available at the moment, the evidence is to the contrary. Not only have the success rate and the appeal rate not significantly changed, but the policy has failed to reduce the number of unmeritorious claims. The timing and scale of the immediate reduction following the introduction of fees leave us in no doubt that the clear majority of the decline is attributable to fees. The drop in tribunals was not predicted by the Government. Even when employment law changes are taken into account, as the Minister said in Committee, the drop was down to tribunal fees putting people off exercising their right. Again, affordability is the main issue. A limit is being placed on access to justice in employment cases for those who are most vulnerable in the system.

[Marie Rimmer]

In evidence to the Committee, the chief executive of Thompsons Employment Solicitors said that Ministers are not clear about the purpose of the fees. Are they intended to fund the tribunal system? If the tribunal system is to be funded by users, it should be taken into account that employers are also users. If it is to deter claims, fees are not effective. The costs system present in other civil cases is a better method. If someone brings a claim that has no merit and is unsuccessful, the employer can apply for costs. There is simply no evidence that there are loads of vexatious claims in the system. If employers face vexatious claims and are properly advised, they will oppose them. If they succeed, they will apply for costs. That is the appropriate deterrent and it already exists.

Factors that need to be taken into account include: the effectiveness of fee remission, as mentioned by the hon. Member for Banbury (Victoria Prentis); the vulnerability of claimants and their means by comparison with respondents, which may pose particularly problems in respect of inequality of arms when individuals or small businesses are seeking to uphold their rights against the state or major companies; and the degree of choice litigants have in whether to use the courts to resolve their cases and achieve justice. There should be a clear and justifiable relationship in the fee system between those factors and the degree of financial risk litigants are asked to bear.

Where there is conflict between the objectives of achieving full cost recovery and preserving access to justice, access to justice must prevail. The Select Committee report recommendations are clear. First, the Government should publish the factual information collated as part of their post-implementation review. The goalposts have been moved four times and they should publish now, without further hesitation. Why has this information not been published? Secondly, the overall cost of tribunals must come down. Thirdly, the financial thresholds for fee remission must be increased, and only one application should be required, thereby aiding access to justice. Fourthly, the binary type A/type B distinction should be replaced by a fee system that is fair and does not preclude vulnerable people. Fifthly, further special consideration must be given to the position of women alleging maternity discrimination or pregnancy discrimination. Their savings to support their new born child or soon-to-be-born child might be being used as collateral towards industrial tribunal fees, thus affecting any remission, and that is off-putting.

I recognise that the Committee's recommendations, put simply by me, would have cost implications for the Ministry of Justice, but we should note that an increase in the number of legitimate claims would in itself bring in additional fee income. I stress again that if there was a choice between income from fees and the preservation of access to justice, the latter must prevail. Indeed, as the Master of the Rolls reminded us in his evidence, the Lord Chancellor is required by statute to have regard to the necessity of maintaining access to justice.

7.2 pm

**Hannah Bardell** (Livingston) (SNP): I am grateful for the opportunity to speak in this debate, albeit at the last minute. I rise to speak having heard many of the statistics, which I still find shocking to hear, and I wish to give

some personal reflection and context. My grandmother had many tall tales to tell when I was growing up, but one I always remember is the story of how she met my grandfather while working in munitions at the Rolls-Royce factory in Glasgow during the war. After the war, she went back to work to be a seamstress. When she got married and returned to work, she was "given her books": her employment was terminated and she was unemployed. There were no tribunal fees in those days, and I often reflect on how we have come a long way, although not far enough.

Before I came to this place, I worked in the corporate sector for a number of years, where I managed a small team. A team member went on maternity leave as I started my employment, and just as she was coming back I was advised by the human resources department that if she took longer than nine months, I did not have to give her her job back—I just had to give her any job. I could not believe that. I found it incredible that someone senior—a marketing manager—was not allowed to get her job back. As a manager, I was put in the position of finding her any job.

This debate is about tribunal fees. They play a part here, but how we look at this is as much about company culture and our culture as a society. We also have to look at it in terms of the productivity gap, as I said in my intervention. We want to get people back to work and to encourage them. That is particularly true in the case of women, who are often marginalised, as so many of the reports have said. Having 400,000 women in this country experiencing discrimination in employment is not a mark of a modern or progressive society. Therefore, if we reduce people's access to justice, it does not take us forward in any regard. The International Labour Organisation said in a 2014 report:

"Fathers undertaking a more active role in caregiving is likely to be one of the most significant social developments of the twenty-first century."

This is therefore not just about women in the workplace and discrimination against them; it is also about men.

When the Equality and Human Rights Commission came to me a couple of weeks ago and talked me through some of the statistics and the issues relating to tribunal fees, I was staggered. I was told of the 56,000 women being put out of employment—that figure has been mentioned a number of times—and how 10% of mothers say that their employer discouraged them from attending antenatal appointments. We must get tougher. A number of Members from across the Chamber have legal backgrounds. There is a significant gap between people who are being discriminated against and the courts and the lawyers firms, which are undoubtedly making a significant amount of money out of cases.

Our courts are also being clogged up by cases that could be solved in other ways. I recently visited Australia, where I wanted to see how its small business commissioner operated by comparison with the legislation that has been introduced in this House. I found it incredible that Australia had a federal commissioner and individual state commissioners. They had developed a culture across Australia of resolving issues before they got to the courts, and that was very much welcomed by the legal profession. I wonder whether the Minister would consider that as a proposal and as something meriting further discussion: a commission with greater powers, sitting between the judiciary and businesses. There will have to

be a carrot-and-stick approach at some point. I think of the number of times I have heard small and medium-sized enterprises saying, or people reporting, how they have had difficulties in supporting women or families through having children. We need to incentive small businesses, and individuals to start and develop their businesses. The fact of the matter is that women have children; we are not at the stage yet in genetics where men can carry children. We have to accept the fact that women are child bearers, and they bring so much to the economy and to our nations when they have children and continue on the next generation.

Some of the recommendations that Maternity Action made in its evidence to the Women and Equalities Commission were particularly interesting. They included having a single website and clear information for women who are going to be going on maternity leave or are thinking about having a family. There was disappointment about the withdrawal of the “Birth to Five” book and on the health and safety issue: the Government’s own research says that 41% of all pregnant women face health and safety risks being not properly managed by their employers. Those are damning statistics. We have to make business believe and understand that it is good for their them and for society for women to have flexible working, and the Government have to support that—it will not happen on its own.

In conclusion, we are a family of modern, progressive nations. Scotland is leading the way, in abolishing fees and giving access to justice. I hope that the Minister has an eye on the north and is taking notes.

7.8 pm

**Dr Rupa Huq** (Ealing Central and Acton) (Lab): I rise to speak as a member of the Justice Committee, whose report we are considering. I wish to add my hearty congratulations to our Chair, the hon. Member for Bromley and Chislehurst (Robert Neill), on his brilliant opening statement; for a while, I thought that there was going to be nothing left for me to say, and I shall be brief as a result.

I also want to congratulate our new shadow Lord Chancellor, my hon. Friend the Member for Leeds East (Richard Burgon). [*Interruption.*] I see that the Lord Chancellor is not here—perhaps his mind is on other matters. What we are considering is far from what he is thinking about at the moment.

It is worth restating that, like all Select Committees, the Justice Committee is a majority Conservative Committee, but we were pretty unanimous in our conclusions on court and tribunal fees. As the Chair pointed out at the start of this debate, our inquiry included the criminal courts charge at the beginning. Our report on that voiced grave misgivings and recommended the abolition of that unfair charge as soon as possible, as it acts as a barrier to justice. Encouragingly, there has been action on that. We welcome the fact that the Government acted swiftly in response to our criticism. We now wish that history would repeat itself with the highly unpopular tribunal fees.

We still await the publication of the Government’s long-awaited post-implementation review of the impact of employment tribunal fees. That was announced in June 2015 and our Committee has called for this to happen urgently. We recommended that fees for employment tribunals be “substantially reduced”. However, the

Opposition would go further and recommend abolition. I am proud to have stood on a manifesto at the last general election that urged abolition. I do not know what is in our next manifesto. Four years is a long way off, so I shall not get into Mystic Meg territory.

Ability to pay, or the thickness of the wedge in someone’s wallet, should not determine their access to justice. Fees should not be a barrier to those on low incomes bringing employment tribunal claims. That is what I want to address in this short contribution. It is a cause for concern that women in particular have been hard hit by employment tribunal fees, as shown by the fact that sex discrimination, pregnancy, maternity and equal pay claims have all fallen.

The austerity cuts have hit women hardest—some analyses show that 80% of all cuts hit women. That gives weight to the claim that the Prime Minister—he is still the Prime Minister, isn’t he, though not for that much longer—has a problem with women. It is interesting that the two main runners and riders to replace him are women. Let us see what the future brings.

The Justice Committee interviewed numerous witnesses. We had four evidence sessions, with 23 people appearing before us, and written submissions from 91 stakeholders ranging from pillars of the establishment, such as the Bar Council, to specialist pressure groups, including the self-explanatory Pregnant Then Screwed—that is its name.

Maternity Action gave evidence of maternity discrimination and found that on pregnancy discrimination in particular there has been a fall of 40% in the number of claims in the immediate aftermath of the introduction of fees—40% down. That is nearly half. The group’s figures from 2005 suggest that less than 10% of women suffering pregnancy and maternity discrimination would present themselves anyway, for fear of repercussions.

The Under-Secretary of State for Justice, the hon. Member for North West Cambridgeshire (Mr Vara), who is a pleasant chap, and who is here now, told us repeatedly that ACAS has reported an upsurge in people presenting themselves there. The figure of 84,000 extra cases for ACAS was mentioned. That is not a way to bat away the issue. We identified a number of problems. Part of the justification for the introduction of fees was to recover costs, but in both employment tribunals and the immigration and asylum chamber there has been a massive mismatch between costs and recovery. The costs recovered have fallen far short of what was projected. According to the Courts and Tribunals Service’s annual report for 2014-15, the cost recovery target for employment tribunal fees was set at around 33%. Only 17% has been achieved. For the immigration and asylum chamber, recovery was projected to be around 25%, but in reality it has been a measly 9%.

To add insult to injury, the latest accounts from the Ministry of Justice show that in 2014-15 net income from employment tribunal fees was £9 million, whereas expenditure on the service was £71.4 million. That is a poor ratio. The fees make bad business sense. Just 12.5% of the costs were recovered, at a time of fiscal belt-tightening, when we should justify every pound of public expenditure.

We received evidence from the TUC and Thompsons, the trade union solicitors, that fees have decreased employer engagement with early conciliation. Fees act as a disincentive because people wait to see whether the

[Dr Rupa Huq]

other side can afford them. If not, there is no point in the public policy initiative to settle before the case gets to the courtroom door.

My hon. Friend the Member for Hammersmith (Andy Slaughter) talked about claims without merit. I will not go into that, as I said I would be brief.

The Government's policies have impacted on access to justice in a number of ways. Employment tribunal fees were introduced not in a vacuum, but against a background of measures such as the civil court fee increases, legal aid cuts, restrictions on judicial review, the Trade Union Bill, and the proposal to repeal the Human Rights Act. Some Ministers have mooted leaving the European convention on human rights. In our opinion, the cumulative effect of all these things is chipping away at access to justice.

I am a member of Unison, which has said:

"Over the last three years tribunal fees have prevented many people who have been wronged at work from taking their employers to court.

Unscrupulous bosses can hardly believe their luck. They can pretty much treat their staff as badly as they choose, safe in the knowledge they are never likely to be taken to a tribunal."

Unison is mounting a legal challenge, which is due to be heard at the Supreme Court later this year. Other stakeholders have voiced similarly damning criticisms. The Bar Council called it "a shot in the dark". Citizens Advice highlights the anomaly whereby the fees are higher than the sum claimed, so they make no business sense. The Law Society talks of "treating justice like a commodity".

Our report says that

"the overall quantum of fees charged for bringing cases to employment tribunals should be substantially reduced".

I say they should be completely abolished. In the words of the report,

"further special consideration should be given to the position of women alleging maternity or pregnancy discrimination."

I would drink to that any day.

I agree with the report's finding that

"the increase in the divorce petition fee, from £410 to £550, be rescinded",

and that the review of the employment tribunal fees needs to be published before the Government steam ahead with the hare-brained mistaken aim of full costs recovery in the immigration and asylum chamber. There are more holes in these policies than in a colander—tribunal fees preventing access to justice and trampling on employment rights, the reduction in sex discrimination and equal pay claims at the employment tribunal, and the delayed publication of the review of employment tribunal fees. We should be increasing access to justice, not restricting it, particularly at a time of austerity.

7.17 pm

**Angela Crawley** (Lanark and Hamilton East) (SNP): I shall focus on three key points that are essential to this debate—the fundamental principle of access to justice, the clear fact that the introduction of fees is a barrier for women who are pregnant or experiencing maternity discrimination, and the post-implementation review of the introduction of tribunal fees. I am sure the Minister will pay close attention.

Employment tribunal fees have been mentioned by many hon. Members primarily because 54,000 women are forced out of their workplace every day by discrimination. If there was a need for evidence that the tribunal fees system is not working, that is it. Since the introduction of employment tribunal fees in 2013, there has been a 76% decline in the number of tribunal fee claims.

I will dispense with statistics for now and highlight some of the reasons employment tribunals exist. They are intended to assist not just women, but any worker who faces unfair dismissal or discrimination in their workplace. Such pressures are compounded by the fact that those people are often the most vulnerable in society. Despite many calls from across the Opposition Benches, I suspect that the Minister is not listening to any of the arguments that have been made thus far about employment tribunal fees being tantamount to a barrier to access to justice. They compound discrimination against women, in particular in maternity discrimination cases, but they can affect all workers.

We have heard from trade unions about when these issues compound the experiences faced by many workers. The trade unions have focused particularly on those on zero-hours contracts, who are offered little or no job security. If they bring a challenge against their employer, they may have no further work and no further hours, so they will not be able to put food on the table to feed their families. Unfair dismissal therefore affects not just women but many workers across the spectrum.

ACAS—the institution the Government proudly highlight as the main arbitrator in this—has indicated that 26% of people simply did not progress a claim, because the tribunal fees put them off. If their own statistics are not enough to tell Ministers the system is not working, I do not know what is.

Working Families has highlighted that there is a growing category of rogue employers—something the Government have not seen fit to address. Siobhan Edean, from the Unite trade union, has indicated that employers are confident that claims will not go to a tribunal, because people cannot afford the basic £1,200 fee that would be imposed on them to implement proceedings in the first place.

The Equality and Human Rights Commission has rightly highlighted the severe impact on women. Its review was done in conjunction with the Department for Business, Innovation and Skills, so the Ministers have further statistical evidence that their tribunal fees system is not working.

Some 77% of people have experienced negative or potentially discriminatory practices in their workplace. There has been a 76% decrease in the number of people who have gone to tribunals. As one of my colleagues said earlier, that cannot be attributed merely to vexatious or unmeritorious claims—it is clearly because the fees are a barrier. I cannot emphasise that enough.

The Women and Equalities Committee conducted a review of pregnancy and maternity discrimination issues, and one of our key findings was that the three-month time limit is insufficient. It is probably the furthest thing from a pregnant woman's mind to start filing a claim against her employer. However, even if the time limit were extended to six months, the bottom line is that it

would be completely impractical for any woman who has just had a child or who is pregnant to go through this procedure.

Joeli Brearley, from Pregnant Then Screwed, said she was unable to pursue justice, because she was pregnant and was informed that going ahead would be stressful and have a negative impact on the birth of her child. That is the reality for many women. Why will the Government not understand the simple fact that three months is insufficient for women who are pregnant and who have experienced discrimination in the workplace? They simply cannot access the justice they deserve. I hope the Minister will give that point about the time limits due consideration, because it is absolutely pertinent.

When the Committee visited Portsmouth, women told us they are subject to harassment and bullying and are refused time off for antenatal classes. Maternity Action highlighted the fact that the overwhelming majority of women simply cannot afford tribunal fees. Aside from fully abolishing or hugely reducing fees—I understand that the Justice Committee reports suggests that—simply increasing the time limit would make a sizeable difference to the number of women who can progress claims. I sincerely hope that Ministers will bear that in mind.

The fact is that less than 1% of maternity discrimination claims proceed to tribunal. That means that 99 out of every 100 women who experience discrimination have no legal redress whatever. With the greatest respect, therefore, I am going to quote the Under-Secretary of State for Justice, the hon. Member for North West Cambridgeshire (Mr Vara). A few months ago, I asked him whether he would continue to defend the introduction of tribunal fees—I suspect they are a means to eliminate the budget deficit, but they also fail to address the fundamental principle of access to justice. You said we require “a responsible approach” to funding services, so I am going to ask him a few questions. Is it responsible to allow people to be put out of work? Is it responsible to allow rogue employers to act as they wish, regardless of employment law? Does the knock-on impact on economic growth really help to redress or reduce the budget deficit?

I think I have clearly made my three points. One was about the fundamental principle of access to justice. One was about the time limit, and the potential to increase it from three months to six months, as recommended by the Maternity Action Group, Pregnant Then Screwed and many other organisations. I have also outlined to you—

**Madam Deputy Speaker (Natascha Engel):** Order. I have let this go a few times. When the hon. Lady says “you”, she is addressing the Chair. Could she refer to “the Minister” or “the hon. Gentleman”?

**Angela Crawley:** I am sorry, Madam Deputy Speaker. If the Minister addressed each of those points in turn, I would be eternally grateful.

The conclusion I would like to draw is that the introduction of fees is a fundamental barrier to access to justice for not only women but all workers. The simple fact is that the time limit could be extended, and that should readily be considered. I hope the Government will do that. Ultimately, I would call for the outright abolition of tribunal fees, because there is no statistical evidence to suggest that they have decreased the number

of vexatious or unmeritorious claims; all they have done is limit the number of women, in particular, who can bring claims. If the Government will not commit to abolishing fees, will they at the very least consider the Justice Committee’s recommendation of a significant reduction? However, I and my SNP colleagues would call for them to consider outright abolition. The First Minister said that when this area of law is devolved to Scotland, we will abolish tribunal fees if it is possible to do so. Will this Government make the same commitment for workers across the UK?

**The Parliamentary Under-Secretary of State for Justice (Mr Shailesh Vara):** Where will you get the money?

**Angela Crawley:** The Minister proves my point: budget deficit reduction should never come above access to justice.

With no financial penalty, Scottish women may soon face fewer barriers when they exercise their employment rights and seek access to justice. The same may not be said for other women across the UK. It is time for someone to stand up for hard-working women and other workers across this country and to demand equal access to justice for everyone across the UK. Women have waited three years for the post-implementation review of tribunal fees. Should they have to wait another three years for the Government to clear their debts and to consider this issues seriously? Ultimately, access to justice is the fundamental principle at stake here. I hope the Government will hear my questions and answer them.

7.28 pm

**Richard Burgon (Leeds East) (Lab):** It is a pleasure to respond for the Opposition. I am following in the footsteps of a very learned gentleman: Baron Falconer of Thoroton. In terms of my legal career, I am not quite so learned. Before I was elected to represent my constituents, I was a lawyer for 10 years in my home city of Leeds. In eight years as an employment lawyer, I saw—like my hon. Friend the Member for Ellesmere Port and Neston (Justin Madders)—many changes to employment law. As an employment lawyer, I was angry at what the introduction of employment tribunal fees in 2011 did to access to justice. Today, I am here at the Dispatch Box to speak up for all those whose access to justice has been deliberately obstructed by this Government and the coalition Government who preceded them.

I want to share with hon. Members my memory of the first time I lodged an employment tribunal claim after the introduction of employment tribunal fees in 2011. I was shocked and saddened to see the following words appear on the computer screen: “Customer, please enter your credit card details”. That made me sick to my stomach. Are we saying that people attempting to assert their statutory rights, such as the statutory right to be paid the national minimum wage and the statutory right not to be discriminated against at work on grounds of gender, sexuality, religious belief or disability, are reduced to being consumers or customers?

**Mr Djanogly:** Will the hon. Gentleman give way?

**Richard Burgon:** I will not be giving way because there is limited time and I want to give the Minister as much time as possible to answer.

[Richard Burgon]

Are we saying that these people are reduced to being customers? In fact, they should be viewed as citizens trying to assert their statutory rights and to seek justice. [Interruption.] The hon. Member for Huntingdon (Mr Djanogly) is annoyed, but not as annoyed as many across the country who have seen their access to justice so unnecessarily restricted.

The Select Committee's report, which I commend, recommends that

"the overall quantum of fees charged for bringing cases to employment tribunals should be substantially reduced"

and that

"the Ministry...should introduce a system for regular rerating of remission thresholds to take account of inflation".

I think, as do plenty of people outside this place, that we need to go further than that, but the report is nevertheless to be commended.

We have heard excellent contributions to this debate from hon. Members on both sides of the House. I particularly welcome the opening speech by the hon. Member for Bromley and Chislehurst (Robert Neill), who is Chair of the Justice Committee, which, as he explained, unanimously supported the report's recommendations. In response to a point made by my hon. Friend the Member for Hammersmith (Andy Slaughter), we do recognise the concerns of the Campaign for Freedom of Information.

How can it be disputed, after what we have heard today, that access to justice has been harmed, not helped, by this Government and their coalition predecessor? Many of us know of this from our own experience as MPs, with our constituency advice sessions overflowing with people who do not know where to turn when they cannot access or afford legal advice or legal representation. Legal aid has been attacked, employment tribunal fees have been introduced, and fees are being increased in divorce proceedings and in immigration and asylum cases. As my hon. Friend the Member for St Helens South and Whiston (Marie Rimmer) explained, these fees risk dissuading people from litigating at all, and, as my hon. Friend the Member for Brent Central (Dawn Butler) indicated, they have a discriminatory impact.

The Select Committee is right to be concerned about the effect of court and tribunal fees on women in particular. The increase in the divorce petition fee from £410 to £500 disproportionately hits women, who are the vast majority of divorce petitioners. Why should the Government be increasing what could be termed a "divorce tax" on people, including women, who have suffered domestic violence or emotional abuse? Why are the Government charging more for a divorce petition than it costs to process it? Should the state really be making money from people's misery? What have people bringing cases in the immigration and asylum chambers done to deserve a proposed 600% increase in fees? This is an attack on some of our society's most vulnerable people—those seeking asylum. As we heard here last week, this takes place against a backdrop of growing attacks on people who are perceived to be migrants.

Let me turn to the Select Committee's concerns about employment tribunal fees. The report quotes from the Odysseus Trust, which describes tribunal fees as

"a tax on justice imposed to enable HM Treasury to profit from people seeking to enforce their legal rights".

The same paragraph quotes the organisation, Working Families, which says that

"these fees imperil the rule of law."

That is also the view of legal experts. The Select Committee heard from Jonathan Smithers, the president of the Law Society, who said that there was the possibility of

"a two-tier justice system for the rich and the poor"

and that any increase in fees will militate for that rather than against it. Chantal-Aimée Doerries, chair of the Bar Council, said:

"Our members who practise in the employment tribunals have very much formed the conclusion that the challenge at the moment is the level of fees in terms of access."

The Select Committee concluded, and I hope that the whole House weighs these words very carefully:

"Where there is conflict between the objectives of achieving cost-recovery and preserving access to justice, the latter objective must prevail."

I could not agree more.

Employment tribunal fees have cut access to justice. As we have heard, there has been a 70% or so reduction in employment tribunal cases being brought. Cases on unauthorised deductions from wages are down by 56%. Cases on unfair dismissal are down by 72%. Cases on equal pay are down by 58%. Cases on sex discrimination are down by 68%, and cases on race discrimination are down by 60%. As my right hon. Friend the Member for Delyn (Mr Hanson) observed so effectively, is anybody seriously arguing that this drop in the number of claims being brought means that there has been a sudden damascene conversion of all the employers in the country and that bad treatment has been abolished and consigned to the history books? Of course not; it is just that claims are not being brought. We must remember the deterrent factor. Employment tribunal claims do not just help those who bring them; they also help those who would never dream of doing so. The possibility of the claim being brought acts as a deterrent against employers engaging in bad and discriminatory behaviour.

The true nature of the remission system must be discussed. I remember, when I was an employment lawyer, helping people to fill in the remission fees forms and watching them do so, with the amount of humiliating detail they are expected to go into in providing so many bank statements and all their other details. I remember getting documents back from the employment tribunals service where people had highlighted in yellow on someone's bank statement the fact that they had had £12 transferred into their bank account by a relative and asked them to explain what this money was for, where it had come from, and why. Unison is correct to say that the remission system is not working. Unison argues that the equality impact assessment of July 2012, before the introduction of fees, said that it was expected that 23.9% of claimants would benefit from full remission and 53% of claimants would benefit from the variable discounts on fee rates up to £950, but the actual figures suggest that only 3.87% of claimants benefit from any remission. That is shocking.

With these statistics in mind, I welcome the Select Committee's criticism of the Ministry for failing to publish the review on the impact of employment tribunal fees. The Select Committee said:

"On the basis of...evidence to us on 9 February, we assumed that the review would be published shortly".

It also said:

“We have not appreciated being strung along in this fashion”, and that it is “unacceptable” that it remains unpublished six months later. Who would not agree with that when ordinary people continue to miss out on justice? It is therefore welcome that as well as the pressure brought to bear by the Select Committee’s report we continue to see a legal challenge to employment tribunal fees by the trade union Unison, which has now taken its case to the Supreme Court, as my hon. Friend the Member for Kingston upon Hull East (Karl Turner) mentioned.

I would like to say more, but I wish to give the Minister an opportunity to address some of the concerns that I and others have outlined today. I reiterate my support for the Select Committee’s request that the Government publish their review on the impact of tribunal fees and reconsider their approach of treating court users as customers.

Sir Hartley Shawcross, who was Attorney General from 1945 to 1951, when we had a fantastic Government who changed things for the better, said about the Legal Aid and Advice Bill in 1948:

“It is a Bill which will open the doors of the courts freely to all persons who may wish to avail themselves of British justice without regard to the question of their wealth or ability to pay...indeed, going back further to the time when Magna Charta decreed that: ‘To no one will we sell, deny, or delay right or justice.’—it is an interesting historical reflection that our legal system, admirable though it is, has always been in many respects open to, and it has received, grave criticisms on account of the fact that its benefits were only fully available to those who had purses sufficiently long to pay for them.”—[*Official Report*, 15 December 1948; Vol. 459, c. 1221.]

Nobody could put it better or advocate those principles more effectively, but regrettably they are up for debate again.

This is an estimates day debate. I can make it clear now, with no ifs or buts, that a Labour Government, with my right hon. Friend the Member for Islington North (Jeremy Corbyn) as Prime Minister, will abolish employment tribunal fees and pursue the principle of access to justice for all. The usual convention is not to vote on estimates day. However, such is the strength of feeling in the parliamentary Labour party that we will vote against this motion on a point of principle.

7.41 pm

**The Parliamentary Under-Secretary of State for Justice (Mr Dominic Raab):** I congratulate the shadow Justice Secretary, the hon. Member for Leeds East (Richard Burgon), on his new position and welcome him to the Opposition Front Bench. I pay tribute to the work of the hon. Member for Hammersmith (Andy Slaughter), who held our feet to the fire assiduously over many weeks and who I am sure will continue to do so from the Back Benches.

I also thank my hon. Friend the Member for Bromley and Chislehurst (Robert Neill) for his Committee’s important report and work on court and tribunal fees and charges, and hon. Members from across the House for their invaluable contributions to this debate. The Government will respond to the Committee’s report in due course, but I welcome this opportunity to address some of the issues it raised. I will try to respond to as many as is practical in the time allocated.

As hon. Members will appreciate, the principal reason for raising fees is financial—there is no getting away from that. The shadow Justice Secretary said that he would get rid of all the fees. He was a little thin on how he would pay for them, but perhaps that does not matter too much to the Labour party. The raw truth is that the Ministry of Justice is not a protected Department. We have a very challenging financial settlement, so we must reduce its annual spending by 15% in real terms, which means about £1 billion in cash terms by 2019-20.

It is worth remembering that this is not just about cuts; we are also committed to this approach precisely so that we can invest £1.3 billion to modernise our prisons, and more than £700 million to transform our court system. Achieving those dual financial objectives inevitably requires difficult decisions. There is no ducking them. We have to look at every area of the Department’s finances, and I am afraid that there can be no exceptions for the courts.

To ensure that the courts and tribunals are properly funded, and access to justice is properly protected, increases to court fees will be necessary. The cost of our courts and tribunal system to the taxpayer is unsustainably high, and it is only right that those who use the system pay more to balance that burden with the taxpayer.

**Robert Neill:** In coming to that conclusion, has the Department carried out research into or a survey on the costs to the court system of delays caused by persons appearing unrepresented as litigants? Should not that also be taken into account as part of the equation? What data does the Minister have?

**Mr Raab:** My hon. Friend raises a perfectly legitimate point. If he is willing to be patient, I will write to him with any precise details that I have.

In its report, the Committee accepts the principle of charging court users a contribution towards the cost of operating our courts. Whatever the specifics, I think that that principle is accepted. It is a question of balance between taxpayer subsidisation and user pay. I welcome the Committee’s finding in that regard.

Under the Treasury’s “Managing public money” rules, fees for public services should usually be set at a level designed to meet the cost of those services. However, Parliament has granted, through the Anti-social Behaviour, Crime and Policing Act 2014, a power that allows the Government to set court and tribunal fees at a level above the cost of the service. The income from those fees must be used to fund an efficient and effective system of courts and tribunals. When setting these fees, the Lord Chancellor must have regard to a number of factors, including the need to preserve access to justice. I assure hon. Members that we take that requirement seriously. The idea that somehow a profit is being made is not accurate according to the law, let alone the practice.

I will now turn to the specifics of employment tribunals. I appreciate the concerns expressed both by the Committee and by hon. Members across the aisles. Those who have spoken today have mentioned in particular the impact of fees on employment tribunals. When fees were introduced, there were three main objectives. The first was to transfer a proportion of the cost of the tribunal from the taxpayer to those who use it, where they can afford to pay. The second was to encourage people to

[Mr Raab]

consider other ways of resolving disputes, in particular the ACAS conciliation services, which are provided free of charge. There has been virtually no mention of them in this debate. The third objective was to protect access to justice. I do not think that anyone could disagree that those are legitimate aims to pursue.

The main concern about employment tribunal fees has been the large fall in the number of claims immediately after fees were introduced, but it is not that surprising that the volume of claims has fallen. It is obvious that more people will use a service if it is free than if they have to pay to use it. It is also worth reminding hon. Members across the House of a few key facts. First, help is available for those who cannot afford to pay, through fee remissions. Under that scheme, someone who is eligible for help may have the fee waived either in part or in full. We have taken steps to make sure that more people are aware of the help available, and that has led to a marked increase in take-up under the scheme.

Secondly, and crucially, the introduction of the ACAS early mandatory conciliation service has been a success, with more than 83,000 people referring their disputes to ACAS in the first year. As many people are using the ACAS conciliation service now as were previously referring their disputes to the ACAS voluntary service and the employment tribunals combined. That is important, regardless of whether the dispute ends up with a meritorious claim succeeding; it is valuable that potentially divisive disputes can be settled in that way.

**Mr Hanson:** When will the Minister publish the impact assessment that the Committee has asked for?

**Mr Raab:** I will come on to that, if the right hon. Gentleman will bear with me for a few moments, because there are a lot of other points to get through. The point—this has been missed almost entirely in the debate—is that we are seeing the right kind of behavioural change.

Thirdly, the tribunal has the power to order the respondent to reimburse the claimant with his or her fee, if the claim is successful. Finally, on top of that, the Lord Chancellor has an additional power to remit fees where there are exceptional circumstances.

I appreciate that the Committee and hon. Members have not been shy in criticising the delay in completing the review. It is true that when we announced the review in June last year, we had hoped to finalise it by the end of the year. That simply was not possible and it is clearly important that we take time to carefully consider all the relevant material. It is regrettable that it has taken longer than planned, and I am sorry about that. I have looked into the situation and we will get the response published as soon as possible.

In our evidence to the Committee, however, we made it clear that, while we hoped that the review would be completed swiftly, we could not give a firm commitment on timing. I reassure hon. Members and the Chair of the Committee that the review is very close to completion, so I hope to be able to make an announcement in the near future.

**Robert Neill:** If the Minister will forgive me for saying so, his predecessor told us in February that he hoped we would have it “sooner rather than later.”

What has caused the delay? Has the material been fully assembled in his Department, and why can it not be published?

**Mr Raab:** I thank the Select Committee Chairman, who is being as tenacious and assiduous as ever. We are in a position to make the announcement in the near future. I do not think it is right to split the evidence and our response to it. Hon. Members in this House and the public expect us, when we produce the evidence, to be able to say what we think about it. If he is patient with us, he will get both in reasonably short order. On top of the apology that I have already given, I want to make it clear that it will be coming as soon as is practicable.

**Marie Rimmer:** Will the Minister give way?

**Mr Raab:** I am going to make a bit more progress. I have been given some time, and I have given way to hon. Members from across the House. If towards the end I have got time, I would be happy to take the hon. Lady's intervention.

I turn to divorce fees, about which hon. Members have made some important points. The Justice Committee criticised the recent increase in the fee for divorce to £550, primarily because of the risk to vulnerable women. The Government have sought to make sure that vulnerable women are protected within the divorce fees scheme. Although it is true—this point has been made—that more women than men petition for divorce, it is also true, although it was rather neglected in this debate, that women are more likely to qualify for a fee remission. In the circumstances of a divorce or any other matter where the parties have conflicting interests in proceedings, the applicant is assessed on his or her own means, rather than on those of the household. For victims of domestic violence, the first priority is to ensure the victim's safety. There is no court fee for an application for a non-molestation order or any applications in relation to one.

I turn to money claims. There has been criticism of the introduction of enhanced fees for money claims in March 2015, and some criticism of the quality of the research that supported those increases. We have said all along that we took the decisions that we did based on the best evidence available at the time. As things have turned out, the impact of those fee increases on the volume of claims has been greater than we thought. It is easy to be wise in hindsight, and we are investigating the reasons, but in the meantime we have decided not to implement the further increases we proposed. But given the very challenging financial circumstances, we have been clear—I want to be honest with the Chair of the Select Committee and hon. Members—that we may need to come back to those and look at them again when we have got a better understanding of the specific impacts.

There have been criticisms of our proposals to raise the fee in immigration tribunals to full cost levels. We estimate that those proposals would generate about £35 million a year in additional income. The normal policy over many years has been to charge fees at full cost unless there are good reasons not to. I do not see, given the remissions and the other flexibility, why the taxpayer should foot the bill in this case. We are currently considering in detail the responses to the consultation. Under our proposals, certain types of appeal would continue to be exempt from fees; we are talking about

vulnerable people who need such flexibility the most. People receiving means-tested benefits, such as asylum support, would continue to have fees waived. We sought views on further exemptions, and specifically on whether we should exempt people in receipt of a Home Office destitution waiver. We are making sure that, notwithstanding the difficulty of the decisions, the most vulnerable are protected.

Meeting the challenges ahead cannot just be about increasing fees. That is why we recognise the need to invest in the courts and tribunals so that they are lean, efficient and fit to serve a modern, digital society. In the spending review, we announced that we would be investing, as I have said, more than £700 million to transform our courts and tribunals system. The scale of that investment and the ambition of our reform plans will enable us to build a justice system that is simpler, swifter and more efficient, because it takes better advantage of modern technology.

Other points and criticisms have been made. We take them on board, and we will respond to them fully in due course. We also need to have a sense of realism. Given the financial situation that we are still grappling with, fees are a critical part of the Ministry of Justice's plans to meet our spending review challenges.

**Dr Huq:** Could the Minister tell us the cost of administering the employment tribunal fees? There is a mismatch between what they raise and what they cost.

**Mr Raab:** My understanding, off the top of my head, is that it was £71 million. I will come back to the hon. Lady if I find out that that is incorrect.

The truth is that we cannot afford to duck these decisions around fees if we want to secure the long-term funding of the courts and the tribunals and deliver on the mandate on which the Government were elected. It is all very well for the Opposition to say that they want to scrap every fee that has been imposed or duck every difficult decision, but unless they can explain to the House how that will be paid for or the impact that it will have on our economy, it is not the responsible thing to do.

**Hannah Bardell:** Will the Minister give way?

**Mr Raab:** I am going to finish, because of the second debate. Fee increases are never popular, but at every stage we have made it clear that we intend to protect the most vulnerable and make sure that those who cannot pay do not have to do so. We continue to consider carefully all the detailed points and recommendations made by the Select Committee, and we will publish our response later this year.

7.55 pm

**Robert Neill:** With the leave of the House, I will briefly respond to the debate. It has been a thoughtful debate, and I am grateful to Members from all parts of the House who have contributed. There is not time for me to refer to every hon. and right hon. Member who has contributed, but I am especially grateful to members of the Select Committee from both sides of the House who have contributed to the debate for the work that they have done. It is also right for me to say that I am grateful to the Committee staff for the work that they have put into preparing the report. I congratulate the hon. Member for Leeds East (Richard Burgon) on his appointment to the post of shadow Justice Secretary, and I wish him a long tenure of office, if that is a wise thing to do, one way or the other.

I appreciate the Minister's response. I may continue to press further, but I take him at his word, because he and his fellow Ministers have always been entirely straight in their dealings with us. I hear his word that we will have the response soon, and I cannot stress enough how important that is. I am grateful that he is not proceeding immediately with the divorce fee increases. I hope that we will be able to persuade him that that should not happen at all, but I will take whatever is available. I appreciate that this is a detailed matter, and I hope that we can go forward with more detail in due course. I must confess that I do not think that this issue will be solved constructively by voting against the estimates in a symbolic fashion, but that is a matter for individual Members to decide. I am grateful for the House's time and the consideration that Members have given to the report.

*Question deferred (Standing Order No. 54).*

DEPARTMENT OF ENERGY AND CLIMATE  
CHANGE

**Energy Spending Priorities: Investors and  
Consumers**

[*Relevant Documents: Second Report from the Energy and Climate Change Committee, Session 2015-16, Future of carbon capture and storage in the UK, HC 692; Third Report from the Energy and Climate Change Committee, Session 2015-16, Investor confidence in the UK energy sector, HC 542; and Fourth Report from the Energy and Climate Change Committee, Session 2015-16, Home energy efficiency and demand reduction, HC 552.*]

*Motion made, and question proposed,*

That, for the year ending with 31 March 2017, for expenditure by the Department of Energy and Climate Change:

(1) the resources authorised for use for current purposes be reduced by £2,605,722,000 as set out in HC 967 of Session 2015-16,

(2) further resources, not exceeding £1,197,631,000 be authorised for use for capital purposes as so set out, and

(3) a further sum, not exceeding £2,726,306,000 be granted to Her Majesty to be issued by the Treasury out of the Consolidated Fund and applied for expenditure on the use of resources authorised by Parliament.—(*Kris Hopkins.*)

7.57 pm

**Mr Angus Brendan MacNeil** (Na h-Eileanan an Iar) (SNP): I would first like to thank a number of people for this debate, and particularly for its timing. The Chair of the Justice Committee, the hon. Member for Bromley and Chislehurst (Robert Neill)—I see that he is still in the Chamber—was very kind indeed to arrange the schedule so that this was the later of the two debates, which enabled me to get down from Barra in time. Had it been the earlier debate, I am afraid I would not have been on time. I would also like to thank the staff of Loganair, who got me an earlier plane that got me down in time; many thanks before I go too far, taking two planes to get down today. [*Interruption.*] One of my colleagues says that this is like the Oscars. Well, this is the high point. The tears will be starting shortly.

It is a pleasure to introduce this evening's debate on energy spending priorities. I will discuss this in relation to three reports from my Energy and Climate Change Committee produced in the past few months on investor confidence, carbon capture and storage and home energy efficiency.

We heard a lot in the run-up to the EU referendum about the impact that a vote to leave would have on investor confidence in the UK, and how businesses craved stability, transparency and certainty to plan for their spending on production, research and jobs. That presupposed that prior to the vote to leave the EU, the policy landscape was somehow calm, tranquil and settled. It is certainly not calm, tranquil or settled now, and we know that the Brexiteers deliberately had no plan in order to avoid scrutiny. That is another debate, which is taking place on television in Scotland tonight, and I will leave that where it is.

In relation to energy policy, the landscape was anything but tranquil, calm and settled. There has been considerable upheaval since the Government assumed office last year. Last June, the Department of Energy and Climate

Change announced the early closure of the renewables obligation subsidy for onshore wind, citing manifesto commitments. Although it was only one line, a fact check of three pages was required to work out what it meant, so woolly was the wording. Last July, DECC announced cuts to the renewables obligation for solar PV and biomass, and changes to the feed-in tariff accreditation.

That is just a few of the policy changes that took place last summer, but it is what happened between those announcements that exercised many in the sector and contributed to the decision of the Energy and Climate Change Committee, after extensive consultation with a range of stakeholders, whom I thank for their contribution to our work, to launch our inquiry into investor confidence in the UK energy sector. I thank Jenny Bird, the senior Committee specialist, for the hard work and diligence she put into this report, and I wish her well in her new post at the centre on innovation and energy demand at the University of Sussex.

Early last July, the Office for Budget Responsibility published figures relating to the levy control framework: a notional cap on the renewable energy subsidies that consumers pay through their energy bills which covers the renewables obligation, its successor, the contracts for difference, and feed-in tariffs. Part of the Government's objective, quite rightly, is to put affordability at the heart of energy policy. The OBR projected in its July assessment that there would be a significant increase in levy control spending compared with its March 2015 assessment. Its March 2015 assessment, the figure was £7.6 billion. By July—in the space of four months—it had increased by £1.5 billion to £9.1 billion. It adds much fuel to the fire of claims and counter-claims about the OBR and the accuracy of its work when it produces such wildly different figures over a four-month period. That clearly influenced the energy policies that were announced over the summer.

Some felt that the increase had not been adequately explained by DECC or the OBR. E.ON told my Committee that

“the evidence around cost overruns...is questionable and not transparent; publication of detailed analysis of the status of the LCF should be a priority.”

ScottishPower said that

“it will be important for the industry to have better visibility of the underlying assumptions and calculations under the LCF so as to enable efficient long-term planning.”

The key word there is “efficient”.

Freedom of information requests have been unsuccessful owing to commercial confidentiality, and questions to Ministers have hit the same buffers. I have therefore raised the matter with the National Audit Office. I am pleased that the NAO has announced a new review of the LCF, which will examine, among other things, the reason for the changes in forecast expenditure. The NAO can jump over the iron curtain that is the commercial confidentiality statement.

Two years ago, the NAO looked at how DECC modelled LCF spend and identified weaknesses that prevented it from having the highest degree of confidence in the model forecasts. Further elements of the LCF forecast need unravelling too, because if spend is set to increase by the amount the OBR has forecast, increased spend under the LCF may not automatically result in

increased costs to consumers. A recent FOI request revealed that the Government had forecast that consumers would pay more towards subsidies under the LCF in 2020, but that the average total bill would come down because of lower wholesale prices. In part, that is down to the introduction of wind and solar power, which increase generation capacity at a negligible marginal cost and, therefore, lower the overall cost of wholesale electricity—the well-touted merit order effect.

It was noted by the Committee that increased uncertainty may increase premiums, and we raised that with Ministers recently. The cuts to renewable energy might therefore be counterproductive, as they are reckoned to be by many, because of the added costs of investment due to the Government's sudden lurches in policy.

During the inquiry, we heard many voices in the industry that were disturbed by the rapid and unforeseen changes to feed-in tariffs and the renewables obligation. Concerns about the lack of detail as to when the second round of auctions for the renewables obligation's successor, the contracts for difference, would take place have added to the uncertainty. The latest we have heard is that it will be in the last quarter of this year.

Returning to increased bills, Roger Harrabin of the BBC asked DECC to deny that the cuts to energy subsidies would put bills up, but it did not. That shows the merit order effect at work. There was an understanding in the past that money spent was an investment, not a cost. Money spent in the present should also be seen as an investment, not a cost.

We now have more clarity on the timing of the auctions—they will be in the fourth quarter of this year—but we need to know when in the fourth quarter they will be, because companies need to plan and to project. The fourth quarter of the year might be any time between 1 October and 31 December. That is simply not good enough when we are in the seventh month of the year.

We heard that subsidy reductions had created challenges for renewable investors, with new projects in early development suffering the most. Mitsubishi bank told us that it was having 95% fewer conversations with onshore wind developers. Perhaps as damaging could be the risk premium that is now attached to the UK's green economy as a result not of the changes themselves, but of the way they were made, with little notice of consultation. Indeed, the consultation happened after the announcements. It is no surprise that our witnesses hankered for a clear, longer-term steer from the Government on, for example, what form the LCF would take post-2020.

That is encapsulated in the Ernst & Young renewable energy country attractiveness index, which ranks 40 countries according to the attractiveness of renewable energy investments. The UK slipped from eighth place in June 2015 to 11th in September 2015. That was the first time since the index was established in 2003 that the UK had been placed outside the top 10. Since our report was published, the UK has fallen to 13th—unlucky for some and particularly for the investors. Ernst & Young attributed our fall to the Government's

"non-committal, if not antagonistic, approach to energy policy". I am afraid that the idea of an antagonistic approach to energy policy chimes with the frustrations that I hear from many stakeholders in the energy space when they talk to me. Our report noted the root causes of this crisis of confidence. The first was:

"Sudden and numerous policy announcements".

The second was:

"A lack of transparency in the decision-making process".

Thirdly, there was

"insufficient consideration of investor impacts".

The fourth was policy inconsistency, such as

"claiming to want to decarbonise at lowest cost while simultaneously halting onshore wind"

and choosing more expensive forms of renewable generation. Fifthly, there was:

"The lack of a long-term vision".

The last was what we called the policy "cliff-edge" in 2020.

My Committee recommended that Ministers clarify the assumptions and methodologies behind their levy control framework calculations. It would be advisable to do that before those assumptions and methodologies come out kicking and screaming from the work of our friends at the NAO. We said that Ministers should set out the post-2020 LCF budget in the context of the fourth and fifth carbon budgets to ensure that the available funding was consistent with meeting our longer-term carbon commitments. We recommended that they develop their carbon plan to achieve the fifth carbon budget in full consultation with investors, using transparent methodology and with clarity about how transitions would be managed as new technologies become established, including the intended "glide path" out of subsidies, rather than their being pushed over a cliff edge.

It is usual practice in these debates to refer to the Government's response to the Committee's recommendations, but I am afraid that I am unable to do so. Initially, I thought that would be because the Government had failed to produce a response, despite our report being published four months ago. It is actually because we decided, as a cross-party Committee, to send the response that we did receive last Tuesday straight back to the Government. Our report contained 14 detailed recommendations, based on extensive evidence from stakeholders and experts, including the estimate from one of our witnesses that Government policies could raise the cost of financing projects by £3.14 billion a year. None of that was responded to. Instead, we were afforded only loose replies to themes set out in the report's summary. Indeed, it was unclear from the response whether anyone at the Department of Energy and Climate Change had read beyond page 4 of the 47-page report in the four months since its publication—a rate of one page a month.

**Patrick Grady** (Glasgow North) (SNP): I am a member of the Procedure Committee, and the Government slapped down our report on private Members' Bills and gave it no detailed consideration whatsoever. Does my hon. Friend share my opinion that the Government appear to be asleep at the wheel on this, as on so many issues?

**Mr MacNeil**: The evidence might well lead my hon. Friend to take that view. That is happening in tandem with the other trend that is running amok in the southern part of the UK—that of resignations. While resignations are everywhere, the Government's lack of consideration for Committees and other stakeholders seems to be the order of the day.

No parliamentary Committee should be treated in that way. However, it reinforces the feeling of Stockholm syndrome—or is it Lima syndrome?—when the poor

[*Mr MacNeil*]

souls in industry come complaining to the members and Chair of the Committee about their difficulties in getting ideas, thoughts and communication straight to the heart of Government. It makes people who are trying to make things better in the energy space wonder just how seriously the Government take them.

We urge the Government to try harder and send us something respectable for a comprehensive assessment before the recess. Investor confidence can then, we hope, begin to be rebuilt.

Carbon capture and storage is another example of the need to rebuild confidence. CCS is a technology in urgent need of development. We often talk about the energy trilemma, but there is a climate change trilemma as well. On current analysis it is difficult to see how we can have fossil fuels but no CCS and still meet our long-term decarbonisation projections at the same time. As the Secretary of State's reset speech mentioned a dash for gas we know that fossil fuels feature in the Government's plan. I checked on the GridCarbon app for smartphones—I am sure you have it, Madam Deputy Speaker—for current energy usage in the UK this evening. It is 51.4% gas and 5.3% wind. The key figure is the 295 grams of carbon dioxide produced for every kilowatt-hour. The 2030 target is meant to be 100 grams. It will be interesting to see quite how we are going to get to that, given the current trajectory.

As the Chair of the Committee on Climate Change, Lord Deben—from the Lords, obviously—said, not having CCS would cause the UK an issue. I love the brilliantly understated manner of that fine English gentleman's statement of high alarm about the targets that the Government might have difficulty in meeting. He was quite right, and his delightfully understated way of putting it had far more effect than anyone shouting, running and screaming about the issue. It certainly made people pause on the morning he said it, which was the day of the launch of the fifth carbon budget.

I hope the Government will have more positive noises to make about CCS. People out there are still hanging on by their fingernails to see what the Government will say. They decided to ditch their £1 billion carbon capture and storage competition, on the day of the autumn statement. It was not in the statement itself, but was slipped out, alas, in a notice to the London stock exchange, which was deemed more important than Parliament at the time; we have certainly seen in recent days that it reacts more rapidly than Parliament when the news is bad. I note that Government promised £250 million to Aberdeen to help with the oil downturn, as part of the UK's broad shoulders, but that one decision on CCS potentially took away £500 million, double that figure.

It is not just that the move on CCS on the day of the autumn statement was announced to the City without Parliament being told; the worst part of it is that there were serious bids in earnest preparation. People were working in good faith towards the Government's competition. My Committee and the Procedure Committee may feel badly let down, but we are nothing by comparison with those working on the competition, devoting their working days, months and perhaps even years to it. In fact, I was invited by the Foreign Office to go to Alberta in Canada to see a carbon capture and storage project. One arm of Government thought that the UK would

become a leader on CCS, but alas, within a month, it seemed that my trip had been wasted. I hope not; I hope that tonight the Secretary of State will give us some positive words on carbon capture and storage, with dates, timelines and the sort of thing that the industry is looking for.

Subsequently, in our report on CCS we criticised DECC's decision as short-sighted, given that the costs of later projects are expected to fall rapidly, once primary infrastructure is in place. The Institute of Engineering and Technology set that out in a brilliant briefing paper for our Committee, as well. We also said that the Government should devise a new strategy for CCS in conjunction with a new gas strategy. We advised the Department to assess the financial and other benefits of using our North sea infrastructure. Work has shown that there would be enhanced recovery of up to 12% from the North sea oilfields if we used them as a place to store carbon. The work of the Committee put that forward, and I would like to take this opportunity to thank Dr Marion Ferrat for her work on the report. We did not send the Government's response to that report back to them. I have it here with me tonight, as proof. However, the response still failed to address our recommendations in detail. There was no clarity on whether DECC envisages that CCS will be needed at all, on whether any CfDs will be available for CCS or on the proportion of new gas-fired plants will be retrofitted with CCS. Since then, the Committee on Climate Change has reiterated the need for carbon capture and storage, calling for a "strategic approach" to the development of CCS, and stating that the technology is of "critical importance" to the UK's efforts to decarbonise. Alas, it was not critical enough on the day of the autumn statement last year.

**David Mowat** (Warrington South) (Con): The hon. Gentleman mentions how critical CCS is to the UK's decarbonisation, and I for one hope that it makes progress, but other countries burn far more carbon than the UK. Germany burns four times as much coal, but has no interest whatever in CCS. Why does he think that the UK needs, unilaterally, to pursue this so avidly?

**Mr MacNeil:** It is not simply a unilateral UK issue. CCS is in Canada and Norway. The fact that, unfortunately perhaps, I am not in the German Parliament and so am not scrutinising the German Government possibly explains why I am not talking about the point the hon. Gentleman raises. CCS is certainly not unilateral. Further, we could argue that German Government feel they are off the hook because other Governments feel it is nothing to do with them, either. Someone has to start taking responsibility somewhere. Other countries are. We should play our part. That competition would have helped immensely.

**Graham Stuart** (Beverley and Holderness) (Con): One of the report's recommendations is for clarity over the three CfD auctions. I have not seen the Government's response, so will the hon. Gentleman enlighten the House about what details there were on timing, technology and the other questions he raised in the report?

**Mr MacNeil:** I refer the hon. Gentleman to the report. We have had only one response on carbon capture and storage. As for the other reports, I think a response

came early today, but we are waiting for the response on the main report on investor confidence.

I will move on to the report on home energy efficiency. All the policies mentioned affect consumers, as they are subsidised through the levy control framework. My Committee also looked at Government changes to spending that affect consumers more directly, namely changes to spending on energy efficiency measures that are levied on consumer bills but sit outside the LCF. As with the report on investor confidence, our energy efficiency inquiry was another piece of work that stakeholders urged us to take on at the roundtable meetings we held early in my time as Chair of the Committee. At this point, I would like to thank Josh Rhodes, the Committee specialist, for his work and help on the report.

We know that improving energy efficiency is a win-win for households and the UK as a whole. It enhances energy security, cuts carbon emissions from housing and reduces costs. For consumers, the benefits include lower energy bills, and, critically, warmer, more comfortable homes—more arguments should be made on that point—and improved health and wellbeing. When we work on the technical energy side, we sometimes forget that these things are for human beings, who have very nuanced and different reasons for wanting to insulate their homes and have warmer homes.

**Callum McCaig** (Aberdeen South) (SNP): This comes to the nub of the issue with investment in this area. The Government are completely unwilling to accept that it is investment. Investment in making homes energy efficient is an investment in our society. There are savings to be made. We need to look at things in the round, rather than looking at one part in isolation.

**Mr MacNeil:** My hon. Friend is absolutely correct—I have to get used to saying “my hon. Friend”, because for the previous 10 years I have been here I have not had many hon. Friends to say it to. It is a pleasure to say it. He is absolutely correct, however, because the Government have got into a way of thinking that any money spent today is a cost rather than an investment for the future. I hope that they will get away from their austerity cult idea. I often criticise them for being a penny wise and a pound foolish Government, because I think it is a mistake.

**Antoinette Sandbach** (Eddisbury) (Con): Will the hon. Gentleman give way?

**Mr MacNeil:** I would be delighted to give way to my great friend on the Committee—I do have friends across the Chamber.

**Antoinette Sandbach:** There clearly was a need for review, which we saw last week when the National Farmers Union gave evidence to the Committee. It suggested that organisations such as the National Trust, which has huge numbers of members and vast access to resources, including massive payments under the single farm payment, should receive subsidy for installing biomass boilers in its country houses. Does the hon. Gentleman accept that there is a need to refocus and consider how we best deliver outcomes for fuel efficiency in homes for those who need it the most?

**Mr MacNeil:** The hon. Lady makes a good point, and if she wants to pull the very wealthy out of those schemes that might be an idea. Often, these things start

by aiming at certain groups, but unfortunately the target and those who get hit are very different, and the Government often miss that.

Insulating draughty homes can save vulnerable people from fuel poverty—a problem that remains unacceptably prevalent across the UK. My Committee’s recent report concluded that the Government’s latest efforts to improve household energy efficiency had proved inadequate. Although the energy company obligation delivered many improvements, it did so at much lower rates than previous schemes. The green deal did not significantly increase demand for energy efficiency; it fell far short of original ambitions and was too complex and costly, and it also failed to address the hassle factor that can prevent customers from signing up. If anyone should know and understand the hassle factor, it is MPs after their recent dealings with the Independent Parliamentary Standards Authority, as that is an example of hassle and why people do not do things—there is something to be learned there about behavioural economics and desiring a scheme that will work for people. We in this House should have known better when the green deal was coming.

The Government’s new ideas, which include their plans for the energy company obligation in 2017, gave us cause for serious concern, and the decision to use the new obligation to tackle fuel poverty may well be misguided. The UK is the only country in Europe to take such an approach, and a scheme that charges the households it is designed to help appears inherently regressive. Alongside that, given the huge number of homes yet to benefit from energy efficiency measures, the reduced ambition of the new obligation is a major disappointment to me, to the Committee, and to many who gave evidence to the Committee.

There is now no support to help households that wish to install energy efficiency measures but cannot meet the costs upfront. The Government disagreed with our argument in their response, but we still do not know what the reformed scheme will look like. We have asked Ministers to look again at pay-as-you-save mechanisms, as well as at the infrastructure behind the Green Deal Finance Company, when considering how to assist such households. We also need demand drivers such as stamp duty and council tax reductions for efficient homes. I am pleased that the Government agreed in their response that the Green Deal Finance Company could play a role in the future. If the Government take concerted action now they can help to insulate consumers from future energy price rises. That would be money well spent and an investment, and it would prevent the need for large-scale retrofitting in future.

**Graham Stuart:** Previous efforts have tended to end up being implemented in more urban areas, but those who are poorest and whose homes are the most difficult to insulate often live in rural areas. Does the Committee have any recommendations for the Government to try to ensure that any future programmes reach those on low incomes in rural areas who are particularly vulnerable?

**Mr MacNeil:** As a rural MP, I am aware of that issue. The hon. Member for Eddisbury (Antoinette Sandbach) is also assiduously aware of it, and I commend and congratulate her on raising it in Committee on just about every possible occasion. The hon. Gentleman will

[*Mr MacNeil*]

be delighted to know that on several occasions the Scottish Government were praised for their actions and—perhaps tongue in cheek; perhaps not—maybe I could recommend that energy policy in that area be devolved to the Scottish Government who, according to the evidence, seem to be doing a better job of it for the whole UK than other Governments.

**Dr Alan Whitehead** (Southampton, Test) (Lab): Does the Chair of the Committee have anything to say about the almost collapse of solid wall insulation in homes that was predicted by the new ECO arrangements, as set against the suggestion by the Committee that by the end of the fourth carbon budget we should have in place 2.2 million solid wall insulation completions? Has the Committee considered that issue?

**Mr MacNeil:** It is always with certain trepidation that I give way to the hon. Gentleman, because what he does not know about energy, nobody else knows either. He sat on our Committee early on and did a fine job, and he also sat on the Committee in the previous Session, where he was highly regarded. There is some concern about solid wall insulation. If I remember right, the figures expected are far below what is needed and have almost collapsed, which, as he said, would be very worrying.

Let me start approaching a conclusion—that is more often a hope during speeches in the Commons than a statement of full intent. I thank my Committee colleagues for their excellent work on these inquiries, as well as the hundreds of companies and individuals who gave their time and expertise to inform our conclusions. It is appreciated. I Chair the Committee on Energy and Climate Change, but I am not an expert. I can, however, take information from experts, distil it, and hopefully get policy points out of that. Along the way, I will hopefully develop some expertise in those areas.

The Government's response to our investor confidence report demonstrated disregard for the Select Committee inquiry process, and their response to our CCS report leaves important questions unanswered. Their response to the report on home energy efficiency appeared only this morning—eight weeks late. I hope that when the Secretary of State responds to this debate on the Government's spending priorities, she will afford the House and my Committee a little more courtesy than her Department has sadly shown so far—I say that with regret because I like the Secretary of State personally. We have raised the issue with Ministers in Committee and several times by letter, and we need more information that businesses and homeowners might use and need to plan their energy futures. That would be an important step.

Finally, it is only right that a Committee should reflect that it is not all about MPs or the Chair, and we are fortunate to have talented people working with us. Last, but by no means least, I thank Dr Farrah Bhatti, the Clerk, Gavin O'Leary, the Second Clerk, Stephen Habberley, the specialist, Jamie Mordue, senior committee assistant, Henry Ayi-Hyde, Committee support assistant, and our ever cheerful Nick Davies, the media officer. For the investor confidence inquiry I thank senior specialist Andrew Buglass, founder of Buglass Energy Advisory,

and Kirsty Hamilton, a lady with many jobs—of course she has because, like your good self, Madam Deputy Speaker, she has a Scottish background.

8.28 pm

**Antoinette Sandbach** (Eddisbury) (Con): I rise to echo the Select Committee Chair's thanks not only to the Committee staff but to the numerous witnesses who have taken a lot of time and trouble to contribute evidence to the three inquiries we are discussing today.

I want to look briefly at the macro background to those inquiries, which is really one of climate change. We know that climate change is one of the most serious threats the world is facing. We know we need to decarbonise our energy sector and we know that that has to be done in a way whereby UK consumers feel they benefit from the change rather than lose out. All too often, the perception has been that green policies cost them. That is a real danger in the current climate, in particular after the decision last week. I have already received correspondence from constituents who are concerned that the UK may abandon its environmental targets.

The Secretary of State for Energy and Climate Change went to Paris and played a part in negotiating very ambitious climate change targets. That matters in relation to these reports, because the investor confidence report deals with the delivery of those targets, and energy is absolutely key in delivering those targets—not just the electricity that powers our homes, but the heat and transport sectors, too. It was in those circumstances and against that backdrop that the inquiries were conducted.

It is a concern that the Committee report found there has been a drop in investor confidence since May 2015, something to which the Chair alluded. In May this year, the UK had fallen from eighth place to thirteenth place in the investor confidence index. I appreciate that some of the fall may have been around the uncertainty over the referendum and that companies may have been holding back investment decisions to see the result, but it is clear that there now needs to be a real signal sent out to the investor community that deals with some of the issues raised in the report. In particular, what startled—if I can put it that way; one thinks of a horse that has been startled away—the investment community were a number of really sudden and quite unexpected policy announcements by the Secretary of State last summer. I understand—I alluded to this in an intervention—that there was a need to look at, for example, solar feed-in tariffs. Some of them gave very high rates of return. Let us not forget that it is the poorest consumers who are paying for the levy control framework in their bills, so it was right for the Government to look at that and assess how effective it was. Nevertheless, there was a very strong theme coming through the evidence we had about the lack of an overall Government strategy on energy.

The Secretary of State speaks very powerfully about the energy trilemma, but the investor community does not feel that a clear direction has been set to say this is where we are going and why. The Secretary of State explained that she wishes to remain technology-neutral. However, to look ahead and take advantage of some of the very best technologies that may come forward and deliver the best results for climate change and reducing

the impacts of carbon emissions, there may well need to be some incentivisation, much as we have seen in the onshore wind sector. The Chair rightly referred to the change in Government policy in relation to the onshore wind sector and the switch to offshore. That has led to a decline in investor confidence in onshore wind farm investment, although we have not seen the same results in the offshore sector.

**Mr MacNeil:** Allied to that—this might sound like a constituency interest, but it does not just affect my constituency—are island contracts for difference. Having been to the European Commission to get it informally passed, the Government seem reluctant to go back to the European Commission to get it formally passed. Let us remember that island CfDs will enable cheaper generation than fully offshore, because the winds in the islands on the west coast can be stronger than those in the sea on the east coast.

**Antoinette Sandbach:** I am of course aware that the Scottish Government have a great deal of involvement in energy policy, in particular through their renewables obligation certificates. If they want to, they have the levers to incentivise different energy development in Scotland. It is clear that some of the announcements—on feed-in tariffs, the renewables obligation and the climate change levy—and the quick succession in which they came created uncertainty among investors.

Another theme in the report was the lack of transparency around the decision-making process. What the Chair said about the sudden cancellation of the carbon capture and storage project came through very clearly. The manner in which the decision was taken caused concern among companies that had spent many months and years putting together their bids. I understand that the Government need to look at whether they are getting value for money for the taxpayer and whether they are delivering the necessary outcomes, but it is important that we have a clear policy direction. That came through in the investor confidence report.

I appreciate that there have been several reset speeches, but again we are now in a climate where the Brexit vote has happened, yet, judging by some of the quotes used, there has been a lack of long-term vision and concerns that there will be a policy cliff edge in 2020 unless we have clarity around the future of the levy control framework and carbon price floor beyond that year. In the short term, our dropping down the renewable energy country attractiveness index might in fact mask what is really happening. Pipeline projects are still coming through, so the real impact might only be felt in 10 years, when the successor projects to those part way through the process—the ones that have consent but are not built yet—are not there.

It is all change at the moment. Every Department will be looking at our European targets and at what we might do in the future as a nation, so it is really important that the Secretary of State confirms that her civil servants are looking at the direction of UK energy policy in the context of our leaving the EU and the risks for investment, particularly in renewables.

One other item that came through very strongly in our report was the risk premium for developers. It seems that some developers have very high risk premiums and are looking for returns of over 13% or 14%. They

cannot get that anywhere else in the market. It is very hard to find such high returns on other investments. I emphasise, however, that my poorest constituents—those least able to afford it—are paying for the green investment through the levy control framework.

**Mr MacNeil:** I hear what the hon. Lady is saying, but would she admit that previous spending has led to investment that has reduced wholesale prices and thereby benefitted consumers of the present and that investment today will do the same for consumers in the future?

**Antoinette Sandbach:** I certainly would, and I will come to that point in touching on the home efficiency section of the report. I am afraid that I have not had a chance to see the Government's response—the Chair said that it only arrived this morning, but, owing to technical errors and my iPad's failure to sync, I do not have a copy—so I do not know exactly which recommendations they have adopted. It is absolutely clear, however, that they need to set out a methodology and budget for the levy control framework going beyond 2020.

I very much welcome the fact that the National Audit Office has said that it will look at the levy control framework and “lift the veil”, as the Chair put it, on the funding, on by how much it was exceeded and on the projected spend. It is only by sending out that signal of certainty to the markets that we will encourage the investment to come forward. We need to do that in a way that is responsible to the taxpayer and provides a return to investors, albeit not an excessive one in which the taxpayer or the bill payer loses.

On the macro-level of delivery on the larger scale, I should not forget contracts for difference. We need clear signals on CfD; we need to know when the auctions will happen; we need to look at technologies such as anaerobic digestion, which have been under-adopted in the UK and have huge potential to deliver, particularly in rural areas. As others have highlighted, rural areas face real problems. Many people there have oil-fired boilers and the housing tends to be of older quality. It is vital that CfDs look at how to deliver not just the vast gas projects that are coming forward, although not yet built, but the micro-level projects, which are seen in the section of the report on home efficiency. I shall move swiftly on to that now.

Government policy on home energy efficiency has been stop-start, which has led to policy uncertainty that has damaged consumer confidence with the loss of jobs in the supply chain. I have seen that in my own constituency, where a small business has laid off a number of employees. Over 60 have been lost in this sector as a result of some of the policy changes. That has had a real impact on my constituents. Sixty people out of work is 60 people who have to re-train and learn different skills.

The energy company obligation scheme has not achieved what we wanted it to achieve. I do not praise the Welsh Government very often, but I have to say that the Nest and Arbed schemes in Wales achieved a far greater amount than the ECO did in the UK. Much could be done from the Government looking and learning from over the border. I hear what our Chair says about Scotland, too. It is clear that the ECO will be extended to 2018, but the Select Committee was very concerned that its main policy target was fuel poverty. We have questioned whether it will really deliver on that ambition.

[Antoinette Sandbach]

The hon. Member for Southampton, Test (Dr Whitehead) mentioned what was happening in rural areas on solid-wall insulation. Rural areas are a particular concern, and it is quite clear that we need more data at the level of the individual household, so that ECO measures can be targeted more effectively. One major concern is the lack of data at the individual level, and one of the report's recommendations is to ensure that we set up the sharing of data, so that home efficiency measures can be far more effectively targeted, particularly in rural areas. The evidence relating to ECO suggests that it has gathered the low-hanging fruit and has concentrated on largely urban areas where whole streets can be done at a time. It has failed to deliver in the rural areas where, as I said, housing is older, tends to be of poorer quality and tends to be solid-wall, built pre-1945.

If we are to make the gains that we need to out of home efficiency, it is key that we look at tackling the harder-to-reach homes; to do so, we need the data. For that reason, the Government clearly need to do much more cross-departmental working and they need to set up a proper database. I suspect smart meters can generate the data that will be able to identify which homes are the least efficient and will give the Government and, indeed, the energy companies the information about who is using the most and potentially who is the least efficient.

**Graham Stuart:** Does my hon. Friend agree that this is not just about energy efficiency? Many homes use liquid gas or oil, so when we are looking at rural areas, we need a combination of programmes to ensure we can get new forms of heat production, as well as improving the efficiency of homes, to make the sensible and rational investment?

**Antoinette Sandbach:** I certainly do agree and the Government are reviewing the renewable heat incentive at the moment. I declare an interest on this: I point Members to my entry in the Register of Members' Financial Interests, declaring that I have registered for the RHI. There are some highly innovative new products that have been brought forward by companies like Calor, which work in conjunction with air-source heat pumps and which are so efficient that they qualify for the RHI.

We need to divide the response in home efficiency between those able to pay and those not able to pay. At the moment, it is quite clear—this comes through in our report—that the green deal did not deliver for the able-to-pay market. It was too complicated and confusing, and it delivered for very small numbers of households—less than 15,000, I think.

The Government need to look at how they can incentivise and make those gains on home efficiency. As the hon. Member for Na h-Eileanan an Iar (Mr MacNeil), the Chair of the Committee, has highlighted, there are huge gains in health and comfort. These messages are not getting through, however. There are huge gains and it is an investment that radically changes people's lives. That kind of programme leads to the consumption of less electricity and is a win in terms of investment for the future. In that context, the abandoning of the zero-carbon homes target was a huge shame. I appreciate that building regulations have driven up the standards, but they are still not as high as the zero-carbon homes target was.

**Mr MacNeil:** The hon. Lady is making a characteristically good speech and raising many points on which I support her. She made a good point earlier on solid-wall insulation, and the price of oil in rural areas is at the moment beneficial in comparison to the past. With so many houses being heated like that, now, when the sun is shining—almost literally—is the time for this work to be done, as the oil price may go up again, in which case these houses will be in desperate times. We should act before the pain that could come later.

On the abandoning of the zero-carbon homes target, the hon. Lady will probably recall that that was a disappointment to many in the supply chain, who had geared up for zero-carbon homes only to be deflated on finding out that the Government had for some reason changed their policy.

**Antoinette Sandbach** rose—

**Madam Deputy Speaker (Natascha Engel):** Order. Six Members still wish to speak and we also have two Front-Bench winding-up speeches to come. We must finish by 10 o'clock and the hon. Lady has been speaking for 20 minutes now. If she comes to a conclusion and other Members stick to speaking for 10 minutes, we will get everybody in.

**Antoinette Sandbach:** You will be glad to know, Madam Deputy Speaker, that home efficiency is my final point.

I urge the Government to have that cross-departmental working to deliver on home efficiency targets. That is where we will make some wins on climate change. We make wins from the comfort of the people who have had those measures installed. That instils positivity around green changes and the levy control framework because they feel they are getting what they pay for. There is much in the report that I urge the Secretary of State to adopt and look at, because the delivery on the ground matters to people who are paying for it through their bills.

8.49 pm

**Dr Alan Whitehead** (Southampton, Test) (Lab): It is a pleasure to follow the hon. Member for Eddisbury (Antoinette Sandbach). She has made a very thoughtful contribution, most of which I agree with. I hope that this will set the tone for the rest of the evening's debate, because there is now a wide consensus that the storm of changes that were made last summer to a whole range of renewables incentives has created enormous problems for investor confidence and substantial uncertainty over the Government's direction on energy policy overall. The three excellent reports from the Energy and Climate Change Committee that we are also discussing this evening underline how the problems have arisen and what they consist of. However, we have also seen the acceptance by the Government of the fifth carbon budget in the past couple of days. It is great that they have accepted it. It would have been nice to have included shipping in it, but I understand that they are not going to proceed with that. Nevertheless, they have accepted the fifth carbon budget, which describes the onward march of renewables as absolutely essential for the reduction of our emissions.

The fourth carbon budget dealt with the essential nature of carbon capture and storage and the forward march of energy efficiency in homes. I made the point in an intervention earlier that the fourth carbon budget assumed that there would be 2.2 million solid wall treatments in homes, but the changes that have taken place over the past year have all pointed in the opposite direction to the imperatives that the Committee on Climate Change put forward in the carbon budgets. There are therefore real question marks in relation not only to investors but to future policy overall. How can we be on target with those budgets—as I hope we will be—at the same time as undertaking all the recent changes?

The cancellation of the carbon capture and storage programme was thoroughly deplorable. The justification for the changes to the renewables incentives was that this was all about the levy control framework. The framework came in in 2011 and it was supposed to place limits on the levies that were arranged in relation to certain renewables. This would also have an effect on what customers' bills would look like, as the levies would be passed down to customers' bills in the end. However, the levy control framework was almost inevitably going to be a car crash, both in terms of how it was conceived and of what it was going to look like by 2020.

There now seems to be some clarity about future auctions relating to contracts for difference under the framework up to 2020, but it does not look as though there will be much money in those auctions. It does not look as though they will be significant, and the levy control framework itself will come to a sharp cliff edge at the end of 2020. That is partly because when the framework was first designed, it was largely based on the renewables obligation, which involved a fixed amount of payment from the Government to those receiving renewables obligation certificates, whereas the change to contracts for difference has resulted in varying sums coming forward. As energy prices go down, so the cost of the payments goes up, resulting in less and less money in the levy control framework. This is a fundamentally badly designed arrangement for dealing with future renewables deployment if we are serious about getting that deployment in line with our carbon budgets.

We need clarification on whether there will be a levy control framework from 2020 onwards. I was interested to discover this morning that a consultation about changes in the 2014 contracts for difference orders had turned into a consultation about whether there should be a levy control framework at all after 2020—not about what it should consist of, or how it should work. I believe the Secretary of State indicated in her “reset” speech that some offshore wind would be auctioned after 2020, in which case there must be a levy control framework, but that is all the information that we managed to obtain. The consultation consists of one question and nine pages, and it does not tell us a great deal about the framework itself.

**Mr MacNeil:** I was interested in what the hon. Gentleman said a few moments ago about the effect of the levy control framework in an environment of low energy prices. Such an environment puts greater demands on the framework, which was probably conceptualised when prices were higher, or even heading in that direction.

Another question is posed by the fact that the framework is not being revised to take account of the future capacity market.

**Dr Whitehead:** The hon. Gentleman—the Chair of the Committee—is right to raise those questions. The effect on the levy control framework of the change in prices—and it should be noted that the prices of gas, electricity and oil are now below the lowest conceivable scenario in the Department's energy projections—was simply not anticipated by the Department when it designed the framework. Moreover, the framework only takes into account the expenses to consumers of power. As the hon. Gentleman said earlier, it is clear that investment in renewable energy is affected. The change in the merit order and the downward pressure on prices has a real effect on wholesale prices. It is estimated that for every pound that is invested, about 60p comes back. That has not been taken into account in the calculation of the costs of the levy control framework, and I think that it is an argument for another fundamental redesign of the framework after 2020.

The hon. Gentleman mentioned another issue that I consider to be as important as the levy control framework itself: the signals that are given out by the parallel arrangements for the capacity auctions, which have exactly the same effect as the framework on customer bills. The energy companies will pay into a levy, which will eventually land on customers' doormats in the form of a bill. However, although the Department has said that capacity auctions for the continuation of supply of non-renewables for mineral-based power stations will be within the levy control framework, they have kept the sums involved in those auctions outside the headline total for the limit of the levy control framework up to 2020.

That may not be particularly surprising. It is clear that all the billions of pounds that have been thrown up against the wall in relation to capacity auctions—when it comes to trying to get some new gas-fired capacity power stations on stream, or, failing that, to ensure that gas-fired, coal-fired and, indeed, nuclear power stations can continue to supply energy—bear no relation to the limits that have been set for the levy control framework. Not only do they bear no relation, but the Committee on Climate Change estimates that some £70 of a customer's bill will fund renewables by 2020. It is currently about £35.

On capacity auctions, a new auction was recently announced for a period preceding those of the two T-4 auctions that have already taken place. The estimated cost to consumers for those capacity auctions will be something like £15 on the bill for the first two auctions and as much as £36 for the most recent auction. If we add the figures together, we find that by about 2020 the cost to the customer of capacity auctions will be about the same as all of the costs rolled up for renewables under the levy control framework, yet one is capped and the other is not. If the Government are prepared to put up £5.5 billion on capacity auctions but not to proceed with the levy control framework, which is actually able to deal with renewables investment over the next few years, that must send a message to renewable and low-carbon investors. That is fundamental and needs to be addressed.

I will bring my remarks to a close, but I hope that the Secretary of State will indicate in her response that the

[Dr Whitehead]

levy control framework will be coming forward after 2020 in a decent form and that it will be reviewed to take into account my points about its operation.

9.1 pm

**David Mowat** (Warrington South) (Con): It is a pleasure to follow the hon. Member for Southampton, Test (Dr Whitehead) who, as ever, spoke in great detail. I will speak in less detail, and I think my remarks will be a bit shorter.

I enjoyed all three of the Energy and Climate Change Committee's reports, and I congratulate the Committee on them. Before I get to my specific points, I will say that the Chairman's suggestion that we should devolve energy policy to Scotland does have some merit. It is true that Scotland has the lowest carbon emissions per capita of any of the nations of the UK, which it achieved by having a higher proportion of its electricity come from nuclear power than any other region. To that extent, we can all learn from what Scotland has achieved.

Turning to the thrust of the three reports, I want first to talk about investor confidence, because it is valid to say that if investor confidence disappears, there will be an associated cost. If I am in business and my business model is all about Government subsidies, it is reasonable that there will be some discontinuity and I should expect that.

My hon. Friend the Member for Eddisbury (Antoinette Sandbach) made the point that we have slipped from eighth to 13th in the table for renewables and wondered how that could be compatible with meeting our decarbonisation targets, which are the most challenging of any country. The answer to that is of course that it is not compatible. It would be better if that was improved, but renewables are only one part of how we are going to decarbonise.

In the UK, 9% of our energy comes from renewables. The Chairman of the Select Committee read out some numbers relating to current energy production. In fact, I think he was talking about electricity, because energy includes transport and all that goes with it. It is true that 30% of renewables investment in the EU last year was in the UK, and it is also true that the Government are making a great deal of progress on nuclear power, but they need to do even more on substituting gas for coal, which would make the single biggest difference.

Other people will talk about carbon capture and storage tonight, and I regret that it did not go ahead, but I am uncertain whether there is a clear pathway of how it will work. We talk about Canada and perhaps Norway, but neither of them is yet commercial and there is a lot more work to be done to make that happen. I would defend the Government somewhat on the notice they gave to the stock exchange before Parliament. As others have said, companies such as Shell invested huge sums in this, the announcement was price-sensitive and the stock exchange had to be told before Parliament.

**Mr MacNeil:** The hon. Gentleman says that CCS is not "commercial", whatever that means. The point I made was about meeting the climate change targets on grams of carbon dioxide. Nuclear is not commercial either; indeed, a former Energy Minister from his party said a few weeks ago at a breakfast meeting that Hinkley C

was not chosen for reasons of economics. The hon. Gentleman cannot therefore make a commercial argument for one thing and then change it for the other.

**David Mowat:** We can spend a long time talking about the word "commercial" in that context. The former Energy Minister the hon. Gentleman just referred to is the one I am about to talk about in the context of the third report, which was on the green deal, the energy company obligation and some of those things. I am not going to try to defend everything that has happened over the past five or six years in that area, because it has not been good and the Government must do much better. There is a big prize to be gained in energy efficiency, and the one thing we can all agree on, whether or not we agree on nuclear, CCS or anything else, is that we have to do a lot better on energy efficiency. What happened on the green deal was little short of a disaster.

I wish now to discuss market signals, because we have made the biggest market signal over the past week that could be imagined: we have accepted the Committee on Climate Change figure of a 57% reduction in carbon emissions by 2030, although that is merely consistent with the Climate Change Act 2008. I am pleased that we have done that, but I wish to make the point I have made previously, which is that I am worried that others around the world are not following us in the way we might have expected or hoped they would. I am talking not about China or India—these economies that must catch up—but about other countries in Europe.

In these debates, we sometimes gloss over the impact on electricity prices, which means fuel poverty or uncompetitive manufacturing. The Department of Energy and Climate Change website this morning showed that our electricity prices are 60% higher than the mean in the EU, and our industry's electricity prices 90% higher than the EU mean. When the Government talk about rebalancing the economy and the northern powerhouse, I just say this: if we are serious about manufacturing, we should be aware that it is very hard to do that with differentially higher electricity prices. Some of our debates about energy and the need to decarbonise must be seen in that context, notwithstanding the merit order effect, which we have heard about tonight.

It saddens me that our 57% target is approximately double the European target put into the Paris commitment in the INDCs—intended nationally determined contributions. Europe's target was a 40% reduction over the same timeframe as our 57% reduction, but that includes the UK, and if our contribution is taken out, we are talking about roughly double the rate. But these countries are not even achieving that. This year, 18 of the 28 countries in the EU increased their carbon emissions, whereas the UK managed a 3% reduction. Why is that happening? It is because they continue to burn coal at a rate that is generally very high, although it is coming down in some cases. The Secretary of State made an announcement last November that we would phase out coal by 2025, yet a week later the Germans commissioned their brand new lignite-burning, unabated coal power station. As I said earlier in this debate, Germany burned four times as much coal as the UK. But it is not just Germany; Holland, Ireland and Austria all burn significant amounts of coal. There is an issue here that has to be resolved as we make our progress towards a 57% reduction. We cannot do it on our own. Part of the UK showing

leadership involves making sure that other countries come with us. China is doing a lot more than many others.

9.9 pm

**Alex Cunningham** (Stockton North) (Lab): In these days of uncertainty, one thing is certain: if we are going to go it alone in the big bad world out there, we need energy policies that are fit for our future requirements, and that means making sure that our spending priorities are targeted properly. Yet already reports suggest that the UK is lagging behind an existing legally binding EU target that 15% of energy should come from renewables by 2020, with the Government bringing an end to subsidies for new onshore wind farms, cutting support for solar power and cancelling the zero carbon homes standard.

Moreover, the Government are failing to provide the investment that we need in energy efficiency to support a low-carbon economy here in the UK, and have ditched support for low-carbon technologies such as carbon capture and storage, or CCS. I know through my chairmanship of the all-party parliamentary group on CCS that, following the decision in last year's comprehensive spending review to withdraw the £1 billion for the CCS competition, the industry has spent several months considering and developing its thinking on the way forward for the technology in the UK, but industry wants answers from the Government.

Although the EU referendum result has undoubtedly left UK politics in a state of turmoil, the climate change agenda and therefore the CCS agenda must remain a strong priority. Just last Thursday, a mere week after the EU referendum, the UK agreed its fifth carbon budget as part of the Climate Change Act, committing the UK to cut emissions by 57% from 1990 levels by 2032. This is a more rigorous target than the collective EU agreement to cut emissions by 40% before 2030 as part of the Paris accord, and as such was a commitment to be welcomed and embraced. However, there is no doubt that CCS and, I would argue, industrial CCS, must have a significant role to play if we are to meet that goal.

The carbon budgets determine the direction for the UK's low-carbon transition. Any uncertainty about the status of the target is therefore disruptive at best and catastrophic at worst. The Government have already slashed funding for greener energy options. Further ambiguity will not secure the investment needed, but will lead to increased costs. We need the Government to clarify the status of climate targets in the light of the outcome of the EU referendum, and to clearly prioritise energy spending intentions to ensure that realistic and responsible goals are retained and achieved.

I would argue that following the referendum, it is more important than ever that the Government commit to being a world leader in important areas such as climate change and energy policy, driving innovation and investment, rather than sitting in the passenger seat attempting to give directions.

The importance of carbon capture and storage to meeting the UK's climate change targets was confirmed when, on the same day as the fifth carbon budget was agreed, the Committee on Climate Change published its 2016 progress report, which specifically recommended that the Government urgently come forward with a new approach to CCS technology.

I know that the Minister of State, Department of Energy and Climate Change, the hon. Member for South Northamptonshire (Andrea Leadsom), has been busy working for an EU exit and is now preoccupied with becoming the next Tory leader, but she has promised a new plan for CCS for eight months now, and it is time that we saw it. I firmly believe that in the light of what happened less than two weeks ago, the Government's new approach now promised towards the end of this year is far too late, and Ministers need to come to the House much sooner. I would none the less welcome hearing from the Minister's boss, the Secretary of State, that the events of 23 June will not be allowed to cloud our collective judgment and create a barrier to progress.

The absence of the CCS demonstration projects, which had been expected to contribute towards decarbonisation of power generation by around 2020, is extremely worrying and is something that I know the energy intensive users group has raised previously with the Energy Secretary. I share the group's view that it is difficult to see how the Government's absence of policy ambition for CCS can be reconciled with the recommendations of the Committee on Climate Change for power sector decarbonisation, or with the Government's stated desire to enable energy-intensive industries to remain part of the UK economy in the longer term.

The Tees valley, in which my Stockton North constituency falls, represents one of the largest clusters of manufacturing industries in the UK. Industries in the region contribute more than £10 billion to GVA—gross value added—annually, provide more than 25,000 manufacturing jobs in the local area, and produce a significant share of the UK's manufacturing output, but they also emit some 22% of the UK's total emissions from manufacturing industries, meaning that industrial CCS has the potential to protect these energy-intensive industries from future high carbon prices, while curtailing CO<sub>2</sub> emissions.

We know that CCS is a core component in a number of energy-intensive sector 2050 industrial road maps developed by the Department of Energy and Climate Change and the Department for Business, Innovation and Skills, alongside industry. However, despite that and the expectation that CO<sub>2</sub> abatement costs may be lower for some industrial applications than for power generation, there is no specific support policy for industrial CCS deployment. I would be grateful if the Secretary of State could outline what steps her Department is taking to address that disparity.

Some energy-intensive industries have started to benefit from the Government's carbon compensation package, following approval from the EU. I welcome that, but what is the future for carbon taxes and compensation post EU membership? Will the burden of EU carbon taxes still exist? If so, to what extent? Will the extra costs imposed by the British Government, over and above the EU costs, be removed any time soon?

Importantly, the Committee on Climate Change singled out new CCS transport and storage infrastructure as crucial for meeting future carbon budgets, and it recommended that separate consideration be given to the support needed to enable the development of that infrastructure. Only by developing it in places such as Teesside, which has the capacity and expertise to make such projects work, can the UK even hope to secure a stable future post EU.

[Alex Cunningham]

Investment in such infrastructure holds the potential to secure thousands of jobs, which are more important now than ever before, in the light of the failures in the Government's handling of the steel crisis and the subsequent rises in unemployment on Teesside. However, with the UK having stated its intention to vacate its seat at the top table as far as policy making at the EU level is concerned, can the Minister reassure the House that plans are in place to guarantee that DECC officials can continue to collaborate with their EU counterparts as policies for CCS are developed?

I would also welcome the Minister confirming that the industry will not lose out on current or future support as a result of our leaving the EU and that backing for these technologies will be a priority for the Government. She will be aware that EU funds have supported, and continue to support, CCS projects in the UK, such as the Don Valley project, which receives in the region of €180 million from a European economic recovery package. I would be grateful if she could outline how the Government intend to replace those moneys for existing and potential future projects once the UK ceases to be part of the EU.

9.17 pm

**Graham Stuart** (Beverley and Holderness) (Con): The Government have approved the fifth carbon budget—the framework of all frameworks. That is the why people should be optimistic. That is the message that needs to go out from this place to investors. That is where we are headed—to 2050, with the Climate Change Act 2008 intact and supported by the Government and the Labour party.

It is important that we do not send out a message or a tone from this place that suggests that investors should not be confident. There are quite a number of ways in which we can all boost confidence. We are in a time of change, and I hope we will never again have a Chancellor of the Exchequer who says we do not want to lead in this area. We should lead in this area, not least for the reason pointed out by my hon. Friend the Member for Warrington South (David Mowat)—inconsistency elsewhere. If there is a Chinese electric bus company, an innovator in California or somebody anywhere in the world working in this area, they should come to Britain, because we are leading the world, we are committed to this issue and we have a law in place that has support across the House.

On the detail, energy reset will happen this year, and the Government are looking at the issue again, now that we have a Conservative majority. Brexit also provides opportunities. What are we going to do when we leave the European Union? We need to make low carbon our own. In doing that, we need to make sure we get the investment and the jobs here, and that we meet the central task.

That also goes to the point my hon. Friend the Member for Warrington South always rightly raises, which is cost. We have to drive that cost curve downwards as quickly as possible. That requires coherent policy making, sound messages and a constant positive tone across the House if we are to make the UK the low-carbon centre of the world. If we do that, we will get costs down and we will lower our energy costs.

**Antoinette Sandbach:** Will my hon. Friend give way?

**Graham Stuart:** I do not think there is time for my hon. Friend to come in. With that, I will sit down.

9.19 pm

**Steve McCabe** (Birmingham, Selly Oak) (Lab): I congratulate the hon. Member for Na h-Eileanan an Iar (Mr MacNeil) on securing this debate and on the work of his Committee in probing the Government.

As the Committee makes clear, we seem to have come a long way since the heady days of the promises to lead the “greenest Government ever”. In reality, we have had years of policy chopping and changing, and now an energy policy that seems to be going into reverse. First we had the green deal, ended, in effect, last July after local authorities the length and breadth of the country had wasted a fortune in time and money trying to make it work. In my own area, Birmingham Energy Savers is one such venture, launched at the behest of the Government in 2011 and forced to wind up as the latest shift in Government policy brought its ambitions for energy efficiency to a shuddering halt. No one on the Government Benches wanted to listen to concerns about the green deal in the early days. They ignored warnings about the complicated structure, the expensive bureaucracy, and the sheer cost to homeowners. They insisted that they knew best, but of course they were wrong. With the sure touch that has become the hallmark of Conservative government, they decided to end the scheme, after years in denial, in the very month that it reached its highest level of performance.

It was not just the green deal. The previous Labour Government had a fair degree of success with Warm Front, which was a progressive, taxpayer-supported initiative designed to reduce energy bills and improve insulation, so of course the Government scrapped it and replaced it with the energy company obligation—little more than a hidden Tory energy tax on all consumers, irrespective of their incomes.

**Jim Shannon** (Strangford) (DUP): In Northern Ireland we have fuel poverty levels of 35%-plus—the highest in all the United Kingdom of Great Britain and Northern Ireland. Does the hon. Gentleman agree that we need—perhaps the Minister will respond to this—a policy and a strategy to make sure that all new builds are efficient, and that for houses that need to be so there is a co-ordinated plan across the whole of the United Kingdom of Great Britain and Northern Ireland such that every council will try to achieve that?

**Steve McCabe:** I certainly agree that we need a plan that goes much wider, reaches a lot more homes, and focuses on new build.

The problem is that so successful is the direction of current Government policy that by 2017 about 200,000 homes, as opposed to 1.3 million, will be eligible for some assistance with energy efficiency measures, and the total level of investment in energy efficiency will have halved. In essence, we have ended up with a policy where only those who qualify as fuel poor can get any help to invest in energy efficiency measures. That is no doubt partly why the Committee on Climate Change recently claimed that cutting carbon emissions from the home was now a policy in reverse. Matthew Bell, its

chief executive, has made it clear that the best way to reduce consumer bills and tackle climate change is to make sure that more homes are properly insulated, but instead this Government have managed to ensure that the rate of home insulation has fallen by 90%. A recent estimate shows that over the course of the last Parliament and the present one, the number of households receiving help will decline by a staggering 76%. The Government have scrapped ideas for new homes to be zero-carbon, thus, as the Chair of the Committee pointed out, ensuring that we store up additional retro-fit costs for the future.

In terms of energy savings, new technological developments, and a growth in green energy jobs, this Government's achievement has been not to be the greenest ever but the biggest failure ever. We need a settled Government policy and an environment where businesses and consumers can plan ahead. We need a fair and simple plan that incentivises households and the rented sector to invest in home energy improvements. We would be helped in this by a signal from Government that they intend to support the Leasehold Reform (Energy Efficiency) Bill. Alas, we have a Government bereft of practical policies to meet more than half of the emissions reductions required by 2030, and many of the existing EU-linked initiatives are now in doubt because of the botched referendum. The abandonment of the carbon capture and storage initiative is just the latest in a series of U-turns by a Government who are without direction and any coherent energy policy.

9.24 pm

**Patrick Grady** (Glasgow North) (SNP): Here we are again: yet another estimates day debate where the one thing that does not actually get discussed is the estimates. The motion authorises a reduction in the expenditure of the Department of Energy and Climate Change to the tune of £2,605,722,000, as outlined in HC 967 of 2015-16—all 652 pages of it.

The impact that the reduction will have on investors and consumers has been ably investigated by the Energy and Climate Change Committee, which is so effectively chaired with flair and panache by my hon. Friend the Member for Na h-Eileanan an Iar (Mr MacNeil). He is one of only two Scottish National party MPs ever to chair a Select Committee, the other being my hon. Friend the Member for Perth and North Perthshire (Pete Wishart), who also has things to say about the estimates process.

Page 238 of the booklet suggests a cut of £184 million to the Department's budget for managing the UK's energy legacy safely and responsibly, which I am sure will help all of us sleep at night. Page 241 lists the EU Government grants received. I suppose they will not appear much in future, which I am sure the Minister of State, Department of Energy and Climate Change, the hon. Member for South Northamptonshire (Andrea Leadsom), will be happy about—interestingly, she is absent this evening, although I do not know what could possibly be keeping her away—but the 78% of my constituency who voted to remain will probably beg to differ.

Interestingly, the implications of the Barnett consequential are nowhere to be found in the booklet, even though we were repeatedly told during the English votes for English laws process that estimates days were our opportunity as Scottish MPs to have our say on consequential spending. The reality is that there is no such opportunity. Professor David Heald of the University

of Glasgow in my constituency told the Procedure Committee that the estimates process is “completely irrelevant” to Barnett allocations. That has been proven once again during today's two debates.

It is also clear that estimates days are not very useful in scrutinising the detail of Government policy. Despite the fact that we are considering three Energy and Climate Change reports, my hon. Friend the Member for Na h-Eileanan an Iar has outlined how woefully inadequate the Government's response to them has been. Even though this is supposed to be a chance for Select Committees to have their reports discussed on the Floor of the House, the reality is that time is compressed. There are 30-plus Select Committees and three estimates days a year, which means that, at best, a Committee has a one in 10 chance of actually getting its reports debated on the Floor of the House. It is not just the estimates process that needs to be reformed, but the way in which Select Committees and their reports can be best used to hold the Government to account.

Many of the policy points have already been discussed, including the importance of energy efficiency both for cutting climate change emissions and for improving wellbeing and reducing fuel poverty. I declare an interest, because on Friday I had smart meters installed in my home. I look forward to the impact that will have on my own energy efficiency, as well as on my time efficiency.

Investor confidence is another hugely important aspect of the debate. Of course, the greatest threat to investor confidence has to be the Brexit vote, so it is very disappointing that the Energy Minister, who was so in favour of a leave vote, is not here to tell us what the consequences will be.

As is so often the case in this House, it is the Scottish Government whom we have to look to for the best lessons and examples. On renewable energy, 49.7% of Scotland's electricity consumption now comes from renewable sources—well on track to meet the Government's target of 100% by 2020. That has helped us reach our world-leading climate change targets, and the Scottish Government have also committed to investing £103 million to increase the number of warm homes and reduce fuel poverty.

I have highlighted three inadequacies in the very short time I have had, including the inadequate procedure for examining Government supply and expenditure, particularly now that EVEL has been introduced. Even when we are able to scrutinise Government policy, we find that that process is inadequate, and the powers that the Scottish Government have are also inadequate to the task at hand. There is a need to devolve energy policy and so many other policy areas to the Scottish Government.

There will be literally no debate on today's second item of business. At 10 pm, this House will be asked to authorise £254,040,155,000 of Government expenditure without any opportunity to scrutinise the measure in detail or to table an amendment to it. The system is in urgent need of reform. Perhaps that reform will come while this House still controls the purse strings of Scotland, but perhaps not. Time for that, like mine for this speech, is running out.

9.29 pm

**Callum McCaig** (Aberdeen South) (SNP): I welcome the fact that we are debating these important Energy and Climate Change Committee reports, but as my hon.

[*Callum McCaig*]

Friend the Member for Glasgow North (Patrick Grady) has ably demonstrated, it is a pity that we are doing so tonight when we should be discussing how we spend all the money that the Government spend—it is a whopping figure. There is a tinge of irony in the fact that less than three weeks ago, this country apparently voted to take back control to make this Parliament sovereign once again, and yet we cannot even properly debate how we spend our money.

Of the three reports, the investor confidence report is the critical one. It explodes the myth of the so-called long-term economic plan. The point about rhetoric versus reality is very much borne out. To quote the report, in reference to contracts for difference,

“merely stating that there may be three auctions this Parliament does not constitute a ‘plan’”;

In fairness, the absence of a plan around Brexit makes that look like a detailed, well worked out masterplan, but in reality it is not. All joking aside, the report goes on to say:

“We heard that policy uncertainty was weakening the case for investment in energy in the UK. This could mean that projects become more expensive to deliver—as investors demand a greater return on their investment to compensate for increased risk—or that projects simply do not go ahead. Moreover, any hiatus in energy investment could undermine the UK’s ability to meet climate, energy security and affordability objectives.”

In essence, all three sides of the energy trilemma have been undermined by the Government’s incoherent and ad hoc policy decisions. Throw in a dose of Brexit uncertainty, and there is a real requirement for the Government to provide some certainty if we are to meet the challenges of not just affordability of electricity and reducing carbon, but security of supply. All three of those are questionable. They were questionable before the Brexit vote, and the resulting increase in uncertainty has magnified that substantially. It is clear from the report that that has significantly undermined investor confidence, particularly in Scotland.

The undermining of our renewables industry in Scotland has been damaging. The discussions about carbon capture and storage are hugely undermining the Scottish industry. We had the potential in Peterhead to have both the world’s first floating wind farm commercially deployed, and carbon capture and storage in Peterhead power station. That would have given a relatively small part of Scotland a chance to be right at the global cutting edge of the carbon reduction and climate change technological advances. Unfortunately, one part of that is not going ahead, and that is substantially regrettable.

We have heard discussions about the regrettable fixation on one side of the levy control framework and the fact that there is an opaqueness around the levy control framework. I add to the Select Committee’s call for us to be shown the detailed working behind that. We need an understanding from the Government that if investment in low-carbon technology drives down price, thereby increasing the notional overspend on the levy control framework, it does not necessarily lead to greater cost for the consumer. If we are undermining investment in the low-carbon industries based on a desire to protect the consumer—that would be a reasonable position to start from, although not necessarily one that I agree with wholeheartedly—we need to look at what we are

doing in the round. The report says that the increase in the cost of the levy control framework from the fall in the wholesale price of conventional electricity will be half a billion pounds, but that is not an additional cost to the consumer. It is certainly not a reason to cut the support—the long-term investment in the future—that investment in renewable energy will bring.

There is huge uncertainty over how we will deal with our European neighbours following the vote two weeks ago. In her reset speech, the Secretary of State for Energy and Climate Change discussed at length the benefits of energy union and how it needs to be worked upon. We have no idea whether that will carry on or whether it will be part of the emissions trading scheme.

**Mr MacNeil:** My hon. Friend raises a good point. It would be useful if DECC laid out what the three most likely scenarios would mean for energy policy: European economic area membership, European Free Trade Association membership and the third-country option. Given the words of Commissioner Malmström, it seems that if the UK goes for the third-country option, we will have to leave the EU and then negotiate for however many years before we have a deal. It would not happen concurrently with exit, so we need to know what that might mean for energy policy.

**Callum McCaig:** I would go further than saying that that would be useful; it is absolutely essential. It behoves a responsible Government to do that. These are not contingency plans any more; they are just the plans. There must be some sense of certainty about what is going on.

The reports from my hon. Friend’s Committee have ably demonstrated that uncertainty builds in additional cost. We have to replace a significant proportion of our electricity capacity in the next decade or so. Perhaps the cost will be greater because the pound will be weaker when we are outwith the EU. These things need to be addressed. It would be unfair to expect the Secretary of State to come out with a detailed plan now, but we need an undertaking that her Department will do the necessary work, and in short order, to deliver some form of certainty, otherwise we will be in a real pickle very soon.

The hon. Member for Beverley and Holderness (Graham Stuart) said that he was delighted and that the only signal we needed to give to the markets was the welcome announcement that the Government accepted the targets of the fifth carbon budget. I share his enthusiasm that the Government have done that, albeit somewhat later than was expected by many, but as the Committee on Climate Change has suggested, we need a little more of the “how”, as well as the “what”. Again, I hope that the Government will soon deliver a bit more on how we will do it. These are fundamental questions and they cannot go unanswered.

To conclude, the Government have created uncertainty in this field and that uncertainty has since been magnified. That stresses the fundamental importance of having a long-term plan that has cross-party buy-in, and that is not subject to the whims and changes of Government. The climate change legislation provides a model for how we can work collaboratively across parties and across Parliaments and Assemblies. Another model is the National Infrastructure Commission. Following the

uncertainty that the Government have created themselves and the uncertainty caused by the Brexit vote, we need a plan that we stick to and deliver.

9.38 pm

**Barry Gardiner** (Brent North) (Lab): I thank the hon. Member for Na h-Eileanan an Iar (Mr MacNeil) and his Committee for initiating this debate, for giving the House the opportunity to consider the direction of the Government's energy and climate change policy, and for their excellent reports.

Like the hon. Gentleman but, I suspect, unlike the Secretary of State, I look forward to the publication of the findings of the National Audit Office's inquiry into whether the Government will have to pay compensation to carbon capture and storage project developers. That could result in a multimillion pound bill for the taxpayer. I hope that the Secretary of State will acknowledge that this might have been an extremely expensive decision indeed. One would be forgiven for imagining that DECC has received instruction from the right hon. Member for Surrey Heath (Michael Gove) when one looks at the way in which it led the industry on until the very last minute, before finally applying the knife to carbon capture and storage. Well, there we are. It is no wonder that the hon. Member for Warrington South (David Mowat) regretted the decline of the CCS projects. He was quite right to do so. He also spoke very powerfully about the green deal, calling its demise nothing short of a disaster.

The hon. Member for Beverley and Holderness (Graham Stuart) quite rightly praised the Government for agreeing with the Committee on Climate Change on the fifth carbon budget. I agree with him. I just wish that they had actually set it by the statutory limit in accordance with the Climate Change Act 2008. It had to be set and voted on under the affirmative resolution procedure of this House by 30 June. That did not happen. I hope that the Secretary of State will clarify the legal status of the budget to the House. It is one thing to accept the recommendation of the Committee on Climate Change, but simply accepting is not good enough. The Climate Change Act is very clear on that point: it has to be set. So far, it has not been.

The judgment of the hon. Member for Eddisbury (Antoinette Sandbach) was absolutely impeccable. She spoke at great length, but it was a great speech. She talked about the investor community being startled, but in a way that, I trust, did not scare the horses or make her open to the accusation of talking Britain down. It was a very fine speech indeed.

My hon. Friend the Member for Stockton North (Alex Cunningham), despite his sore throat, spoke very powerfully about the need to bring forward the UK carbon plan. He is absolutely right. That goes to the point made by the hon. Member for Beverley and Holderness and by the Scottish National party spokesperson, the hon. Member for Aberdeen South (Callum McCaig). It is great to have the ambition of the fifth carbon budget, but, yet again, we look back to 2011, when the fourth carbon budget was set. We know that the statutory obligation is to bring forward, as soon as reasonably practicable, a plan to show how it will be achieved. Five years later, we are still waiting for that. My hon. Friend's point was a very fair one: it should be brought forward by the end of the year and rolled out immediately, to give confidence to investors.

My hon. Friend the Member for Southampton, Test (Dr Whitehead) speaks with such knowledge and authority on these matters. He made a very powerful point about the LCF after 2020, and I hope the Secretary of State will give some clarity on that in her closing remarks.

In its latest report, "Meeting carbon budgets", which was published last Thursday, the Committee on Climate Change showed that there is a need for

"urgent action to strengthen policies"

without which progress on emissions will not continue. We are in a post-Brexit situation. Investor confidence has been lost through heightened uncertainty, creating a crisis in investment that in turn creates a crisis in energy costs, as greater uncertainty results in higher costs of capital. National Grid has issued a warning that energy bills would rise and energy security be put at risk if, like Switzerland, the UK is excluded from Europe's internal energy market. The Secretary of State herself cited analysis by Vivid Economics ahead of the referendum that warned that the potential impact of exclusion from the IEM could be up to £500 million a year by the early 2020s.

Given the Secretary of State's clear view on this, which I agree with, and bearing in mind that the Chancellor has been forced to announce that his fiscal surplus target is being dispensed with, as we will no longer be able to balance the books by 2020 as he had promised, and that growth has been downgraded from 2% to just 0.4%, we must ask her with what certainty she is asking us to consider the estimates for her Department. Her Cabinet colleagues have been very clear that to meet the deficit, they can raise taxes, or cut departmental spending, or borrow. Which is it going to be? For goodness' sake, the Government are in the midst of a financial crisis. The Chancellor refuses to tell us how he is going to get out of it—he says it is up to a future Chancellor to decide, because he knows that in a few short weeks he will no longer be the occupant of No. 11—

**Mr MacNeil:** Will the hon. Gentleman give way?

**Barry Gardiner:** I cannot, I am afraid, because of the time constraints.

The Chancellor will not have to make that decision. The Secretary of State is asking us to approve estimates that have about as much chance of remaining solid as an ice cube in a Jamie Oliver stir-fry. This motion is not responsible financial management; it is government by magic wand—think of a number, close your eyes, and make a wish. Will the Secretary of State give a clear answer about her level of confidence that these estimates will be reflected in the outcomes at year end?

Ministers insist that Britain is open for business but energy companies have halted major investments in the UK. This week the Secretary of State told business that she is certain that investment will continue to flow, yet Siemens has paused clean energy investments in Hull, and according to the Government's external adviser, a future for Hinkley Point C nuclear power station project is now "extremely unlikely". That is not Her Majesty's Loyal Opposition "talking Britain down"; that is the Government's own adviser telling it as it is. Vattenfall is reassessing the risk of working in the UK, which could jeopardise its plans for a £5.5 billion wind farm off England's east coast. Bloomberg New Energy Finance has warned since the referendum that the uncertainty caused by the result and the upcoming negotiations

[Barry Gardiner]

“is likely to cause project investors and banks to hesitate about committing new capital, and could cause a drop in renewable energy asset values.”

The Institutional Investors Group on Climate Change, which represents more than €30 trillion of assets, said that the aftermath of the vote

“brings considerable uncertainty and market turmoil.”

These are deeply worrying times, but the Government do not seem to recognise the urgency of quashing such uncertainty and instability. Will the Secretary of State’s Department push for access to the internal energy market as a negotiating priority, and how will the Government gain support from EU member states to accept that? SSE has said that collaboration with other European countries on energy matters is important for UK consumers. What calculations or estimates has the Department made of price premiums on loans that will be demanded by investors in UK energy infrastructure to cover the costs of political uncertainty? How much will that add to the cost of building new electricity generating capacity? To reduce that uncertainty, it is imperative that the UK provides a clear direction of travel on domestic policy. Why did the right hon. Lady fail to uphold her statutory obligation under the Climate Change Act 2008, and not take the necessary steps to ensure that the order was set by 30 June?

The European Investment Bank is the UK’s biggest clean energy lender, having invested €31.3 billion into British clean energy projects over the past five years. Will that funding still be available for projects already in progress or agreed, such as the four clean energy projects under assessment by the European Fund for Strategic Investments? What funding sources have been identified to replace the opportunities that we will lose for research and development in clean energy to power the future? Have the Government discussed the future of Hinkley Point with EDF and/or the French Government, as a result of the vote to leave? The Government estimated in 2014 that by 2020 the annual net savings to the UK economy for the European energy standards and labelling ecodesign would be in excess of £850 million per year. Will those potential savings be compromised by the process of leaving the EU? The right hon. Lady must begin to answer those questions.

As the referendum result was causing political and economic chaos, the final results of the two-year Competition and Markets Authority inquiry into why customers are being overcharged by nearly £2 billion a year for their energy were quietly released. The recommendations are nothing to shout about, as they will not deliver the Prime Minister’s promise from four years ago to put all households on the cheaper tariff. How will the Department introduce more transparency over available deals, and provide support to make it easier for customers to switch, thereby putting an end to the big six milking their loyal customers to maintain profits amid falling wholesale prices?

Hundreds of thousands of families cannot afford their energy bills, and in 2014-15 that contributed to 43,900 excess winter deaths. However, Ministers are still letting energy companies off the hook and failing to ensure that the drop in wholesale prices is passed on to people’s bills. Will the Secretary of State ensure that the UK ratifies the Paris agreement before the Prime Minister leaves office?

9.49 pm

**The Secretary of State for Energy and Climate Change (Amber Rudd):** I welcome the hon. Member for Brent North (Barry Gardiner) to his place. I am grateful to all hon. Members for their contributions, in particular the Chairman of the Energy and Climate Change Committee for his involvement in today’s debate and for his leadership in the Committee.

The Government welcome the Committee’s continued interest in gaining investor confidence in the UK energy sector, household energy efficiency and demand reduction, as well as the future of carbon capture and storage. All remain high priorities for us, and I believe we have a strong track record in all three areas, which I will set out.

Giving clear, meaningful signals for investment in energy is of course essential. That is what we gave when we became the first country to set out plans to close unabated coal power stations by 2025. Recently, we announced a package of reforms of the capacity market that was widely welcomed by stakeholders. The hon. Member for Southampton, Test (Dr Whitehead) spoke with his usual extensive knowledge on the capacity market. I would point out, in answer to part of his question, that the capacity market is technology-neutral and focused on security of supply, while the levy control framework has an entirely different focus, which, as he rightly set out, is on low-carbon electricity. The Government will be setting out more on the future of the LCF in the autumn statement.

The capacity market changes have sent a clear signal to investors that will encourage the secure energy sources we need to come forward, such as gas and interconnectors, as part of our long-term plan to build a system of energy infrastructure that is so needed for the 21st century. We will support over 10 GW of new offshore wind projects in the 2020s, with three auctions during this Parliament if costs come down. In March, it was announced that the world’s largest offshore wind farm would be built off the Yorkshire coast. This will bring jobs and growth to the local community, while powering 1 million homes. We are boosting innovation funding to over £500 million, including £250 million for nuclear innovation and small modular reactors.

The theme that came through again and again during the debate related to the fifth carbon budget, which I am sure the Chair of the Committee intended to welcome in his earlier remarks. I was, however, particularly pleased to hear enthusiasm from my hon. Friend the Member for Beverley and Holderness (Graham Stuart) and I thank him for it. He said it was good and positive news, as well as a clear and important investment signal. The private sector knows the Government are committed to it and will be legally bound by it.

I am grateful to my hon. Friend the Member for Eddisbury (Antoinette Sandbach) for her comments on the private sector. She spoke constructively about the need for investment to help to deliver on these targets. It is encouraging that when we made the announcement last week it was so widely welcomed by the investment community. We will, of course, continue to look at other impacts on the investment community.

On home energy, energy efficiency is rightly seen by many, and certainly by the Government, as an excellent means to not one but several ends. It contributes not

only to reducing energy bills, but to reducing carbon emissions and improving the security of our energy supplies. Our manifesto clearly set out how we will help a further 1 million homes this Parliament, as part of our commitment to address fuel poverty.

The hon. Member for Birmingham, Selly Oak (Steve McCabe) gave us a canter through previous home energy efficiency measures. I hope my comments will reassure him about our commitment to deliver on those 1 million homes. I thank the hon. Member for Glasgow North (Patrick Grady) for his comments and hope that his energy usage will indeed be reduced by his new smart meter. We are delighted that the Government programme is on target, so that everybody will be offered the advantages he has by 2020.

**Graham Stuart:** On a point of order, Madam Deputy Speaker. Just before the debate finishes, the shadow Secretary of State said that investment in Hull by Siemens was “on hold”—I think those were the words—but investment there most definitely is not. He might want to make that clear, unless I misheard what he said. That investment is very important in our local area and that investment is continuing.

**Madam Deputy Speaker (Natascha Engel):** That is more of an intervention than a point of order and the Secretary of State may want to address it.

**Amber Rudd:** I am grateful for the opportunity to correct any misunderstanding that the hon. Member for Brent North may have put out there. We have been told very clearly by Siemens that the investment in Hull, and the 1,000 or so jobs that go with it, is absolutely secure.

**Melanie Onn (Great Grimsby) (Lab):** I thank the Secretary of State for giving way because this is incredibly important. The chief executive of Siemens has said that future investment is on hold, and he was talking about exports. That is an incredibly important point in terms of developing and growing jobs in that key area.

**Amber Rudd:** I thank the hon. Lady. Let us just agree that there is no change to the exciting development taking place there and the job opportunities recently announced.

We have all agreed that carbon capture and storage plays a potentially important role in the long-term de-carbonisation of the UK’s economy, but our view is that it is currently too expensive and that costs must come down. While CCS projects are happening globally, more innovation is needed to reduce costs. That is why we are committed to working with industry to bring forward innovative ideas for reducing CCS costs, having invested more than £130 million in CCS research and development since 2011, and why we continue to work with others to progress the technology collaboratively. In parallel, DECC continues to provide support to the CCS advisory group, chaired by Lord Oxburgh, whose findings and recommendations will inform our thinking on the way forward.

It was interesting to hear from the hon. Member for Stockton North (Alex Cunningham) and my hon. Friend the Member for Warrington South (David Mowat) and to hear about their support for CCS. To both I would say that the door is not closed and that we recognise the

important role it will play. I urge my hon. Friend, when he draws comparisons with low-carbon targets in other countries, to look also for signs of progress, and not always to point out the negative side in other countries. I am sure that he, like me, will welcome the fact that the French have announced a carbon price floor. I am sure that there will be improvements from other countries as well.

Several Members asked about the impact of leaving the EU on our energy policy. In particular, we heard from the hon. Member for Aberdeen South (Callum McCaig) and the hon. Member for Brent North, who raised several points relating to Brexit. We must face up to the fact that it will make some of our targets more difficult. I do not have the answers about what our future relationship will be with the EU on vital elements, such as the emissions trading scheme and the energy union. It will make some of the challenges we already face more difficult, but I will say fairly and squarely to all hon. Members that we are in dialogue with all the large investors and companies supporting our investment in energy. They are working with us to ensure that there is no major change in the area. Specifically on Hinkley Point, I have indeed spoken to EDF, and we have had conversations with the French Government, and we have been told that there is no change; they remain committed to arriving at a final investment decision.

I would like to reassure all hon. Members that we remain committed to delivering clean, secure and affordable energy. It might be that this task has become a little harder, but what remains unchanged is our determination to do that while always thinking of the consumer first.

9.57 pm

**Mr MacNeil:** I would have liked to hear some timings on CCS from the Secretary of State. Many in the industry come to me concerned that, despite her warm words, there are no timelines. I am sure her commitment and that of the Government is sincere, but quite what that means for the industry is something else entirely. Perhaps when the capacity market comes up, she could think of a demand-side response.

This has been a wide-ranging, informed and useful debate, although I take the point made by my hon. Friend the Member for Glasgow North (Patrick Grady) that the estimates include more than just energy and justice. The Chair of the Justice Select Committee is a distant cousin; not many will know that his ancestors were from the island of Barra—where I am from myself—and that he is really a MacNeill who dropped the Mac. That being as it is, Madam Deputy Speaker, I thank you for the opportunity to hold this debate, and I look forward perhaps to some changes arising from it.

I seem to have an extra minute—quite unexpectedly, as I thought we had agreed earlier that I would not, Madam Deputy Speaker. Nevertheless, it is always fantastic to have the opportunity to speak in the House of Commons and to detain the House for a moment or two so that we might reach 10 o’clock, whereupon I understand we will be having a Division. *[Interruption.]* Madam Deputy Speaker, I think you might be indicating that we have reached the point when I can wind up and pass over to you. *[Interruption.]* I hear the booing, and the viewers at home are hearing the booing. If you want me to carry on, Madam Deputy Speaker, I am more than happy to do so.

[Mr MacNeil]

I thank you, Madam Deputy Speaker, for the opportunity to contribute to the debate. It is greatly appreciated by me and, more seriously, appreciated by the Committee and especially appreciated by those in the energy community who will be paying great attention to the words uttered here in this Chamber tonight.

10 pm

*The Deputy Speaker put the deferred Questions (Standing Order No. 54)*

## ESTIMATES 2016-17

### MINISTRY OF JUSTICE

#### *Question put,*

That, for the year ending with 31 March 2017, for expenditure by the Ministry of Justice:

(1) further resources, not exceeding £4,017,927,000 be authorised for use for current purposes as set out in HC 967 of Session 2015-16,

(2) further resources, not exceeding £360,850,000 be authorised for use for capital purposes as so set out, and

(3) a further sum, not exceeding £4,305,530,000 be granted to Her Majesty to be issued by the Treasury out of the Consolidated Fund and applied for expenditure on the use of resources authorised by Parliament.

*The House divided: Ayes 262, Noes 127.*

**Division No. 30]**

**[10 pm**

### AYES

Adams, Nigel  
Afriyie, Adam  
Aldous, Peter  
Allan, Lucy  
Amess, Sir David  
Andrew, Stuart  
Ansell, Caroline  
Argar, Edward  
Atkins, Victoria  
Bacon, Mr Richard  
Baker, Mr Steve  
Baldwin, Harriett  
Barclay, Stephen  
Barwell, Gavin  
Bebb, Guto  
Bellingham, Sir Henry  
Benyon, Richard  
Beresford, Sir Paul  
Berry, Jake  
Berry, James  
Bingham, Andrew  
Blackman, Bob  
Blackwood, Nicola  
Boles, Nick  
Bone, Mr Peter  
Borwick, Victoria  
Bottomley, Sir Peter  
Bradley, Karen  
Brazier, Mr Julian  
Bridgen, Andrew  
Brine, Steve  
Brokenshire, rh James  
Buckland, Robert  
Burns, Conor  
Burrowes, Mr David  
Burt, rh Alistair

Cairns, rh Alun  
Carmichael, Neil  
Cartlidge, James  
Cash, Sir William  
Caulfield, Maria  
Chalk, Alex  
Chishti, Rehman  
Chope, Mr Christopher  
Churchill, Jo  
Cleverly, James  
Clifton-Brown, Geoffrey  
Coffey, Dr Thérèse  
Collins, Damian  
Colville, Oliver  
Costa, Alberto  
Cox, Mr Geoffrey  
Crabb, rh Stephen  
Crouch, Tracey  
Davies, Byron  
Davies, Chris  
Davies, David T. C.  
Davies, Glyn  
Davies, Dr James  
Davies, Mims  
Dinenage, Caroline  
Djanogly, Mr Jonathan  
Double, Steve  
Doyle-Price, Jackie  
Drax, Richard  
Drummond, Mrs Flick  
Duddridge, James  
Duncan, rh Sir Alan  
Duncan Smith, rh Mr Iain  
Dunne, Mr Philip  
Ellis, Michael  
Ellison, Jane

Ellwood, Mr Tobias  
Elphicke, Charlie  
Eustice, George  
Evans, Graham  
Fernandes, Suella  
Field, rh Mark  
Foster, Kevin  
Fox, rh Dr Liam  
Frazer, Lucy  
Freeman, George  
Fuller, Richard  
Fysh, Marcus  
Gale, Sir Roger  
Garnier, Mark  
Gauke, Mr David  
Ghani, Nusrat  
Gibb, Mr Nick  
Glen, John  
Goodwill, Mr Robert  
Gove, rh Michael  
Graham, Richard  
Grant, Mrs Helen  
Gray, Mr James  
Grayling, rh Chris  
Green, Chris  
Green, rh Damian  
Greening, rh Justine  
Grieve, rh Mr Dominic  
Griffiths, Andrew  
Gummer, Ben  
Gyimah, Mr Sam  
Halfon, rh Robert  
Hall, Luke  
Hancock, rh Matthew  
Hands, rh Greg  
Harper, rh Mr Mark  
Harrington, Richard  
Harris, Rebecca  
Hart, Simon  
Haselhurst, rh Sir Alan  
Hayes, rh Mr John  
Heald, Sir Oliver  
Heappey, James  
Heaton-Harris, Chris  
Henderson, Gordon  
Herbert, rh Nick  
Hinds, Damian  
Hoare, Simon  
Hollinrake, Kevin  
Hollobone, Mr Philip  
Hopkins, Kris  
Howell, John  
Howlett, Ben  
Huddleston, Nigel  
Hunt, rh Mr Jeremy  
Hurd, Mr Nick  
Javid, rh Sajid  
Jayawardena, Mr Ranil  
Jenkyns, Andrea  
Jenrick, Robert  
Jones, Andrew  
Jones, rh Mr David  
Kirby, Simon  
Knight, rh Sir Greg  
Knight, Julian  
Kwarteng, Kwasi  
Lancaster, Mark  
Leadsom, Andrea  
Lee, Dr Phillip  
Letwin, rh Mr Oliver  
Lewis, Brandon  
Lewis, rh Dr Julian

Liddell-Grainger, Mr Ian  
Lidington, rh Mr David  
Lilley, rh Mr Peter  
Lopresti, Jack  
Lord, Jonathan  
Loughton, Tim  
Lumley, Karen  
Mackinlay, Craig  
Mak, Mr Alan  
Malthouse, Kit  
Mann, Scott  
Mathias, Dr Tania  
Maynard, Paul  
McCartney, Jason  
McCartney, Karl  
McLoughlin, rh Mr Patrick  
Menzies, Mark  
Mercer, Johnny  
Merriman, Huw  
Metcalfe, Stephen  
Miller, rh Mrs Maria  
Milling, Amanda  
Mills, Nigel  
Milton, rh Anne  
Mordaunt, Penny  
Morgan, rh Nicky  
Morris, James  
Morton, Wendy  
Mowat, David  
Mulholland, Greg  
Murray, Mrs Sheryll  
Murrison, Dr Andrew  
Neill, Robert  
Newton, Sarah  
Nuttall, Mr David  
Offord, Dr Matthew  
Opperman, Guy  
Parish, Neil  
Paterson, rh Mr Owen  
Pawsey, Mark  
Penning, rh Mike  
Penrose, John  
Percy, Andrew  
Perry, Claire  
Phillips, Stephen  
Philp, Chris  
Pincher, Christopher  
Poulter, Dr Daniel  
Pow, Rebecca  
Prentis, Victoria  
Prisk, Mr Mark  
Pritchard, Mark  
Pursglove, Tom  
Quin, Jeremy  
Quince, Will  
Raab, Mr Dominic  
Redwood, rh John  
Rees-Mogg, Mr Jacob  
Robertson, Mr Laurence  
Robinson, Mary  
Rudd, rh Amber  
Sandbach, Antoinette  
Scully, Paul  
Selous, Andrew  
Shelbrooke, Alec  
Skidmore, Chris  
Smith, Chloe  
Smith, Henry  
Smith, Julian  
Smith, Royston  
Solloway, Amanda  
Soubry, rh Anna

Spelman, rh Mrs Caroline  
 Spencer, Mark  
 Stephenson, Andrew  
 Stevenson, John  
 Stewart, Bob  
 Stewart, Iain  
 Stewart, Rory  
 Streeter, Mr Gary  
 Stuart, Graham  
 Sturdy, Julian  
 Sunak, Rishi  
 Swayne, rh Sir Desmond  
 Swire, rh Mr Hugo  
 Syms, Mr Robert  
 Thomas, Derek  
 Throup, Maggie  
 Timpson, Edward  
 Tolhurst, Kelly  
 Tomlinson, Justin  
 Tomlinson, Michael  
 Tracey, Craig  
 Tredinnick, David  
 Trevelyan, Mrs Anne-Marie  
 Truss, rh Elizabeth  
 Tugendhat, Tom

Turner, Mr Andrew  
 Vaizey, Mr Edward  
 Vara, Mr Shailesh  
 Vickers, Martin  
 Walker, Mr Robin  
 Warburton, David  
 Wharton, James  
 Whately, Helen  
 Wheeler, Heather  
 White, Chris  
 Whittaker, Craig  
 Whittingdale, rh Mr John  
 Wiggin, Bill  
 Williams, Craig  
 Williamson, rh Gavin  
 Wilson, Mr Rob  
 Wollaston, Dr Sarah  
 Wood, Mike  
 Wragg, William  
 Wright, rh Jeremy  
 Zahawi, Nadhim

**Tellers for the Ayes:**  
**George Hollingbery and**  
**Mel Stride**

#### NOES

Abbott, Ms Diane  
 Alexander, Heidi  
 Ali, Rushanara  
 Ashworth, Jonathan  
 Austin, Ian  
 Bailey, Mr Adrian  
 Barron, rh Kevin  
 Betts, Mr Clive  
 Blenkinsop, Tom  
 Boswell, Philip  
 Bradshaw, rh Mr Ben  
 Brennan, Kevin  
 Brown, Lyn  
 Bryant, Chris  
 Burgon, Richard  
 Burnham, rh Andy  
 Byrne, rh Liam  
 Cadbury, Ruth  
 Cameron, Dr Lisa  
 Campbell, rh Mr Alan  
 Coaker, Vernon  
 Corbyn, rh Jeremy  
 Coyle, Neil  
 Crawley, Angela  
 Creasy, Stella  
 Cryer, John  
 Cunningham, Alex  
 Dakin, Nic  
 Davies, Geraint  
 Doughty, Stephen  
 Dowd, Peter  
 Eagle, Ms Angela  
 Elmore, Chris  
 Esterson, Bill  
 Fletcher, Colleen  
 Foxcroft, Vicky  
 Gapes, Mike  
 Gardiner, Barry  
 Gibson, Patricia  
 Giindon, Mary  
 Grady, Patrick  
 Gray, Neil  
 Green, Kate  
 Griffith, Nia

Gwynne, Andrew  
 Haigh, Louise  
 Hanson, rh Mr David  
 Hayes, Helen  
 Hodgson, Mrs Sharon  
 Howarth, rh Mr George  
 Hussain, Imran  
 Jarvis, Dan  
 Johnson, Diana  
 Jones, Gerald  
 Jones, Mr Kevan  
 Jones, Susan Elan  
 Kane, Mike  
 Kinnock, Stephen  
 Kyle, Peter  
 Lavery, Ian  
 Lewis, Clive  
 Long Bailey, Rebecca  
 Lucas, Caroline  
 Lucas, Ian C.  
 Lynch, Holly  
 MacNeil, Mr Angus Brendan  
 Madders, Justin  
 Mann, John  
 Marris, Rob  
 Maskell, Rachael  
 Matheson, Christian  
 McCabe, Steve  
 McCaig, Callum  
 McCarthy, Kerry  
 McDonald, Andy  
 McDonald, Stuart C.  
 McDonnell, John  
 McFadden, rh Mr Pat  
 McGinn, Conor  
 McGovern, Alison  
 McInnes, Liz  
 McKinnell, Catherine  
 McMahan, Jim  
 Mearns, Ian  
 Miliband, rh Edward  
 Moon, Mrs Madeleine  
 Morden, Jessica  
 Morris, Grahame M.

Murray, Ian  
 Newlands, Gavin  
 Onn, Melanie  
 Owen, Albert  
 Paterson, Steven  
 Pennycook, Matthew  
 Phillips, Jess  
 Pound, Stephen  
 Rayner, Angela  
 Reed, Mr Steve  
 Reynolds, Jonathan  
 Rimmer, Marie  
 Ritchie, Ms Margaret  
 Rotheram, Steve  
 Shannon, Jim  
 Sherriff, Paula  
 Skinner, Mr Dennis  
 Slaughter, Andy  
 Smeeth, Ruth  
 Smith, Angela  
 Smith, Cat

Smith, Jeff  
 Smith, Owen  
 Smyth, Karin  
 Spellar, rh Mr John  
 Stephens, Chris  
 Stevens, Jo  
 Streeting, Wes  
 Tami, Mark  
 Thomas-Symonds, Nick  
 Turley, Anna  
 Umunna, Mr Chuka  
 Watson, Mr Tom  
 Whitehead, Dr Alan  
 Wilson, Phil  
 Winnick, Mr David  
 Winterton, rh Dame Rosie  
 Woodcock, John  
 Zeichner, Daniel  
**Tellers for the Noes:**  
**Sue Hayman and**  
**Judith Cummins**

*Question accordingly agreed to.*

#### DEPARTMENT OF ENERGY AND CLIMATE CHANGE

*Resolved,*

That, for the year ending with 31 March 2017, for expenditure by the Department of Energy and Climate Change:

(1) the resources authorised for use for current purposes be reduced by £2,605,722,000 as set out in HC 967 of Session 2015-16,

(2) further resources, not exceeding £1,197,631,000 be authorised for use for capital purposes as so set out, and

(3) a further sum, not exceeding £2,726,306,000 be granted to Her Majesty to be issued by the Treasury out of the Consolidated Fund and applied for expenditure on the use of resources authorised by Parliament.

#### ESTIMATES 2016-17

*Resolved,*

That, for the year ending with 31 March 2017:

(1) further resources, not exceeding £254,040,155,000 be authorised for use for current purposes as set out in HC 935, HC 957, HC 966, HC 967, HC 970, HC 976 and HC 999 of Session 2015-16,

(2) further resources, not exceeding £35,960,157,000 be authorised for use for capital purposes as so set out, and

(3) a further sum, not exceeding £252,375,524,000 be granted to Her Majesty to be issued by the Treasury out of the Consolidated Fund and applied for expenditure on the use of resources authorised by Parliament.—(*Mr Gauke.*)

*Ordered,* That a Bill be brought in upon the foregoing Resolutions;

That the Chairman of Ways and Means, Mr Chancellor of the Exchequer, Greg Hands, Mr David Gauke, Harriett Baldwin and Damian Hinds bring in the Bill.

#### SUPPLY AND APPROPRIATION (MAIN ESTIMATES) BILL

*Presentation and First Reading*

Mr David Gauke accordingly presented a Bill to authorise the use of resources for the year ending with 31 March 2017; to authorise both the issue of sums out of the Consolidated Fund and the application of income for that year; and to appropriate the supply authorised for that year by this Act and by the Supply and Appropriation (Anticipation and Adjustments) Act 2016.

*Bill read the First time; to be read a Second time tomorrow, and to be printed (Bill 26).*

## Business without Debate

### ENVIRONMENTAL AUDIT

*Ordered,*

That Kerry McCarthy be a member of the Environmental Audit Committee.—(*Bill Wiggin, on behalf of the Committee of Selection.*)

## Royal Regiment of Artillery/Corps of Royal Engineers

*Motion made, and Question proposed,* That this House do now adjourn.—(*Charlie Elphicke.*)

10.14 pm

**James Cleverly** (Braintree) (Con): This year marks the tercentenary of the formation of my regiment, the Royal Regiment of Artillery, as well as the 90th birthday of our Captain General, Her Majesty the Queen. It also marks the tercentenary of the formation of the Corps of Royal Engineers, with which we Gunners have had a long sibling rivalry. We share much with the Royal Engineers: our mottos, our patron saint, even the red and blue of our rugby kits and regimental ties. I am pleased to say that a Gunner and a Sapper will share tonight's Adjournment debate. As my hon. Friend the Minister is no doubt more knowledgeable than I am about the history of his corps, I hope that you will forgive me, Madam Deputy Speaker, if I focus on my own regiment, and give him an opportunity to fill in any details about the history of the Royal Engineers that I might miss.

The use of artillery pre-dates Roman times, when slings, catapults, ballistas and trebuchets were used to project missiles in times of war. Records indicate that Edward III may have used cannon against the Scots in 1327, but there is no doubt that he used five primitive guns against the French at the Battle of Crécy in 1346. Taking pot shots at the Scots and the French: what a way to start a career! In those days, the guns were fired from fortified gun pits dug by the Sappers and miners who were the forefathers of modern military engineers. I bet those early Gunners and Sappers slated each other back then just as vigorously as their modern counterparts do today.

It was on 26 May 1716 that the first two permanent companies of Royal Artillery were formed by royal warrant in the reign of George I. Those two companies numbered 100 men each, and were headquartered in Tower Place, which later became the Royal Arsenal in Woolwich. The King's Troop Royal Horse Artillery is still quartered there, maintaining a 300-year unbroken connection with that part of south-east London. The Royal Artillery's numbers rose to four companies in 1722, when it merged with two independent artillery companies based in Menorca and Gibraltar, once again establishing a long relationship with those islands. The new unit, formed in 1722, was renamed the Royal Regiment of Artillery.

A military academy was established in Woolwich in 1720 to provide training for Artillery and Engineer officers. Initially it was a gathering of "gentlemen cadets", learning

"gunnery, fortification, mathematics and a little French".

It produced

"good officers of Artillery and perfect Engineers".

Perfect Engineers? Well, they may think that they are perfect, but I am yet to be convinced. [*Interruption.*] My hon. Friend the Minister indicates that he is indeed a perfect example of a perfect Engineer.

The Royal Horse Artillery was formed in 1793, and officers of other branches of Artillery have had to keep an eye out for their sisters and girlfriends ever since.

Artillery technology advanced throughout the 18th and 19th centuries, improving accuracy, range, mobility, reliability and lethality. That tradition of innovation is still alive and well today with the Gunners being at the cutting edge of surveillance, drone technology, communication technology and precision munitions. It was during the Napoleonic wars that British gunnery came into its own, and many gunner officers of that era are still famous in the regiment today and include the well-known names of Ramsay, Bull, Lawson, Mercer, and of course Napoleon himself. Napoleon had the great advantage in life of being a gunner but the great disadvantage of ultimately losing the Napoleonic wars—and of being French.

It was an incident in the oft-forgotten conflict between Great Britain and America in 1814, a few years before our centenary, that led to millions of Americans singing about my regiment every day. It is interesting that on 4 July—American independence day—we are reminded of that event. In the first verse of their national anthem “The Star-Spangled Banner” are the following lines, and if you will forgive me, I think it is only fair that I give them my best rendition:

“And the rocket’s red glare, the bombs bursting in air,  
Gave proof through the night that our flag was still there”.

Now, I have been told that in order to sing in the Chamber one requires a music and entertainment licence, but as that was neither musical nor entertaining I think I got away with it. The rockets that provided the “red glare” immortalised in the American national anthem were the Congreve rockets fired by the Rocket Troop of the Royal Horse Artillery, and I think that is pretty cool.

Until 1855, the Royal Artillery was commanded through the Board of Ordnance rather than via the War Office, which meant that the Gunners had a completely separate chain of command from the gun line itself right up the monarch of the time, who was the Captain General. This separate chain of command led to the Gunners getting a reputation for being rather independent minded, which led to the following quote, attributed to Wellington:

“I despair of my army. I truly do. The infantry do not understand my orders, the cavalry do not obey my orders, and the artillery make up their own orders.”

Unfortunately, the bicentenary of the Gunners and the Sappers was not celebrated properly because it fell in the middle of the first world war. That conflict saw a huge increase in Royal Artillery numbers, and it is estimated that 800,000 men served as Gunners and 48,499 of those Gunners gave their lives in the conflict. The Great War was often known as the Gunners’ war.

**Jim Shannon** (Strangford) (DUP): I declare an interest as I served in the Royal Artillery for some eleven and a half years. It is good that we are having this debate tonight. In this decade of centenaries when we particularly remember the first world war—we remembered the Somme just last week—we remember the courage and bravery of the men who gave their lives. Does the hon. Gentleman agree that this debate enables the House to recognise the array of roles carried out by the armed forces, by the Royal Artillery, the Royal Engineers and by many others?

**James Cleverly:** I thank the hon. Gentleman for his intervention, and he is right in what he says. It would have been remiss had I not also mentioned that the Irish Artillery had a significant part to play. Even after the

Act of Union, when the Irish Artillery and the Royal Artillery became one unit, Irish soldiers serving in the artillery and in cap badges right across the Army had a huge role to play in our success.

Following on from the hon. Gentleman’s reference to the Battle of the Somme, it is worth remembering that in the famous week-long barrage that preceded that battle the Gunners fired in excess of 1.7 million shells.

The second world war saw another great expansion in the Royal Artillery, with more than 1.2 million people serving as Gunners. More people served in the Royal Artillery than in the entire Royal Navy. Since its formation in May 1716, more than 2.5 million men and women have served as Gunners. Some Gunners are famous for being great military leaders, such as Field Marshal Viscount Alanbrooke, who was Chief of the Imperial General Staff and Winston Churchill’s wartime military leader, but many more are famous for other reasons. The great post-war comedians Frankie Howerd, Spike Milligan and Harry Secombe were all Gunners. Perhaps it is because Gunner officers have to be good at maths that five Chancellors of the Exchequer have been Gunner officers: Anthony Barber; Hugh Dalton; Derick Heathcoat-Amory; Roy Jenkins; and Selwyn Lloyd. My regiment also produced that great proto-Thatcherite Keith Joseph, and, of course, Prime Minister Edward Heath. The Gunners currently give this House five hon. Members: my hon. Friends the Members for Plymouth, Moor View (Johnny Mercer), for North Wiltshire (Mr Gray) and for Filton and Bradley Stoke (Jack Lopresti), the hon. Member for Strangford (Jim Shannon) and myself. The Gunners have also produced eight Olympic gold medallists, including Captain Heather Stanning, who won rowing gold in the 2012 games.

To celebrate our tercentenary, the Gunners sent our Captain General’s baton from Woolwich to Larkhill, the long way round. This year-long relay, undertaken by every Gunner unit, went via battlefields across the globe where Gunners have fought and died. The baton, commissioned especially for this anniversary, is in the shape of a Napoleonic gun barrel but made of titanium, thus representing both tradition and modernity. The trip culminated with a parade, a march-past and the firing of a feu de joie before our Captain General in Larkhill. I was delighted that the Under-Secretary of State for Defence, my hon. Friend the Member for Milton Keynes North (Mark Lancaster), attended the parade, completing the historic circle and representing centuries of Gunners and Sappers working side by side.

In conclusion, let me make the point that the Gunners do not have flags or guidons like the infantry or cavalry. The guns of the Royal Artillery are the regiment’s colours. They are the tools of our trade, the badge we wear and our rallying point in battle. Our guns are hugely important to us but, ultimately, just like the Royal Engineers, our most valuable asset is our people. Gunners throughout history and of all ranks have a bond. We may be the size of a corps, but we maintain the intimacy and camaraderie of a regiment. I am honoured to have served with such wonderful people in such a glorious regiment, and I wish it well for the next 300 years.

10.28 pm

**The Parliamentary Under-Secretary of State for Defence (Mark Lancaster):** I start, of course, by congratulating my hon. Friend the Member for Braintree (James Cleverly)

[*Mark Lancaster*]

on securing this debate, which has allowed this House to show its gratitude for the significant contribution that the Royal Regiment of Artillery and the Corps of Royal Engineers have made to the defence of this country over the past 300 years. I welcome the opportunity to express the Government's appreciation for their gallant service. It is appropriate for me to respond to my hon. Friend, as we both continue to serve in the reserves, he being a Gunner and I a Sapper. I should say that I am only a Sapper because my father was a Gunner—we thought that perhaps I should upgrade.

We have heard of the exploits of the Gunners and Sappers, and I wish to recap on our history. On 26 May 2016, the Royal Regiment of Artillery and the Corps of Royal Engineers celebrated our 300th birthdays. Whereas they had previously been on the same establishment, a royal warrant of 26 May 1716 separated the artillery and the engineers. From that point, the Royal Artillery and Corps of Engineers came into being, but in recognition of our common heritage we share the motto, *Ubique*, which means “everywhere”. It may mean slightly different things for each regiment, but we share the motto. Let me address each in turn.

Many things define the Royal Artillery's achievements. In original thought, it was the first regiment to educate its officers and to undertake formal military exercises. In science, a Royal Artillery officer named Shrapnel invented a shell which still bears his name, and General Congreve's pioneering rocket designs from the 18th century were still recognisable in equipment recently used in Afghanistan. In scale, Woolwich, the home of the regiment from 1716 to 2008, was the first military-industrial complex in the world, and in the second world war, more than a million men and women wore the Royal Artillery badge and saw action on land, sea and air in every theatre.

In non-military pursuits, Gunners have been prominent in music, the film world, mountaineering, ocean sailing, past and current Olympiads and political leadership, as we have heard, though that is probably equally shared by the Sappers. In the outright distinction of the Gunners, the nation's debt to Field Marshal Lord Alanbrooke is perhaps the greatest example. Along the way there has been much gallantry, heroism, sacrifice and service to the nation and mankind. Sixty-two Gunners have won the Victoria Cross, and since 1945 many Gunners have been decorated for gallantry, including Sergeant Bryan, Gunner Gadsby and Lance Bombardier Prout, who were awarded Conspicuous Gallantry Crosses in recent operations in Iraq and Afghanistan.

During the past year, as we have heard, the Gunners carried out a number of commemorative events, centred around a global relay. A unique baton was made, designed to replicate the barrel of a gun dating from 1716. The baton contained a message of loyal greetings to the Queen, their Captain General, written on a vellum scroll—as it happens, manufactured in my own constituency, in Newport Pagnell—and placed inside the barrel of the replicated gun. In keeping with the regiment's motto, the baton has, as we have heard, travelled around the world during the past 12 months, starting from Woolwich. It has visited 26 countries, including members of the Commonwealth and our principal allies.

At a review of the regiment by Her Majesty on 26 May at Larkhill in Wiltshire, the home of the Royal Artillery, the baton was carried across Salisbury Plain by two mounted soldiers of the King's Troop Royal Horse Artillery, before being presented to the Captain General. The royal review was the culmination of the Royal Artillery tercentenary celebrations and was watched by some 5,000 guests, drawn from the serving regiment and including veterans and families. It began with a 21-gun salute fired by the King's Troop Royal Horse Artillery. On parade were 40 Royal Artillery weapon systems and armoured vehicles, together with 240 soldiers and the massed bands of the Royal Artillery. After the parade, many Gunners and their families were introduced to Her Majesty. Later the same day, she unveiled the foundation stone of the tercentenary chapel and cloister at the royal garrison church in Larkhill.

The many members of the Royal Artillery celebrating the tercentenary did so in the knowledge that, although they are shaped by their past, they are defined by what they do today and are ready for what is to come in 2016 and beyond. From the highly sophisticated and integrated means of finding adversaries and protecting our own forces to striking hard, with precision and at range, the regiment's capability comprises a wide variety of weapon systems. The unique ability of the Royal Artillery to integrate and co-ordinate battle-winning effects and activity across all arms and covering the full spectrum of conflict will continue to be needed in the future as military operations grow in complexity.

**Ian Mearns** (Gateshead) (Lab): I am not a military person myself, but I have the honour of being an associate member of the Institution of Royal Engineers. I was awarded that honour for the work that I did with the 72 Regiment, which was headquartered in my constituency. I also am a member of the institute of the Royal Northumberland Fusiliers, with whom I visited the Somme last weekend.

**Mark Lancaster:** I am delighted to hear that, and I am grateful to the hon. Gentleman for his continuing support of the Corps of Royal Engineers and our armed forces.

That, Madam Deputy Speaker, was a brief summary of the Royal Regiment of Artillery. If you think that was good, it is about to get even better.

The Royal Engineers have had no less of an impact on the Army during their 300 years. From the middle of the 19th century, the Royal Engineers were involved in virtually every scientific development and technical function of the Army, and they were typically in the lead. From the time of the Crimean war, their name has forever been associated with the cry “Follow the Sapper”, reflecting their guiding roles on the battlefield and in technical innovation.

From mapping to construction, transport to communications and diving to flying, the Royal Engineers were at the forefront of nurturing new ideas and capabilities. That included a variety of famous civil endeavours. Lieutenant-Colonel John By played a major role in the early development of Canada, including in the building of the Rideau canal—now a world heritage site—in the 1820s. The Royal Albert hall was designed by two Royal Engineers, Major-General Henry Scott and Captain Francis Fowke. Major-General Edmund Du Cane and

Colonel Sir Joshua Jebb directed many of the prison reforms during the Victorian era. Others continued the work of their forebears in the Ordnance Survey by conducting mapping operations across the British empire, and many made names for themselves as colonial governors in the West Indies and Australia.

The roles of the Royal Engineers were many and varied, and they had a critical involvement in scientific change. Over time, some of those roles were relinquished. In 1912, the Air Battalion became the Military Wing of the Royal Flying Corps, and subsequently the Royal Air Force. In 1914, responsibility for mechanical transport was transferred to the newly formed Royal Army Service Corps. In 1920, the Royal Corps of Signals was formed out of the Royal Engineers Signals Service.

It was said that Queen Victoria wept when she heard that Major-General Charles Gordon, a national hero, was killed at Khartoum. One of the Sappers' other famous forebears was Field Marshal Lord Kitchener, who went on to become the Secretary of State for War in August 1914. This year marks the 100th anniversary of the field marshal's untimely death at sea.

A total of 32 Victoria Crosses and 14 George Crosses have been awarded to members of the corps for conspicuous bravery not only on the battlefield but in areas away from the direct line of enemy fire. Many of the latter were awarded for explosive ordnance disposal, or bomb disposal, and are in recognition—sadly, too often posthumously—of actions that saved not only countless lives but property, both small and great, including St Paul's cathedral, which was rescued from an unexploded bomb by a team of ten Sappers commanded by Lieutenant Robert Davies in September 1940. As a Royal Engineer bomb disposal officer, I am fiercely proud to wear my bomb disposal regimental tie this evening, in memory of those who sacrificed their lives.

Celebrations of the tercentenary are being conducted right across the regular and reserve units of the Royal Engineers and the 106 branches of the Royal Engineers Association. These events have included a series of open days across all regiments of the corps and a musical extravaganza in Rochester castle in July. The events will culminate with the corps memorial weekend in September, followed by a visit from Her Majesty, the Colonel-in-Chief, in October.

The Corps of Royal Engineers has an equally proud history, which has seen Sappers take a prominent role in every major campaign and action fought by the British Army over the last 300 years, whether they were building barracks or bridges, constructing fortifications or field works, or delivering power or water—in other words, enabling the Army to live, move and fight.

That set of essential tasks continues to this day. It sees the corps at the forefront of operational deployments, enabling and supporting all elements of the UK armed forces. In addition to counter-improvised explosive device training in Iraq, and training members of the Afghan national army in Kabul, these deployments include a significant construction project in the Falkland Islands. There is also the provision of assistance to Nepal after the earthquake last year, where the corps is assisting with reconstruction in remote areas in support of the Gurkha Welfare Trust.

In both cases, three centuries have forged strong regiments and determined their character. "Once a Sapper, always a Sapper" and "Once a Gunner, always a Gunner" are the proud and justified boasts of the Royal Engineers and the Royal Artillery. Today, our units are well supported by strong central regimental headquarters, comprising a positive mix of military, civil service and charity staff.

Our common enterprising, can-do character and willingness of spirit will continue to define both corps everywhere they may serve. That professional heritage encompasses a preparedness to embrace technology, a determination to apply it intelligently on the battlefield and an essential competence in all they do.

I thank my hon. Friend for raising this matter. I am delighted to have had the opportunity to express the Government's appreciation for the service of the Royal Regiment of Artillery and the Corps of Royal Engineers in the year of our tercentenary. As you gather, Madam Deputy Speaker, there has been both a fierce rivalry and a common bond between the two regiments for over 300 years. None the less, this evening and in the spirit of the occasion, I am delighted that, as a Sapper, I have the final word.

*Question put and agreed to.*

10.40 pm

*House adjourned.*



# Westminster Hall

Monday 4 July 2016

[MS KAREN BUCK *in the Chair*]

## EBacc: Expressive Arts Subjects

4.30 pm

**Catherine McKinnell** (Newcastle upon Tyne North) (Lab): I beg to move,

That this House has considered e-petition 111731 relating to expressive arts subjects and the EBacc.

It is a great pleasure to serve under your chairmanship, Ms Buck. As a member of the Petitions Committee and the Select Committee on Education, I am delighted to introduce the debate. The title of the petition, which was signed by more than 102,000 people, is “Include expressive arts subjects in the Ebacc”. It reads:

“The English Baccalaureate, or Ebacc, is a standard which maintains that English, maths, science, a language and a humanity define a good education. The exclusion of art, music, drama and other expressive subjects is limiting, short sighted and cruel. Creativity must be at the heart of our schools.

Sec of State for Education, Nicky Morgan, states that she wants 90% of sixteen year olds to have The Ebacc. Numeracy and literacy are certainly key to future success in life, but it is wrong to say that the arts are not worthy of inclusion in a measure used to grade a school’s success. Our children deserve a broad, creative education, but the Ebacc is giving rise to massive declines in numbers of students able to choose arts subjects, at a time when the CBI demands more creative people.”

The petition was created by Richard Wilson, a drama teacher from Essex, because, as he explained, the

“marginalisation and downgrading of the arts and other creative subjects in state education is a topic which demands a debate in the Houses of Parliament.”

So here we are. Indeed, he says:

“The EBacc will have a dreadful impact on the arts in our schools.”

Mr Wilson’s petition was able to achieve the level of support it has thanks to the work of the Bacc for the Future campaign, and I know a number of people are here today, paying close attention to the debate. There is support from more than 200 organisations from the UK’s cultural sector, including the Design Council, the Creative Industries Federation, the BRIT school, Aardman Animations, the north-east’s Baltic Centre for Contemporary Art, trade unions, orchestras, museums, art galleries, theatres, performing arts colleges, festivals, creative industry businesses and many more—all united in the belief that the Government’s education policies and specifically the EBacc risk profoundly damaging Britain’s rich and vibrant history of creativity and cultural achievement.

Those concerns have been passionately reflected in the countless emails and briefing notes that I have received ahead of this afternoon’s debate, and the responses I received to last week’s EBacc Twitter debate, which was kindly facilitated by the Petitions Committee Clerks. I have no doubt that everyone here today shares that passion and recognises the intrinsic value of the arts and arts education for society and the enjoyment and fulfilment they bring to children and adults in all walks

of life across the UK. Of course, the opportunity of a creative education must be available to all—a view that appeared to be shared by the Chancellor of the Exchequer when he wrote earlier this year:

“everyone—no matter who they are or where they come from—should have an equal opportunity to fulfil their creative potential.”

In a speech launching the Government’s life chances strategy in January, the Prime Minister pledged that

“culture should never be a privilege; it is a birthright that belongs to us all. But the truth is there are too many young people in Britain who are culturally disenfranchised. And if you believe in publicly funded arts and culture—as I passionately do—then you must also believe in equality of access, attracting all and welcoming all.”

The White Paper published in March by the Department for Culture, Media and Sport could not have been clearer, making a commitment that

“All state-funded schools must provide a broad and balanced curriculum that promotes the spiritual, moral, cultural, mental and physical development of pupils. Experiencing and understanding culture is integral to education. Knowledge of great works of art, great music, great literature and great plays, and of their creators, is an important part of every child’s education. So too is being taught to play a musical instrument, to draw, paint and make things, to dance and to act. These can all lead to lifelong passions and can open doors to careers in the cultural and creative sectors and elsewhere. Without this knowledge and these skills, many children from disadvantaged backgrounds are excluded from meaningful engagement with their culture and heritage.”

**Michelle Donelan** (Chippenham) (Con): Does the hon. Lady accept that those subjects are widely available at the moment, with the EBacc in place, and that the premise of the EBacc is to provide a core of academically rigorous subjects? Perhaps our attention should be on the evolution of the EBacc to include such subjects as design and technology, and on enhancing students’ career potential, rather than on including in it every subject currently offered in the curriculum.

**Catherine McKinnell:** It is helpful that the hon. Lady suggests a solution to the concerns I have outlined. The reality for the organisations, teachers and schools that have expressed concern to me in great numbers is that the take-up of the subjects she mentions is already starting to decline, which is of huge concern. I appreciate that she is trying to make constructive comments, but she cannot wipe out the fact that the concerns are real and must be addressed. I hope that the Minister is listening not only to me but to constructive solutions that may be offered.

**Mr David Lammy** (Tottenham) (Lab): Does my hon. Friend agree that it is incredibly insulting to the country’s music and art teachers to give the impression that the subjects in question are not academically rigorous? Does she know how hard it is to pass music and art?

**Catherine McKinnell:** My right hon. Friend makes a key point, which a number of people have put to me in strong terms; he puts it very well. I do know how hard it is to pass those subjects, partly from personal experience and that of people close to me, but partly from the people, including teachers, I spoke to ahead the debate. Frankly, they feel insulted by the tone of the Government’s proposals.

We are all aware that the education sector is going through a period of significant and seemingly never-ending change and reform, of which the EBacc is a part. It was

[*Catherine McKinnell*]

initially planned as a formal certificate, but that idea was dropped. It was first applied by the coalition Government in 2010 as a

“headline measure of secondary school performance”.

It judges all schools according to the number of pupils who have achieved grades A\* to C across English language and literature, maths, double science, history or geography and a language—subjects that, when studied at A-level, are defined by the Russell Group of universities as “facilitating”. In other words, they are the A-levels most commonly required for entry to the UK’s leading universities, which are attended by 11% of young people.

Following a consultation in November 2015, the Government now want at least 90% of students in mainstream secondary schools to be entered for the EBacc by 2020, thereby taking up at least seven of those students’ GCSE options. The Bacc for the Future campaign has raised concerns that, given that the average number of full GCSEs taken by pupils is 8.1,

“a compulsory EBacc will leave little, if any, room for rigorous, challenging creative subjects which have been approved by the Government’s own Wolf Review of vocational education.”

Nobody doubts the importance of young people’s gaining a solid foundation in English, maths and science; that is why those subjects have always been compulsory. However, the petition objects to the exclusion from the EBacc all creative, artistic and technical subjects, which sends a clear message to young people, parents, teachers, school leaders and society at large about the value that the Government place on subjects that help to create expressive, communicative, self-confident and well rounded human beings. For many young people, those may be the only subjects at which they excel.

**Tristram Hunt** (Stoke-on-Trent Central) (Lab): My hon. Friend is making a superb speech. Is it not ironic that what we need for the economy of the future and the digital revolution of the future is the breaking down of rather traditional arts and science silos? Creative subjects provide exactly the kind of skills and training that will let young people succeed. We would be mad to strip those subjects out of our education system, not least because we are rather good at them.

**Catherine McKinnell:** My hon. Friend makes a valid and important point.

The question that has been asked over and over again is: why? I hope the Minister will answer that question today. Why would the Government want to limit opportunities to study subjects such as design and technology? The Edge Foundation commented during last week’s EBacc Twitter debate:

“D&T teaches young people how things are designed, developed, made and improved”.

As the National Society for Education in Art and Design succinctly put it,

“In life ‘knowing how’ is just as important as ‘knowing that’.”

I am quite sure that the Minister will pledge in his response that the Government have no intention of restricting access to these subjects. Indeed, in the culture White Paper, the Education Secretary declared that

“Access to cultural education is a matter of social justice.”

However, warm words are simply not enough. What does the Minister really think will be the result of forcing all schools, which are already hard-pressed, to enter 90% of their pupils for the EBacc? A headteacher and member of the organisation SCHOOLS NorthEast has commented that the EBacc creates a “false hierarchy of subjects”. The National Association of Head Teachers has remarked:

“Given the pressures created by the Ebacc, there will be precious little time left for subjects outside the core.”

**The Minister for Schools (Mr Nick Gibb):** I did not intend to intervene, but I will do so on that point. The hon. Lady referred to a hierarchy of English, maths and science, so there is already a hierarchy. Does she want to remove that element of compulsion up to 16 in order to eradicate that hierarchy?

**Catherine McKinnell:** I thank the Minister for intervening simply because it shows that he is listening to the debate, which is good. However, those were not my words; they were the words of a SCHOOLS NorthEast member, who has said that the EBacc creates not a hierarchy but a false hierarchy. I said at the beginning of my comments that nobody questions the importance of maths, English and science as a foundation of learning, but the restrictive nature of the EBacc leaves no room for artistic subjects. I am pleased the Minister is listening so carefully.

Who could blame headteachers for wanting to focus all of their schools’ energies on delivering the EBacc’s results, whether or not the subjects studied are appropriate for their pupils? They hear repeated warnings, including in the Conservative party manifesto, that their school will not be able to receive the highest rating from Ofsted if they do not meet their EBacc targets. I know the Education Secretary believes that those expressing concerns about the EBacc are “adults writing off children”, but nothing could be further from the truth. They are seeing a Government restricting young people’s life chances by forcing them to focus on a narrow and restrictively defined group of subjects. They are concerned about a Government reducing the ability of schools such as Walbottle Campus in my constituency to deliver a balanced and creative curriculum tailored to each young person’s talents and needs and focusing on the overall experience and wellbeing of their students. Of course, this is a Government who are determined to impose a one-size-fits-all approach to GCSEs at a time when they claim to be introducing autonomy for all headteachers and local schools through academisation.

The Schools Minister has repeatedly claimed that there is no evidence the EBacc is having a negative impact on the arts, substantiating that with the argument that in the past five years there has been a 3% increase in the uptake of at least one arts subject. We may well hear that again in his response today, but the Bacc for the Future campaign has stated that those figures are flawed as they omit various BTEC qualifications, include early entry AS-levels and neglect design and technology, in which exam entries dropped by a staggering 19,000 last year. Indeed, new figures produced just last month show that entries for GCSEs in arts subjects have fallen by 46,000 this year compared with last year—a loss five

times the one in 2015, when candidate numbers for arts subjects fell by 9,000. The ArtsProfessional website reported:

“The falling take-up of arts GCSEs has already started to spill over into A levels. There were 4,300 fewer candidates for A level arts subjects this year—a decline three times bigger than the 1,500 recorded in 2015.”

Of most concern is the claim by the Creative Industries Federation that schools with a high proportion of pupils eligible for free school meals have been more than twice as likely to withdraw arts subjects as those with a low proportion. So much for access to cultural education being a matter of social justice. Of course, that decline is taking place even before the EBacc has become compulsory in our schools. The chief executive of the Creative Industries Federation said that the decline is

“alarming and further confirms a longstanding trend that EBacc is clearly exacerbating.”

He went on to comment:

“For a sector already suffering skills shortages, undervaluing and excluding creative subjects has major ramifications. The impact will not only be felt by the creative economy but also by other sectors, such as engineering, that desperately need some of the same skills. Although it is possible to take up jobs in our sector without exam results in creative subjects, it is much harder and potentially more expensive to do so, which obviously further diminishes the chances for young people from more disadvantaged backgrounds. There are many people who are not academic in a traditional sense and who would struggle with the EBacc yet are thriving and excelling today in careers from fashion to video games. If creative subjects are increasingly painted as an ‘optional extra’ to a more traditional core curriculum, these are some of the people who could be lost in future.”

As the Chancellor highlighted in his 2015 autumn statement,

“Britain is not just brilliant at science; it is brilliant at culture too. One of the best investments we can make as a nation is in our extraordinary arts, museums, heritage, media and sport.”—[*Official Report*, 25 November 2015; Vol. 602, c. 1368.]

I agree. The Government’s own figures show that the creative industries are one of the fastest growing sectors in the UK economy, worth more than £84 billion a year or nearly £10 million an hour. According to the CBI, the creative industries employ some 2 million people, with around one in 11 jobs found in the creative economy. Critically, as the Creative Industries Federation highlights, those roles are broadly protected from automation.

This is an area in which Great Britain genuinely leads the world but one in which we have a significant skills shortage, so much so that a range of roles in the creative industries are included in the Home Office’s tier 2 visa shortage occupation list—for example, graphic designers, programmers, software developers, artists, producers, directors, dancers and skilled musicians. Nevertheless, this is the time when the Department for Education is determined to force schools down a path that will inevitably lead to even fewer British students taking up the subjects and developing the skills that the UK’s burgeoning creative industries desperately need. As has been made clear by Artists’ Union England—a relatively new trade union established by my constituent Theresa Easton—

“The new EBacc proposals will leave the creative sector without a future workforce.”

It is absolutely nonsensical.

Of particular concern is the evidence highlighted by the Creative Industries Federation’s higher and further education working group, which shows that many of the courses that need students to have studied art and design at school level also have high levels of students with special educational needs. The group cites remarks by the British Dyslexia Association that

“People with dyslexia are frequently successful in entrepreneurship, sales, art and design, entertainment, acting, engineering, architecture, I.T., computer animation, technical and practical trades and professions.”

It also cites the fact that more than 4,000 students at the University of the Arts London are disabled and/or dyslexic—24%, compared with just 4.7% at Cambridge University.

**Mrs Sharon Hodgson** (Washington and Sunderland West) (Lab): My hon. Friend is making an excellent introductory speech, which I congratulate her on. I am very pleased that she mentioned special educational needs and dyslexia. As she knows, my son Joseph, who is now 22, is severely dyslexic. He will graduate in the next few weeks from Teesside University with a degree in games art and design; I am thrilled. He could not read until the age of 14 and he would never have passed the EBacc, but he is creative. His brain works in a different way, and he was able to go on through equivalencies to now get a degree.

**Catherine McKinnell**: I thank my hon. Friend for that intervention, because I know that she not only cares passionately about how well her own son does and has done, but cares and campaigns passionately for all children with special educational needs. This is an issue that the Minister must sit up and take notice of because by insisting on the implementation of EBacc for all or almost all pupils, the Government seriously risk restricting the life chances and future career opportunities of those with special educational needs. Not only does that do those young people out of their potential creative futures, but it does our creative industries out of their special skills and contributions.

Finally, I want to touch on concerns that have been raised with me about the EBacc by Studio West—a studio school established in West Denton in my constituency in September 2014. As Studio West has highlighted, studio schools have been established to bridge the gap between the skills and knowledge that young people need for success and those that the current education system provides. By design, a studio school’s curriculum embraces enterprise initiatives, innovative project-based and work-related approaches to learning and an emphasis on employable skills. Studio West feels very strongly that the EBacc judgment made of all secondary schools is too restrictive if studio schools are to fully embrace their ethos.

**Mr Gibb**: The hon. Lady is making a very good speech, and I wanted to intervene in order to demonstrate that I am still listening to her wise words. The EBacc consultation makes the point that there is no proposal—certainly set out in the consultation—to include studio schools in the requirement for the EBacc.

**Catherine McKinnell**: I thank the Minister for that intervention because I have already written to him about this issue and have been awaiting a response.

[*Catherine McKinnell*]

I hope that we will receive a fuller response in his reply to the debate, or indeed in writing.

In conclusion, I introduced my remarks this afternoon by talking about the intrinsic value of the arts and arts education for individuals and wider society. Those points are echoed by Studio West in my constituency:

“Expressive arts subjects allow for intensive focus on essential transferable skills such as problem solving, working collaboratively, interpretive analysis, empathy, self-confidence, discipline, dedication and mastery, to name but a few.”

I was contacted by a large number of individuals and organisations ahead of this debate and I am conscious that I have not been able to mention them all; however, there is one that I want to make particular reference to in conclusion this afternoon. Last week, I received an email from Emma, an experienced secondary school teacher in West Yorkshire. Emma got in touch to ask me to raise her concerns about the EBacc not because I am her MP, but because her voice in Parliament was brutally taken away by the shocking death of our late friend and colleague, Jo Cox—sorry; it’s hard to speak about this—whom she had previously asked to attend this debate.

At a time when we know that there has been a significant increase in mental health issues in young people and at a time when we need more, not less, empathy, tolerance and co-operation in society, I strongly urge the Government to look again and consider the impact that the EBacc is having on the subjects that can help us to achieve that.

4.53 pm

**David Warburton** (Somerton and Frome) (Con): I congratulate the hon. Member for Newcastle upon Tyne North (*Catherine McKinnell*) on her very powerful and meaningful speech. It is a great pleasure to serve under your chairmanship, Ms Buck, and to have the opportunity to speak on a subject that is very important to me.

I should start by declaring a bit of an interest. I am lucky enough to come from an arts background, having studied at the Royal College of Music for five years. As a former composer and musician, then a school teacher, and now vice-chair of the all-party group on music and chair of the all-party group for music education, I am extremely worried by the fivefold decline in the uptake of arts subjects at GCSE over the past year.

I share the belief often emphasised by the Minister for Schools, my hon. Friend the Member for Bognor Regis and Littlehampton (*Mr Gibb*), that academic rigour is essential for social justice—that academic learning and social justice are complementary—but it is important that this does not become a false debate with high academic achievement in core subjects on the one hand and championing of the arts on the other. Both are possible, and indeed both are necessary. Social justice and opportunity must be at the heart of our vision for education and the arts.

With the introduction of the EBacc, as we have heard, schools with a high proportion of free school meals have been more than twice as likely to withdraw arts subjects. That will only exacerbate an already yawning gap between the 50% of students at fee-paying schools

who get music tuition and the 15% in state schools. *Richard Morris* of the Mayor’s Music Fund rightly described this as

“perhaps the greatest single distinction in any aspect of independent/state educational provision.”

I am sure that Members from both sides of the House would want to see such damaging distinctions come to an end.

**Mr Gibb:** Again, I am listening very carefully but could my hon. Friend cite the proportion of pupils in independent schools who take the EBacc subjects?

**David Warburton:** I am afraid I do not have that figure to hand, although I am sure that the Minister can regale us with it. I am sure that he has it front of him and can come out with it later, and I look forward to that with great interest.

**Tristram Hunt:** The hon. Gentleman is making a very powerful point. Does he agree that for fee-paying schools that enjoy charitable status and do not pay business rates—receiving business rates relief based on it—sharing music facilities and music teachers might be one way to justify that charitable status?

**David Warburton:** I think that sharing music facilities and facilities generally is often a good way forward. That could certainly be considered, but schools need to work individually and to have the right facilities to look after their own pupils without having to look elsewhere—without having to run across the road and make sure that somebody else can help them out.

An EBacc that fails to make room for the arts can only entrench the inequality that I have described. Last week, I chaired a meeting of the all-party group for music education where we heard some very passionate views. We heard about a report from the charity Sound Connections, and Wired4Music, in which young people in London described the transformational impact of music education on their lives and careers. From the report, it is important to highlight the unanimity, strength of feeling and uneasy sense of shrinking opportunities for those in this generation, and succeeding generations, who might otherwise go on to careers in the creative industries.

I have to say, however, that the Government have made significant advances in supporting the arts. We have seen the first culture White Paper for 50 years, the Cultural Citizens Programme and the new heritage action zones. Alongside those headline initiatives, we have seen £15 million-worth of tax breaks for theatres this year and the welcome orchestra tax break, but widening participation in the arts must begin with education.

The debate this afternoon pivots on what a core curriculum is and whether an EBacc without the arts can ever be seen to provide that. The chief executive of the Incorporated Society of Musicians said in a recent speech that this

“Government certainly seems to understand the importance of culture and creativity”.

It is because I believe that to be true that I urge them either to include the arts within the EBacc or to define a more balanced curriculum.

I will not quote figures because we have all heard plenty of those, but in 2014 the creative industries grew at twice the rate of the UK economy as a whole. Governments should play their strongest hand. We lead the world in music and the creative industries, but it is not just the utilitarian argument that is important—the arts are also important in themselves. Of course, this is not easy to prove, or even to quantify, but the broadening effect of the arts is very real.

It is not easy to show that people benefit from exposure to the mechanics of the arts, whether that is an understanding of the beautiful mathematical imperatives in four-part harmony or the experience of seeing Brunelleschi's dome for the first time, in ways that they can take forward into other aspects of their lives. However, research has been done and a highly comprehensive study by the German Socio-Economic Panel in 2013 said:

“Music improves cognitive and non-cognitive skills more than twice as much as sports”.

In addition, it found that children who take music lessons have

“better school grades and are more conscientious, open and ambitious.”

The study of music strengthens the motor cortex—although obviously not in every case. It improves working memory and long-term memory for visual stimuli. It helps people to manage anxiety and enhances self-confidence, self-esteem and social and personal skills. Studying music improves reading and verbal skills, and helps children to get good marks in exams. It raises IQ, encourages listening and helps children to learn languages more quickly. Some studies have even suggested that it slows the effects of ageing, just as being a Member of this House has precisely the opposite effect.

The moral effect of the arts is also critical. Only through art can we emerge from ourselves and know what another person sees. It is testimony to the unifying moral power of music that both the Taliban and ISIS, or Daesh, have banned it, just as one or two past Popes banned polyphony, then the interval of the tritone, and then excessive musical decoration.

I understand the pressure the Minister is under from all sides to add everything from Esperanto to den-building to the national curriculum. As an ex-teacher, I also understand that more of one subject must mean less of another. However, as the hon. Member for Newcastle upon Tyne North said, warm words butter no parsnips. The Department's welcome focus on the ways in which education can form character makes it more important than ever that its place at the heart of the curriculum must be protected.

**Michelle Donelan:** Does my hon. Friend accept that adding creative subjects, such as art and music, would open up the options—for religious education, and for sport—and that the EBacc would be diluted more and more until it was dissolved? Is my hon. Friend in favour of the EBacc? I cannot see a way of having the cake and eating it.

**David Warburton:** My hon. Friend makes a good point. We can have a larger EBacc, we can manage our subjects more carefully, we can have an EBacc plus, as has been suggested, or we can have a more pick-and-mix, flexible and balanced approach, which might be more

sensible. An EBacc without the arts is unthinkable. A core curriculum without the arts will not raise standards, but will lower them. Plato, 2,500 years ago, thought that music stood with arithmetic and geometry as a cornerstone of education, so who are we to chuck that away?

Depriving schoolchildren of the right to learn the pure language of the arts and music—the nuts and bolts—will deprive them of the right to understand, and depriving them of the right to understand is the unkindest and cruellest deprivation. It will confine them to a shrunken view of the world. I will go further. In so doing, we will reduce ourselves and our collective potential. A civilisation that denies its history and stops nurturing its cultural heritage is a dying civilisation. Civilisations die from self-doubt and dwindling confidence, not from enemy assault. Let us keep ourselves alive, play to our history, culture and strengths, and give everyone the chance to take part in that.

**Several hon. Members** *rose*—

**Ms Karen Buck (in the Chair):** We should be able comfortably to accommodate everyone who wants to speak if they speak for a maximum of 10 minutes.

5.4 pm

**Fiona Mactaggart (Slough) (Lab):** It is a pleasure to serve under your chairmanship, Ms Buck. I apologise to the Minister for not being able to stay to the end of the debate because I am committed to celebrating youth theatre at the National Theatre's Connections festival this evening.

At the Barbican last week, I saw the first performance of Sir Peter Maxwell Davies's last opera, “The Hogboon”. Like many of Max's works, it used the talents of professional and amateur artists, and involved children as performers. Seeing a chorus of London schoolkids perform the role of the monster, Nuckelavee, was an artistic triumph and for the children also a great personal achievement. What did they learn? Not just singing, but self-confidence, teamwork, timing, communication with an audience and the value of practising, rehearsal and listening to others. That is what performance can bring to anyone's life.

I will never forget a prisoner who had just been in a performance of “Chicago” at Bronzefield prison. He grabbed my collar and said: “I've been a thief for years, but doing this is the best thing that's ever happened to me. I see how I can change now. Every prisoner should get a chance to do this.”

George Kirkham, who runs the Creative Academy in Slough, described to me a conversation he had had with a recruiter from one of the biggest national recruitment agencies who told him that they would rather employ a young person with a performing arts degree than with an economics degree because they know that performing arts students have transferable skills. Thirty-five years ago, Brigid Beattie, who took over failing secondary schools in Wandsworth that had just merged and that had a very poor reputation, told me: “Fiona, I will make this an excellent school and I will do it through the medium of drama.” At the time, I was sceptical, but within a very short time it had become a beacon school with outstanding results.

[*Fiona Mactaggart*]

I started my remarks with these anecdotes to show what expressive arts education can instrumentally bring to a young person's education. We are in an era when claiming that experiencing creative arts subjects is valuable for its own sake, as the hon. Member for Somerton and Frome (David Warburton) rightly did, risks implying that absolute rigour and high standards of learning are not expected. Well, I do expect that. I was a teacher and I know that ensuring that young people experience creating and making things, as well as learning about what other people have made and developing skills such as numeracy, is vital to their emotional and intellectual development.

The problem at the heart of this debate is that we all know that what counts in public policy is what is measured and if what is measured is only EBacc subjects, only they will count. That is why, if we have a mandatory EBacc, we will betray the young people of Britain if it excludes all the expressive and creative arts.

Britain outperforms most countries in the number of Nobel prizes we have achieved. I am certain that is because our education system has traditionally included an emphasis on both science and creative subjects. If we abandon that combination, we will go backwards. It is disingenuous to claim, as the Secretary of State did in a recent speech, that the arts are

“the birthright of every child”

and that

“a young person's education cannot be complete unless it includes the arts.”

She assured the arts sector that there is nothing to fear from the English Baccalaureate. I am sure that was her hope, but the evidence shows that she is mistaken.

The introduction of the EBacc coincided with a relative fall in the number of qualified teachers employed in schools to teach such subjects and the number of teaching hours devoted to them. According to a survey by the National Society for Education in Art and Design, 44% of secondary teachers said less time was allocated to art in key stage 3 and 34% of those working with post-16s said that courses had been cut. We have heard from my hon. Friend the hon. Member for Newcastle upon Tyne North (Catherine McKinnell) about the decline in the number of students taking GCSE subjects in art and design, media, music and so on. That fall coincides with a rise in the number of young people studying EBacc subjects. It is not an overall fall in GCSEs. The total number of GCSE entries in all subjects has increased this year by 0.3%, but over the same period the number of exam entries for arts subjects has fallen by 8%. The falling take-up of arts GCSEs is already spilling over into A-levels. There were 4,300 fewer candidates for A-level arts subjects this year—a decline three times bigger than the 1,500 recorded in 2015.

If the Government are determined to continue with an EBacc measure, it would be easy to fix the problem without in any way watering down the emphasis on the other subjects by simply requiring one creative arts subject within the EBacc portfolio. The qualities that almost all these creative subjects nurture are the qualities that companies know they need. The Government's emphasis on so-called hard subjects, on factual learning,

is old-fashioned and fails to recognise or nurture one of the traditional strengths of British education—that creativity has always been at its core. That is a reason why we are a world leader in creative industries, yet the Government's approach to school education is putting that at risk.

John Kampfner, who leads the Creative Industries Federation, called the decline in students taking GCSEs in creative subjects “alarming” and said that it

“further confirms a longstanding trend that EBacc is clearly exacerbating...The impact will not only be felt by the creative economy but also by other sectors, such as engineering, that desperately need some of the same skills. Although it is possible to take up jobs in our sector without exam results in creative subjects, it is much harder and potentially more expensive...which obviously further diminishes the chances for young people from more disadvantaged backgrounds.”

He went further than that, but I want to deal with the point about disadvantaged backgrounds, because it is those young people who are losing out most. It is in their schools that there has been the fastest decline in qualified teacher numbers, while schools such as Eton, on the border of my constituency, still celebrate and develop excellent teaching in music, drama and art, as Tom Hiddleston, Harry Lloyd, Eddie Redmayne, Henry Faber, Harry Hadden-Paton, Dominic West, Damian Lewis and Hugh Laurie can all attest.

**Mr Gibb:** Can the right hon. Lady tell me what proportion of pupils at Eton study the EBacc combination of GCSEs?

**Fiona Mactaggart:** My point is not that young people should study these creative subjects instead of the EBacc, but that they should be part of the mandatory experience of young people, which is the case at Eton. Eton has brilliant drama, music and art education. The facilities are extraordinarily wonderful.

**Kerry McCarthy (Bristol East) (Lab):** Is it not likely that the sort of people who go to Eton and other public schools have the sort of cultural background whereby they get taken to the theatre, they have books at home and they are exposed to classical music? That is precisely the point; that is why it is so much more important to teach these subjects in the sort of schools that I have in my constituency, where people do not have that advantage.

**Fiona Mactaggart:** Absolutely. Actually, the previous theatre teacher at Eton said:

“For me the importance the work has here in the boys' lives is the reason they do such good work afterwards. That importance arises from many things. One is that we don't do drama just for its educational value. We do a play as a work of art, to be explored at its fullest.”

It is rare for children to have that experience of creating, of making a work of art. They can do it if they learn these expressive subjects. The problem is that this Government view them as an optional add-on. When I asked the Prime Minister about this issue and referred to his experience at Eton, he said:

“It is essential that we get more children learning the basic subjects and getting the basic qualifications. It is then more possible to put in place the arts, the dance and the drama that I want my children to enjoy when they go to their schools.”—[*Official Report*, 4 November 2015; Vol. 601, c. 962.]

I do not see it as a question of the basics and then these frilly add-ons. In my judgment, these subjects are as basic as every other subject in the EBacc. That is why so many people have signed this petition. It is not saying,

“Get rid of the EBacc.” It is saying, “Include expressive subjects in every child’s education, because if you fail to do that, you are letting them down.”

5.14 pm

**Mr David Lammy** (Tottenham) (Lab): I am grateful to have the opportunity to contribute to this debate. I will start on a personal note. Thirty-three years ago, in the wake of Aled Jones, who had just got to No. 1 with “Walking in the Air” and who sang in the choir at Bangor cathedral, some primary school teachers at a small school with an unfortunate name, Downhills, in Tottenham decided that a young black boy could be one of the first black cathedral choristers in the country. I wanted to contribute to this debate, despite all that is going on in our country and in this House at the moment, because I am clear that I would not be here as a Member of Parliament were it not for that opportunity to go to one of the country’s best state—I emphasise “state”—cathedral schools, the King’s School in Peterborough, attached to Peterborough cathedral. There I was able to express myself in the context of a fantastic music education, but I also learned the rigours and discipline of music, which is why I take umbrage at the idea that the performing arts, music or drama—I will come on to that—can be sidelined as somehow less than, not as academic as and not as important as other subjects.

I challenge anyone who has got to grade 8 in any part of the musical repertoire to tell me that it is not fantastically hard and difficult to do. If we have a future king, Prince William, who can go to St Andrews and study art history, why are we suggesting that these disciplines should be denied to so many young people in our country? I am hugely concerned at the direction the Government have taken. It is very important to have had the petition and to be having this debate in the House at this time.

In the Government that I was part of as a Culture Minister, there were intense arguments about the place of the arts and the performing arts—music and drama—in the curriculum. The truth is that there were some serious turf wars between the Department for Culture, Media and Sport and the Department for Education, but fortunately we achieved great partnerships. We had something called Creative Partnerships—a fantastic scheme that got musicians, architects and performers of all kinds into schools. It was pioneering and much was learned from that scheme. Of course we had to go into the evidence-based arena and try to explain, defend and demonstrate the benefit, but it was a partnership between the DCMS and the Department for Education.

When we look at what is happening in the DCMS under this Government—the White Paper, policies on heritage and support for museums—we get the impression that that Department gets it. The problem is that the DCMS is losing out in the Whitehall turf war; the Department for Education is riding roughshod over it and saying, “No, we are utilitarian in this Department.” It is interesting because it is almost as though, in order to compete with China and India, we have to ensure that the basics—maths, English and science—are there in the curriculum to the exclusion of other subjects, yet ironically, when we speak to leaders in those countries, there is something missing, and that missing component is the British creativity that means that we have one of

the most important creative economies in the world, and the intangible question of how we achieve it. We achieve it because of those fantastic—now I am going to get emotional, thinking of the music teachers who got me here—music, drama and performing arts teachers across our country who are really bringing that into the curriculum. For so many young people, particularly those from more deprived areas, that is sometimes their way through to other parts of the curriculum that feel remote.

I grew up in a home with only two sets of books. We had the “Encyclopedia Britannica”, which took a long time for my mother to buy, on loan, and Mills and Boon. It was my ability to excel at music that enabled me to access other parts of the curriculum. Time after time—we learned this through Creative Partnerships, the scheme we set up in those years of Tony Blair’s Government—the professionals say that that is how it works, so I look forward to hearing the Minister’s contribution.

There is quite a lot of evidence to suggest that 40% of the jobs that young people who are in primary school today will do when they grow up have not yet been invented, and those jobs will require a degree of creativity. Many of us have an iPhone. The iPhone is nothing as technology alone. Design is at its heart, but those disciplines are dropping out of the curriculum. Design and technology is really losing out in this new horizon.

I recommend the Diamond Fund for Choristers to the Minister, if he does not already know about it. Cathedrals are not struggling to recruit young people from all sorts of backgrounds—things have moved on a lot since I was one of the first working-class choristers, and there are now many across the country—but they do need support, so the Diamond Fund for Choristers has been launched. It is hugely important. Many cathedrals are concerned about what is happening with music.

The Ebacc decision is compounding cuts to local authority support for music across schools. With many schools becoming academies and the Department placing emphasis solely on the more utilitarian subjects, there is not only a collapse because of the EBacc; local authorities are moving away from funding music, local museums and local arts as well.

**Mr Gibb:** The right hon. Gentleman talks about music collapsing. In 2011-12, there were 40,761 entries for GCSE music. That went up to 41,000 and something the following year, then to 42,400, and then, in 2014-15, to 43,654 entries.

**Mr Lammy:** I know the figures game, as I have sat where the Minister is. When he replies to the debate, will he break those figures down into state schools, academies and private schools? If he does, I think we will find that the pattern is very different indeed.

**Margaret Greenwood** (Wirral West) (Lab): Will the Minister also inform us what has happened to the provision of individual music lessons for pupils in Sefton?

**Mr Lammy:** My hon. Friend is right. I hope that the Minister comes to that in his round-up, and perhaps he will also talk about Tottenham.

**Graham Stuart** (Beverley and Holderness) (Con): The right hon. Gentleman is making an impassioned speech on behalf of the creative arts, but I want to challenge

[*Graham Stuart*]

him. Given the small percentage of children in private schooling, if the number of GCSE music entries has gone up, it rather belies his central point.

Maths, the sciences and English are not utilitarian subjects. They are fundamental, and too many children from poor communities were not getting access to them when the Labour Government left power. There has been a significant improvement in access to those very courses that help people to get on in life. As much as I sympathise with many of the points that the right hon. Gentleman makes, there is a balance to be struck.

**Mr Lammy:** I do not want to get into the “either/or” debate as it is not helpful. We could also have a discussion in this House—I would certainly be back for this—on the importance of religious studies education. I know some colleagues who would come to that debate as well.

It is depressing that we are having this argument in the country of Shakespeare, the Beatles, so many wonderful actors who pick up awards internationally and domestically every single year, the west-end theatres, and some of the world’s best musicals. I was Minister for Higher Education and I remember that successive Governments made some very poor decisions which resulted in a huge diminution in language learning. There has just been a big national debate on the importance of Europe; the potential for exchanges like those that people of a certain age in this room may have had with young people in Germany and France has been diminished. This debate is so important because there is a sense, in the petition and in the House, that in this fundamental area of our lives, we are taking the wrong course.

**Carol Monaghan** (Glasgow North West) (SNP): The right hon. Gentleman has mentioned a lot of fantastic contributions. One name that should be mentioned is Professor Brian Cox, a physicist who is also a musician. More and more, we see that the creative arts actually help to fuel creativity in other areas such as science.

**Mr Lammy:** The hon. Lady is right. Famous scientists say the same thing. When I was an Arts Minister, I gave a speech at the Science Museum on the importance of arts and the relationship between arts and science.

Our debate today is being had in the field of performing arts and is live in universities. I was recently at the London College of Fashion, which with Goldsmiths and all the other art colleges is asking, “Where are the working-class students?” They have disappeared from the system. Of course, they are concerned about fees and the way in which we are forcing young people to make decisions based solely on how much they will earn when they leave education. Excluding expressive arts subjects from the EBacc will compound the problem.

If we want to see the multi-layered complexity of our country played out on our screens, in our music halls and in the charts in the years ahead, it is important that the Minister recognises what hon. Members are saying. Rather than use statistics selectively to defend his corner, he must recognise that people have taken the time to sign the petition and to come here this afternoon because there is a profound problem with the direction that the Government are taking.

5.27 pm

**Marion Fellows** (Motherwell and Wishaw) (SNP): It is a pleasure to serve under your chairmanship, Ms Buck. I thank the hon. Member for Newcastle upon Tyne North (Catherine McKinnell), who is my colleague on the Education Committee. I hope that the Minister takes on board all the wonderful comments and expressions that have been made this afternoon, and recognises the number of people who are listening to the debate—even listening to a Scotswoman, who has no business, some people would say, speaking on English education matters. However, I am a Member of this House.

As a member of the Education Committee, I am privileged to have contact with many people in the field of education. Although many, including Government Ministers, want only what they believe is best for school pupils, I inherently believe that the restricted EBacc system in England does not serve all pupils well. Were I English—and I am not—I could not support the Government’s proposal to make the EBacc, without the inclusion of expressive arts, a compulsory measure for all schools.

The root of the word “education” shows that it means “to be drawn forth.” I believe that that is what education is about. It is at its best when it draws forth from pupils what is inherently there, and enables them to progress and shine in areas that interest and attract them so that we produce well-rounded individuals who are able to take their place and contribute to society as a whole. Of course pupils should have a knowledge of science, technology, engineering and maths, and no one will benefit if they cannot read fluently or do not have a knowledge of the world around them. Tim Peake’s successful space mission has awakened an interest in science subjects across the UK, and many pupils are now enthused and attracted to science matters as never before. A knowledge of the history or geography of our countries in the UK is equally important, but such knowledge is sadly undermined if we do not understand the culture, music and drama that enrich all our histories.

Like others who have spoken in this debate, I have received a briefing from the Royal Shakespeare Company highlighting its good work in bringing Shakespeare to schools across England at all levels. The RSC makes Shakespeare come alive for students, which can lead to an enriching and positive life experience. Art and music can benefit education by helping young people to understand and express themselves in a variety of ways that improve their self-worth and learning. By focusing on English, mathematics, history or geography, sciences and a language—all worthy subjects—many pupils face not achieving an understanding of where they come from or the ability to express themselves in a different way.

Since I was elected to this place and became a member of the Education Committee, I have been struck by the Government’s attitude towards education. As an international observer on the Committee, I worry about what I perceive as a drive to turn education into a tool to turn masses of children into the workers of tomorrow. Although a school education should lead to a meaningful destination, into either further or higher education or a job, the state should not simply see schools as places that benefit businesses by churning out the workers of the future. As Sir Michael Wilshaw, the present chief inspector of schools and head of Ofsted, has said:

“the proposed changes may cause a problem for some students and I can think of youngsters who would have been better suited to English, Maths and Science alongside a range of vocational subjects.”

I would include expressive arts in that list. There is a danger that we will exclude huge numbers of children from an education in the expressive arts by focusing on what is seen by some as more “useful” or “academic” subjects.

The creative industries now account for one in 11 jobs, and the sector is growing. By restricting pupils’ access to the expressive arts by excluding these subjects from the EBacc, we deprive young people of an enriching experience for them and for society as a whole. Arts Council England wholly supports the creative arts being part of the EBacc, as does the CBI, which is looking for creative people. As has been often stated in this debate, the creative industries are a growing sector of business across the United Kingdom.

In Scotland we have always had a wide-ranging education system that is much more tailored to children’s interests and abilities. The introduction of the curriculum for excellence has continued that approach. The Scottish Government’s creative learning plan states:

“We know that creativity is vital in the world of work, with greater opportunities for those who bring a creative approach. The country as a whole stands to benefit significantly from the great wealth of creative talent that our people can bring to bear.” Expressive arts courses in the curriculum for excellence include art and design, dance, drama and music. The expressive arts can help learners to develop their knowledge, understanding and appreciation of contemporary and historical arts within their own communities in Scotland and beyond. Given Scotland’s vast cultural centre, it is hugely important for children to have an opportunity to learn the expressive arts, which have a huge impact on our economy. Why should children in the rest of the United Kingdom not also have such opportunities?

5.34 pm

**Mrs Sharon Hodgson** (Washington and Sunderland West) (Lab): It is a true delight to serve under your chairmanship, Ms Buck. I welcome this important debate. As chair of the all-party parliamentary group on art, craft and design in education, I wish to make a cross-party case for promoting the creative arts in our schools. I invite other Members present to join our all-party group, if they so desire. We regularly engage with teachers, academics and cultural providers, a number of whom are in the Public Gallery—I thank them for being here. We engage with people from across the country, and most importantly, we engage with young people who wish to see a strengthened art offer in our schools.

I also welcome that a number of my constituents supported the EBacc petition—many of them will be art teachers who are concerned for the future of their subject, about which they are so passionate—and a similar number signed the petition on performing arts subjects at GCSE and A-level.

As we have heard, creativity is vital to the wellbeing of our society, and all of these subjects provide a space for young people to push boundaries, widen their horizons and explore what it means to be human. Only last week I went to the Lyric theatre in Hammersmith to watch the performance of “Treasure Island” by the Federation of Westminster Special Schools. The show was directed

by James Rigby, and I saw all the work put in by Paul Morrow, the federation’s lead practitioner of creative arts, and by all the schools’ teachers, staff and pupils in collaboration with the staff of the Lyric theatre—I especially mention John Glancy, the producer. They all came together to put on a wonderful production that showed exactly what allowing children to flourish in the arts can do for their lives and their self-esteem.

Experiencing and engaging in the arts not only helps to nurture quantifiable positives; we can also see tangible evidence of the positive contribution that art education can make to our country. Our creative industries contributed an estimated £84.1 billion to our economy last year, and it is important to remember that our creative industries can thrive even more if we promote high-quality and inclusive art education in our schools to help feed the skills supply for the market. Sadly, the Government’s curriculum reforms, such as the EBacc, have had unintended consequences for creativity in the curriculum. The Department for Education has made the case that its reforms will not stop pupils taking additional non-EBacc subjects, and it claims that uptake in arts subjects has risen because the proportion of pupils with at least one arts GCSE has increased since 2010.

Once again, I acknowledge and thank the Minister for attending a meeting of the all-party group a few months ago. He listened to an extensive presentation on the latest National Society for Education in Art and Design survey, which highlighted the effect of the unintended consequences, and he answered questions from the gathered representatives, artists and teachers for some two hours. I know that must have had an effect on him, and I urge him again to take a closer look at the figures. The EBacc’s narrow-minded approach and prescriptive nature is sadly leaving very little space for creative subjects to flourish.

**Mims Davies** (Eastleigh) (Con): I am interested in the hon. Lady’s speech. Does she agree that part of the problem of providing our children with the opportunity to be creative is the pressure to remain inside the classroom? Pupils have to leave the safe space of the classroom to experience the creative realms in the community.

**Mrs Hodgson:** The hon. Lady makes a good point. Trips to theatres, cultural sites and museums are becoming increasingly difficult for various reasons, including safeguarding and cost—even though museums are free to visit, the children have to get there, which takes time and organisation. As my hon. Friend the Member for Bristol East (Kerry McCarthy) said earlier, such trips will be lacking from some of the children’s daily lives, weekends and holidays, so it is important that that shortfall is made up for in school. For more privileged children, no matter whether they go to state or independent schools, it is just a normal part of their existence. I am grateful to my hon. Friend for her intervention.

In May 2014, the Cultural Learning Alliance found that the number of hours of art teaching and of art teachers had fallen in secondary schools since 2010. Design and technology faced the greatest decline, with 11% fewer teachers and less teaching time. The number of art and design teachers had fallen by 4% and the number of teaching hours by 6%, even though the number of pupils in secondary schools has fallen by about 2%. It is clear that provision of arts subjects is declining disproportionately.

[Mrs Hodgson]

As I mentioned earlier, the National Society for Education in Art and Design conducted a survey of teachers working across England in the academic year 2015-16 on the impact of Government policy on art, craft and design education over the past five years. The study found that 33% of art and design teachers at key stage 4, across all sectors, reported a reduction in time dedicated to their subject over the past five years. That figure rises to 44% in responses from academies. Of those teachers, 93% said that the EBacc was directly reducing opportunities to select art and design at GCSE level.

The reduction in provision for vocational creative qualifications is even more illuminating and concerning. Between 2011 and 2015, completions of art, craft and design level 2 vocational qualifications decreased by 43%. Although we are discussing the EBacc, which is only a performance measure at secondary school, it is having clear ramifications for other stages of young people's education. Figures from the Cultural Learning Alliance show that between 2010 and 2015, dance AS-levels have declined by 24% and dance A-levels have declined by 17%.

As chair of the all-party parliamentary group on art, craft and design in education, I have heard anecdotally that primary schools are less free to dedicate time to creative education due to unprecedented pressure on the three R's—reading, writing and arithmetic, which we all agree are extremely important. As the hon. Member for Somerton and Frome (David Warburton) and my right hon. Friend the Member for Tottenham (Mr Lammy) said, it should not be a case of either/or. Both are vital.

Secondary school teachers now report a fall in artistic skills and confidence when pupils arrive in year 7. Sadly, the ramifications of the curriculum changes are that secondary schools are putting less time and fewer resources into creative education in an understandable bid to climb the league tables. It is having a knock-on effect on other parts of the education pipeline. It means that pupils are being denied the opportunity to develop creative cognitive skills that are useful in other subjects, such as maths or science, and may become less confident and able to choose or pursue artistic GCSEs and A-levels.

A broad and rounded education is paramount to skilling our young people to enter the world of work in the 21st century. An art education can be vital to doing so, but if the Government insist on keeping the EBacc as a performance measure, in order not to weaken arts provision in our schools even further, the only way to maintain quality creative education is to include the creative arts in the EBacc. Excluding the arts subjects from the EBacc—

**Mr Gibb:** Which particular creative arts subject does the hon. Lady want to make compulsory to 16?

**Mrs Hodgson:** It could be left to the young person to choose, as with most subjects. We do not tell young people which language they must study, or which humanity. Let the young person choose; just put a list of creative arts there.

By excluding arts subjects from the EBacc, the Government have told our students that those subjects are not important and are a waste of their time and

talent. The situation is simply not good enough. We need to be serious about providing a creative education that ensures that young people from ordinary backgrounds, as others have said, have opportunities to develop their skills so that they can become the next world-famous artist filling art galleries around the world, the next global superstar or actor packing out arenas and theatres or—I must declare an interest again—the next big games artist creating the next global game. The UK has world-leading companies in the games industry.

We should not limit young people's life chances in this way. We need a forward-looking curriculum that provides a truly rounded education, remembering that subjects do not stand alone. Withdrawing opportunities from young people's lives to express themselves creatively will not only ruin their chance to broaden their horizons and their understanding of what drives us as humans—our creativity—but affect the fledgling sectors that rely heavily on our nurture of the skills needed to make them soar.

Our human creativity is boundless, and studying creative subjects can harness it. That is why it is important that we ensure that whether or not the EBacc remains, the creative subjects have a place in our curriculum and do not face further and continual diminution by Government reforms. The arts are what we all do in our spare time, in one form or another. Why? They make our hearts soar. We are creative and artistic beings. Since the first caveman drew a buffalo on the first cave wall and danced around the fire singing, the arts have been how we express ourselves. They are intrinsic to being human. I ask the Minister: please do not make our education system a cultural desert for our children, as I fear the unintended consequences.

5.46 pm

**Judith Cummins** (Bradford South) (Lab): It is a pleasure to serve under your chairmanship, Ms Buck. I thank my hon. Friend the Member for Newcastle upon Tyne North (Catherine McKinnell) for securing this important debate.

Educational improvement is an issue close to my heart, as my constituency is among the worst performing educationally in the UK. When I speak about educational attainment, I cite two simple facts, without fail, that speak more than any other about what an uphill struggle my constituents face in remaining competitive in this increasingly fast-moving globalised world. First, in the league table measuring percentage of individuals with level 4 qualifications or higher, out of 650 constituencies in the UK, my constituency appears 609th. Secondly, when measuring those without any qualifications whatever, Bradford South comes in at 74th.

The task is stark. In simple terms, too few of my constituents boast the higher-level qualifications that they need to access professional and technical careers in the modern economy. To compound the problem, too many are making their way with no qualifications at all, destined for a working life in low-skilled roles typically marked by insecurity, low pay, and little to no opportunity for career progression. To face a fighting chance of accessing and forging successful careers in today's economy, my constituents have to be better skilled with more qualifications under their belts and, just as importantly, their skills and qualifications must be aligned with today's new industries.

These new industries, which increasingly drive economic growth, demand a highly skilled and creative workforce. Often they occur in the virtual world, facilitated through computers and sophisticated software—the knowledge economy in its rawest form. Front and centre among such new industries are those falling under the creative industries banner. To our credit, the UK's creative industries are undeniably world-leading and, astonishingly, contribute more than £76 billion to the UK economy. The sector creates more than one in 11 UK jobs. Yet these industries are afforded little recognition, either by design or as an unintended consequence, in the Government's policy on the introduction of the EBacc. That is what I wish to address in my remarks. Will the EBacc help or hinder my constituents' ability to attain both a broad and balanced education and the specific skills that are key to careers in the new creative industries?

On the previous coalition Government's watch, the uptake of creative subjects in our schools fell by 14%, and our creative industries face a skills shortage. Now, with the EBacc, the current Government are finishing the job of all but destroying the arts, culture and creative learning in our schools. Chief among my reasons for saying so is that the Government's stated policy on the EBacc is unswervingly prescriptive on subjects and will become all but compulsory for our schools.

**Mr Gibb:** I am grateful to the hon. Lady for allowing me to make an intervention. I just wanted to correct her hyperbole, because art and design entries in 2010-11 were 162,000 but by 2014-15 they had risen to 176,000; in music, as I have said before, the number of entries rose from 43,157 to 43,654 over the same period; and in the performing arts, the number of entries rose from 2,648 to 5,997 over the same period.

**Judith Cummins:** I thank the Minister for that intervention; obviously, he has his whole Department's data at his fingertips. However, I will say that vocational arts qualifications and subjects have dropped.

Ministers' ambition that 90% of 16-year-olds should take the full EBacc, alongside the Department for Education's plan to make the EBacc a headline measure for accountability and to increase its prominence in Ofsted inspections, will effectively make the EBacc compulsory for secondary school pupils in England. The EBacc stipulates which subjects must be studied: maths; English literature; English language; double science; a language, ancient and/or modern; and history and/or geography. Where is the room for the new-found self-determination that apparently the brave new world of academisation is designed to offer localities? It is cast aside.

As a result of this prescriptiveness in the EBacc, there will be little or no scope for our children and young people to study creative subjects. Creative subjects are consigned by this new regime, wrongly, to a lesser category of subjects in which arts and creative learning are—by association—considered less worthy than other subjects.

I say to the Minister that that is wrong. Studying creative subjects is not only wholly meaningful and valuable to a broad and balanced education, but equally importantly creative subjects help to position our children and young people for future careers. The very subjects that are key to nurturing the skills critical to knowledge-intensive, highly skilled, well-paid creative industry careers

are excluded from the EBacc. Jobs that are destined to become a cornerstone of our future economy are undervalued by the EBacc. That is shameful and short-sighted—negligent, even.

I urge this Government to reconsider their position, as they did with the forced academisation policy, and to do what is right for our future generations. There is no shame in rethinking; it is the mark of a mature democracy. The real shame would be for this Government to plough ahead with a widely discredited policy that is ill-considered to its core and rooted in an outdated educational view that promises to undermine our blossoming creative industries, which promise so much for my constituents and promise to deliver economic prosperity for this country in the coming years and decades.

5.52 pm

**Jonathan Reynolds** (Stalybridge and Hyde) (Lab/Co-op): Thank you very much, Ms Buck, for calling me to speak, and I also thank the more than 100,000 teachers, parents, arts enthusiasts and many of my own constituents who signed this petition calling for the English Baccalaureate to include an expressive arts option.

There is an old adage used by the business community: "What gets measured, gets done". Having served as a school governor myself, I remember all too well that key performance indicators, inspection frameworks and exam results inevitably influenced our resources and our priorities. So I agree with the central point made by my hon. Friend the Member for Newcastle upon Tyne North (Catherine McKinnell) in opening this debate that excluding creative subjects from the EBacc will devalue and erode their place in our education system, and subsequently in our society.

The impact of that would be significant and detrimental. It would be detrimental in three main ways—to our economy, our wellbeing and our society. First, let us consider the economic case. As a resident of Greater Manchester, I vividly recall the excitement that all we felt as a city-region when it was announced that the BBC would be relocating to us, with its production facilities moving to MediaCity. I knew what a boost it would be to our growth, our productivity and our young people's life chances. The BBC pledged to create a "world-class talent pool in the North"

and in the decade that has followed it genuinely has.

As a result of that move, our schools now place real value on creative learning. Take my own local authority, Tameside, which recently partnered with the Lowry theatre and the National Theatre to introduce pupils to the acclaimed production of "War Horse". The pupils were encouraged to create their own large-scale puppets, to write their own theatre scripts and ultimately to perform in their own productions. It was inspiring; no child involved in such a project will ever forget it.

The Greater Manchester skills strategy now rightly emphasises the skills required by our creative industries, and Manchester is not alone in doing that. Last week, as a member of the Business, Innovation and Skills Committee, I went on a trip to Soho. I stress that it was not for any personal pleasure; it was to visit some of our creative industries. The companies I saw included the BBH creative agency; Ridley Scott Associates, which is a production company; Smoke & Mirrors, which is a visual effects company, although it does so much more

[Jonathan Reynolds]

than visual effects; and well-known names such as Google and YouTube, which continue to revolutionise media and creativity. These are exciting, visionary companies at the forefront of the creative industries, which are growth industries. It is clear to me that for the sake of the UK's economic advantage, our young people need more—not fewer—opportunities to achieve high-quality qualifications in these areas, as well as having a desire to work in them when they start their careers.

Secondly, let us consider the health benefits. Investment in the arts is known to improve wellbeing. Studying creative subjects boosts self-esteem, improves emotional intelligence, and reduces depression and anxiety. Many of these benefits were examined in the Government's own paper, "Arts for health and wellbeing", which was published earlier this year. I know from first-hand experience that my son Jack, who has autism, finds literacy and numeracy lessons emotionally exhausting, but he finds music classes exhilarating. So, the arts not only keep our NHS bills down, but they offer employers a labour market of happier, more confident and more emotionally resilient individuals.

Finally, we must consider the societal case for retaining an educational focus on the arts, because the arts enhance our regional identities as well as our economy. So much of what makes Greater Manchester great comes from our culture: from the Bridgewater Hall to the Stone Roses; from L.S. Lowry to Jeanette Winterson; from "Coronation Street" to last week's wonderful street theatre commemorating the Somme; and our tremendous brass band festivals. Frankly, I could go on, Ms Buck, and fill the whole three hours, such is Manchester's status as a cultural superpower.

Nationally, too, our arts and culture provide so much of what we celebrate about Britain and Britishness. I think I speak for everyone in Westminster Hall today when I say that none of us wish to keep the debate on the EU referendum going, but for me a particularly resonant case for remaining in the European Union was made not by an economist or a politician but by Axel Scheffler, the children's illustrator, who said that without the freedoms provided by the EU he and Julia Donaldson would never have created "The Gruffalo". What a loss that would have been to everyone in the European Union and beyond. Art breaks down demographic and socioeconomic divides: chip away at it and we chip away at so much of what I believe makes our society great.

In conclusion, I fear that the exclusion of arts subjects from the English Baccalaureate represents the latest misguided attack on our education system. It is an attempt to hark back to a bygone era of schooling, in which one size was expected to fit all and only one form of ability was valued, because employment options then were far narrower than—thankfully—they are today. For the sake of our economy, our wellbeing and our enriched society, we must not go down this road, and I move that we include expressive arts in the English Baccalaureate.

5.57 pm

**Kerry McCarthy** (Bristol East) (Lab): I think this is the first time that I have spoken under your chairmanship, Ms Buck. It is a pleasure to do so.

There have been some excellent speeches so far, and I agree with everyone who has made the case for the importance of arts education and for the need for us to continue to value that education. The narrowing of focus about what constitutes a valid qualification concerns me across the board. Obviously, we are here today to discuss arts education, but we have also seen, for example, life and environmental sciences being scrapped at GCSE and A-level. That seems nonsensical to me, because the best way of getting children interested in science is to link it to their natural environment, to issues such as climate change, and to what they see all around them.

As we have heard, participation in creative subjects and gaining a qualification in them are immensely rewarding for pupils, particularly those pupils who struggle to excel academically. I was talking to a number of senior educationalists at the weekend; we are fortunate in Bristol that several of our new councillors have a background in education in cities such as Bristol and Leicester, which have high levels of deprivation and much ethnic diversity. They could not stress enough how important arts subjects are for some pupils who will never be very good at English, maths or other traditional subjects; the arts get those pupils through the doors of schools. Headteachers have said that to me as well.

[MR CHRISTOPHER CHOPE *in the Chair*]

The fact is that all the secondary schools in my constituency were rebuilt under the last Labour Government, through the Building Schools for the Future programme, so they have music studios, art rooms and sprung dancefloors that the children can use not only during school hours but after school as well. The arts get children through the door of the school, and if that means they then enjoy the school experience, feel more confident and make friends with other pupils, they are much more likely to thrive in the academic subjects as well.

**Catherine McKinnell:** My hon. Friend makes a valid point. It reminds me of when I attended a local school's opening of its sport centre to the community. Alan Shearer, who was a former pupil, spoke passionately about the difference that having sport—football in particular—available at school made to him, and how that was the only reason he went to school. He got his maths, and he got his English, but it was a sport that brought him through the door. The arts too can be a driver for young people to come to school and enjoy the experience.

**Kerry McCarthy:** Absolutely, and that is certainly the case with sports in Bristol's schools as well. Some Conservative Members for neighbouring constituencies are keen on the idea that we take education more seriously, that we should all learn Latin and history—a few years ago one of them wrote about "joke GCSEs". In a city like Bristol, where 40% of the jobs are in the creative sector, it is a running joke that if you do a Mickey Mouse degree you end up with a job at Aardman and win an Oscar. That is certainly not something we should sneer at.

We also have the BBC's natural history unit, which combines learning about natural history and the life and environmental sciences with learning the sort of

skills that could lead to someone being one of the amazing cameramen who manage to film things that no one has ever caught on film before. Studying these subjects is not something that people do just for their self-fulfilment, although it is important on that front; it is very much part of getting a job and thriving when they leave school.

MPs have been sent a useful briefing by an organisation called MillionPlus for Thursday's Backbench Business debate on creative industries and the economy—we seem to have several debates about the creative sector this week. The briefing focuses on the role of universities in supporting the creative sector, pointing out, as has been said, that the sector is worth £84.1 billion to the UK economy and is one of its fastest growing areas, providing 2.8 million jobs. MillionPlus says that 70% of people in creative occupations are university educated, but that numbers

“studying many creative subjects at school and university are falling and the talent pool will inevitably decrease”.

It points to the potential sidelining of creative subjects in schools and expresses concern about the narrative that has built up that STEM subjects are somehow far more worthwhile than creative ones. Of course STEM subjects are important, of course our future economic growth depends on people wanting to go into those sectors as well, but one set of subjects should not exclude the other.

MillionPlus's concern is that with the Department for Education promoting certain “facilitating” subjects that focus on STEM and not on creative courses at GCSE and A-level, as well as the introduction in 2016-17 of the new performance measures based on the eight key subjects, there is a risk that more and more schools will design their curriculums in a way that marginalises creative subjects, as many speakers have already mentioned. We cannot really blame schools if they feel compelled to go down that path. If they are going to be judged on key areas, they do not want to risk being left behind when compared with other schools.

I asked people earlier today on social media if they had any comments on the matter, and one of my constituents got in touch to say that her son was forced to drop all but one arts subject for year 10 because of the league tables for EBacc. She felt that that had very much held him back.

I want to mention two specific areas—I do not want to go over the ground that has already been covered. On music in schools, there is a lot of anecdotal evidence that suggests that in some areas fewer than 20% of schools offer music beyond key stage 3 and fewer than 5% offer it at sixth form. There was a meeting of all-party parliamentary groups last week, which I think the hon. Member for Somerton and Frome (David Warburton), a relatively near neighbour of mine, attended. I could not attend, but my researcher went along. The case was cited at that meeting of a west London borough where out of 15 state-funded schools with secondary age pupils all but one was rated good or outstanding but only six offered music post-key stage 3 and only two offered it post-key stage 4. Just last week, the music hub there learned that two of the secondary schools, both of which are academies, will offer no music at all from year 7, which is a sad state of affairs.

A representative from the music hub said that the impact of the EBacc changes is that music teachers are being used as flexible cover or are leaving and not being replaced, and that the result will be that music drops out of schools completely. That is also something that people involved in music education in Bristol have said to me—that with that casualisation of the profession we will end up losing the skills pool, because people simply cannot make a living from being brought in for the occasional lesson. The music hub representative at the meeting said that that means

“no music for prize day, school fairs, community events; no school musicals/Christmas concerts. What a joyless experience for our pupils, particularly when we remember that for many music is the only thing that will engage them and develop positive attitudes towards learning.”

Is it not rather disingenuous of the Government to say that music is a compulsory subject for five to 14-year-olds when academies do not have to follow the curriculum? How can the Minister provide real reassurance that music will not drop out of some schools entirely? I look forward to hearing from him on that point.

My last point is about social diversity in the arts, which we have already touched on. The actor Ralf Little, of “The Royle Family” fame, was reported in the papers today as saying that Caroline Aherne, who died at the weekend, showed

“that working-class people can be on TV, being ourselves”,

but that her death

“is a reminder how much she and her writing were, and still are, the exception.”

Julie Walters has said previously that she would not have a chance of making it as a working-class actor if she was starting out today, and there is an ongoing debate about why so many of the up-and-coming names on our stage and screen seem to have been educated at public schools. Last year, 92.1% of jobs in the creative industries were being done by people in the more advantaged socioeconomic groups, a figure that is up 20% since 2011. The well known actor James McAvoy has warned:

“I do care about a government that doesn't prioritise arts in education. It is one of the first things that if you take it away, it's a signal that the government doesn't care about upward mobility any more. Art is one of the first things you take away from society if you want to keep them down.”

Given how difficult it is for anyone from a normal background to break into acting these days, is the Minister concerned about the impact the changes might have on social mobility? Factors to consider are the enormous fees for drama and art schools, the need for financial support during the phase when someone is not sure whether they will break through and become a professional, the prevalence of unpaid internship, the effects of arts cuts on outreach programmes, and the increasing prevalence of low pay and no pay in the entertainment industries. I know that the previous Secretary of State for Culture, Media and Sport was very concerned about the need to increase diversity in the arts—I went with a delegation from Equity to meet him when I was chair of the all-party Performers' Alliance group. It seems, however, that all the work he was looking to do on increasing diversity, which I hope his successor is now taking up, could be jeopardised if we do not get it right at school level.

6.8 pm

**Margaret Greenwood (Wirral West) (Lab):** I want to say first that my sister is learning associate at the Unicorn theatre for children, which works with schoolchildren on drama projects.

I congratulate my hon. Friend the Member for Newcastle upon Tyne North (Catherine McKinnell) on introducing this important debate, which goes to the heart of the question of what education is for. The English baccalaureate is a performance measure for schools, awarded when students secure a grade C or above at GCSE across a core of five academic subjects—English language, mathematics, history or geography, the sciences and a language—and English literature at any grade. That sets up a hierarchy of value and suggests that English literature is less important than the other core subjects—something that I as a former English teacher would hotly dispute—and that the expressive arts subjects of art, music, drama and dance are of secondary importance. I believe that nothing could be further from the truth.

Through the arts, pupils can explore ideas in the most imaginative of ways. They can develop their powers of verbal and non-verbal expression through physical theatre, painting, music and dance, and can gain an understanding of and a love for our rich cultural heritage. To deny the arts is to deny what it is to be human. Undermine the arts in the curriculum—for that is what the current EBacc does—and we see a spiral of decline in provision, with the expressive arts becoming something accessible only to those privileged children whose parents can afford to pay for after-school activities, with others being left behind.

The hierarchy of value has implications for school planning and resourcing. Entries for GCSEs in arts subjects have fallen by 46,000 this year according to new figures recording England's exam entries for 2016. It is not difficult to understand that if fewer pupils are taking a subject, demand dwindles and music, drama and art departments will shed staff, damaging the morale of the staff who remain. The uptake of creative subjects fell by 14% from 2010 to 2015, and our creative industries are facing a skills shortage. The Government's figures show that the creative industries represent more than 5% of the UK economy—more than £84 billion in 2014—and grew by almost 10% between 2013 and 2014. The sector employs almost 2 million people.

The issue is not only about what arts education can deliver to our economy. We are facing a mental health crisis among our young people. We should be providing them with an education that makes them feel integrated and whole and uses all parts of their creativity, and does not just focus on high academic achievement. We know that developing the arts and creativity is important for mental wellbeing. The stories of actors who have been saved by drama at a young age are legion. One such actor told me that theatre had saved him from getting involved in drugs as a teenager. He grew up on an estate riddled with crime, but there was something about theatrical expression that just clicked for him and gave him a way out. I recently met a senior police officer on Merseyside. He felt our education was too obsessed with high academic achievement and that our neglect of educational activities that develop the whole person is leading to real problems in our society, with young

people who do not want to or are unable to follow an academic route not being given the opportunity to acquire a broad education that will help them develop as people. That is quite an indictment.

The Government seem to suggest that the English baccalaureate would not be to the detriment of the arts. In response to a question from my hon. Friend the Member for West Ham (Lyn Brown) in 2013, they gave the reassuring words:

“The English Baccalaureate measure...leaves space for pupils to study creative subjects alongside a strong academic core. We believe good school leaders will continue to make time for artistic and cultural education.”—[*Official Report*, 25 April 2013; Vol. 561, c. 1174W.]

In fact, it has not worked out that way. Taking the example of art and design, we find a worrying picture. A recent survey by the National Society for Education in Art and Design found that exclusion from the EBacc is leading arts and creative subjects in state schools to be less valued and accorded less time in the school curriculum, accentuating an existing trend.

At least a third and up to 44% of teacher responses to the survey indicated that the time allocated for art and design over all key stages had decreased in the last five years. For state schools, where respondents identified that there had been a reduction of time allocated for art and design, 93% of those teachers agreed or strongly agreed that the EBacc had reduced opportunities for students to select their subjects. Those changes are in turn affecting the morale of the teachers of those subjects. Some 56% of respondents reported that the reduced profile and value given to their subject by the Government and by school management had contributed to teachers leaving or wanting to leave the profession. We cannot afford to let that happen.

There is a famous quote from Winston Churchill who, when asked to cut funding for the arts in favour of the war effort, said if not that,

“then what are we fighting for?”

That is a key point, because the arts are vital to our culture. We must guard and nourish them. If we do not have artistic expression, we cannot know ourselves and as people we are diminished. I urge the Minister to pause and take time out to reconsider the value of arts education.

Pupils from Overchurch Junior School in my constituency will be performing a production based on the works of William Shakespeare in conjunction with the Royal Shakespeare Company in 10 Downing Street this Wednesday. I urge the Minister to come along, take a fresh look and see at first hand just what drama and the expressive arts can give to our young people. The idea that there is no rigour comparable to that of the core EBacc subjects in mastering the major roles in the works of Shaw, Beckett or Shakespeare is demonstrably untrue.

Finally, the English baccalaureate has been developed as a performance measure for schools, not as the best possible curriculum offer we can provide for our young people. As such, it is distorting the balance of educational provision, and I urge the Minister to think again about the detrimental impact it is having on arts education in our country.

**Mr Christopher Chope (in the Chair):** I call Carol Monaghan.

6.14 pm

**Carol Monaghan** (Glasgow North West) (SNP): Thank you, Mr Chope. You have confused me by not being Ms Buck, but I will carry on. As always in education debates, it is interesting to compare the picture in Scotland with that in England. As a former physics teacher, I never considered physics to be any more or less worthy than any other subject. It seems as though a hierarchy of subjects is developing.

At first glance, the principles behind the EBacc seem laudable enough—a solid grounding in core academic subjects makes sense—but the argument is about the key subjects. We are all individuals—not everyone can excel at maths and science. Likewise, arts subjects do not come easily to others, including me. Scotland had a similar system to the one we are discussing today, but forcing pupils to study subjects in which they have no interest is counterproductive and has implications for pupil behaviour, engagement and attainment.

**Mr Gibb:** Does that mean that if a pupil is not interested in maths, they should be able to drop it at any point?

**Carol Monaghan:** A pupil will need a certain grounding in maths, but how many pupils need to know how to do complex algebra or calculus? Basic numeracy and literacy are different from studying subjects in great detail.

**Mr Gibb:** I think the software-games industry would have a different view.

**Carol Monaghan:** In Scotland, we are looking at how we can prepare our students for the workplace. Calculus features in only a few, specific jobs, and we need to consider that.

In Scotland, the emphasis is no longer on a suite of specific subjects, but on personalisation and choice. That has led some students to specialise in science and technical subjects, while others enjoy success in music and the arts. Despite concerns that student numbers may drop in some subjects, the overall presentation numbers have not suffered, because students can take multiple subjects in a curricular area, such as three science subjects or three arts subjects. More importantly, pupil behaviour, engagement and attainment have all improved. Because students have opted into particular subjects, they are in charge of their own decisions and are full stakeholders. The current EBacc in England, rather than allowing students to flourish, is setting some up for failure. Surely a free choice of subjects gives students, especially those from a disadvantaged background, a far better chance of success.

The hon. Member for Newcastle upon Tyne North (Catherine McKinnell) opened the debate by talking about the wide range of organisations supporting the debate, how society is enriched by the arts, and the job opportunities available in the creative industry. The hon. Member for Somerton and Frome (David Warburton) talked about his experience as a musician and how music improved cognitive skills. I know something about that. In a very tough council estate in Raploch, Stirling, a music programme where primary school students were taught the fiddle saw attainment, attendance and general participation all increase as a result.

The right hon. Member for Slough (Fiona Mactaggart) talked about her experience as a teacher, the importance of science and the arts and how creativity is at the core of British education. I concur; as a science teacher, I know that science is not always considered to be a creative subject, but our top scientists all have creativity in common. The right hon. Member for Tottenham (Mr Lammy), who has left, gave us a wonderful vision of his angelic choirboy past. It was quite hard to imagine. He talked about academic rigour and the benefits of studying the arts for creativity. As a physicist, I know that of the courses that are now developing at universities, including the University of Edinburgh, physics and music is now a joint degree. It is good to see those two subjects coming together as well as the juxtaposition of the two.

My hon. Friend the Member for Motherwell and Wishaw (Marion Fellows) talked about the importance of developing well-rounded individuals who can contribute and enrich society. The hon. Member for Washington and Sunderland West (Mrs Hodgson) talked about the unintended consequences of the current EBacc and how it could prevent creativity from flourishing. The hon. Member for Bradford South (Judith Cummins) talked about the need to align skills to industry's requirements. The hon. Member for Stalybridge and Hyde (Jonathan Reynolds) talked about the benefits of the arts to health and wellbeing. The hon. Member for Bristol East (Kerry McCarthy) talked about how we get students through the door and how different school activities can be the hook that draws them in, but she also raised concerns about pupils being forced to drop arts subjects because of the EBacc.

The hon. Member for Wirral West (Margaret Greenwood) talked about her experience as a former teacher and how theatrical experience allows some troubled students to express themselves in a different way. The Minister should consider seriously her point that the reduced value of arts subjects can contribute to low staff morale.

Scotland's curriculum for excellence has eight curricular areas, all with equal status. The expressive arts is one of those areas. The Minister should consider the possibility of different flavours of EBacc, so that some students could have a science specialism while others had a language specialism or an expressive arts specialism, and others could do a general EBacc across a range of subjects. That would allow students both to flourish and to specialise in their chosen area.

6.22 pm

**Mr Gordon Marsden** (Blackpool South) (Lab): It is a great pleasure and privilege to serve under your chairmanship, Mr Chope. We have had a fantastic debate here this afternoon so far. The contributions from all parties have been, without exception, inspired, passionate and admirable.

I want to start by paying tribute to my hon. Friend the Member for Newcastle upon Tyne North (Catherine McKinnell) for the passion and comprehensiveness with which she put forward the case so well represented by all the people in the audience today. She was absolutely right to do the roll call of organisations that support the petition; she has saved me that job. She was absolutely right to cite the Chancellor of the Exchequer, who is not

[*Mr Gordon Marsden*]

often cited in these matters. The Minister and his colleagues might wish to take that issue on board if they are revising this particular issue in any shape or form, were it to have financial consequences. She also drew attention to the DCMS report and the culture of disfranchisement, restricting young people's life chances, one-size-fits-all GCSEs, the Creative Industries Federation's concerns, and the 46,000 fall in GCSE entries in arts subjects last year. Of significant importance—this point was taken up by other speakers across the divide—is the impact on the disadvantaged and the socially immobile.

In a spirit of cross-partisanship I also want to praise the absolutely excellent and admirable speech made by the hon. Member for Somerton and Frome (David Warburton) with his focus on music facilities, widening participation and the creative industries. It was a paean to the study of music. As someone who came to my interest in history in a significant fashion via music, I entirely agreed with him. My right hon. Friend the Member for Slough (Fiona Mactaggart) reminded us, as have others, that what counts is what matters in government, and she talked about the law of unintended consequences and the impact. I was delighted that she quoted Maxwell Davies's new opera because, again, when I was a teenager, one of the first things that got me passionately interested in medieval history was the setting by Maxwell Davies of "The Fader of Heven", which comes from one of the English mystery plays. It is appropriate at this time when the Orkney festival is in full swing and when of course we have sadly lost Maxwell Davies that she should have done that.

My right hon. Friend the Member for Tottenham (Mr Lammy) not only drew on his own history as a distinguished member of the Government, but spoke movingly of his own experience as a black chorister at Peterborough cathedral and about the rigours and the discipline of the music. I can personally endorse what he said about the great partnership between the Department for Education and DCMS during what he described as the Blair years, because I was a Parliamentary Private Secretary in that Department at the time that that programme was being taken forward. It was a model of co-operation, with some financial tensions as always, but it was a model of co-operation across those two Departments, and it is a model of co-operation in getting out of silos that the Government would do well to emulate.

I want to pay tribute to my hon. Friend the Member for Washington and Sunderland West (Mrs Hodgson). She has been a fantastic chair of the all-party group. She and I have had various conversations about the issue of unintended consequences. She was absolutely right to point to the need to get young people out and to get them experiencing things, as did the hon. Member for Eastleigh (Mims Davies), who has now left us. We can all probably remember school trips to theatres or music events that made an impact on us. My hon. Friend the Member for Bradford South (Judith Cummins) rightly brought us back not only to the aesthetic aspects, but the bread and butter aspects. If I might say so, one of Bradford's most famous citizens, J. B. Priestley, would have been proud of her. She said that too many of her constituents did not have access to technical qualifications and she linked that to the need to develop new industries.

I feel particularly strongly about this matter because it is second-level towns, if I can put it that way, in England and Britain today—the Bradfords, the Prestons, the Blackpools—that need a creative boost in their economies in the same way that our big cities got a creative boost in the early 2000s.

My hon. Friend the Member for Stalybridge and Hyde (Jonathan Reynolds) talked about the impact of BBC MediaCity on schools and creative learning. Again, when I was first a shadow Minister with responsibility for further education and skills, I went there with my hon. friend the Member for Barnsley Central (Dan Jarvis) and saw some of the exciting work that was going on. My hon. Friend the Member for Bristol East (Kerry McCarthy) rightly pointed out that it was investment from the Labour Government in her school arts facilities that had potentiated them academically, and she made the point about how many people in Bristol earn their living in the creative industries.

My hon. Friend the Member for Wirral West (Margaret Greenwood) talked about the healing qualities of the arts and also the impact on the morale of the profession. Finally, the hon. Member for Glasgow North West (Carol Monaghan), as well as making the very sensible point that strict hierarchies of subjects are not a good idea, also gave evidence of how a mix of subjects could have an impact on overall behaviour and commitment. So there was a string of experiences and arguments that the Minister would do well to ponder.

I want to talk about what some other organisations have said about their concerns in this area. I want to quote the response by the Edge education charity to the EBacc consultation, which some Members here may have had. It made the point that

"there has already been a significant shift away from creative and technical subjects in KS4. Entries for GCSE Design and Technology have fallen by 29% in five years... These trends would be severely exacerbated by imposing the full EBacc on 90% of KS4 students, because they would have to drop non-EBacc subjects to make room for foreign languages, history and/or geography."

The statistics it cites are alarming:

"To get to 90%, 225,000 students will have to drop one of their current options and take a foreign language GCSE instead. The result will be a sharp fall in the number of students taking technical and creative subjects."

I have already quoted what Edge said about GCSE design and technology. In the note it sent to colleagues today, it said:

"The 90% EBacc target will limit choices. Harm large numbers of students. Reduce the uptake of technical and creative subjects. Add to the country's growing skills gap."

It is that growing skills gap that the Minister needs to focus on in his response.

**Mr Gibb:** Does the hon. Gentleman accept that one of the key skills gaps in this country is a lack of language ability? Some 77% of employers say that they need more employees with foreign languages.

**Mr Marsden:** I agree entirely with what the Minister says about languages but, as one of my colleagues said earlier, it is not our job to set up one choice against another. It is for the Minister to navigate that process accurately and correctly. Simply quoting individual statistics is not going to make much of a point for him.

I was about to say that there is a curious disconnect in this debate. When we finally see the much delayed skills plan, I hope we will be able to welcome it. We are told that it will be incorporated into the Minister's portfolio in the Department for Education, or certainly into the Department generally. The work of the taskforce, which was chaired by Lord Sainsbury and included Baroness Wolf and the head of my own further education college in Blackpool, is crucial to the debate about getting all these things right. It is a question not of having either technical skills or expressive skills but of where we take them. Given that the Government have spoken about the importance of higher-level skills, it seems passing strange that their forthcoming Bill will not be associated with what comes out from the Department. The truth is that it is not a question of developing either technical and professional skills or expressive arts skills.

Catherine Sezen of the Association of Colleges wrote recently in the *Times Educational Supplement* that

"it is important that in striving to boost technical skills, this is not at the expense of creative skills".

Many colleagues have made the connection between those two areas today, and I hope the Minister will think very hard about that. Catherine Sezen's article continues:

"Failure to protect these subjects could leave another skills gap, but one that could be more difficult to fill... This, combined with the introduction of the more rigorous GCSEs graded 9 to 1, means it is more than likely that schools will offer a more limited number of optional subjects. This will have an impact on take-up of creative subjects".

It should not be forgotten—I am well aware of this, as Member of Parliament for a seaside and coastal town where tourism is really important—that many occupations, including catering, hairdressing and architecture, combine technical and creative skills. It is a question of seeing where the joins are.

In April, I had the privilege of visiting the University of the Arts London's new campus at King's Cross, where I met many people who had come to the college as students through a combination of technical expertise and creative interest. As the Minister may know, UAL is the leading educator of talent in the UK's creative industries, but it is very concerned about not being able to attract sufficient numbers of young people to London, not just because of the high cost but because of the increasing lack of coverage in schools. The danger is that that will also hit the expanding creative industries.

The combination of technical and creative skills in the creative industries is crucial. I will not cite the figures for the amount our economy depends on them, because that has already been done very ably by colleagues. However, I will make the point, further to what my hon. Friend the Member for Washington and Sunderland West said about students with special needs, that those students are often very strongly represented, not just at UAL but at other places. That is another area that should concern the Minister.

Other Members have already talked about MillionPlus's briefing, so I will not go into it in any great detail, except to mention that it says that the role of modern universities, as a group, in supporting the creative industries is crucial. At a time when we worry in separate areas about the impact on modern universities of some of the proposals in the Government's new Higher Education and Research Bill, the Minister might want to take that

on board as well. We know the figures for the declining take-up of arts subjects at GCSE, and I will not go over them again.

I have two or three questions for the Minister about his progress on the consultation. First, when do the Government intend to respond to it? Will it be under this Government or a future Government? I think most Members present want to see a response from the Government in fairly short order. Secondly, the point about working across silos has been made very strongly, so what internal discussions has he had about the consultation with other Departments—the Department for Culture, Media and Sport, the Department for Business, Innovation and Skills or the Treasury? Thirdly, what assessment has he made of the equality impact of the EBacc's implementation? If he has not made one, will he include one in his response to the consultations?

We need to get that spark of creativity that fires up young people. That is particularly true for my own town of Blackpool, where schools have always been strong in creative areas, even as they have aspired to better skills and academic excellence. I think of photography and design at Blackpool and the Fylde College, and of the performances I see month in, month out, of what we might expect in a seaside town. Schools are very good at putting on musicals and things of that nature. Wordpool, the annual festival funded by Blackpool Council, involves schools and helps children to write stories and poems, most recently about their own school giant. We have been able to do that in Blackpool because of the support that local government, which we have not had much chance to talk about today, often gives to these projects, despite the cuts.

All this is summed up by a letter I received literally this morning from the librarian of Thames Primary Academy in South Shore, which the Minister should understand is an area of high transience. She said:

"I am the school librarian at the Thames Primary Academy. I also run an Arts Appreciate Club... But I also know how hard it is for schools to find the time for these subjects... I believe many leaders of the creative community"

are worried about

"how much these subjects are losing students at high schools and in further education, to the detriment of our creative industries... I was struck by the date of this debate. It is my late father's birthday, he loved and was very knowledgeable about art, classical music and films... He worked in a factory all his adult life but never felt that art was not for him. I wish we could get back to that feeling in this country."

I echo those sentiments.

As I have said, I am an historian and a medievalist. I got my interest in medieval history not just from the battles and the dates but from listening to the music, from seeing the Wilton diptych and other fabulous things on a day trip to the British Museum, and—stretching the period a little—from seeing as a teenager the fantastic performance of Glenda Jackson as Elizabeth I. Glenda Jackson, as hon. Members who heard her on Radio 3 recently might remember, was working in Boots and got her big break by getting a council scholarship to go to the Royal Academy of Dramatic Art. Those are some of the issues that I urge the Minister to consider.

C. P. Snow famously wrote a book in the 1950s about the two cultures and the division between arts and societies. Let us not allow the consequences of the EBacc to perpetuate that division, however unintentionally.

[*Mr Marsden*]

Denis Healey famously said that all politicians should have a hinterland. I think that the hon. Members who have spoken today have amply demonstrated their commitment to that hinterland, and I invite the Minister to do the same.

6.40 pm

**The Minister for Schools (Mr Nick Gibb):** It is a delight to be debating under your chairmanship today, Mr Chope. I congratulate the organisers of the petition and the hon. Member for Newcastle upon Tyne North (Catherine McKinnell) on delivering this important debate. Hon. Members on both sides of the Chamber have made very good speeches.

I share the hon. Lady's commitment to the arts, and I want to reassure her that the Government share it, too, as demonstrated by the quotation from the Chancellor that she cited. We want to ensure that every child has a high-quality arts education throughout their time at school. Like the right hon. Member for Tottenham (Mr Lammy), I was a chorister, and equally angelic, although not in a cathedral but a large parish church—St Edmund's church in Roundhay in Leeds. I regularly go to the theatre—the Donmar, the National and the Chichester Festival theatre—so I am as passionate as anybody here about the importance of arts education.

We are committed to ensuring that such an education is not the preserve of the elite, but the entitlement of every single child. That concern was also raised by my hon. Friend the Member for Somerton and Frome (David Warburton) in his excellent and well informed speech. It is for that reason that, in maintained schools, music, art and design are compulsory in key stages 1, 2 and 3 of the national curriculum—between the ages of five and 14. This debate is not about all those years of education; it is about just two years after the end of key stage 3. Pupils must also be taught drama as part of the English curriculum and dance as part of the PE curriculum. Maintained schools also have a duty to offer key stage 4 pupils the chance to study an arts subject if they wish.

We have heard concerns today about the impact of the EBacc. It is important to set out why we are so committed to ensuring that the vast majority of pupils take the core academic curriculum subjects that the EBacc combination provides. Every child deserves to leave school fully literate and numerate, with an understanding of the history, geography and science of the world they inhabit, and a grasp of a language other than their own. Yet in 2010, many pupils—often those from the most disadvantaged backgrounds—were denied an education in that academic core. Only 31% of pupils took a GCSE in history and only 26% took a GCSE in geography. Only 43% took a foreign language GCSE—down from 76% in 2000. A flight away from a core academic curriculum was taking place, and the Government had to act.

In 2010, we announced the EBacc as a measure for the school performance tables. The EBacc measures the number of pupils entered for and achieving good GCSEs in a core of academic subjects: English, maths, science, geography or history, and a language. The success of the EBacc so far is clear. The proportion of pupils entering the EBacc combination has risen from just

22% in 2011 to 39% in 2015. Hon. Members talk about arts subjects as an add-on to that core academic curriculum, but only 22% took that core academic curriculum in 2011, and we reached only 39% in 2015.

Schools have made progress, but there is still further to go, not least because pupils who are eligible for free school meals are almost half as likely to be entered for the EBacc as those who are not. It cannot be right that where a child goes to school or the wealth of their parents determines whether they study the core subjects that will help them succeed in higher education and the job market. I wonder how many hon. Members in this debate have GCSEs or—more likely, given our ages—O-levels in all the EBacc subjects.

Last year, we set out our ambition for 90% of pupils in mainstream secondary schools to enter the EBacc. We are clear that the vast majority of pupils deserve to benefit from studying a core academic curriculum up to the age of 16. We will not apologise for having high aspirations for every child, but I would like to reassure hon. Members that that core academic curriculum can safely sit alongside a high-quality education in the arts. We have never said that pupils should study the EBacc subjects and nothing else. All schools will continue to offer a wide range of options outside the EBacc so pupils have the opportunity to study subjects that reflect their individual interests and strengths. The EBacc is limited in size so there is flexibility for pupils to take additional subjects of their choosing.

**Catherine McKinnell:** One of the key questions that people continue to ask is why the Government have differentiated between history and geography, and some of the arts subjects. Why are those subjects not simply included in the EBacc options? If they are run alongside the EBacc, as the Minister put it, students undertaking the EBacc who do not take subjects in addition to the eight will not get the opportunity to study those arts subjects.

**Mr Gibb:** Many subjects are not included in the EBacc, including religious studies, and a range of very important, high-quality vocational subjects such as economics, and music and art.

**Catherine McKinnell:** Will the Minister explain why?

**Mr Gibb:** Yes, I will come to that.

The issue is that English, maths and science are compulsory until the age of 16. Until 2004, a foreign language was compulsory until the age of 16. It would not be hugely controversial to reintroduce such a compulsion, although we are not doing that. What we are really talking about is one subject—a humanity—for two years in our schools at key stage 4. All this debate seems to be about is whether children should continue to study either history or geography—one subject out of the whole school curriculum—for another two years at school. This debate boils down to that and whether we think it is important for students to study a language.

Our view is that it is important that young people at secondary school study history and geography at key stage 3, take both subjects seriously, and take one or other of them through to GCSE. We took that policy decision because we believe it is important that young people learn the skills of writing essays and that they

engage in understanding that part of our history. It is a tiny part of the curriculum. We were also determined to keep the EBacc small to enable pupils to study the arts, a second foreign language or vocational subjects in the one, two or three extra slots that the EBacc allows.

**Mrs Hodgson:** I think we all agree that the aspiration behind the EBacc is honourable—the Minister cited figures for children in some of our poorer schools who were taking it, as opposed to those who are achieving it now—but why are we seeing the unintended consequences that are highlighted by the NSEAD report, which I cited earlier? Is he prepared to do anything about them?

**Mr Gibb:** The evidence does not suggest that there have been any unintended consequences. We have had long debates with the religious studies lobby, which argued that the religious studies GCSE would fall through the floor. We have not seen that.

**Mrs Hodgson:** What about major industry and the arts?

**Mr Christopher Chope (in the Chair):** Order.

**Mr Gibb:** The entries for art and design were 162,000 in 2010-11 and 176,000 in 2014-15—the latest figures that I have. In drama, in 2010-11, there were 74,000 entries; they dropped in 2011 to 70,000 and then 69,000, but they went up to 70,000 and are now 70,800. In media, film and TV, there were 51,000 entries in 2010; they went down to 49,000 and then 48,700, but they went up to 51,000 and are now 51,570. So there is no evidence that the subjects are declining at GCSE.

**David Warburton:** Is it fair to point out that all the figures just given by the Minister are from before the announcement of the new EBacc and the consultation of November 2015, which is what has seen the drop in entries that we are all talking about?

**Mr Gibb:** No. Those figures are a consequence of the EBacc measure, which was taken seriously by schools—we have seen an increase in the EBacc performance measure. That is what we have seen—no fall in the figures. My assertion is that there will be no significant fall in the arts subjects as a consequence of the EBacc figure of 90%. The schools cited during the debate—the ones that have the strongest arts subjects, the choirs and the music GCSEs—are all doing the EBacc subjects right through to GCSE. They are not neglecting the arts. In fact, I assert that the schools that have the strongest arts education are also the ones that get the highest level in the EBacc performance measure.

**Catherine McKinnell:** Will the Minister acknowledge some disagreement about the statistics, the widespread concern that there is already a significant drop in the take-up of subjects and huge concern about a further drop in future take-up? The Government cannot simply reverse this easily, because we will have lost the teachers and the experts in the profession as a result of the drop in numbers. They would be difficult to recover. Will the Minister take on board those concerns and come back with a proper response about what the Government will do to take them into account?

**Mr Gibb:** I will of course listen carefully to this debate and all the representations made to the consultation, but there is a problem in this country. All the participants in the debate have talked about the arts being in addition. No one said—I listened carefully—that a foreign language is unnecessary for the majority of young people. No one said that taking two or three sciences is unnecessary for most young people. No one said that maths is not important, apart from the hon. Member for Glasgow North West (Carol Monaghan)—

**Carol Monaghan:** I do not think I said—in fact, I know I did not say—that maths was not important, although I said that basic numeracy was a requirement. What I did say was that advanced algebra and calculus were not necessary for every student to make their way in life.

**Mr Gibb:** That is where we disagree: young people living in a modern, complex society need to have mathematical skills that go beyond simple numeracy. They need to be able to do maths to the level of GCSE, which is why we have insisted that a GCSE in maths and in English are part of further education studies for students without those GCSEs.

No one in the debate is saying that those subjects should be dropped—in so far as that is concerned, we all agree. Our contention is that there is ample room to study, in addition to the EBacc subjects, the arts, economics or a vocational subject, if that is what interests the young person.

**Mr Marsden:** I understand the point that the Minister is making, but does he understand the point being made by the Opposition and elsewhere—that what is measured is what is valued? Unless the Minister says that every Ofsted report will look in the same detail at other, non-EBacc subjects, or take them into account in the rankings, as the EBacc subjects will be looked at—or as future employers will do—his argument is on somewhat weak ground.

**Mr Gibb:** People will look carefully at a school's EBacc performance measure. We want more young people—90% by 2020—to be taking GCSEs in those core academic subjects, which will provide the widest level of opportunities for them in future. That is what all the evidence suggests, and the policy in China, Finland, the state of Ontario in Canada, the state of Victoria in Australia, Germany and Poland is that all young people study those EBacc subjects. In fact, no one present has disagreed that all those subjects should be compulsory to the age of 14, or that English, maths and science should be compulsory to 16: all the debate is about is whether young people should study a foreign language, or history or geography, for two more years. The policy of the Government is that they should be, because that is what is needed to have a broad and balanced education.

We deliberately kept the EBacc small—we received representations from all quarters asking for a whole range of other subjects, in addition to the arts, to be included in the EBacc. It could well become 10, 11 or 12 subjects if we gave in to those requests, but we deliberately kept it small—to seven or eight subjects—to enable young people to take an eighth, ninth or 10th GCSE, or an

[*Mr Gibb*]

equivalent, in addition to the series of core academic subjects. That is what everyone in the Chamber today, I thought, had agreed with—that this is about what is in addition to the core academic subjects, and not instead of them.

On average, pupils in state-funded schools enter nine GCSEs and equivalent qualifications, rising to 10 for more able pupils. For many pupils, the EBacc will mean taking seven GCSEs and, for those taking triple science, it will mean taking eight. That means there will continue to be room to study other subjects, including the arts, as I have just said. If we extended the EBacc by including an arts subject, as proposed by the e-petition, pupil choice would be restricted, not expanded. Such a measure would prevent pupils from taking additional non-arts subjects of their own choosing, be that design and technology, religious education or a second foreign language. They might wish to study both history and geography, or to take a high-quality vocational course.

**Mrs Hodgson:** Does the Minister not recognise and perhaps agree that that might squeeze out other subjects, but would show that the arts are important? Science, maths, English and a language are important, but including a creative subject would send a vital message.

**Mr Gibb:** Messaging is one thing—I have said this to those who have been arguing about religious studies—but actually the lobbying itself is the messaging. I have never said, and no one in the Government has said, that arts subjects are any less valuable than the subjects in the EBacc. We have never said that economics is less valuable than any of the EBacc subjects. We have never said that vocational subjects are less valuable. In fact, we have had a whole review of vocational education, so that the remaining vocational qualifications that feature in the performance tables—more than 100—are valuable, deliberately, for that reason. We have never differentiated in our messaging between what is in the EBacc and what is not in the EBacc.

The purpose of the EBacc is to ensure that all young people take the combination of GCSEs that are taken by young people in the most privileged schools in our country and in the best and most high-achieving schools in the state sector. That is what we want and it concerns us that young people from deprived backgrounds who are eligible for free school meals are half as likely to take that combination, compared with their more fortunate peers. Tackling that issue is the core reason why the Government introduced the EBacc measure.

It has been suggested today that arts are not valued in the school accountability system. That is not the case. The EBacc is one of several measures against which school performance is judged. Progress 8, which forms the basis for the school floor standard, measures performance across eight subjects: English, maths, three EBacc subjects and three other approved qualifications. Those other slots can be filled by arts qualifications, if a pupil wishes. In addition, the once sprawling selection of GCSEs that was allowed to develop over the years has been narrowed to ensure that the ones we have are of a high quality—in fact, 28 GCSEs have been discontinued—which will further strengthen the position of core arts qualifications in schools.

There is no reason why the EBacc should imperil the status of arts subjects. Both core academic and creative subjects can, and should, co-exist in any good school. We have seen a dip in provisional arts entries this year, but since the EBacc was first introduced the proportion of pupils in state-funded schools taking at least one GCSE in an arts subject has increased, rising from 46% in 2011 to 50% in 2015. At Whitmore High School in Harrow, where 88% of pupils entered the EBacc in 2015, pupils benefit from opportunities to take part in a wide range of art, music and drama clubs.

GCSEs and A-levels in arts subjects have been reformed to include more rigorous subject content. From September 2016, schools will be teaching new GCSEs in music, dance and drama, and new AS and A-levels in music and in drama and theatre. We are working with exam boards and Ofqual to make sure it is very clear that all students should see live drama in the theatre as part of their drama qualification, and we expect that to be in place from September 2017.

It is worth noting also that one of the distinctive virtues of arts subjects is that pupils can and are very willing to participate in them as a part of their extra-curricular school experience. Pupils can perform in a school orchestra, take part in a dance group or participate on stage or backstage in a school play without necessarily taking music, dance or drama GCSE. It is for that reason that, between 2012 and 2016, we invested over £460 million in a diverse portfolio of music and arts education programmes designed to improve access to the arts for all children, regardless of their background, and to develop talent across the country. That includes support for the network of music education hubs, national youth music organisations, the National Youth Dance Company, a museums and schools programme and support for the Shakespeare Schools Festival. Those programmes are having an impact on pupils across the country. The National Youth Dance Company is in the middle of a national tour, which started on 26 June in Nottingham and takes in Newcastle, Leeds, Ipswich and Falmouth among other locations.

Music education hubs are intended to ensure that every child in England has the opportunity to learn a musical instrument through weekly whole-class ensemble teaching programmes. They are also expected to ensure that clear progression routes are available and affordable, and many hubs subsidise the cost of lessons for pupils. Under that programme, any budding seeds of musical passion that young people have will not remain un-nurtured. We announced in December that funding for music education hubs would remain at £75 million in 2016-17.

Introducing primary school pupils to the arts early on is important and that is why I am so pleased that every primary school in the country now has free access to “Classical 100”, which is a new resource to introduce pupils to classical music. It comprises high quality Decca recordings of 100 pieces of classical music from the 11th century to the 21st century that I hope will stimulate children’s lifelong appreciation, understanding and enjoyment of music. Examples include Beethoven’s fifth symphony and Vaughan Williams’s *Fantasia on Greensleeves* as well as children’s classics such as Prokofiev’s *Peter and the Wolf*. That is something I was passionate about getting off the ground.

As well as programmes to ensure that all pupils receive a good arts education, we are continuing to invest in programmes ensuring the most talented can fulfil that talent. The music and dance, and the dance and drama awards schemes provide means-tested support to ensure that talented young people from all backgrounds receive the training they need to succeed in careers in music, dancing and acting. About 3,500 students a year benefit from that support, studying at world-class institutions such as the Royal Ballet School, Chetham's School of Music and the Italia Conti Academy of Theatre Arts.

We have heard today concerns that the EBacc will hurt our creative industries. We absolutely recognise how important the creative industries are to our economy and our identity, but we do not accept that academic subjects at GCSE should prevent pupils from taking arts subjects.

**Mr Marsden:** I am sorry to interrupt the Minister, who is—quite rightly—giving a heart-warming list of Government initiatives. I do not object to those in any shape or form, but can I bring him back to the specific questions I asked him? When do the Government intend to respond to the consultation, what internal discussions has he had and what assessment of the equality impact has been made?

**Mr Gibb:** The equalities impact will be published alongside the Government response to the consultation. Officials are working with officials from the Department for Business, Innovation and Skills and the Department for Culture, Media and Sport. The consultation response will be published—here is the date: in due course. I hope the hon. Gentleman is happy with that response.

**Mr Marsden:** Partly.

**Mr Gibb:** Partly—that will do for now. We believe that for too long pupils from disadvantaged backgrounds have been dismissed, missing out on the core academic curriculum that is taken as a given by their more affluent peers. Our EBacc policy will ensure that that is no longer the case.

**Catherine McKinnell:** I have been listening carefully to the Minister. I appreciate the argument he is making and the Government's aspiration, but does he recognise that some young people will struggle with maths and English and the EBacc's core curriculum? As my hon. Friend the Member for Bristol East (Kerry McCarthy) set out, including a broader range of optional subjects as part of that could keep some of those young people on board by allowing them to take more artistic, expressive and creative subjects, which help them to stay interested and focused on the core subjects in which they also need to achieve. By closing down those opportunities, the Government could be undermining the ability of more students to achieve the EBacc standard.

**Mr Gibb:** I could not agree more; we do not disagree on this. That is why those creative arts subjects remain compulsory from five right through to 14 and as options that schools are required to offer between the ages of 14 and 16.

We have kept the EBacc deliberately small to enable pupils to have time to study creative subjects. The pupils to whom the hon. Lady refers can and should be encouraged to take those subjects, to ensure that they are engaged. However, we also believe it is important for all young people to study a foreign language and to take sciences, maths, English and at least one humanity from the ages of 14 to 16. We believe they should be able to do that as a core, basic part of their education, in addition to arts subjects that they might want to study between the ages of 14 and 16.

I hope hon. Members are assured that in providing all pupils with a core academic education that will help them to succeed we are in no way preventing pupils from studying the arts. The EBacc is a powerful reform that has already led to more than 91,000 more pupils studying a core academic curriculum at GCSE in 2015 than in 2011. This vital component of the Government's move towards more rigour in the classroom should not be diluted due to the idea that the arts and a core academic curriculum cannot co-exist within schools. They should, they can and they do.

7.7 pm

**Catherine McKinnell:** Thank you for your patience throughout this debate, Mr Choqe. I recently enjoyed a show called "Big and Small" at the Northern Stage in Newcastle. It was produced as a collaboration between a local high school and feeder primary schools. The younger children were selected on the basis that they were a little bit shy. The high school students had an interest in drama and creative arts, and they worked with the children—from creating the ideas to the script, the production and the costumes—to produce their own show, all in a matter of seven weeks. It was clear from seeing the show and meeting the children what a difference that experience made to both the older students and the young children in terms of their confidence, team building, creativity and self-belief.

For me, that was a very practical but powerful example of the difference that the arts can bring to children and young people's broader educational experience. While I have listened carefully to the Minister, I feel that the Government's policy and approach at the moment fundamentally risk undermining the benefits that can come from that experience. Many Members have set out powerfully their arguments for including arts in the core curriculum. At the most fundamental level we need these skills for our economy. If we put off children and young people who can flourish in those areas even though they may struggle in some other ones, the evidence shows that that would be a worrying trend.

It is not just a question of pounds and pence, however. For some young people it can be the difference between coming to school and giving up, between thriving in academia, thriving in creativity, thriving in both—or thriving in neither, if the subjects that young people feel passionate about cannot be undertaken as part of the EBacc. It is not an either/or issue. As my right hon. Friend the Member for Tottenham (Mr Lammy) and my hon. Friend the Member for Washington and Sunderland West (Mrs Hodgson) put it, very powerfully, children and young people should be able to choose. The fundamental question of why history and geography are rated differently from some arts subjects and why there is a false hierarchy for those subjects has not been answered.

[*Catherine McKinnell*]

The Government proclaim a belief in social justice and social mobility, which is hugely important, but that policy and some of the evidence flies in the face of that stated ambition. As MPs we have been through a period of bitter divisiveness in this country; we have been debating the country's future. Now is the time to come together to reinforce society's values of diversity, to empower young people to think creatively and inclusively. The drastic reduction in the take-up of arts subjects

seems to be a movement in completely the wrong direction. On behalf of everyone who cares about the issue I urge the Government to think again.

*Question put and agreed to.*

*Resolved,*

That this House has considered e-petition 111731 relating to expressive arts subjects and the EBacc.

7.11 pm

*Sitting adjourned.*





# Written Statement

*Monday 4 July 2016*

## EDUCATION

### Children's Social Care

#### **The Minister for Children and Families (Edward Timpson):**

Today the Government are publishing "Putting Children First: delivering our vision for excellent children's social care", a policy paper which sets out our programme of reform to children's social care for the next four years.

Children's social care services have an essential and life changing role to play in transforming the life chances of our most vulnerable children and families, stepping in to provide support so that children can stay with their birth family wherever possible. Where this cannot happen, difficult decisions often have to be made to put in place alternative arrangements that are in the best interests of the child, ensuring they have safe, stable and nurturing relationships, whether through adoption, foster care, residential care or family and friends' care.

In January, we set out our ambitious vision and our reform programme for children's social care, structured around three key areas:

People and leadership, bringing the best people into the profession, equipping them with the right knowledge and skills for the incredibly challenging but hugely rewarding work we expect them to do, and developing leaders equipped to nurture practice excellence.

Practice and systems, creating the right environment for excellent practice and innovation to flourish and creating a learning culture, drawing on both best practice and the lessons when things go wrong.

Governance and accountability, making sure that what we are doing is working, using data to show the strengths and weaknesses in the system, and developing innovative new organisational models with the potential to radically improve services.

"Putting Children First" sets out—against each of these three pillars—how we will create the conditions to enable Government, local authorities and their local partners, social workers and other professionals such as foster carers to provide consistently excellent children's social care, where the best interests and voice of the child are at the heart of decision-making, and to enable excellence to flourish and spread.

By 2020 we want all vulnerable children, no matter where they live, to receive the same high quality of care and support. The best outcome for every child will be central to every decision that is made.

Also published today is an independent report on children's residential care by Sir Martin Narey, former Chief Executive of Barnardo's and independent social care adviser to the Department for Education.

Sir Martin is clear that, despite challenges, the quality of care provided in homes is generally high and that there is an important ongoing role for residential care as an option for looked after children. We support Sir Martin's positive vision for the future role of residential care, and are very grateful for his report. The Government accept his analysis and findings and welcome the recommendations he makes. We will be responding more fully to his recommendations in the autumn. However, some immediate actions are clear and we will take them forward now, including:

Introducing a specific funding stream as part of the children's social care innovation programme to test innovative ideas for using residential care in a more dynamic and creative way to support those children who can benefit; and

Developing a staying close programme for those leaving residential care, an alternative to the staying put arrangements which already exist for children in foster care. We will use the innovation programme to pilot possible models of staying close.

Copies of "Putting Children First" and Sir Martin's report will be placed in both House Libraries.

[HCWS57]



# Petition

Monday 4 July 2016

## OBSERVATIONS

### WORK AND PENSIONS

#### Child Support Agency

*The petition of Mr Craig Bulman,*

Declares that the petitioner received unacceptable treatment from the Child Support Agency (CSA); further that the petitioner incurred significant losses and damages including loss of job as result of this treatment; further that the CSA has admitted to acting in an inappropriate manner towards the petitioner and awarded a consolatory payment of £5,000 in April 2012; further that this payment does not suffice to cover loss of earnings or impact on the petitioner's health and life; and further that the petitioner is unable to access legal aid or other legal assistance to challenge the value of this payment, which the petitioner believes is against his rights under Article 13 of the European Convention on Human Rights, Article 47 of the Charter of Fundamental Rights of the European Union and the Universal Declaration of Human Rights and is integral to upholding the rule of law.

The petitioner therefore requests that the House of Commons urges the Government to put pressure on the Child Support Agency to re-examine the case of Mr Bulman and award a much higher compensatory payment for the loss, harm, injury and damages caused as a result of their unacceptable treatment of the petitioner.

And the petitioner remains, etc. — [*Presented by Mr Alan Campbell*, *Official Report*, 27 April 2016; Vol. 608, c. 10P.]

[P001688]

*Observations from the Secretary of State for Work and Pensions (Mr Iain Duncan Smith):*

In January 2012 the Child Support Agency (the Agency) conducted a full review of Master Bulman's child support case. It confirmed that an error had been made by including a War Disablement Pension in the child maintenance calculation. The Agency corrected the child maintenance calculations and the accounts to take into account any overcharge of child maintenance that had occurred due to this Departmental error. Despite the corrections Master Bulman still had outstanding arrears.

In March 2012 the Agency acknowledged that it had mal-administered Master Bulman's case and an award of £5,000 was agreed as recognition of maladministration and the inconvenience that Master Bulman had suffered.

Treasury guidance provides public sector organisations with direction and guidance on the role of special payments in seeking to provide remedy for maladministration. Parliament makes no provision for special payments when voting money, nor has it put in place legislation governing special payments. As such there is no statutory framework for making such payments. Due to their exceptional nature, special payments are made on a discretionary, 'ex gratia' basis. This means that deciding whether to make a payment (in any case or situation) and if so, how much, is a matter of judgment.

As special payments are not covered by statute, customers have no right of appeal against either the amount of a special payment or a refusal to make one.



# ORAL ANSWERS

Monday 4 July 2016

|                                     | <i>Col. No.</i> |                                       | <i>Col. No.</i> |
|-------------------------------------|-----------------|---------------------------------------|-----------------|
| <b>EDUCATION</b> .....              | 583             | <b>EDUCATION—continued</b>            |                 |
| Academies: Parent Involvement ..... | 587             | Mindfulness: Schools .....            | 595             |
| Academies: Teacher Pay .....        | 583             | Pupils from Non-UK EU Countries ..... | 593             |
| Character Development .....         | 594             | School Funding.....                   | 589             |
| Child and Family Social Work .....  | 598             | School Funding Formula (London).....  | 596             |
| Childcare .....                     | 600             | Teacher Workload.....                 | 586             |
| Children: Physical Activity.....    | 599             | Topical Questions .....               | 600             |
| Deferred School Starts.....         | 593             | Underperforming Schools.....          | 597             |
| GCSEs: Languages .....              | 598             |                                       |                 |

# WRITTEN STATEMENT

Monday 4 July 2016

|                             | <i>Col. No.</i> | <i>Col. No.</i> |
|-----------------------------|-----------------|-----------------|
| <b>EDUCATION</b> .....      | 17WS            |                 |
| Children's Social Care..... | 17WS            |                 |

# PETITION

Monday 4 July 2016

|                                | <i>Col. No.</i> |
|--------------------------------|-----------------|
| <b>WORK AND PENSIONS</b> ..... | 7P              |
| Child Support Agency .....     | 7P              |

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  
Monday 11 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

Monday 4 July 2016

**Oral Answers to Questions [Col. 583] [see index inside back page]**

*Secretary of State for Education*

**EU Nationals: UK Residence [Col. 607]**

*Answer to urgent question—(James Brokenshire)*

**Surplus Target and Corporation Tax [Col. 622]**

*Answer to urgent question—(Mr Osborne)*

**Vehicle Noise Limits (Enforcement) [Col. 634]**

**Broadcasting (Radio Multiplex Services) [Col. 634]**

**Wild Animals in Circuses [Col. 634]**

**Animal Fighting (Sentencing) [Col. 634]**

**Local Audit (Public Access to Documents) [Col. 634]**

**Crown Tenancies [Col. 634]**

**Highway Works (Weekend Working and Traffic Management Measures) [Col. 635]**

**Local Authority Roads (Wildlife Protection) [Col. 635]**

**Use of Property (Protection) [Col. 635]**

**Road Traffic Offenders (Surrender of Driving Licences Etc) [Col. 635]**

**Providers of Health and Social Care (Schemes under Section 71 of the National Health Service Act 2006) [Col. 635]**

**Carbon Monoxide Poisoning (Safety Abroad) [Col. 636]**

**Protection of Family Homes (Enforcement and Permitted Development) [Col. 636]**

**Personal, Social, Health and Economic Education (Statutory Requirement) [Col. 636]**

**Housing (Tenants' Rights) [Col. 636]**

**Railways [Col. 637]**

**Animal Cruelty (Sentencing) [Col. 637]**

**Malicious Communications (Social Media) [Col. 637]**

*Bills presented, and read the First time*

**Estimates [1st allotted Day]**

**Courts and Tribunals Fees [Col. 638]**

**Energy Spending Priorities: Investors and Consumers [Col. 681]**

**Supply and Appropriation (Main Estimates) [Col. 716]**

*Bill presented, and read the First time*

**Royal Regiment of Artillery/Corps of Royal Engineers [Col. 718]**

*Debate on motion for Adjournment*

**Westminster Hall**

**EBacc: Expressive Arts Subjects [Col. 179WH]**

*Debate on a petition*

**Written Statement [Col. 17WS]**

**Petition [Col. 7P]**

*Observations*

**Written Answers to Questions [The written answers can now be found at <http://www.parliament.uk/writtenanswers>]**

---