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14 December 2016**

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**HOUSE OF COMMONS
OFFICIAL REPORT**

**PARLIAMENTARY
DEBATES**

(HANSARD)

Wednesday 14 December 2016

House of Commons

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The House met at half-past Eleven o'clock

PRAYERS

[MR SPEAKER *in the Chair*]

BUSINESS BEFORE QUESTIONS

ELECTORAL COMMISSION

The VICE-CHAMBERLAIN OF THE HOUSEHOLD reported to the House, That the Address of 1st November, praying that Her Majesty will appoint Sir John Holmes as the Chair of the Electoral Commission, with effect from 1 January 2017 to 31 December 2020, was presented to Her Majesty, who was graciously pleased to comply with the request.

The VICE-CHAMBERLAIN OF THE HOUSEHOLD reported to the House, That the Address of 1st November, praying that Her Majesty will appoint Dame Susan Bruce as an Electoral Commissioner, with effect from 1 January 2017 to 31 December 2020, was presented to Her Majesty, who was graciously pleased to comply with the request.

Oral Answers to Questions

CABINET OFFICE AND THE CHANCELLOR OF THE DUCHY OF LANCASTER

The Minister for the Cabinet Office was asked—

Cyber-attack

1. **Mike Freer** (Finchley and Golders Green) (Con): What assessment he has made of the adequacy of the UK's defences against cyber-attack. [907856]

6. **David Mackintosh** (Northampton South) (Con): What assessment he has made of the adequacy of the UK's defences against cyber-attack. [907862]

The Minister for the Cabinet Office and Paymaster General (Ben Gummer): The persistence and ingenuity of those who would threaten us with cyber-attacks mean that we need to work even harder to keep pace with the threat. That is why we recently launched our five-year national cyber-security strategy—supported by £1.9 billion of investment—in which we set out ambitious steps to respond to that increasing cyber-threat.

Mike Freer: Many local firms struggle to afford the very best in cyber-protection. Will the Minister explain what more the Government could do to share their expertise so that local small and medium-sized enterprises could benefit from their experience?

Ben Gummer: My hon. Friend raises an important point. It is a regrettable fact that, increasingly, cyber-security is an essential part of normal business operations. That is why we are trying to make it easier for small businesses. We have a new Cyber Essentials scheme, which helps businesses to understand what they need to do to protect themselves. We have a cyber exchange, which provides information about organisations and businesses, and directories that can help small businesses. We also have Action Fraud, which is the mechanism by which businesses can report malicious activity.

David Mackintosh: Will my right hon. Friend reassure the House that as well as protecting the nation's vital infrastructure from cyber-attacks, the Government are taking appropriate steps to protect businesses and individuals from the threat of such attacks?

Ben Gummer: I can reassure the House. My hon. Friend rightly raises the issue of wider threats to infrastructure, and that was the purpose behind the setting up of the National Cyber Security Centre, where we bring together all the expertise across Government to make sure that we are protecting our national infrastructure. I am confident that we will be able to do that to a world-leading capacity.

Geraint Davies (Swansea West) (Lab/Co-op): We know that Russian cyber-attacks had an impact on the US election, and that Russian bombing in Syria had an impact on Brexit. What assessment has MI5 made of cyber-attacks in relation to the Brexit output and, indeed, the Scottish referendum?

Ben Gummer: The hon. Gentleman will know that I cannot comment on the operational details of what the security agencies are doing, but he should be reassured that our agencies have some of the best capacities and capabilities in the world. They are being funded appropriately, we are making sure that they are doing what they need to do, and they are doing what they need to do.

Margaret Ferrier (Rutherglen and Hamilton West) (SNP): A cyber-attack earlier this month affecting several internet service providers resulted in more than 100,000 people across the UK losing their connection. With the economy becoming ever more reliant on digital infrastructure, what further resilience measures are the Government putting in place to protect not only businesses but consumers from such targeted attacks?

Ben Gummer: The hon. Lady is entirely right to point out the increasing threat, not only to organisations but to individuals as they live their normal lives. That is why the National Cyber Security Centre has been set up to engage with businesses very early—both on a proactive and a preventive basis, but also when there is a cyber-attack, as in the case that she cited—to ensure that customers are alerted early, that something is done to protect them, and that we learn from such attacks and make sure that they do not happen again in other parts of the economy.

12. [907869] **Byron Davies** (Gower) (Con): Last week, the head of MI6 warned of a "fundamental threat" to Europe from hostile states that use cyber-attacks

as part of a package of measures to subvert the democratic process. Tackling this is vital for the future of our democracy. Are the Government fully prepared for and able to defend the UK from such attacks?

Ben Gummer: We are. It would not be for me to add to the words of the director general of the Secret Intelligence Service, but it is important that we protect the integrity of our democracy. My hon. Friend can be assured that all agencies in this country are apprised of the necessity of doing precisely that.

Ian Lavery (Wansbeck) (Lab): In the light of the Russian intervention in the US election and the credible threats to the German election recognised by Chancellor Merkel, will the Minister give the House a guarantee that no cyber-attacks have been carried out on the UK that could have impacted on our democracy? Will he also inform the House what measures, in addition to the cyber-security strategy, his Government will be implementing to defend the UK from such attacks in the future?

Ben Gummer: I am gratified by the fact that the Electoral Commission says that our register is one of the most accurate and secure in the world, but we clearly need to protect the entire integrity of the democratic process. That is why all security agencies will be making sure that our systems are as secure as possible. I am grateful to the people working in the National Cyber Security Centre for the work they do—a lot of it is very difficult and technical—which is why we are better protected than most countries around the world. I intend to make sure that that capability and capacity improve and increase.

Departmental Plans: Joined-up Government

2. **Helen Whately (Faversham and Mid Kent) (Con):** What steps he is taking to use single departmental plans to ensure joined-up and efficient Government. [907857]

The Minister for the Cabinet Office and Paymaster General (Ben Gummer): Single departmental plans represent the Government's planning and performance management framework. SDPs help the Cabinet Office to ensure that Departments deliver the Government's key priorities, track progress against manifesto commitments and encourage greater efficiencies in Government.

Helen Whately: The five-year forward view for mental health encourages the Cabinet Office to oversee cross-Government implementation of proposals. What steps is my right hon. Friend taking to make sure that mental health is a priority for each Department?

Ben Gummer: I am grateful to my hon. Friend for raising this matter, which I know is very close to her heart and is one in which she has expertise. It is very important that we co-ordinate this matter across Government because it is not just a matter for the Department of Health, although I should say that my right hon. Friend the Secretary of State for Health is taking this as a personal issue, as is the Prime Minister. Our purpose in the Cabinet Office is to make sure that the decisions and recommendations that the Prime Minister will make in due course are implemented

across Government, so that there is a response from across the Government by the whole of the Government to something that affects everyone in this country.

Mr Gregory Campbell (East Londonderry) (DUP): The Minister referred to the benefits of joined-up and efficient Government. For those benefits to be seen and enjoyed by citizens across the United Kingdom, will he make a commitment to ongoing discussions with all the devolved legislatures to ensure that best practice is seen and enjoyed by everyone, irrespective of where they live in the UK?

Ben Gummer: I will. We can learn a great deal from each other.

Special Advisers

3. **Philip Boswell (Coatbridge, Chryston and Bellshill) (SNP):** If he will take steps to reduce the cost of special advisers. [907858]

The Parliamentary Secretary, Cabinet Office (Chris Skidmore): Special advisers play an important part in supporting Ministers to deliver their priorities. The Government are committed to making the most efficient use of public money. As part of that, we will keep under review the cost of the civil service, which includes special advisers.

Philip Boswell: The Prime Minister has introduced a salary cap for special advisers, but *The Times* has reported that her own special advisers are not subject to the cap. How do the Government plan to reassure the public that the costs of special advisers are being controlled?

Chris Skidmore: We are required by the Constitutional Reform and Governance Act 2010 to publish an annual report on the number and cost of special advisers, and we will publish an updated list shortly. We will provide information about the pay bands of special advisers, as well as the actual salaries of the more senior ones. We will also provide the total pay bill for special advisers and severance costs, including the severance payments made to the special advisers who recently left the Government.

House of Lords

4. **Jeff Smith (Manchester, Withington) (Lab):** What plans the Government have to bring forward legislative proposals to reduce the number of members of the House of Lords. [907859]

The Parliamentary Secretary, Cabinet Office (Chris Skidmore): The Government are clear that the House of Lords cannot continue to grow indefinitely. However, comprehensive reform of the House of Lords is not a priority for this Parliament, as set out in the Government's manifesto, given the number of pressing priorities—hon. Members know what they are—elsewhere. Of course, where measures can command consensus across the House, the Government will welcome working with peers to look at how to take them forward.

Jeff Smith: Even the House of Lords now thinks the House of Lords is too big, so how can it be the Government's priority to reduce the elected house by 50 Members, when under David Cameron the Lords expanded by 260?

Chris Skidmore: I am grateful to the hon. Gentleman for raising the excellent debate that took place in the other place on 5 December, in which 61 noble Members took part over six hours. It was clear that there was a consensus among all political parties, as there is a consensus among all political parties in this House, that the size of the Lords is an issue that will have to be addressed. Our manifesto commitment set out very clearly that it was not a priority. When it comes to the boundary changes, our manifesto commitment to reduce the number of constituencies from 650 to 600 is critical as it will save £66 million across a Parliament and, crucially, equalise constituencies that for decades have remained unequal.

Mr Speaker: I do not think anyone is concerned about the size of Lords, but possibly they are about the size of the House of Lords. It is quite important to be accurate about these matters.

Mr David Nuttall (Bury North) (Con): Does my hon. Friend agree that while reform of the House of Lords might not be a priority at the moment, if their lordships try to frustrate the will of the British people over Brexit, reform of the House of Lords should become a top priority?

Chris Skidmore: I refer again to the debate that took place last week, in which an interesting consensus developed. Baroness Evans, the Leader of the House of Lords, said in her summing up:

“It is right that we collectively seek a solution to address concerns about the size of this House raised today while ensuring we continue to refresh and renew our expertise and our outlook so we remain relevant to the Britain of today and the future.”—[*Official Report, House of Lords, 5 December 2016; Vol. 777, c. 590.*]

The House of Lords has a critical part in our constitution as a revising Chamber, and I hope that will continue.

Tommy Sheppard (Edinburgh East) (SNP): Last week, we witnessed the outrageous spectacle of Tory peers trying to filibuster plans that would have removed the archaic charade of the hereditary peer by-election that takes place in the House of Lords, in which a small number of privileged Lords decide which among their number will join that legislature. Does the Minister not agree that that makes a laughing stock of the House of Lords and underlines the need for this House to engage in serious plans for reform?

Chris Skidmore: It is a shame that there were no SNP Members of the House of Lords taking part in that debate because that party refuses to engage in the democratic process and lets down the people of Scotland by not allowing them adequate representation. Talking about frustrating processes, there was a vote in 2014 in which 2 million people voted to remain as part of the UK, but that party over there continues to frustrate the will of the Scottish people.

Kevin Foster (Torbay) (Con): I am sure the Minister shares my disappointment that when there was an opportunity to reform the House of Lords in Government time in this Chamber, the main Opposition party decided to frustrate it. Does he agree that any reform of the size

and composition of the Lords needs to be linked to wider reform that delivers a whole package, and should not just set a particular number on the membership?

Chris Skidmore: What is important is that reform of the House of Lords is led by the Lords themselves. As the debate last week showed, there is clearly an appetite for that. We have had significant reforms, including on the retirement of peers, which has seen about 50 peers retire. I welcome the fact that the Leader of the House of Lords said at the end of the debate that she would consider

“whether a more immediate, practical step could be taken in convening a small, Back Bench-led consultative group whose work could be overseen, for instance, by the Lord Speaker.”—[*Official Report, House of Lords, 5 December 2016; Vol. 777, c. 591.*]

I look forward to hearing more about the development of those plans.

Mr Dennis Skinner (Bolsover) (Lab): How can the Government justify having more than 800 unelected Members of the House of the Lords and reducing the elected House of Commons from 650 Members to 600? There are that many people in the House of Lords that they are running short of toilets.

Chris Skidmore: I am not sure about the toilets issue, but the Labour peer, Baroness Taylor of Bolton—a colleague of the hon. Gentleman with whom I am sure he often agrees—commented that while there are 845 Members of the House of Lords, average attendance is around 497. I am not sure what that does to the situation with the toilets.

Let us come back to the boundary changes. The hon. Gentleman has been around for a long time. He knows that when we look at the size of the constituencies in this House, we see that some have 95,000 constituents and some have 38,000. That discrepancy was first picked up on by the Chartists—he may have been around at that time. Two hundred years ago, a working-class organisation demanded change and we are the party that will deliver it.

Mr Speaker: We are very grateful to the Minister for his history lesson, which I accept he is in a good position to provide, but we must move on.

Andrew Gwynne (Denton and Reddish) (Lab): We have heard a great many words from the Minister. Why can he not understand that it is simply untenable to have a bloated revising Chamber with substantially more Members than this elected Chamber? This comes at a time when, as we have heard, he is ploughing ahead with his plans to reduce the size of this place. He might not think that reform of the House of Lords is a priority, but their lordships do, so what is he going to do about it?

Chris Skidmore: As I stated in a previous answer, it is up to the House of Lords to command cross-party consensus in that House. Labour Members of the Lords are willing to get involved with that. But let us talk about priorities, as the language of priorities is the language of politics. Our priority is to ensure that we deliver the will of the British people in leaving the European Union. The Labour party’s priorities seem to be frustrating the Brexit process and demanding we

take up our entire legislative time reforming the House of Lords. If we are looking at who should be getting their priorities straight, the hon. Gentleman should look at himself.

Government Services Online

5. **Edward Argar** (Charnwood) (Con): What steps the Government are taking to improve the accessibility of Government services online. [907861]

The Minister for the Cabinet Office and Paymaster General (Ben Gummer): In our manifesto we committed to ensuring that digital assistance is always available to those not online in the delivery of online Government services. All services will have a means of access for those not able to use the online service.

Edward Argar: I am encouraged by my right hon. Friend's answer. He rightly continues to improve access to Government services online. Will he ensure that that is done in a way that avoids excluding or disadvantaging those who, for whatever reason, are unable to access such services?

Ben Gummer: I am able to give my hon. Friend that reassurance. We have travelled a great distance in the past six years, and access to online services is immeasurably better now than back in 2010. But we want to make sure that everyone is able to gain access to Government services and will provide alternative routes to them if they cannot do so online.

Mr Barry Sheerman (Huddersfield) (Lab/Co-op): The Minister will know that online access has to be of the highest quality. The experience of some Departments has not been very reassuring. There are very talented people on the autism spectrum who are very good at this. Will the Minister look at recruiting many of them to help make online services better?

Ben Gummer: The hon. Gentleman is right to point to former failures of accessibility in online services; direct.gov.uk was appalling for accessibility. We now make sure that all services are accessible by design, but I will repeat his comments to the Government Digital Service for its interest.

10. [907867] **Sir Desmond Swayne** (New Forest West) (Con): How is progress on the Minister's excellent Verify system proceeding?

Ben Gummer: It is proceeding well, but not well enough, and I want it to be faster.

John Pugh (Southport) (LD): When I look online, I find it is almost impossible to get a physical address to write to from a Government website. Is that deliberate?

Ben Gummer: It is not, but if the hon. Gentleman wishes to show me the examples I will make sure that they are corrected.

11. [907868] **James Morris** (Halesowen and Rowley Regis) (Con): Does the Minister agree that, given the UK's skill base and creativity in digital services, there is an opportunity for the Government to be a world leader in the provision of Government digital services?

Ben Gummer: We are already the world leader. We have the finest Government digital services in the world. It is not just us saying that but comparable organisations around the world. But we can still do better, and there is a great deal that I want to do. I urge my hon. Friend to look out for the forthcoming strategy on this precise matter.

Topical Questions

T1. [907871] **Mr Douglas Carswell** (Clacton) (UKIP): If he will make a statement on his departmental responsibilities.

The Minister for the Cabinet Office and Paymaster General (Ben Gummer): The purpose of the Cabinet Office is to deliver a democracy that works for everyone, to support the design and delivery of Government policy, and to deliver efficiencies and reforms to make Government work better.

Mr Carswell: Since 2008, many Select Committees have held pre-appointment hearings for aspiring quangocrats. Will the Minister consider making it routine for Select Committees to hold formal confirmation hearings, especially when the position requires substantial control over taxpayer money?

Ben Gummer: I am not quite sure why the hon. Gentleman needs to phrase every question he asks with an insult. I know that he should look closely at our work on ensuring that Select Committees have even more influence in scrutinising Government policy. I will take his careful and wise comments on board.

T5. [907875] **Jeremy Quin** (Horsham) (Con): Will my hon. Friend please update the House on what progress he has made in creating a single point of complaint for users of public services?

The Parliamentary Secretary, Cabinet Office (Chris Skidmore): I am delighted to say that last week I published the draft Public Service Ombudsman Bill, which will modernise the complaints system for public services. As my hon. Friend says, it sets out how we will create a single point of contact, make the system simpler and more efficient and give the new ombudsman a wider role in championing improvements in complaints handling.

Cat Smith (Lancaster and Fleetwood) (Lab): The Minister will no doubt be aware of the 2014 Electoral Commission survey that found that 7.4 million people were missing from the electoral register—young people were identified as being particularly under-represented—so will he commit to introducing a schools registration scheme along the lines of the initiative in Northern Ireland, which has resulted in an increase in the number of young people registered to vote?

Chris Skidmore: As part of our commitment to a democracy that works for everyone, I have been touring the country and investigating how we can get more young people actively engaged in politics, and I held a roundtable with youth organisations last week to discuss our strategy, but the Northern Ireland example is not something we wish to take forward, as the idea of compulsion on schools does not work. I have learned

that there must be local ownership of schemes to ensure that civil society groups can encourage young people to join the register when they turn 18.

T7. [907877] **Steve Double** (St Austell and Newquay) (Con): I welcome the Government's racial disparities audit, which is seeking to address the geographical inequalities in services, including among the white working-class communities of our coastal towns, which are some of the most deprived in the country. Will the Minister please update the House on progress with the audit?

Ben Gummer: We are making very good progress with the audit, and I thank my hon. Friend for raising it. As the Prime Minister said on the steps of Downing Street,

"If you're a white, working-class boy, you're less likely than anybody else in Britain to go to university."

That is why we are looking at these disparities so carefully in our racial disparities audit.

T3. [907873] **Ian C. Lucas** (Wrexham) (Lab): A victim of a cyber-attack in my constituency went to North Wales police for help and was referred to me to speak to a human being and get information about the case. Can the City of London police have control of these matters and have human beings at the end of the line to assist people, who after all are victims of crime?

Ben Gummer: I regret the experience that the hon. Gentleman's constituent had. We have set up a group to look after victims of cybercrime called Action Fraud, to which his constituent should attend first, and we have ensured that the National Cyber Security Centre provides a personal service to businesses, but I am happy to take up his particular issue personally to make sure it is corrected.

Michael Fabricant (Lichfield) (Con): Is my right hon. Friend aware that sometimes a cyber-attack is inadvertent and that *The Register* and other magazines report that a Microsoft download and update has caused a mass disconnection of computers from the internet, particularly among those running Windows 8 and 10? Do the Government have a role in advising people on how that sort of thing can be corrected?

Ben Gummer: My hon. Friend is a far more astute reader of IT journals than I am. We are aware of our responsibilities, which is why we have set up the Cyber Essentials website, but I will relay his comments to those who know more about it than I do so that they can reflect on them.

T4. [907874] **Mr David Hanson** (Delyn) (Lab): For what specific reason are the Government blocking Lord Grocott's Bill to end the ludicrous elections to hereditary peerages?

Chris Skidmore: As I have stated, the Government are absolutely committed to ensuring we go forward with consensus in the House of Lords on the reform and size of that House. The debate, which I have outlined already, demonstrated that there was a consensus, and the Leader of the House of Lords is working to established that Committee, as I have said. That is the Government's approach.

Mr Ranil Jayawardena (North East Hampshire) (Con): Both Ministers have talked about creating a democracy that works for everyone, so will they look further at making sure that first past the post is rolled out for mayoral and police and crime commissioner elections?

Chris Skidmore: I sat in on my hon. Friend's ten-minute rule Bill, which I listened to with intent, but while the Government are absolutely committed to first past the post as an electoral system, as set out in our manifesto, we need to ensure that the conduct of elections set out in legislation is carefully managed.

Mr Speaker: John Cryer. Where is the feller? Dear, oh dear.

T9. [907879] **Danny Kinahan** (South Antrim) (UUP): I appreciate that this is a devolved matter, but surely there has to be a process for the Cabinet Office to hold the Northern Ireland Executive to account when £400 million of all our money is being wasted on the renewable heat initiative?

Ben Gummer: The hon. Gentleman says it is a devolved matter. It is rightly a devolved matter, and it would not be right for me to comment on it here.

Matt Warman (Boston and Skegness) (Con): Tomorrow this House will debate the Government's broadband universal service obligation. Does the Minister agree that we must complement the excellent work of the Government Digital Service with a real commitment to superfast broadband wherever we can take it?

Ben Gummer: It is right, which is why our manifesto was the most ambitious of all the main parties for the roll-out of superfast and ultrafast broadband, and my hon. Friend will hear a lot more about it in the weeks to come.

PRIME MINISTER

The Prime Minister was asked—

Engagements

Q1. [907841] **Peter Dowd** (Bootle) (Lab): If she will list her official engagements for Wednesday 14 December.

The Prime Minister (Mrs Theresa May): This morning I had meetings with ministerial colleagues and others. In addition to my duties in this House, I will have further such meetings later today.

Peter Dowd: May I take the opportunity to wish you, Mr Speaker, and all Members of the House a merry Christmas and a happy new year?

In the light of the Foreign Secretary's display of chronic "foot in mouth" disease, when deciding on Cabinet positions, does the Prime Minister now regret that pencilling "FO" against his name should have been an instruction, not a job offer?

The Prime Minister rose—

Mr Speaker: Order. There is far too much noise in the Chamber. We have heard the question, but I want to hear the Prime Minister's answer.

The Prime Minister: I join the hon. Gentleman in wishing everybody a happy Christmas. I will of course have an opportunity to do that again on Monday, when I am sure the House will be as full for the statement on the European Council meeting. [HON. MEMBERS: "Hear, hear."] Funny, that seemed to come from this side of the House but not from the Labour side. I have to say that the Foreign Secretary is doing an absolutely excellent job. He is, in short, an FFS—a fine Foreign Secretary.

Q4. [907703] **Amanda Milling** (Cannock Chase) (Con): Rugeley has a really bright future ahead—[*Interruption.*]

Mr Speaker: Order. I want to hear the voice of Cannock Chase.

Amanda Milling: Rugeley has a really bright future ahead, but only if we are ambitious, bold and visionary in our redevelopment plans. Will my right hon. Friend outline how the Government's industrial strategy can create the conditions that will help us to build a sustainable local economy and highly skilled jobs for future generations?

The Prime Minister: My hon. Friend is absolutely right that communities across this country have a bright future ahead of them, but we need to ensure that we create the conditions for that future. That is why we will be producing a modern industrial strategy that will show how we can encourage the strategic strengths of the United Kingdom and deal with our underlying weaknesses. It will enable companies to grow, invest in the UK and provide those jobs for the future, but we also need to make sure that that prosperity is spread across the whole of the United Kingdom and is prosperity for everyone.

Jeremy Corbyn (Islington North) (Lab): May I start by wishing you, Mr Speaker, all Members of the House and everyone who works in the House a very happy Christmas and a prosperous new year?

Sadly, our late colleague Jo Cox will not be celebrating Christmas this year with her family. She was murdered and taken from us, so I hope the Prime Minister will join me—I am sure she will—in encouraging people to download the song, which many Members helped to create, as a tribute to Jo's life and work and in everlasting memory of her.

The Prime Minister: The right hon. Gentleman is absolutely right to raise this issue. I am sure that everybody in this House would wish to send a very clear message: download this single for the Jo Cox Foundation. It is a very important cause. We all recognise that Jo Cox was a fine Member of this House and would have carried on contributing significantly to this House and to this country, had she not been brutally murdered. It is right that the Chancellor has waived VAT on the single. Everybody involved in it gave their services for free, and I am having a photograph with MP4 later this afternoon. Once again, let us encourage everybody to download the single.

Mr Speaker: For the benefit of those observing our proceedings from outside, I should state that the Prime Minister was, of course, referring to the outstanding parliamentary rock band MP4.

Jeremy Corbyn: I applaud the work of MP4, but for the benefit of air quality I am not a member of it! I thank the Prime Minister for her answer.

Social care is crucial. It provides support for people to live with dignity, yet Age UK research has found that 1.2 million older people are currently not receiving the care they need. Will the Prime Minister accept that there is a crisis in social care?

The Prime Minister: I have consistently said in this House that we recognise the pressures on social care, so it might be helpful if I set out what the Government are doing and the position in relation to social care. As I say, we recognise those pressures. That is why the Government are putting more money into social care through the better care fund, and by the end of this Parliament it will be billions of pounds extra. That is why we have enabled the social care precept for local authorities. We recognise that there are immediate pressures on social care. That is why this will be addressed tomorrow by my right hon. Friend the Secretary of State for Communities and Local Government in the local government finance settlement. We also recognise that this is not just about money; it is about delivery. There is a difference in delivery across the country. We need to make sure that reform is taking place, so we see best practice in the integration of health and social care across the country. We also need to ensure that we have a longer-term solution to give people reassurance for the future that there is a sustainable system that will ensure that they receive the social care they need in old age. That is what the Government are working on. There is a short-term issue; there is medium-term need to make sure local authorities and the health service are delivering consistently; and there is a long-term solution that we need to find.

Jeremy Corbyn: The Care Quality Commission warned as recently as October that evidence suggests we have approached a tipping point. Instead of passing the buck on to local government, should not the Government take responsibility for the crisis themselves? Will the Prime Minister take this opportunity to inform the House exactly how much was cut from the social care budget in the last Parliament?

The Prime Minister: We have been putting more money into social care and health. [HON. MEMBERS: "How much?"] We have been putting more money in and, as I say, we recognise the pressures that exist. That is why we are looking at the short-term pressures on social care, but this cannot be looked at as simply being an issue of money in the short term. It is about delivery; it is about reform; it is about the social care system working with the health system. That is why this issue is being addressed not just by the Secretary of State for Communities and Local Government, but by the Secretary of State for Health. If we are going to give people the reassurance they need in the longer term that their social care needs will be met, we need to make it clear that this is not just about looking for a short-term solution. It is about finding a way forward that can give us a sustainable system of social care for the future.

Jeremy Corbyn: The Prime Minister does not seem to be aware that £4.6 billion was cut from the social care budget in the last Parliament. Her talk about putting this on to local government ought to be taken for what it is—a con. Two per cent. of council tax is clearly a nonsense; 95% of councils used the social care precept, and it raised less than 3% of the money they planned to spend on adult social care. Billions seem to be available for tax give-aways to corporations—not mentioned in the autumn statement—and underfunding has left many elderly people isolated and in crisis because of the lack of Government funding for social care.

The Prime Minister: Many councils around the country have taken the benefit of the social care precept and as a result have actually seen more people being able to access social care and more needs being met. Sadly, there are some councils across the country—some Labour councils—that have not taken that opportunity and we see worse performance on social care. The right hon. Gentleman once again referred to money, so I remind him that the then shadow Chancellor said at the last election that if Labour was in government there would be “not a penny more” for local authorities. When recently asked about spending more money on social care and where the money would come from, Labour’s shadow Health Secretary said:

“Well, we’re going to have to come up with a plan for that”.

Jeremy Corbyn: This Government have cut social care and the Prime Minister well knows it, and she well knows the effects of that. She also well knows that raising council tax has different outcomes in different parts of the country. If you raise the council tax precept in Windsor and Maidenhead, you get quite a lot of money. If you raise the council tax precept in Liverpool or Newcastle, you get a lot less. Is the Prime Minister saying that frail, elderly, vulnerable people in our big cities are less valuable than those in wealthier parts of the country?

This is a crisis for many elderly people who are living in a difficult situation, but it is also a crisis for the national health service. People in hospital cannot be discharged because there is nowhere for them to go. I ask the Prime Minister again: the crisis affects individuals, families and the national health service, so why does she not do something really bold: cancel the corporation tax cut and put the money into social care instead?

The Prime Minister: The right hon. Gentleman referred to Newcastle council in his list. I have to say that Newcastle City Council is one of the councils that saw virtually no delayed discharges in September, so elderly people were not being held up in hospital when they did not need or want to be. That shows that it is possible for councils to deliver on the ground. Councils such as Newcastle and Torbay are doing that, but councils such as Ealing are not using the social care precept and the result is different. The difference between the worst performing council in relation to delayed discharges and the best is twentyfold. That is not about the difference in funding; it is about the difference in delivery.

Jeremy Corbyn: Councils across the country work hard to try to cope with a 40% cut in their budgets, and the people paying the price are those who are stuck in hospital who should be allowed to go home and those

who are not getting the care and support they need. The social care system is deep in crisis. The crisis was made in Downing Street by this Government. The former Chair of the Health Committee, Stephen Dorrell, says that the system is inadequately funded. The current Chair of the Health Committee, the hon. Member for Totnes (Dr Wollaston), said that

“this issue can’t be ducked any longer because of the impact it is having not just on vulnerable people, but also on the NHS.”

Why does the Prime Minister not listen to local government, the King’s Fund, the NHS Confederation and her own council leaders and recognise that this social care crisis forces people to give up work to care for loved ones because there is no system to do that? It makes people stay in hospital longer than they should and leads people into a horrible, isolated life when they should be cared for by all of us through a properly funded social care system. Get a grip and fund it properly, please.

The Prime Minister: The issue of social care has been ducked by Governments for too long. That is why this Government will provide a long-term sustainable system for social care that gives people reassurance. The right hon. Gentleman talks about Governments ducking social care, so let us look at the 13 years of Labour government. In 1997, they said in their manifesto that they would sort it. They had a royal commission in 1999, a Green Paper in 2005 and the Wanless report in 2006. They said they would sort it in the 2007 comprehensive spending review. In 2009, they had another Green Paper: 13 years and no action whatsoever.

Q11. [907851] **Tim Loughton** (East Worthing and Shoreham) (Con): Today, a constituent of mine from Shoreham will struggle to get to University College hospital, London, for life-saving cancer drug trials, and across Sussex thousands of others will be unable to get to work, to school or to college because ASLEF objects to their drivers on Southern operating the doors. Yet today, ASLEF drivers will be driving Thameslink trains on the same rails, operating the doors on the London to Brighton line. Can the Prime Minister give her assurance that everything will be done at the ACAS talks today to end this nonsense of a strike, address any residual safety issues and give our constituents their lives back?

The Prime Minister: My hon. Friend is absolutely right to raise this issue. This is an appalling strike and he is right to raise the discrepancy in the attitude of ASLEF; we have seen driver-only operated trains on rail networks in the UK for decades and they are on Thameslink. I hope that the talks at ACAS are going to lead to an end to this strike, but I have a suggestion for the Leader of the Opposition, as he could do something to help members of the public. The Labour party is funded by ASLEF. Why does he not get on the phone and tell it to call the strike off immediately?

Angus Robertson (Moray) (SNP): We join the leader of the Labour party and the Prime Minister in wishing great success to the Jo Cox single, which is available for download on Friday—I am sure we are all going to download it.

Civilians have suffered grievously from the bombing of hospitals, schools and markets. The United Nations believes that 60% of civilian casualties are caused by

airstrikes. In the past 24 hours, the United States has stopped the supply of precision-guided munitions to Saudi Arabia to bomb Yemen. When will the UK follow suit?

The Prime Minister: As the right hon. Gentleman knows, we have a very strict regime of export licences in relation to weapons here in the United Kingdom. We exercise that very carefully, and in recent years we have indeed refused export licences in relation to arms, including to Yemen and Saudi Arabia.

Angus Robertson: The US Government have just said that

“systematic, endemic problems in Saudi Arabia’s targeting drove the US decision to halt a future weapons sale involving precision-guided munitions”.

The Saudis have UK-supplied precision-guided Paveway IV missiles—they are made in Scotland. The UK has licensed £3.3 billion-worth of arms to Saudi Arabia since the beginning of the bombing campaign. What will it take for the UK to adopt an ethical foreign policy when it comes to Yemen?

The Prime Minister: As the right hon. Gentleman knows, the intervention in Yemen is a UN-backed intervention. As I have said previously, where there are allegations of breaches of international humanitarian law, we require those to be properly investigated. We do have a relationship with Saudi Arabia. The security of the Gulf is important to us, and I would simply also remind him that Saudi intelligence—the counter-terrorism links we have with Saudi Arabia and the intelligence we get from Saudi Arabia—has saved potentially hundreds of lives here in the UK.

Q12. [907852] **Dr Sarah Wollaston** (Totnes) (Con): One of my constituents has just had to move to residential care because no carers could be found to support her in her own home. She is at the sharp end of a crisis in social care that is as much about inadequate funding as it is about a shortfall in our very valued social care workforce. I am looking forward to hearing what immediate further support will be provided for social care, but is it not time that rather than having confrontational dialogues about social care funding, all parties work together, across this House, to look for a sustainable long-term solution for the funding of both integrated health and social care?

The Prime Minister: My hon. Friend is right to raise the issue of looking at a sustainable way in which we can support integrated health and social care, and a sustainable way for people to know that in the future they are going to be able to have the social care that they require. As I said earlier in response to the Leader of the Opposition, we recognise the short-term pressures that there are on the system, but it is important for us to look at those medium-term and longer-term solutions if we are going to be able to address this issue. I was very pleased to be able to have a meeting with my hon. Friend to discuss this last week, and I look forward to further such meetings.

Q2. [907842] **Mark Durkan** (Foyle) (SDLP): A cross-party delegation led by the right hon. Member for Cynon Valley (Ann Clwyd) will meet the Russian ambassador tomorrow morning to discuss Aleppo. We will reflect

and amplify the sort of terms that the Prime Minister and the Foreign Secretary have used about Russia, the Assad regime and Iran, not least because we want to protect those who have heroically struggled to save lives in that city and who will now be at particular risk because of what they have witnessed. Does the Prime Minister accept that many of us believe that these messages are more cogent when we are equally unequivocal about the primacy of human rights and international humanitarian law when we meet the Gulf states.

The Prime Minister: We do raise the issue of human rights when we meet the Gulf states, but the hon. Gentleman is absolutely right in relation to the role that Russia is playing in Syria. There is a very simple message for President Putin. He has it within his own hands to say to the Assad regime that enough is enough in Aleppo. We need to ensure that humanitarian aid is there for people and that there is security for the people who have, as the hon. Gentleman has said, been heroically saving the lives of others. I am sure that that is a message that he and others will be giving to the Russian ambassador. It is in President Putin’s hands; he can do it, why does he not?

Q14. [907854] **Victoria Prentis** (Banbury) (Con): On the same subject, will the Prime Minister join me in thanking the many Members from all parts of this House who sung for Syrians last night in St Margaret’s, Westminster? Singing for Syrians was created to pay the salaries of the medical staff in Aleppo. Since our hospital was bombed two weeks ago, we have been buying prosthetic limbs with all our money. We have a waiting list of 30,000 people. What can we do to target our humanitarian aid to ensure that it gets to the most vulnerable people in Syria—the old, the very young, and people who are too injured to move?

The Prime Minister: First of all, I absolutely join my hon. Friend in congratulating everyone who took part in Singing for Syrians. I am sure the whole House welcomes the work that that group is doing and the money that it is raising and putting to extremely good use. The House was struck when she mentioned the number of people who are on the waiting list for prosthetic limbs. Our humanitarian aid support for Syria is the biggest such effort that the UK has made. Of course we are giving money to the refugees who have fled from Syria. We are also working diplomatically to try to reduce the suffering and to ensure that the sort of aid and medical support that she is talking about gets through to the citizens of Aleppo. We will continue to ensure that our humanitarian aid is being put to good use—helping those who are vulnerable and also helping those who need the education and support to be able, in due course, to rebuild Syria when it is stable and secure.

Q3. [907843] **Nick Smith** (Blaenau Gwent) (Lab): Rip-off interest rates on household goods are wrong. Companies such as BrightHouse exploit families who have no other way to furnish their homes. Will the Prime Minister look at capping those interest rates to help those who are just about managing?

The Prime Minister: The hon. Gentleman raises an important issue. I recognise that there are many people who are just about managing and struggling to get by

who find themselves having to revert to support from companies that do, sadly, charge the sort of interest rates that he is talking about. Action has been taken in relation to some of those activities in the past, but I will look at the issue that he raised.

Q15. [907855] **Helen Whately** (Faversham and Mid Kent) (Con): Across the country, and particularly in Kent, lorry fly-parking is a blight. It is antisocial and dangerous. Will my right hon. Friend the Prime Minister support my campaign for more lorry parking spaces, more effective enforcement and, ultimately, a ban on lorries parking in unauthorised places?

The Prime Minister: I recognise the concern that my hon. Friend has raised; it is one that is shared by many Kent MPs who see this problem only too closely in their own constituencies. May I assure her that the Government share the desire to ensure that we do not see this fly-parking of lorries across Kent and that we do provide suitable lorry parking facilities in Kent? I know that the Under-Secretary of State for Transport, my hon. Friend the Member for Harrogate and Knaresborough (Andrew Jones), is looking at this issue very carefully. I recognise, from my time as Home Secretary, the pressure that can be put on the roads, villages and towns in Kent at particular times. The Government are working on it, and we will find a solution.

Q5. [907845] **Ian Blackford** (Ross, Skye and Lochaber) (SNP): Now we know, courtesy of the Government's infrastructure watchdog, that mobile coverage in the UK is worse than in Romania, will the Prime Minister take steps to introduce a universal service obligation? In the highlands it is fairly typical to get the message, "No signal." It would often be better to use carrier pigeons. Does the Prime Minister recognise that that is not acceptable, and will she take responsibility? It is time to connect the highlands to the rest of the world.

The Prime Minister: I can assure the hon. Gentleman that the issue of decent mobile coverage does not only affect the highlands. There are parts of England, Wales and Northern Ireland that are also affected. The Government have very strong commitments in relation to this; we have very strong commitments in relation to broadband. My right hon. Friend the Secretary of State for Culture, Media and Sport will deliver on those.

Anna Soubry (Broxtowe) (Con): Money cannot compensate someone who has been accused of a very serious criminal offence and who then finds that the details are in the press along with their name. Nothing, in truth, can restore their reputation after it has been trashed in those circumstances. In 2011, I tried to change the law with a private Member's Bill. Today, Sir Bernard Hogan-Howe said that it was time to introduce new legislation. Will the Prime Minister agree at least to consider changing the law so that everyone, with a few exceptions, has the right to anonymity if they are a suspect in criminal proceedings until such time as they are charged?

The Prime Minister: I recognise the interest that my right hon. Friend takes in this issue. She will know that it has been debated on a number of occasions in the House. The general assumption is that someone should

not be named before the point of charge, but there is an allowance for the police to be able to raise someone's name if it is a case where they believe that doing so will perhaps help other victims to come forward. This is of particular concern in matters of sexual violence—rape, for example—or where the police believe that the naming of an individual will help in the detection of the crime. This is a delicate issue, and I recognise my right hon. Friend's concern. The College of Policing is looking at it very carefully, and is due to provide new guidance to the police in the new year in relation to the media.

Q6. [907846] **Lucy Powell** (Manchester Central) (Lab/Co-op): The heart-breaking humanitarian crisis and genocide in Syria continue to take place as the world watches impotently, yet there is no end in sight. Does the Prime Minister agree with the right hon. Member for Tatton (Mr Osborne) that what is happening in Syria is a failure of western leadership, and does she agree with me that what is urgently required is what our dear friend, Jo Cox, called for nearly a year ago: a UK-led strategy to protect civilians, whether they are fleeing persecution, whether they are surrendering, or whether they are still besieged?

The Prime Minister: We must all take responsibility for decisions that we have taken, whether we take them sitting around the National Security Council table or, indeed, whether we take them in the House, with the decision it took in 2013. The hon. Lady raised the question of UK-led action in relation to the protection of civilians. The UK has been pressing for action in the United Nations Security Council, working with the French. The two most recent emergency UN Security Council meetings were called for by us, and the most recent took place yesterday. As she will know, there have been six UN Security Council resolutions which have been vetoed by Russia. The most recent was also vetoed by China. We continue to work with the United Nations, but if we are to get a solution that works on the ground other countries have to buy into it, and it has to be a solution that Russia buys into, as well as the regime.

Robert Jenrick (Newark) (Con): I have received a message from Nick from Grantham—actually, it was a text message from our hon. Friend the Member for Grantham and Stamford (Nick Boles). For the avoidance of doubt, this is one text message that he is willing to have read out in public. Other than getting rid of his tumour and making a swift return to this place, nothing matters more to him than ensuring that round-the-clock emergency services are restored to his local hospital in Grantham. Will my right hon. Friend receive the petition that he has organised, ensure that the passionate views of his constituents are heard, and above all reassure people in that rural area that they will always have access to safe emergency care for them and their families?

The Prime Minister: I am sure the thoughts of the whole House are with our hon. Friend the Member for Grantham and Stamford (Nick Boles), and I wish him the very best for his recovery as he goes through this illness. I recognise the strength of feeling he has about the emergency services in his local hospital. I believe that those concerns are shared by our new hon. Friend the Member for Sleaford and North Hykeham (Dr Johnson).

I can assure my hon. Friend the Member for Grantham and Stamford that the process that is taking place, which is looking at the development of local services, is about listening to local people, hearing the local voice and, above all, ensuring that the services available to people in their local area are the right services for that area and that they can be delivered safely and securely for local people.

Q7. [907847] Justin Madders (Ellesmere Port and Neston) (Lab): At the last election the Conservative party manifesto said that

“we will help local authorities keep council tax low for hardworking taxpayers, and ensure residents can continue to veto high rises”.

Band D council tax payers in Ellesmere Port and Neston now face paying an extra £125 a year, with no veto, because of the Government’s failure to tackle the social care crisis. Will the Prime Minister now admit that her party’s pledge on council tax has been abandoned?

The Prime Minister: No. Obviously we have put the social care precept in place in recognition of the pressures on social care, but I am very pleased to say that we have seen many examples over the country of good local authorities ensuring that they are keeping council tax down, including the Royal Borough of Windsor and Maidenhead, which cut council tax for six years running.

Gareth Johnson (Dartford) (Con): On 14 August my constituents George Low and Ben Barker were the victims of a vicious knife attack in Ayia Napa. George Low, sadly, died later that day from his injuries. The two culprits fled to northern Cyprus, where they were arrested on unrelated matters. Despite representations made by the Foreign Office, one of those men was recently able to walk free, and it is feared that the second man will follow shortly. Will the Prime Minister do all she can to help to bring justice for George Low and Ben Barker for what was an horrific, vicious attack that was completely without provocation and has been devastating for both their families?

The Prime Minister: I am sure all of us across the House send our deepest sympathies to the family of George Low, and our very best wishes to Ben Barker for a full recovery from the terrible injuries that he suffered as a result of what was, as my hon. Friend said, a violent and completely unprovoked attack. The case was raised most recently with the relevant Government by the Foreign Secretary during his visit to Cyprus on 30 November, and he set out clearly our desire to see those guilty of this attack brought to justice. The Foreign and Commonwealth Office will continue to offer help and support to both families. We will continue to raise this issue, and I am sure the Foreign and Commonwealth Office will keep my hon. Friend informed of any developments.

Q8. [907848] Mike Weir (Angus) (SNP): The Arbroath smokie, along with many other food and drink products, has benefited greatly from the European Union’s protected geographical indication scheme. What guarantee can the Prime Minister give us that it will continue to get that protection, should we end up leaving the EU?

The Prime Minister: We will need to address such issues as we look at the arrangements that will be in place following our exit from the EU. I am sure everybody

recognises the significance of the Arbroath smokie and other products from around the United Kingdom. At the end of his question the hon. Gentleman said “should we leave the EU”. I can tell him that we will be leaving the EU.

Derek Thomas (St Ives) (Con): On 19 December 35 years ago, 16 people lost their lives in ferocious storms off the coast of west Cornwall. Eight of them were men from Mousehole, who had launched the Penlee lifeboat, the Solomon Browne, to rescue the crew of the Union Star. Thirty-five years later, this tragedy still haunts the village of Mousehole and West Penwith, and many people mark the anniversary every year. Will the Prime Minister join me in remembering these brave men and the loved ones they left behind, and pay credit to all our lifeboat men and women, who are prepared to risk their lives for those in peril on the sea?

The Prime Minister: I thank my hon. Friend for raising this issue. I absolutely join him in marking the 35th anniversary of the Penlee lifeboat tragedy and in sending our sympathies to all those families who were affected, but also to the local communities who were affected, as he has set out. I am sure everybody in this House would want to pay tribute to the Royal National Lifeboat Institution as well and the tireless work it does. As an island, it is important that we have that security and safety around our shores. The RNLi works tirelessly to protect people who, as he said, are in peril on the sea, and we pay tribute to it.

Q9. [907849] Ms Gisela Stuart (Birmingham, Edgbaston) (Lab): The Prime Minister knows that I and colleagues from all parties on both sides of the House are keen to guarantee the rights of some 3 million EU and European economic area citizens in this country at the earliest possible date. This will be the largest administrative task the Home Office has ever undertaken. Could I encourage her to look at the report produced by British Future, which has some very practical suggestions on how the Home Office can implement this, and could I possibly even encourage the Home Secretary to update us on any progress made?

The Prime Minister: I say to the hon. Lady that I am keen to ensure that we can protect the rights of EU citizens living here, but I am also keen that the rights of UK citizens who are living in the EU are protected as well. The Home Secretary, I think, is aware of the proposals that have been put forward and is looking at them very carefully.

Lucy Frazer (South East Cambridgeshire) (Con): In October, hundreds of people from across Europe attended a neo-Nazi rally in Haddenham, a small village in my rural constituency. What steps is the Prime Minister taking to tackle racial hatred?

The Prime Minister: First of all, can we once again, from this House, send a very clear message that there is no place for racial hatred in our society? This is so important. The Home Office has done a lot of work on racial hatred and hate crime. It has published a hate crime action plan, which shows what we are going to be doing during the lifetime of this Government. Of course, earlier this week, my right hon. Friend the Home Secretary

proscribed the right-wing organisation National Action, which means that being a member of, or inviting support for, that organisation will be a criminal offence. It is important that we take every step we can to stop racial hatred in this country, and I was pleased to announce on Monday that Britain will be the first country in Europe to adopt the International Holocaust Remembrance Alliance's definition of anti-Semitism.

Q10. [907850] **Naz Shah** (Bradford West) (Lab): Yesterday, I met the chief executive officer of Provident Financial, one of two FTSE 100 companies in Bradford—yes, outside London, right in the heart of the north, Provident being in my constituency. We agreed that for Bradford to fulfil the potential of its young people, we need to have better educational outcomes and better transport. We have been overlooked for too long, so can I invite the Prime Minister to come to, and meet the leaders of, my great city, and pave the way for long-overdue investment for Bradford?

The Prime Minister: The hon. Lady is right to raise the role that education plays in ensuring the futures of young people in Bradford. That is why I am pleased to say that there has been an increase of nearly 16,000 children in Bradford who have been at good or outstanding schools since 2010. We are taking action to ensure the quality of education, but I want to make sure that there are enough good school places for children across the whole country, and that is what our education consultation is about.

Heidi Allen (South Cambridgeshire) (Con): I came to Prime Minister's questions today from an incredibly moving and powerful private session with the Work and Pensions Committee, where we talked and listened to victims of modern slavery who are now living in safe houses—I do not think I will ever forget it in my life. Please will the Prime Minister take her enthusiasm and the passion with which she drove this issue as Home Secretary and work with the Secretary of State for Work and Pensions? These people are vulnerable. When they come to the jobcentre, so often their background and their cases are not understood. As with survivors of domestic violence, they need to be fast-tracked through the system. If ever vulnerable people needed the state to step up and support them, it is these people. Please can we do more?

The Prime Minister: My hon. Friend is absolutely right. Nothing brings home the absolutely horrific nature of the crime of modern slavery than actually sitting down and hearing the testimony of a victim. These people have, very often, gone through the most horrendous, dehumanising experiences. It is absolutely right that the Government brought forward the Modern Slavery Act 2015. It is right that we have been looking at how victim support is provided and at the national referral mechanism—a whole number of steps—and of course we will work with the DWP in looking at the support that is given. She makes an important point in referring to jobcentres, but of course it is not just about jobcentres. One of the things we need to do is to ensure that those in authority who come into contact with people who have been the victims of modern slavery are able to

recognise the signs, and able to treat it in the right way and deal with people sensitively and sympathetically in an appropriate way.

Q13. [907853] **Caroline Lucas** (Brighton, Pavilion) (Green): I do not think the Prime Minister has any idea of the level of pain that rail passengers and businesses in Brighton and beyond are suffering. It is not just on strike days; this has been going on for well over 18 months. Given the failure of her passive Transport Secretary, who apparently has no intention of acting to deal with this utterly incompetent company, will she sack him, strip GTR of the franchise, and freeze fares for long-suffering passengers?

The Prime Minister: First of all, my right hon. Friend the Transport Secretary has been taking steps in relation to the general performance of Southern railway. We have stepped in to invest £20 million specifically to tackle the issue and bring a rapid improvement in services. We announced Delay Repay 15 from 11 December for the whole of Southern railway, which will make it easier for passengers to claim compensation. We have announced that we will give passengers who are season ticket holders on Southern a refund for a month's travel. We have been looking at the wider issue. The hon. Lady raises the question of the current strike. There is only one body responsible for the current strike, and that is ASLEF. This a strike by the trade unions, and she should be standing up and condemning that strike, because it is passengers who suffer.

Sir Hugo Swire (East Devon) (Con): The £1.5 billion of additional funding for the better care fund is both needed and welcome, but the problem is that this money is not available until 2019. Will my right hon. Friend therefore look at seeing whether some of this funding can be drawn down earlier than that in order to alleviate the pressure on social care in areas such as Devon, where there is a very high level of elderly people?

The Prime Minister: My right hon. Friend raises an important point about the short-term pressures on social care. That is why the Government have been looking at what measures can be taken to alleviate those short-term pressures. As I say, my right hon. Friend the Communities Secretary will be making a statement on the local government finance settlement tomorrow, but we do need to look at the medium-term issues of delivery and the longer-term reassurance that we can provide to people in ensuring that we have a sustainable system of social care that gives people the comfort of knowing that they will be cared for in their old age.

Tim Farron (Westmorland and Lonsdale) (LD): May I join colleagues who urged people in this House and beyond to go out and buy the Jo Cox Foundation single by the excellent MP4, which is not just available on download but in hard copy for those of us who prefer that kind of thing?

Every day since the Brexit result on 23 June seems to have been a good day to bury bad news, and the worst news is in our social care and health system: the daily wave of tragedies, indignities and near misses; the £2.5 billion shortfall in social care funding; and thousands of operations already cancelled. Yesterday the Secretary of State for

Health said that the NHS and social care needed more money, yet the Chancellor of the Exchequer did not offer a single extra penny for health or social care in the autumn statement. Which of the two does the Prime Minister agree with? Will she take this opportunity to provide health and social care with the money it needs this side of Christmas?

The Prime Minister: The Secretary of State for Communities and Local Government will be making a statement tomorrow on the local government finance settlement. I suggest that the hon. Gentleman waits for that statement.

Philip Davies (Shipley) (Con): Back in 2010, the overseas aid budget was around £7 billion a year. By 2020, it will have more than doubled to over £15 billion a year. The shortfall in social care funding by 2020 is estimated at about £2.5 billion a year. Surely the Government priority should be to look after the elderly,

vulnerable and disabled people in our own country before we hand money over to other countries. Will the Prime Minister take some of that money—a small amount of that increase—from the overseas aid budget and spend it on elderly, vulnerable and disabled people in our own country? Surely charity begins at home.

The Prime Minister: I think it is absolutely right that the Government are taking steps on the pressures on social care here in the United Kingdom, but it is also important for us that we take into consideration those who are in different circumstances across the world. This Government's record of ensuring that 0.7% of our GDP is spent on overseas aid is a record second to none. We should all be proud of the help and support that we are giving to people around the world who, often, are living in incredibly difficult circumstances. We look after old people here in the UK; we also take seriously that moral responsibility for people around the world.

National Funding Formula: Schools/High Needs

12.47 pm

The Secretary of State for Education (Justine Greening): With permission, I would like to make a statement on the second-stage consultation on the Government's proposals to create a national funding formula for schools, copies of which can be found on the gov.uk website.

Since 2010, this Government have protected the core schools budget in real terms overall, but the system by which schools and high needs funding is distributed now needs to be reformed, to tackle the historical postcode lottery in school funding. These crucial reforms sit at the heart of delivering the Government's pledge to build a country that works for everyone, not just the privileged few.

Our school funding system as it exists today is unfair, opaque and outdated. The reality is that patchy and inconsistent decisions on funding have built up over many years, based on data that are sometimes a decade or more out of date. What has been created over time is a funding system that allows similar schools with similar students to receive levels of funding so different that they put some young people at an educational disadvantage. For example, a school in Coventry can receive nearly £500 more per pupil than a school in Plymouth, despite having the same proportion of pupils eligible for the pupil premium. A Nottingham school can attract £460 more per pupil than one in Halton, despite having the same proportion of pupils eligible for the pupil premium. As those figures demonstrate, our funding system is broken and unfair, and we cannot allow that to continue.

Our overall proposals for the principles and broad design of the schools and high needs funding system—as set out in the first stage of the national funding formula consultation by my predecessor, my right hon. Friend the Member for Loughborough (Nicky Morgan)—were widely welcomed. Today we set out our response to that, and the final stage of putting in place a national funding formula.

First, we are proposing a consistent base rate for every pupil at primary and at secondary level, which steadily increases in value as they progress through the system between primary and secondary. This is the largest factor in the formula, accounting for more than £23 billion of annual core schools funding and more than 70% of the funding total.

Secondly, we are proposing to protect resources for pupils who come from disadvantaged families, and we are taking a broad view to target £3 billion of funding annually for those who are most in need of support. Our formula will prioritise not only children in receipt of free school meals but those who live in areas of disadvantage. That will help to support many more families who are most likely to be just about managing to get by.

That is alongside our broader commitment to maintain pupil premium funding for deprived pupils in full. That will be protected at current rates throughout the remainder of this Parliament. We have listened to the responses received to the first stage of the consultation, so our funding formula will include a factor for mobility to reflect the number of children who join a school mid-year. That is in response to London, which called particularly

strongly for that in reply to the consultation. We will also protect small, rural schools, which are so important for their local communities, through the inclusion of a sparsity factor.

Thirdly, alongside a basic amount and an uplift for disadvantage, we will direct £2.4 billion in funding towards pupils with low prior attainment at both primary and secondary school to ensure they get the vital support they need to catch up with their peers. Our proposed reforms will mean that schools and local authorities all across England that have been underfunded for years will see their funding increase. Our proposed formula will result in more than 10,000 schools gaining funding and more than 3,000 receiving an increase of more than 5%. Those that are due to see gains will see them quickly, with increases of up to 3% in per pupil funding in 2018-19 and up to a further 2.5% in 2019-20.

At the same time as restoring fairness to the funding system, we are also building significant protections into our formula. No school will face a reduction of more than 3% per pupil overall as a result of the new formula, and none will lose more than 1.5% per pupil per year. For high needs funding, which provides local authorities with the money they need to deliver the extra support required by our most vulnerable children and young people—those with the most extreme special needs, whether they are in special schools or mainstream schools—we propose to allocate more than £5 billion a year in funding. That will mean that no local authority will see its funding reduce as a result of the introduction of the formula.

We also propose to give local areas a limited flexibility to redirect funding between their schools and high needs budgets, through agreement between the local authority and local schools, to support collaborative approaches to provision for special needs pupils. Those protections will allow all schools and local authorities to manage the transition to fairer funding while making the best use of their resources and managing cost pressures, ensuring that every pound is used effectively to drive up standards and has the maximum impact for the young people we are investing in. In addition, to support schools in using their funding to the greatest effect, we have put in place and continue to develop a comprehensive efficiency package.

As I said in my statement to the House on 21 July, I recognise the importance of this reform, which is long overdue. I am keen to allow the proper amount of time for all schools and stakeholders to have a chance to reflect on this detailed formula. The consultation will therefore be open for 14 weeks until 22 March, with final decisions to be made before summer next year. It is our intention that once we reach a final design, the national funding formula will properly be introduced in 2018-19. That will be a transitional year, during which local authorities will continue to set local schools' funding formulae. In 2019-20 we will move to having our schools funding go directly to schools, so that the great majority of each school's individual budget is determined on the basis of a single, national formula.

It is now time for us to consult on the more detailed design of the formula, so that with the help of the sector we can really get the national funding formula right. We are keen to hear as many views as possible, and I encourage Members and their constituents to scrutinise and respond to the detailed consultation

[Justine Greening]

documents that we are issuing. The proposals for funding reform will mean that all schools and local areas receive a consistent and fair share of the schools budget, so that they can have the best possible chance to give every child the opportunity to reach their full potential. Once it is implemented, the formula will mean that wherever a family lives in England, their children will attract a similar level of funding—one that properly reflects their needs.

The Government believe that the funding system that we propose will ensure our schools system works fairly, and I commend this statement to the House.

12.55 pm

Angela Rayner (Ashton-under-Lyne) (Lab): After many delays, the Secretary of State has finally come forward with the Government's so-called fair funding formula. I thank her for advance sight of her statement and the raft of documents she sent me just half an hour ago.

If only the fair funding formula lived up to its name. Does the Secretary of State recall the commitment in her party's manifesto to

"continue to protect school funding"?

Does she accept that the National Audit Office has confirmed something that the Institute for Fiscal Studies had already told us, which she tried to ignore—that the Government will be cutting the schools budget by at least 8%, and that is not changed at all by today's announcement? Does she remember that that same manifesto promised:

"Under a future Conservative Government, the amount of money following your child into school will be protected"?

The National Audit Office has made it clear that funding per pupil will also fall by 8%. Is the National Audit Office wrong, or is the new, unelected Prime Minister ripping up the manifesto that her predecessor put to the country?

The Secretary of State said that the so-called fair funding formula would mean that no school would lose more than 1.5% of its funding per year. How can she possibly reconcile that with the projections of schools facing actual cuts of up to double that and real-terms cuts of up to 10%? Can she tell the House how exactly a funding formula can be fair when it will mean that a third of local authorities and around 10,000 schools, serving more than 2 million children, lose money? In a period when pupil numbers and inflation are rising in tandem, the pressure on school budgets will continue to increase. The National Audit Office has told us today that school budgets are facing a "real-terms reduction". Will the Secretary of State tell the House what percentage of the schools budget will be cut over this Parliament, and how much that cut will be for the average secondary school? Will she tell us how, at a time when pressure on schools is increasing, she can possibly justify that position?

The Department has said that schools will need to make £3 billion in efficiency savings over this Parliament, but the National Audit Office has said that schools are not prepared for the "scale and pace" of the changes, and that the Department has failed to make that clear to them. Will the Secretary of State tell the House how exactly the Department will ensure that schools are able to meet her demands? Is the suggestion that schools

make £1.7 billion in savings by "using staff more efficiently" just a crude euphemism for cutting the jobs of teachers, teaching assistants and vital support staff, at a point when the workforce is already facing a crisis? The Department has said that the funding formula will be about targeting on the basis of pupils' need rather than their postcode. Can she explain why schools up and down the country will be losing out, and why many in the most disadvantaged areas will lose the most?

The only new money being offered to English schools is to expand the few remaining grammar schools, 80% of which are in Tory-held seats, regardless of where the need for places is. Does the Secretary of State accept that that means that the only parts of Britain denied new funding are the comprehensive areas of England? Does she acknowledge that nearly 60% of secondary schools across the country already receive less in funding than they spend on teaching, and that they are already running at a deficit? Will she tell us her projections of the increase in pupil numbers over the spending review period, her forecast for the rate of inflation facing schools, and therefore the rise in costs facing schools? The Secretary of State seems to believe that all these savings and all these cuts can be managed without any impact on the education of our children. Will she tell the House how exactly she will ensure that that happens in practice?

You know, Mr Speaker, they used to say the Tories knew the value of nothing but the price of everything, but now they do not even know that. They have failed on the economy, failed on protecting our NHS and now failed on our children.

Justine Greening: I have to say that I am absolutely staggered at that response from the shadow Secretary of State for Education. There is cross-party support for reforming the national funding formula and, from representing our constituencies, we all know that it is impossible to justify the current approach. It would have been better if we had had a more thoughtful response, rather than just a diatribe of political rhetoric, from the Opposition Dispatch Box.

On some of the points the hon. Lady tried to make, the reality is that we have been able to protect the schools budget—the core schools budget—in real terms. That is because we have a thriving economy, which is generating the taxes that mean we can continue to invest in our public services. She talked about fair funding, but did not seem to understand or to have listened to my statement. Perhaps she had already written what she wanted to say, and was not actually interested in the reality. The funding formula absolutely bakes in making sure that we have the right amount of funding for children from more disadvantaged areas. In fact, we have taken a broader definition of disadvantage to make sure that it is not only the children eligible for free school meals who will get additional support. We have also made sure that the formula builds in a strong focus on low prior attainment, so that the children who have fallen behind—we need to invest in and support them to catch up—get additional resourcing. Schools with more of them will get more.

The hon. Lady seemed to fail even to hear the statement I made. I have to say that, based on the lack of engagement from the Labour Front Bench, I will sit down and give colleagues with more thoughtful questions a chance to ask them.

Neil Carmichael (Stroud) (Con): I certainly welcome this statement, as will many parents across the country. It has been long awaited, as the Secretary of State conceded, but it has the right tone, the right context and, essentially, the right capacity to make the changes. It will also enable schools to plan ahead, which will be very good for all schools in terms of teacher recruitment and teacher retention, which we also need to address. Will she be sure to accommodate issues about the future of local government, because there will be some changes? This is a national formula, so the future of local government must be considered in that context.

Justine Greening: We are busy doing that already. I felt it was quite important, in the second-stage consultation, to recognise the need to understand how a little bit of local flexibility could help us to make sure that the formula works right on the ground. That is therefore part of the consultation I have set out. We have set out our plans for the 2018-19 transition year, and we are asking how we can look at this more carefully for future years. That is precisely why it is important for colleagues from both sides of the House to take the time to engage with the documents—there is a lot of data—we are publishing today.

Lucy Powell (Manchester Central) (Lab/Co-op): We would all agree with the aims of a fairer funding formula, but does the Secretary of State not recognise that she is delivering this in the context of dramatic and significant overall cuts to schools budgets? Even the so-called winners under her formula will also face school budget cuts. In a constituency such as mine, which is a loser under this formula—over 50% of children are living in poverty, which makes it the constituency with the second highest level of child poverty in the entire country—school budgets losing money will mean that one-to-one tuition will be going and catch-up classes will be going. Extra-curricular activities—the drama, the Shakespeare—and all the vital things I want kids in Moss Side and Moston to do will be going as a result of her funding crisis, aside from the announcement today.

Justine Greening: I encourage the hon. Lady to look at the detail in relation to her constituency. The documents will be published following the statement, as is the normal practice of the House, and I encourage her to look at them. Yes, we need to work with schools to help them to deliver efficiencies, but one thing we have learned over the years from such a divergent funding formula across schools is that many schools are able to deliver excellent and outstanding results on very different cost bases. That shows we need to be able to work with them to get more value out of the system and to make the investment we are putting into schools—core school funding is being protected in real terms over this Parliament—go as far as possible.

I would also say to the hon. Lady that, yes, the National Audit Office report flags up the cost pressures on schools, but there are of course cost pressures on introducing the living wage for the lowest-paid workers in our country. Some of them work in schools, and they should benefit from the introduction of the living wage. There are additional employer contributions to teacher pension schemes, which will make sure we have sustainable pensions for teachers in the long run. I would have

hoped that Labour Members welcomed such steps, but we will also work with schools to help them to achieve efficiencies.

Mr Graham Brady (Altrincham and Sale West) (Con): I warmly welcome the statement. May I urge my right hon. Friend not to move from the very clear timetable she has set out for the formula's implementation? It is very keenly anticipated and looked forward to by underfunded local authorities, such as mine in Trafford.

Justine Greening: I have set out a very clear timetable today. In spite of the fact that the Labour party clearly has no interest in having fair funding or funding that goes to the most disadvantaged children—the children who need to catch up—we will press on with this process.

Nic Dakin (Scunthorpe) (Lab): The Secretary of State is to be congratulated on grappling with this issue, but, as she has indicated, the devil is in the detail, and I look forward to looking at it. The education of 16 to 19-year-olds, who are in schools as well as in colleges, had a cut of 14% during the coalition Government. There is a big difference between what they get and what four to 16-year-olds and those at university get. What will she do about that funding crisis?

Justine Greening: The hon. Gentleman and I share a deep interest in technical education and a passion for improving it. As he will know, my right hon. Friend the Minister for Apprenticeships and Skills is looking at how to implement a skills strategy that will make sure that our technical education system is at the same gold standard level that we are steadily ensuring our education system is reaching. We have protected per pupil core funding post-16, but we want to look at how to make sure that further education improves its attainment levels in the way that has happened across the broader schools system.

John Redwood (Wokingham) (Con): West Berkshire and Wokingham education authorities, which serve my constituency, are among those worst funded. They are finding it very difficult to keep their excellent education and their current teacher workforces going. We therefore welcome the statement. Will there be any transitional relief for 2017-18, because our financial need exists now?

Justine Greening: My right hon. Friend will know that the previous year's transitional relief has been carried over to the forthcoming year. Beyond that, I am now setting out the steps we will take to make funding fairer. This is important, and despite the debate that will no doubt be kicked off on the back of this consultation, we just cannot accept a situation in which a similar child with similar needs has such a difference in funding put into their education and their school for no other reason than that they are in different places. This simply cannot and should not be accepted, which is why we are setting out our solution today.

Rushanara Ali (Bethnal Green and Bow) (Lab): The Secretary of State will be aware of the transformation of London's schools. In 1997 when Labour took power, schools in my constituency were among the worst. By

[Rushanara Ali]

the time we left office, they were among the best, and that continued under the last Government. That transformation happened thanks to the London challenge and continued investment. Will the Secretary of State confirm that London's achievement will not be damaged by this formula and that London's schools will not lose the £260 million we have heard about? We need to learn from London's success and replicate it in other parts of the country.

Justine Greening: I can reassure the hon. Lady that under the formula, London will continue to be well funded. Despite the percentage of children eligible for free school meals in London having fallen from 28% to 17% over the last 10 years, London still has some of the most deprived parts of our country. The funding formula will ensure that London still receives some of the best funding of any region for its schools. That is happening because it is appropriate, but what we cannot accept is areas in other parts of the country that have similar challenges of deprivation and, additionally, low prior attainment not being funded for no other reason than that they are not London. It is time to ensure that we have a fair approach, but it is a fair approach for London too.

Justin Tomlinson (North Swindon) (Con): I wholeheartedly support this announcement. For too long, Swindon's children have been short-changed by Labour's hopeless funding formula. Change cannot come soon enough. I urge the Secretary of State to explore options on private finance initiative schemes, which are frustrating improvement plans in many of my local schools.

Justine Greening: That issue was raised in response to the phase 1 consultation, so we will ensure that the formula reflects the fact that there are PFI commitments that will continue in real terms. I have no doubt that that will be good news for my hon. Friend's local area. Obviously, we do not want to perpetuate those schemes when they have steadily run down, but it is important to reflect the reality of those cost pressures on schools that are in that position.

Stephen Twigg (Liverpool, West Derby) (Lab/Co-op): The Secretary of State listed a number of factors—mobility, disadvantage and prior attainment—that are crucial in many constituencies, particularly those in urban areas like the one that I represent. Will she give us more detail on how big a factor they will be, because that will determine how much constituencies like mine lose out? The concern in Liverpool is that, on top of the substantial cuts to local government funding, our schools will lose out at a time when they are finding it challenging to recruit teachers and headteachers.

Justine Greening: As the hon. Gentleman points out, in addition to the core base amount of funding, there is roughly a further 25% that is uplifted in relation to deprivation, additional needs and locational needs. Although mobility was not one of the original factors in the phase 1 consultation—in other words, this is the challenge that some schools and local areas face when children arrive during the year, as opposed to growth,

which relates to steady demographic change and sometimes an influx between years—we recognised that it was important to reflect it in the formula. We have looked at the cost pressures that we think relate to mobility. We will initially base the 2018-19 formula on historical levels, because that is the one evidence base we have, but we will consider what is a sensible way to look at mobility going forward.

Mr Mark Harper (Forest of Dean) (Con): I welcome the statement. Gloucestershire County Council has been a poorly funded local authority, so this will be welcomed in my county. I welcome the fact that sparsity will be taken into account, which is important in rural constituencies like mine. Will the Secretary of State confirm that, based on the timetable she has set out, with the final position being reached in 2019-20, we will have delivered on our manifesto commitment to deliver fair funding in this Parliament?

Justine Greening: I believe we will have done so. We will have brought in a formula that works more effectively and we will have transitioned it in appropriately. I believe that it will be a big step forward, particularly for schools that have been so underfunded for so long.

Mr Barry Sheerman (Huddersfield) (Lab/Co-op): The Secretary of State is right that this kind of funding has to be upgraded and uprated over time. I certainly welcome that. However, is she also aware that it is the responsibility of this House to check the fairness of that over time through the Select Committee system and in this Chamber? Does she accept the implication that, overall, the challenges in our education system are grave when the chief inspector, who is about to retire, points out that so many bright children in our country, who grew bright through good primary schools up to the age of 11, are lost to education post-11? Will she do something about that? Will she also do something about the chief inspector's deep worry that pupils in many of the big towns and cities in the midlands and the north are severely underperforming?

Justine Greening: The hon. Gentleman sets out some of the challenges that we continue to face in our education system. That is precisely why the national funding formula makes sure that resources go to schools that are in more disadvantaged areas and those that have cohorts of young people and children who are starting from furthest behind. That is not only the sensible approach; it is the right thing to do for those children and schools. For too long, that has not been built into the school funding formula. That is what we are trying to resolve today. This is the second stage of the consultation. There are 14 weeks for everyone to look at whether the way in which we have blended the different criteria is right. I think that it is.

In addition to what we are announcing today, the hon. Gentleman will be aware that we have launched six opportunity areas to look at how we can ensure that we have excellent education in those parts of the country where we still have not seen enough improvement.

Mr Gary Streeter (South West Devon) (Con): Both Plymouth and Coventry were bombed heavily during world war two, have areas of deprivation and have similar demographics. Does my right hon. Friend therefore agree that the discrepancy of £500 per pupil per year

simply cannot be justified? Her statement will be warmly welcomed. May I ask for maximum clarity at the earliest opportunity on what schools in my constituency will get in 2018 to help them prepare for the September 2017 budget, which is likely to be challenging?

Justine Greening: After the statement, we will publish a lot of detail in relation to individual schools. We will take the draft final formula and apply it to individual schools' budgets, so all Members will be able to look at all the schools in their constituency and see, notionally and illustratively, how the formula will operate. Of course, when the funding formula comes in, it will apply against the up-to-date pupil numbers and pupil data, but we want to be very clear with the House about how it will work on the ground. I encourage all Members to look at the data for their own communities. They show that although no school will get exactly the same under the new formula as it has had in the past, it will be much fairer.

John Pugh (Southport) (LD): Regardless of this statement, which is by no means all bad, it is indisputable that school overheads are going up and that more and more secondary schools will go into debt. Why are we continuing to squander money on pointless pet projects and restructuring? Surely that is a huge diversion now.

Justine Greening: I do not agree with the hon. Gentleman. We have seen year-on-year improvements in our education system. As one of my predecessors said on the "Today" programme earlier this week, it is important that we continue the reforms we have already got under way. That is precisely what we will be doing.

Helen Whately (Faversham and Mid Kent) (Con): I very much welcome today's statement on behalf of schools in my Kent constituency, which are significantly underfunded and disadvantaged by the current formula. I welcome the Secretary of State's commitment to a rapid introduction of the new formula. In the meantime, will she consider seriously whether there is any possibility of interim funding for schools until the new formula is introduced?

Justine Greening: As I said in reply to my right hon. Friend the Member for Wokingham (John Redwood), the additional uplift that was provided last year will continue into the forthcoming year, after which we will introduce the national funding formula in 2018-19. Today, we are coming forward with a fundamental solution to a long-term problem that has been building up not just over the last decade, but for 20 years—some people would argue it has been 30 years in the making. Now is the time, finally, that we sort this out.

Catherine McKinnell (Newcastle upon Tyne North) (Lab): Will the Secretary of State confirm whether an area cost adjustment multiplier will be applied as a result of the new formula? The funding gap between the national average and what is received by schools in the north-east stands at £45 million a year. Will that gap increase or decrease as a result of the formula?

Justine Greening: The formula includes an area cost adjustment. It will be based on a hybrid measure that will look at not only general labour market costs but

those relating to teachers, reflecting consultation feedback. It is also one reason why expensive parts of the country such as London will continue to be well funded, even under this formula.

Several hon. Members *rose*—

Mr Speaker: Wishing the fellow a full recovery, I call Mr Julian Knight.

Julian Knight (Solihull) (Con): Thank you, Mr Speaker. I welcome both the substance and the tone of the statement. Schools in Solihull receive £1,300 a year less per pupil than those in nearby Birmingham. As a result, we lose teachers to Birmingham. Will the Secretary of State assure me that at least some of that unfairness will be addressed during this Parliament?

Justine Greening: I have set out the timelines for the roll-out of this national funding formula. My hon. Friend sets out some of the by-products of the current unfair situation. That is another reason why it is important that we address that situation.

Several hon. Members *rose*—

Mr Speaker: It slightly pains me to call an Everton supporter today, but I do so nevertheless.

Andy Burnham (Leigh) (Lab): I will keep the gloating to a minimum, Mr Speaker. The Secretary of State is dressing it up very well, but the reality of what she has announced is that some schools in the most deprived parts of the country, which face the biggest challenges, will have money taken away from them and given to schools elsewhere. Would it not have been much fairer for her to have asked the Chancellor for more money to bring the gap up that way? Instead, she is making schools in the toughest areas make teachers redundant to pay for this change.

Justine Greening: Again, there is a lot of rhetoric, but in the end the right hon. Gentleman does not seem to have listened to my statement, which was very clear that this funding formula absolutely reflects issues of deprivation and lower prior attainment, as well as local cost issues. It is a step forward in making sure that we have a much fairer approach than in the past. I do not think he would be able to justify the current situation to many parents who simply cannot understand why their children get less funding than other children purely because of where they grow up.

Simon Hoare (North Dorset) (Con): Earlier this year, I held a roundtable for all the headteachers of primary and secondary schools across North Dorset. One big issue they raised was the recruitment and retention of staff in a rural area where living and other costs are higher, and all the rest of it. This announcement is very welcome. The sparsity quota that my right hon. Friend has referred to will be warmly welcomed by those headteachers. On their behalf, may I simply say, "Thank you"?

Justine Greening: I am grateful for that. As my hon. Friend points out, it is important that the formula reflects the very different challenges that schools face in very different situations and parts of our country. That is why the sparsity factor matters.

Fiona Mactaggart (Slough) (Lab): The Secretary of State will be aware that schools all over the country are finding it difficult to recruit teachers because we are not training enough of them. For example, in Slough, where we do not get as much resource although we have exactly the same kind of challenges as inner London, headteachers are desperate. House prices in Slough went up faster than anywhere else in the country in the past year. Will she assure me that schools in my constituency will not face a cut as a result of this formula but will be rewarded for their brilliant work?

Justine Greening: The right hon. Lady should welcome the formula, because at the moment the flow of money into our schools is unfair. For a community such as hers, our proposed architecture for the national funding formula will make sure principally that funding is fair and there is an equal amount for children in primary and in secondary; then our main drivers of additional funding will be deprivation—as I said, £5 billion a year for that—and low prior attainment. That is the right way to structure the formula. Although we have seen progress in many schools in many parts of our country, we now need to make absolutely sure that resources flow towards those areas that need to lift.

Nusrat Ghani (Wealden) (Con): The Minister for schools was kind enough to meet me recently to discuss funding for schools in Wealden and East Sussex, and I am very grateful for that. My pupil funding is just £4,433.58. My small rural schools face severe challenges because of their small size and location, and a heavy weighting for sparsity in the formula is therefore vital if we are to ensure that Wealden's superb schools can carry on providing a brilliant education.

Justine Greening: My hon. Friend is absolutely right. When we looked at the national funding formula mechanism, we saw that some local authorities do not use the sparsity factor. Our sparsity factor will go to all schools that should get additional support. That is why the formula should be welcomed.

Liz Kendall (Leicester West) (Lab): Children in my constituency start school up to 19 months behind where they should be in terms of development. Without fantastic teachers and extra resources, they struggle to fulfil their potential and play catch-up for the rest of their lives. Will the Secretary of State tell me and schools in my constituency whether they will see their funding increase—yes or no?

Justine Greening: There is a greater focus in this formula on low prior attainment, which should address the hon. Lady's question.

James Berry (Kingston and Surbiton) (Con): Under the current funding formula, Kingston schools are the third worst funded in London, receiving £2,400 per pupil per year less than Tower Hamlets, which is just 14 miles away. Having campaigned for changes and for fairer funding with teachers, parents and councillors, I look forward to responding to the phase 2 consultation. Will my right hon. Friend confirm that the mobility factor that I and other London MPs called for recognises

the very real pressure that London and other urban and suburban schools face from children joining mid-term in large numbers?

Justine Greening: I think it can. Obviously, my hon. Friend will want to look at the detail in the consultation, but under this formula we will put £23 million into supporting children who move in-year and their schools. As a London MP, I know that has been an issue for some London schools. But it is not just an issue for London; there was a general response to the phase 1 consultation document saying that we needed to put the issue into the phase 2 consultation and that it should be made part of the formula. That is why we have done so.

Stephen Timms (East Ham) (Lab): I am grateful to the Minister for schools for listening to the case for adding mobility to the school funding formula and to the Secretary of State for her announcement; I will look carefully at the details. Should she not have secured the Chancellor's support to make sure that no school sees a cut in its funding per pupil, given the cost pressures that she has referred to?

Justine Greening: I make two points. In spite of the need to reduce the deficit over time, which the Government have set about doing, we have protected the core schools budget in real terms. In addition, I recognise that there is a need to reduce the year-on-year reductions schools faced, so those will be no more than 1.5%. Indeed, the overall reduction for any per-pupil amount will be no more than 3%. I hope the right hon. Gentleman will welcome that.

Mr Peter Bone (Wellingborough) (Con): Following on from that point, there is a similar fair funding formula in the health service, but Wellingborough is always at the bottom. It never catches up because we are not prepared to reduce the money that the best funded get. I am slightly worried that my right hon. Friend's answer suggests that that sort of thing will creep into the school system. Are we actually ever going to move to the formula—are schools actually going to get the cash that the formula says they will?

Justine Greening: In the transition year, some schools that are so far behind as to be eligible will get 3%; those schools that are even further behind under the fair formula will get a further 2.5% the following year, when the formula operates in full and properly. My hon. Friend is right to flag up the issue. It is important that the schools that have been underfunded see those gains coming through. That is what we are proposing.

Ms Karen Buck (Westminster North) (Lab): Schools in areas such as Westminster have a combination of exceptionally high costs—not least recruitment and retention—and very high deprivation, and they are already making staff redundant. The Secretary of State partially blamed policies such as the introduction of the national living wage. Why are the Government introducing policies impacting on schools that they are not prepared to fund?

Justine Greening: I am not sure whether the hon. Lady supports the living wage, but the Government think that it is important. We also think a further two things, however: first, it is important to introduce this

national funding formula—I hope that MPs can support it as a mechanism to make sure that the funding flowing into schools is delivered fairly—and secondly, it will ensure that children growing up in deprived areas see additional funding. I hope that she will reflect on that. In addition, wherever they grow up—whether or not in a deprived community—children who need to catch up will receive additional funding through this formula.

James Cartledge (South Suffolk) (Con): I welcome my right hon. Friend's statement. One group we must not overlook is parents. In my constituency, parents work hard and often tell me, "I'm paying the same rate of tax as people in other areas. Why am I getting so much less money for my children in the state school system?" I urge her, when she gets the backlash from the more generously funded areas, to stand fast, particularly on support for rural schools, and to deliver this in full and in practice.

Justine Greening: We are at the beginning of a 14-week consultation, and it is important that everybody looks at the formula we are proposing. I think that it strikes the right balance, and I hope that it can command the broad support of the House.

Diana Johnson (Kingston upon Hull North) (Lab): I represent the 19th most disadvantaged constituency in the country—the Secretary of State spoke about disadvantage and deprivation—but can she tell parents and schools in my constituency whether they will receive more funding under this proposed formula or less?

Justine Greening: The hon. Lady can look at the details for her own constituency once all the data are published, but I hope she will reflect on what I said earlier: we have designed the formula to ensure that the funding follows children from disadvantaged backgrounds. Indeed, we did not just consider the formal deprivation factors that many local authorities have; some local authorities, where virtually all the children are from deprived backgrounds, do not necessarily have a formal factor that reflects that, but nevertheless we tried to capture the hidden funding flowing through to help deprived children as part of the deprived factor.

Michael Fabricant (Lichfield) (Con): For decades, Staffordshire has languished 15 places from the bottom on funding. I have heard this all before, from Tony Blair and the unelected Prime Minister—as the hon. Member for Ashton-under-Lyne (Angela Rayner) so charmingly put it—Gordon Brown, so I thank my right hon. Friend for coming up with a firm date for these reforms. Will she assure me that the children of Staffordshire will no longer be disadvantaged?

Justine Greening: I believe that this will be a fair funding formula that will be in everyone's interests, including those of my hon. Friend's constituents.

Helen Goodman (Bishop Auckland) (Lab): I have a letter from the National Union of Teachers, which is extremely alarmed that pupils in Bishop Auckland will lose £452 over the Parliament. Will the Secretary of State tell me what will happen in my constituency? She has reassured London MPs and the home counties. In the interests of intellectual honesty, will she say who are the losers out of her funding formula?

Justine Greening: We heard terrible scaremongering and numbers from the NUT that proved to be incorrect. It said that some schools would lose 10% under this funding formula, but, as I have set out, that is absolutely not the case. I would encourage the hon. Lady, like all Members, to look at the data for her own constituency. We will be publishing a lot of data once this statement is done, as is customary, because we want to be clear. This is a big step forward for schools funding and it is important that we are clear with people about the implications for their schools. That is what we have done.

Dr Andrew Murrison (South West Wiltshire) (Con): I particularly welcome the Secretary of State's reference in her statement to sparsity and mobility. It is great news for constituencies such as mine. Does she agree that one of the most mobile pupil populations are the children of our armed forces families? How will she promote the pupil premium that we introduced in 2011 in the funding formula?

Justine Greening: The pupil premium is largely unaffected, but as my hon. Friend points out, there is now an element to ensure that the children of forces families are not disadvantaged when, as often happens, people get posted to different places and their children have to switch schools. That was one reason we were keen to handle the mobility issue carefully within the funding formula.

Helen Jones (Warrington North) (Lab): Schools in my constituency are among the lowest funded in the country, so we will look with interest at what the Secretary of State is proposing, but those schools are struggling now because of the Government's actions: cuts to the education services grant have taken money out of the dedicated schools grant; schools are being inadequately funded under legislation on additional need; and our high-needs block is very underfunded. What will she do to assist these schools now, before the new funding formula comes in and before even more damage is done to the education of children at school now?

Justine Greening: The hon. Lady raises a number of issues. On local authorities and school improvement, we have launched a strategic school improvement fund to ensure school improvement, particularly in those parts of the country where schools have made less progress than we would have wanted. In relation to high needs, as I set out, no local areas will see a reduction in their funding, but areas that have been most underfunded will see 3% gains over 2018-19 and 2019-20, which I hope she will welcome.

Suella Fernandes (Fareham) (Con): I welcome today's statement. Hampshire is the third lowest funded local authority in the country and faces significant pressures—it needs 9,000 extra secondary school places by 2025 and 40% of its school estate is largely un-upgraded since the 1960s. Does the Secretary of State agree that today's proposal will address the single biggest factor causing the disparities around the country—the historical nature of the funding formula—and will restore equality and fairness to the system?

Justine Greening: Yes, I do. The old formula was arbitrary at both central Government and local authority level, which, as the formulae were set, baked in a second set of imbalances. It is now time to tidy that up and—critically—to make it fair and equal wherever children are.

Lilian Greenwood (Nottingham South) (Lab): The Secretary of State knows that Nottingham schools face enormous challenges in raising education standards in a city with high deprivation. School leaders are already telling me they are struggling to cope and having huge difficulties recruiting and retaining high-quality teachers. We know that all schools are facing a real-terms cut in funding, but how does she think headteachers, staff, parents and pupils in Nottingham will feel when she says it is fair that their schools are being cut even deeper to fund increases in other places?

Justine Greening: I do not think that anybody can argue in favour of a system that is simply a postcode lottery and in which there is very little, if any, relationship between, on the one hand, the needs of a school and the underlying cost base of where it is operating and, on the other hand, how much the school and the child get in funding. We are today setting out a formula that genuinely addresses that. It is a 14-week consultation, so there is plenty of time for Members to look at the impact on their local area and then take part in that consultation. I hope that MPs will do that.

Robert Jenrick (Newark) (Con): May I warmly welcome today's statement on behalf of schools in Nottinghamshire, which have been poorly funded for a long time? In particular, does my right hon. Friend agree that this is part of addressing the lazy assumption that there is no deprivation in rural areas and counties? Counties such as Nottinghamshire and towns such as Newark have pockets of extreme deprivation—in former coalfield communities such as Ollerton and in Ashfield and Mansfield—and it surprises me that Opposition colleagues do not recognise that.

Justine Greening: I agree strongly with my hon. Friend. The funding formula now enables us to take a proper, validated, evidence-based approach, including to deprivation, which was often driven by data that were 10-plus years out of date. It is time to fix that, and that is what we are launching today.

John Woodcock (Barrow and Furness) (Lab/Co-op): Does the Secretary of State recognise and understand the grave concerns of schools in my constituency and across Cumbria with above-average numbers of children with high needs that the change to the funding formula for teaching assistants, which will require schools to fund the first 10 hours rather than the first eight, will significantly impact existing budgets and mean cuts in those schools? Is it not the case that the proposed floor for maintaining the existing budget will be of little help if the current numbers of high-needs pupils continue to rise?

Justine Greening: I would encourage the hon. Gentleman to look at the consultation. Alongside having an element of funding for local areas based on historic spend levels, which vary, we will look at population and needs within

that as strong proxies for understanding how much funding we think should flow to different places. That will put us in a much fairer position, but as I have set out clearly, as part of that we will also ensure that no area will lose any funding as part of the transition.

Bob Blackman (Harrow East) (Con): Having wrestled with the education funding formula in local government for 20 years before I was elected to this place, I welcome the principle of fair funding, and in particular sparsity and the other elements contained within it. However, as a fellow London MP, my right hon. Friend will know that the cost of living in London is much higher than in the rest of the country. With 85% of a school's budget typically spent on staffing, the need to pay staff extra salaries for recruitment and retention is paramount, so will she outline what extra money will be given to cover the cost of living and to protect schools from losing money?

Justine Greening: The area cost adjustment should enable us to do that effectively. As I have said, it is not based just on overall labour cost assumptions; it is based on cost assumptions in relation to teachers more specifically, so it should enable us to reflect that in the funding formula that we have now put in place. My hon. Friend will of course have a chance to respond to the consultation, but that is what we have tried to do.

Catherine West (Hornsey and Wood Green) (Lab): I am grateful for the Secretary of State's statement. Will she explain the flexibility between local authorities? For example, in 2010 the funding for children's services in Haringey, one of London's poorest boroughs, was £102 million and in 2017-18 it will be £46 million, although the population has grown and the children are no less needy. How does she see that interplaying, and will she explain how it will be addressed in the consultation?

Justine Greening: I was talking about two flexibilities in the consultation. They include, in relation to the high-needs fund that we are now consulting on, the ability for local authorities that will still receive high-needs funding to share some of that with mainstream schools, if they feel that is a better way of operating to provide for special needs locally. Of course, some special needs children are in mainstream schools and some are in special schools. We wanted to include an additional flexibility for 2018-19, so that where there is agreement locally that the funding should flow the opposite way—from the schools budget into high needs, perhaps because of the way that special needs are delivered locally—that should be possible if there is overall agreement from the majority of schools. That is what we are consulting on. We want to look at whether there is a longer-term approach, but the whole point of the second-stage consultation is to get feedback on those proposals.

Lucy Frazer (South East Cambridgeshire) (Con): I warmly welcome the statement on fairer funding for schools. It is not right that constituencies such as mine have a £2,000 difference per pupil compared with other constituencies. I noted with interest that the Secretary of State identified as one of the reasons the fact that the data are a decade out of date, so going forward it is fundamental that we have the correct data, particularly in areas of high growth. Will she assure me that the data

will be collected sufficiently late in the year, so that we know the accurate figures per pupil for the following school year?

Justine Greening: As part of the figures for deprivation we will be using IDACI—the income deprivation affecting children index—which essentially looks at how deprivation affects children in particular. It was last updated very recently, so it gives us a fresh database to use. In relation to broader pupil cohort characteristics, the census is updated in October every year and that feeds into the following academic year's funding formula details. Those two things should mean that we have up-to-date data to feed in.

Vernon Coaker (Gedling) (Lab): Is it not the case that this reform of the funding formula, which many of us agree needs to happen, would have been much easier had the Chancellor given some additional money to fund some of the changes? Also, notwithstanding what the Secretary of State has said, will not every single school in the country face real-terms cuts in their budget, including even those that gain, or think they gain, from the change to the funding formula? One way of tackling disadvantage is the pupil premium, so it would be interesting to hear what discussions took place about the pupil premium in making these changes. The Secretary of State said that the pupil premium “will be protected at current rates throughout the remainder of this Parliament”. Can she confirm whether that means rates as they are now or real-terms increases through the Parliament?

Justine Greening: We said that we will continue to put around £2.5 billion into the pupil premium, which is separate from the additional funding that will be uplifted on top of core basic funding rates, as part of the consultation that we are setting out today. Both those things underline the fact that this Government are determined to ensure that our schools funding really supports children in some of the toughest parts of the country who are most likely not to come out of the schools system with the outcomes that we want for them to be able to fulfil their potential.

Nigel Huddleston (Mid Worcestershire) (Con): The people of Worcestershire will welcome this statement because funding per pupil is £1,000 lower there than in neighbouring areas. Does the Secretary of State recognise that not everybody who lives in the countryside lives in some kind of rural idyll and that there are pockets of poverty and deprivation right across our countryside, including in my constituency, so investing in our children's futures based on need and fairness is absolutely the right move?

Justine Greening: My hon. Friend is absolutely right, and that is why it is so important that we move to a sensible approach to how deprivation should be captured. It is also why we wanted to take a broader approach than using just those children eligible for free school meals. We did not want that cliff edge, so we will be looking at three components: existing eligibility for free school meals, children who have been eligible for free school meals over the past six years, which gives us a sense of the underlying need, and IDACI, an index that captures a broader definition of deprivation.

Derek Twigg (Halton) (Lab): Teachers in my constituency are increasingly telling me about the funding pressures they are under. I was interested to hear the Secretary of State admit that young people in my constituency were at a disadvantage—she specifically cited the case of Halton, so I assume she knows it. What will the real-terms increase be for Halton pupils? She must know that, because she has cited Halton.

Justine Greening: I quoted what the current position was. The hon. Gentleman will no doubt be interested to look at the details for his local community, once we release them, when this statement to the House is finally finished.

Julian Sturdy (York Outer) (Con): Schools in York have some of the lowest, if not the lowest, per pupil funding in the country, with some schools in London receiving more than £3,000 per pupil more, leaving schools in York on the brink of making some very difficult decisions, despite delivering excellent education. What message can the Secretary of State send to schools in York that have been waiting for this announcement for far too long and want to see it implemented as soon as possible?

Justine Greening: I think this will be a much fairer approach for all schools, including those in York, and we are taking steps to introduce it rapidly over the remainder of this Parliament, which is good news.

Several hon. Members *rose*—

Madam Deputy Speaker (Mrs Eleanor Laing): Order. I hope that everyone who wishes to ask a question of the Secretary of State will have an opportunity, but now that she has been answering questions for over an hour, it would be appropriate if questions were short and sharp, or we will be here all day.

Mrs Louise Ellman (Liverpool, Riverside) (Lab/Co-op): Funding should be related to need, and this is a long-standing problem. In Liverpool, which is one of the most deprived areas, over 58% of the budget has already gone, and the NUT says that over £602 per pupil will be lost under the Government's programme. Can the Secretary of State guarantee that the students of Liverpool will not lose out in this redistribution of funds?

Justine Greening: I encourage the hon. Lady to look at the details that will be released by area and by school. To give her some reassurance, this is a formula that absolutely wants to ensure that we direct funding fairly, but also in relation to need, whether it be disadvantage or indeed low prior attainment. We think that the formula should be driven by data that, as I have said in my answers to other hon. Members, are more up to date. I encourage the hon. Lady to look at the consultation and at the details that will be released as part of it.

Steve Double (St Austell and Newquay) (Con): I welcome today's statement, and schools in Cornwall will be very grateful that, at long last, the historical underfunding of its schools is being addressed. I am pleased to be part of the party of government who are at last dealing with it. I would like to raise the particular issue of the pupil premium and eligibility to it being

[Steve Double]

based on free school meals. It is often difficult to get parents to register for free school meals, because of personal choice or the stigma they believe is attached to it, yet these data are already held by other Departments. Can we not get cross-Government co-operation so that people can be registered for free school meals automatically, rather than having to go through the process?

Justine Greening: My hon. Friend raises an important point. We want all children eligible for the pupil premium and free school meals to be properly registered. We have done a lot of work to try to make sure that that is the case. As my hon. Friend sets out, there is still a challenge ahead of us, and I am looking at what we can do to try to make further progress because it matters.

Jim McMahon (Oldham West and Royton) (Lab): I do not resent in any way the idea that Members are representing their constituents in rural areas. If particular concerns need to be taken into account, it is right to do so. The problem I have is that that should not be at the cost of urban schools, where significant levels of deprivation exist. In Oldham, the current proposals could see a loss of over £400 per pupil under the new formula; and for some schools, up to £600 per pupil could be taken away from the council's budget. The town is already struggling to recruit and retain good-quality, high-performing teachers. We know that because it is one of the areas being looked at by the Department for special intervention. May I have an absolute commitment from the Secretary of State that we will not get into a "them versus them" argument, but that a proper review will take place to make sure that every school has sufficient funding to meet its demand and needs?

Justine Greening *rose*—

Madam Deputy Speaker (Mrs Eleanor Laing): Order. Before the Secretary of State answers the question, let me say that I have allowed the hon. Gentleman some leeway because he has waited a long time to put his question. However, it does not follow that he should take twice as long to put it. I do not criticise him specifically today, but I hope that we can be a little faster now.

Justine Greening: I am sure that the hon. Gentleman will want to see the impact on his own local constituency, but I think this formula is a step forward to make sure that wherever children are, funding is there. As I have said on a number of occasions, it very much bakes into the formula the idea of having money follow disadvantage and need. I think that is the right approach to take.

James Heapey (Wells) (Con): I am grateful to the Secretary of State and the schools Minister for listening to my concerns and those of so many of us from the south-west about school funding. I congratulate them on correcting the real unfairness in the funding that schools in the Wells constituency have had to endure for too long. Does she agree that this is the start of a series of investments in the south-west that will correct an imbalance in funding to our region, and that she has blazed a trail that other Departments will surely follow?

Justine Greening: That was a fantastic question. I, too, would like to take the opportunity to thank the Minister for School Standards, my hon. Friend the

Member for Bognor Regis and Littlehampton (Mr Gibb), for the work he has done on this complex project that we have undertaken. My hon. Friend the Member for Wells (James Heapey) is absolutely right that we want to see children in the south-west achieve their potential. This is a funding formula that will mean—I think, for the first time—fair funding, which I believe will help a number of a children, and perhaps some of the children in my hon. Friend's local community.

Heidi Allen (South Cambridgeshire) (Con): I am delighted to speak as a Member from the county of Cambridge, which has for decades been one of the lowest funded councils in the whole country. I would like to press my right hon. Friend a little further on the interim funding, which some Members have mentioned. I do not wish to be ungrateful, but last year the interim funding was completely swallowed up with pension and national insurance increases. We are building schools like they are going out of fashion. It has to be subsidised, but the funding has to come out of the main pot while, as my hon. and learned Friend the Member for South East Cambridgeshire (Lucy Frazer) said, the number of pupils is going up. There is a high cost of living and an average mortgage is 16 times the salary in South Cambridgeshire, so please, please, please will my right hon. Friend look at the interim funding again, because just the same is not going to be enough?

Justine Greening: We will be rolling forward, but my hon. Friend's point underlines why it is important that we move on beyond an interim approach to put in place a final funding formula. That is what the consultation is on. As my hon. Friend says, it will affect areas that have been underfunded for a very long time. That is why we need to get on with it.

Jeremy Quin (Horsham) (Con): West Suffolk—*[Interruption.]* I always do my best to help my colleagues, but I mean West Sussex, which has historically suffered from very low funding and very high costs, being outside the London weighting. Can the Secretary of State give me any reassurance that we will benefit from the area cost adjustment?

Justine Greening: I hope my hon. Friend will see some improvement in how the funding works, following the introduction of the fair funding formula. He mentions costs, which is precisely why one of the key factors we built into the formula is an area cost adjustment to make sure that schools in locations with higher innate cost bases have that reflected in the funding that pupils have attached to them.

Alex Chalk (Cheltenham) (Con): I welcome the statement. Does the Secretary of State agree that it starts to address the myth that constituencies such as Cheltenham in Gloucestershire do not have areas of deprivation? The reality is that Cheltenham has intense urban challenges. This formula is starting to address funding on the basis of need and not postcode.

Justine Greening: I strongly agree with my hon. Friend. Up to now, school funding has been the ultimate postcode lottery, and funding has been overly determined by where children were growing up. That is completely unacceptable. If we are to make Britain, and in this case

schools in England, a country with schools where all children can progress, we have to get on with fair funding.

Jason McCartney (Colne Valley) (Con) *rose*—

Madam Deputy Speaker (Mrs Eleanor Laing): The prize for patience—this shows what happens when you sit behind the Speaker's Chair—goes to Jason McCartney.

Jason McCartney: Thank you, Madam Deputy Speaker, and merry Christmas to you.

How far will the inclusion of a sparsity factor go in protecting the small and rural schools that are so important to my local community?

Justine Greening: I think it will help. It will go together with a fixed lump sum, which is also part of this formula. Overall and on average, small rural schools will benefit from the formula.

Points of Order

1.57 pm

Stewart Malcolm McDonald (Glasgow South) (SNP): On a point of order, Madam Deputy Speaker. Government plans were announced last week to close half of Glasgow's jobcentres. We were supposed to be getting a consultation on three out of eight of these closures. I have raised the matter of access to that consultation with the Leader of the House and with the responsible Department for Work and Pensions Minister. A week later, it still does not appear on the DWP website. Given that this is happening over Christmas, I am sure you can understand my frustration and that of my constituents, Madam Deputy Speaker. Can you give me some guidance on how I can make the Minister get this up on the website? It is really not on that, a week later, it is still not there for public consumption.

Madam Deputy Speaker (Mrs Eleanor Laing): I thank the hon. Gentleman for his point of order and for his having indicated to me that he intended to make it. He will appreciate that it is not, of course, a matter that I can address from the Chair. The Chair has no power whatsoever to make Ministers do what Members ask them to do. I know that the hon. Gentleman and his colleagues have, with some passion and understandable commitment, raised this matter several times in the House. I understand that the hon. Gentleman has an Adjournment debate in Westminster Hall next week. I hope that is right, because that is the correct place in which to air a matter such as this in some detail. At the same time, with the hon. Gentleman having raised the matter now at this busy time in the Chamber, I am quite sure that those on the Treasury Bench will have noted what he has said. They will have appreciated that the matter is one of great importance in his constituency, so action might come soon from the relevant Department.

Nusrat Ghani (Wealden) (Con): On a point of order, Madam Deputy Speaker. During Prime Minister's Question Time, the hon. Member for Brighton, Pavilion (Caroline Lucas) raised the important issue of Southern's appalling service and the present strikes that are victimising passengers. However, the hon. Lady failed to condemn the RMT and ASLEF unions and failed to declare an interest in the Chamber as a recipient of RMT funding. As a new Member, can you please advise me on the protocol for such declarations of interest in the Chamber?

Madam Deputy Speaker: I am grateful to the hon. Lady for raising an important matter. In order to keep the proceedings of this place open and accountable, it is vital that, when appropriate, Members always declare an interest where they have one. However, it is not a matter for a Chair or for me to make a judgment as to whether any particular Member should have declared an interest at any particular point. I say to the hon. Lady, and more generally to the House, that Members would be advised to err on the side of openness and accountability. When they think that there might be an interest to declare, they really ought to declare that interest.

Helen Goodman (Bishop Auckland) (Lab): On a point of order, Madam Deputy Speaker. You will understand my delight and pleasure at coming out at No. 2 in the

[Helen Goodman]

shuffle for International Trade questions tomorrow. My question was about whether the Department had made an assessment of the potential effect of leaving the EU customs union on levels of employment. I subsequently received an email from the Department saying that the matter had been transferred to the Department for Exiting the European Union. However, my hon. Friend the Member for Sunderland Central (Julie Elliott) has a question on the Order Paper about the impact of leaving the customs union on levels of foreign investment into the UK, and my hon. Friend the Member for Neath (Christina Rees) has a question about the potential effect of leaving the customs union on future trade agreements. How can we know to which Department to address our questions? I can quite understand why the Department for International Trade does not want to answer my question, which relates to a large increase in unemployment, but can we have some consistency from the Government?

Madam Deputy Speaker: I fully appreciate the hon. Lady's point, but she knows that it is not a matter for the Chair to decide which Department should answer which question. That is, and always has been, a matter for the Government to allocate. I understand the hon. Lady's disappointment and that she was hoping to have her question addressed on the Floor of the House tomorrow, but I will say two things. First, regardless of which Department answers her question, I am sure that she will get the same answer. Secondly, having so eloquently made her point today, I hope that Mr Speaker will look favourably upon the hon. Lady when he calls the hon. Member for Sunderland Central (Julie Elliott) or the hon. Member for Neath (Christina Rees) to ask their questions tomorrow of the Secretary of State for International Trade and that the hon. Lady might well have an opportunity to ask her question. Whether she gets an answer is not a matter for me.

Financial Regulation of Funeral Services

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

2.4 pm

Neil Gray (Airdrie and Shotts) (SNP): I beg to move,

That leave be given to bring in a Bill to require pre-paid funeral plan contracts to be regulated by the Financial Conduct Authority; to amend the Financial Services and Markets Act 2000 (Regulated Activities) Order 2001 accordingly; and for connected purposes.

I rise to propose this Bill as a result of "Funeral Poverty in Scotland", a report commissioned by the Scottish Government and published in February this year. It was written by Citizens Advice Scotland and John Birrell, who chairs the Scottish working group on funeral poverty. The Scottish Government have accepted this excellent report, which has a series of recommendations, including the need to address the regulation of prepaid funeral plans. I thank Fraser Sutherland from CAS and John Birrell for their work with me on this Bill proposal. I also wish to thank the Fair Funerals Campaign, which has supported me in the run up to today.

Before I begin my speech in earnest, I should say that I am an advocate of funeral plans as the best means of avoiding funeral poverty, allowing people to pay in advance, in full or in instalments, for their own funeral. I have also had meetings with the Financial Conduct Authority and the Funeral Planning Authority, the industry's internal regulator, to discuss the proposal, and they were both constructive in their response. It was also welcome to see supportive statements this morning from the National Association of Funeral Directors and from Dignity, one of the largest funeral plan providers. We are approaching a consensus on change being required.

I am proposing this Bill in the context of a 90% rise in the cost of funerals over the last decade. In my area, North Lanarkshire Council increased burial and cremation charges by 39% last year—the steepest rise in Scotland—and the average funeral cost has risen 7% in the last year in Scotland as a result. After paying for an average funeral in the UK today, there is unlikely to be much change from £4,000. The Scottish Government are taking action in those areas and will next year publish a funeral costs plan to address the main drivers of funeral poverty. When the Scottish Government take on responsibility for the benefit, they are also committing to process applications for funeral payments within 10 working days to reduce the reliance on borrowing to pay for funerals.

The additional costs are placing an unbearable burden on the already stretched finances of bereaved families, many of whom are getting into serious and unmanageable debt when they lose a loved one, as has been raised in the House by, among others, the hon. Members for Belfast East (Gavin Robinson) and for Swansea East (Carolyn Harris), both of whom both support the Bill, and the hon. Members for Blackpool South (Gordon Marsden) and for South Shields (Mrs Lewell-Buck). People are rightly turning to funeral plans as a way of addressing that incredible financial pressure, which often arrives suddenly on family members. Funeral plans are like vouchers for funerals that are paid in advance and redeemed when the policy holder passes away. People can sign a contract describing how they want their

funeral to take place and pay for it in advance. There is also an added advantage in that people can secure the funeral at today's prices.

Funeral plans are described in article 59 of the Financial Services and Markets Act 2000 (Regulated Activities) Order 2001 and article 60 details how the plans can be exempted from FCA regulation if the funeral plan company undertakes to secure the sums paid by the customer through whole life insurance or if they hold the funds in trust—with some further stipulations about how the trust should be constituted and thereafter handled. The whole life insurance market, specifically over-50 plans, is another area that needs to be considered and is addressed by the CAS report, but it is not the focus of this particular Bill.

As I said, I spoke to the chief executive of the FPA and he understands my concerns and those raised by CAS. I also appreciate that he is not responsible for all funeral plans sold and that the FPA does all it can to satisfy complaints when they arise, but a debate is necessary on whether the current system is the best to ensure consumer confidence in what is going to be an ever more important area of the market in coming years.

In compiling the report, Citizens Advice Scotland found evidence of apparent mis-selling by some funeral plan salespeople. Some funeral plans cover all associated costs for the funeral, but others cover only basic funeral director costs. It has been suggested that some salespeople are misleading customers about what is included in the contract they are signing up to. One member of a focus group quoted in the report said:

“They were very pushy and I think trying to pull the wool over my eyes. I knew the amount they were quoting wasn't enough to cover the cost, so I think they can mislead people.”

That calls into question the practices of some salespeople involved in funeral plan contracts. Some of those are third-party salespeople who are paid on a commission basis for selling contracts, which makes me a little uncomfortable, as this can encourage people to chase harder for sales than to ensure the consumer is entirely aware of, or happy with, what they have signed up to. Charles Flannigan, the managing director of Donald McLaren Ltd, a funeral directors based in my constituency, has told me that when he asks his customers why they have chosen to take out a plan with him the majority say it is because they are fed up with cold calling by funeral plan companies. That is of major concern to me, and I know it will be of concern to others in this House. He has also given me numerous examples of elderly people who have been coerced into buying plans that either are more expensive than necessary or are where the customer has not been asked any questions specifically about the funeral to be provided. In one case, the funeral plan company apparently waited until after the 30-day cooling-off period to deliver the funeral plan documents, and explained that the funeral director of choice had refused the funeral plan but listed others

who might carry it out. The gentleman had specifically purchased the plan in order to be with that particular funeral director, who informed him that he had been mis-sold the plan as it did not include all of what he had wished for his funeral.

Mr Flannigan is particularly keen to see closer involvement of funeral directors in the selling of funeral plans, so as to avoid unintended issues in the contracts arising. Heather Kennedy from the Fair Funerals Campaign has said that there are some excellent funeral companies that are rising to the challenge presented by funeral poverty—their processes and prices are transparent, they talk openly about money and make different options available. As with any other industry, however, there are others who do not, and are charging too much for their plans and at-need funerals. I hope that some of those areas of concern may be addressed here.

Another case study was highlighted by the east of Scotland citizens advice bureau, which reported a client complaint regarding a funeral plan. The client felt that no matter what she does she is not going to get the funeral she wants or had planned for. She was told when she bought the plan that it could be at any funeral director and it would cover all the costs. It later turned out, after she had signed the contract, that the nearest funeral director who will honour the plan is 30 miles away and she will get only the “basics” from the funeral director. The director she wanted to administer the funeral will not do it, as the plan is held with another company, and the plan provider has told her she will lose a lot of her money if she cancels. She has got nowhere with the complaint.

Finally, the provision of funeral plans is not covered by the Financial Services Compensation Scheme, which protects against insolvency events, nor are these plans covered by the Financial Ombudsman Service, which provides an independent complaints and adjudication service free to the consumer. Although the FPA has taken action to address these criticisms, a bonus of this Bill being accepted and enacted by the Government would be that these schemes were open to offer additional consumer confidence.

In conclusion, I hope that by my proposing this very reasonable Bill, the UK Government will look seriously at this issue and engage in a positive dialogue to ensure that consumers who are often in a vulnerable and bereaved state are adequately protected.

Question put and agreed to.

Ordered,

That Neil Gray, Patricia Gibson, Roger Mullin, Dr Eilidh Whiteford, Liz Saville-Roberts, Diana Johnson, Mr Jacob Rees-Mogg, Sir David Amess, Gavin Robinson, Carolyn Harris and Rosie Cooper present the Bill.

Neil Gray accordingly presented the Bill.

Bill read the First time; to be read a Second time on Friday 24 February 2017, and to be printed (Bill 112).

Opposition Day

[16TH ALLOTTED DAY]

Equality: Autumn Statement

Madam Deputy Speaker (Mrs Eleanor Laing): I inform the House that Mr Speaker has selected amendment (a) in the name of the Prime Minister.

2.15 pm

Sarah Champion (Rotherham) (Lab): I beg to move,

That this House notes with concern the disproportionate impact of the Government's policies on women; further notes that, as a result of proposals in the 2016 Autumn Statement, 86 per cent of net savings to the Treasury through tax and benefit changes since 2010 will come from women, according to the House of Commons Library; notes with concern analysis from the Women's Budget Group which states that by 2020, in every income group, black and minority ethnic women will lose the greatest proportion of their individual income and that low income black and Asian women will lose around twice as much money as low income white men as a result of tax and benefit changes; and calls on the Government to affirm its commitment to ensuring that women and protected groups are not disproportionately affected by tax and benefits changes, to conduct an urgent assessment of the cumulative impact of its policies on women since 2010, to take the necessary remedial steps to mitigate any disproportionate burden of tax and benefits changes on women, to publish a full equality impact analysis with the 2017 Budget and to develop and publish a gender equality strategy to improve the position of women over the remainder of this Parliament.

It is a pleasure to be here today to discuss this important topic. The advancement of equal rights for women is often associated with certain historical milestones, such as the right to vote, the movement to end violence against women and girls, and reproductive rights. Although those are obviously hugely important, the key facet of the ongoing battle for gender equality is gender economic equality. Many women never question their right to open a bank account, own property, or even buy wine or beer in a pub, but those rights, now taken for granted, were actually hard-won. For much of history, and even up to 40 years ago, women were not allowed to handle money, and having a job was seen as a sign of financial desperation. It was only in the 19th century that women were allowed to own their own home. Until the Married Women's Property Act 1882, common law in Britain deprived women of the right to keep their own property or even hold their own money. As late as the 1970s, working women were refused mortgages in their own right, and were only then granted mortgages if they could secure a male guarantor. It is only since 1980 that women have been able to apply for credit in their own name, and it was not until 1982 that women were allowed to spend their own money in pubs with the confidence that they would actually be served.

Those changes involved fearless and outspoken people challenging the status quo, questioning out-of-date assumptions, and pushing Governments and society to the realisation that economic equality and independence for women must be the norm. Today, Labour is pushing for the next step in this battle for economic equality: for the Government to ensure that their policies advance, rather than hinder, progress. Unfortunately, all the evidence points to the Conservative party turning back the clock

on gender economic equality, and nowhere has that been more apparent than in their major financial announcements, such as the autumn statement.

Research from the House of Commons Library, commissioned by Labour, has revealed that as of the most recent autumn statement, 86% of net savings to the Treasury through tax and benefit changes since 2010 will have come from women. That figure is up on the one at last year's autumn statement, which was 81%, but remains the same as the one at the Budget earlier this year. Someone who happens to be a woman from a black or minority ethnic background is set to lose out even more under this Government. Joint analysis from the Runnymede Trust and the Women's Budget Group has shown that low-income black and Asian women are paying the highest price for this Government's failed austerity agenda.

Gloria De Piero (Ashfield) (Lab): Does my hon. Friend agree that when we talk about the disproportionate cuts affecting women, what that so often means in practice is their children going without? That is why we have seen a huge spike in child poverty, reversing all the good work that the last Labour Government did.

Sarah Champion: My hon. Friend, who has long been a campaigner in this area, is absolutely right about that. I do not understand why people do not consider the economic impact on the entire country if we hold back certain sectors of our population.

Lucy Frazer (South East Cambridgeshire) (Con): Does the hon. Lady accept that more women who have children are in work in this country than in the rest of Europe?

Sarah Champion: That is a wonderful thing, and what we want is for them to reach their full economic potential, rather than, as happens at the moment, getting paid less than they ought.

The analysis shows that by 2020, individuals in the poorest households will lose most from tax and benefit changes, but in every income group, BME women will lose the greatest proportion of their individual income. Low-income black and Asian women will lose around twice as much money as low-income white men as a result of tax and benefit changes. The Women's Budget Group has also highlighted analysis showing that disabled people are losing significantly more as a result of those changes than non-disabled people, and disabled women are losing more than disabled men. According to its analysis, disabled men are losing nine times as much income as non-disabled men. Disabled women are losing twice as much income as non-disabled women. By 2020, families with both disabled adults and disabled children will lose more than £5,000 a year as a result of tax and benefit changes, as well as services to the value of nearly £9,000 a year as a result of Government cuts to services. Do Ministers believe that that figure is acceptable and in line with assertions from the Prime Minister and the Chancellor that their party is the champion of equality and fairness? We know that Budgets and policy decisions are simply not gender-neutral.

Suella Fernandes (Fareham) (Con): Does the hon. Lady recognise that she seems to be suggesting having no plan and no sustainability? Does she accept that

welfare spending tripled in real terms between 1980-81 and 2014-15? We believe that that is unsustainable and does not balance the books.

Sarah Champion: I think I thank the hon. Lady for her intervention. Does she recognise that there are groups in our society now that are being made poorer by this Government? That is the position that we are in, and that is what the statistics are telling us.

It has been proved that this Government frequently do not recognise gender differentials, and that assumptions are made in policy making that include biases in favour of existing unequal gender relations. Women are particularly vulnerable to being hit harder by Government policies, for a number of reasons. First, social security payments make up a greater share of women's income than men's, as women earn less in the labour market. Secondly, women pay less direct tax than men, because they tend to earn less. Women make greater use of public sector care services than men, because they have greater caring responsibilities. Finally, women are hit harder by Government policies, because a higher proportion of women are employed in the public sector. I ask the Minister how those factors were taken into account in the drafting of the most recent autumn statement?

Labour has already committed to a gender audit of financial statements when in government, the aim of which is to make gender equality a significant element in considering and recommending policy options. That would ensure that proposed measures contained no legal, economic, social or cultural constraints to gender-equitable participation and that policies were implemented in a gender-sensitive and equitable manner.

That process, which is often referred to as gender auditing or gender budgeting, now takes place in more than 40 countries around the world. It was originally inspired by the early experiences of countries such as Australia and then given further momentum by the United Nations commitment to gender budgeting in the Beijing platform for action.

I wish to draw the House's attention to two particular examples of best practice, in Sweden and Spain. Gender impact assessment is a relatively common instrument to support the gender mainstreaming of policy implementation in Sweden. It is strongly embedded and is carried out by different levels of government, from local to national. In national Government offices, gender impact assessments are most regularly performed when drawing up documents such as Government Bills and terms of reference for inquiry committees. The implementation of those assessments is conducted in the framework of the Swedish Government's gender mainstreaming strategy.

In Spain, gender impact assessments have been required by law in the Basque country since 2005, in the framework of the Equal Opportunities between Women and Men Act. Since 2007, gender impact assessment reports have been issued on more than 500 decrees and laws. After seven years, gender impact assessment is a consolidated practice that is strongly embedded in the Basque regional government.

Those are just two examples to demonstrate that, when it comes to mainstreaming equalities into economic and wider policy, the Conservative party is light years behind some of our European colleagues.

James Cartlidge (South Suffolk) (Con): What gender impact assessment has the hon. Lady made of the effects of the 2008 credit crunch, and the record deficit that we inherited? Does she not recognise that the decisions that we have had to take were based on restoring the nation's finances, which is in the interests of everyone, not just a narrow interest group?

Sarah Champion: I hear what the hon. Gentleman is saying, but why do women need to bear the brunt of this Government's austerity?

James Cartlidge *rose*—

Sarah Champion: I am sorry, but I am not having a conversation.

Will the Minister agree today to follow the example set by many other nations and produce recommendations on how equalities considerations can be better integrated into the policy process?

Lucy Frazer: The hon. Lady mentioned that Spain carries out gender impact assessments. What does she think of the fact that, according to the global gender gap index of 2016, Britain ranks higher than Spain on inequality between men and women?

Sarah Champion: I ask the hon. and learned Lady to think how much better we would do if we actively audited what we were doing.

Legal and international obligations on the Government mean that they need to protect and advance women's economic equality. The Equality Act 2010, which was introduced by Labour, enshrined in law the public sector equality duty, requiring public authorities to have due regard to a number of equality considerations when exercising their functions. Labour enshrined in section 149 of that Act the provision that any public body must, in the exercise of its functions, have due regard to the need to "eliminate discrimination" and "advance equality of opportunity" for those with protected characteristics, which include gender and ethnicity.

The case of *Bracking and others v. the Secretary of State for Work and Pensions* is one of the leading cases on the application of section 149 of the Equality Act. The principles outlined in the judgment were recently summarised by Mr Justice Gilbart in *Moore and another v. the Secretary of State for Communities and Local Government*, and crucially include the following: that the relevant duty is on the Minister, or other decision maker, personally; that a Minister must assess the risk and extent of any adverse impact and the ways in which such risk may be eliminated before the adoption of a proposed policy, and not simply as a "rearguard action" following a concluded decision; and that the duty of due regard under the statute requires public authorities to be properly informed before taking a decision. If the relevant material is not available, there will be a duty to acquire it, and that will frequently mean that some further consideration with appropriate groups is required.

Specifically, I ask the Minister to outline how the most recent autumn statement, as well as policy announcements since her party came to Government, comply with section 149 of the Equality Act and the requirements outlined by Mr Justice Gilbart. Assumptions and reassurances will not suffice, and the public demand

[Sarah Champion]

to see how the autumn statement and Government policies comply with relevant sections of the Equality Act and with case law. I ask the Minister to kindly make that information available through the House of Commons Library at the earliest possible opportunity.

We should not have to hold the Government's feet to the fire to ensure that their policies are not disproportionately impacting one particular group and reversing progress on economic equality. Sadly, previous words from the Conservative party do not fill us with much hope. On 19 November 2012, the then Prime Minister spoke at the Confederation of British Industry's annual conference. He announced that Government Departments would no longer be required to carry out equality impact assessments. He referred to equality impact assessments as "reams of bureaucratic nonsense" and "tick-box stuff". Do the current Prime Minister and Chancellor agree with that analysis?

Suella Fernandes: The hon. Lady talks about progress, but what does she think about the fact that the gender pay gap has narrowed to a record level, and has been virtually eliminated for women under the age of 40? We have more women-led businesses than ever before. Should she not acknowledge that progress?

Sarah Champion: I have to say that it pains me that it is a woman Member who is asking that. Should I go back to my constituents and ask them to be grateful that it will only take another 60 years before they have parity of pay?

If the Government are set to continue their contemptuous attitude on equality impact assessments, will the Minister explain how else they have managed to show that due regard has been given to the impact of the autumn statement on those with protected characteristics?

The Government know how to conduct a proper audit of their policies on women and those with protected characteristics. The Equality and Human Rights Commission and the Women's Budget Group, among many others, have outlined suggested methodologies very clearly. We have to ask why, in the light of the availability of those methodologies, the Government continue to be so evasive. Labour Members will not let go of this point. We will continue to commission and publish our own analysis at every future Budget and spring statement for as long as it takes the Government to do their duty. The question is how long the Government will continue to stick their head in the sand regarding the impact of their policies on women, disabled people and people from ethnic minority backgrounds. Will things change when the impact figure rises from 86% to 89%? Perhaps it will be 95%, or perhaps we have to reach 100% before the Government carry out an audit.

The situation has become increasingly embarrassing, as the Government continue to let women down time and time again. The Treasury refuses to send a Minister to appear before the Women and Equalities Committee to answer questions on the gender impact of the autumn statement. The Government have provided insubstantial data, and last year they voted down an Opposition motion on publishing a cumulative gender impact assessment of their policies. In their amendment to today's motion, the Government point to their distributional

analysis, which provides no overall analysis of the impact of the measures announced in the autumn statement on women, black and minority ethnic people or disabled people.

A few days before the autumn statement, the Women and Equalities Committee published a report criticising the Government for their lack of clarity both on how the 2015 spending review affected women, black and minority ethnic people and disabled people, and on how the equalities impact assessment had been undertaken. The Chair of the Committee, the highly regarded Conservative MP, the right hon. Member for Basingstoke (Mrs Miller), said:

"Without the information we have asked for or ministerial evidence it's not been possible to form a view of the Government's work under the public sector equality duty. Promotion of transparency is a central aim of the Public Sector Equality Duty requirements."

The Committee, numerous organisations and, indeed, the Opposition have all made it clear that the distributional analysis produced by the Government is inadequate for judging compliance with the Equality Acts. The evasiveness must stop. Women and those with protected characteristics up down the country deserve and expect better. Various Ministers have refused to accept the analysis produced by the House of Commons Library that is cited in the motion. If the Minister disagrees with independent House of Commons analysis, will he say whether the Government would be willing to produce their own and make it available to colleagues? It is simply not good enough for the Government to criticise the Library analysis without producing their own.

Kelly Tolhurst (Rochester and Strood) (Con): Will the hon. Lady explain whether the House of Commons analysis includes the national living wage? Two thirds of women benefit from the national living wage policy.

Sarah Champion: The problem with the national living wage is that it is a misnomer. It is welcome that it has been increased, but we are seeking a real living wage that brings people out of poverty, and we have not seen that.

Christian Matheson (City of Chester) (Lab): Does my hon. Friend accept that if someone represents a party whose sole interest is to conserve the wealth of people who already have it, it is absolutely inevitable that people who are unfortunately still at the bottom of the pile will remain there as long as that party remains in government?

Sarah Champion: I agree with my hon. Friend, and I am proud that I represent a party that wants wealth to be shared, wants everyone to reach their potential, and will not leave anyone behind.

As I have stated, the Government know how to conduct an adequate equalities audit of their financial statements and policies. Clear methodologies have been produced by the Equality and Human Rights Commission, and they have chosen not to use them. Will the Minister agree to explain to the House how future announcements can properly take into account the impact on women, particularly those from BME backgrounds? Will the Government agree to put an end to the ducking and diving and send a Minister to the Women and Equalities Committee to answer questions on the matter? Will they

agree to publish a full cumulative gender impact analysis of their policies since 2010, and will they outline how the autumn statement, and future financial and policy announcements, will demonstrate compliance with the UK's legal and international obligations?

As I outlined in my opening remarks, gender economic equality has been at the heart of the fight for equal rights in this country. Progress has been all too slow and the victories hard-won. The Opposition can be proud that almost every major piece of legislation that improves the lives of working women has been introduced by a Labour Government. It was a Labour Government who introduced legislative protections for women under the Equal Pay Act 1970, the Sex Discrimination Act 1975 and the Equality Act 2010. The Labour Administration were the first since the second world war to accept state responsibility for developing childcare policy, and they introduced paternity leave and increased maternity leave. We brought in Sure Start centres, working tax credits and all-women shortlists, and we have more women MPs than all the other parties in the House combined.

In 2016, under the current Government, women in the UK are more likely to work for less pay than men. They are more likely to be in chronically low-paid and insecure sectors of the economy and to be disproportionately affected by unprecedented cuts to public services.

Several hon. Members *rose*—

Sarah Champion: I shall not give way, because other Members wish to contribute.

Unlawful maternity discrimination has become increasingly pervasive on the Government's watch, with an estimated 54,000 pregnant women and new mothers forced out of their job every year. According to the Equality and Human Rights Commission, just 1% of those women have taken their case to an employment tribunal since the introduction of prohibitive tribunal fees of up to £1,200. As I stated at the beginning of my speech, as of the most recent autumn statement, 86% of net savings to the Treasury through tax and benefit changes since 2010 have come from women. Today, the Government have a chance to decide whether they want that to be their lasting legacy in the fight for gender economic equality. Ministers have a choice: do the Government stand by, evade their responsibilities and make life worse for millions of women in this country, or do they put their warm words into action, rectify their mistakes and create a new era of transparency and accountability on the impact of Government policy on women, disabled people, and black and ethnic minority people? We expect them to make the right choice.

2.36 pm

The Chief Secretary to the Treasury (Mr David Gauke): I beg to move an amendment, to leave out from "House" to the end of the Question and add:

"affirms that introducing tax-free childcare, increasing the national living wage, increasing investment in affordable housing, reducing the universal credit taper, boosting investment in schools to create more good school places and taking 1.3 million individuals out of paying income tax so far this Parliament will benefit all genders and races; welcomes the fact that there are more women in work than ever before; further welcomes the Government's

publication of distributional analysis along with the Autumn Statement 2016; and welcomes the action the Government is taking to develop a strong economy that works for everyone, regardless of their background."

It is a great pleasure to move an amendment in the name of a female Prime Minister. It is the Government's foremost aim to make sure that this is a country that works for everyone in our society, wherever they are from, and whatever their gender, race, age or background. To deliver that objective, we need to build a strong and stable economy by boosting productivity, creating jobs, and bringing our public finances under control. That is how we will be in the best position to create a sustained rise in living standards for all British people. Our entire economic approach is based on a determination to make people better off now and in future, in all parts of the UK, and across the full breadth of our society. That is why we reject the assumptions in the motion and believe instead that the plans that we have set out will deliver a stronger economy that works for everyone.

I want to reflect on the measures that we have taken to strengthen our economy in this way, because people, regardless of their race or gender will benefit from our work to restore the economy to long-term health, which begins with bringing our public finances under control. With UK debt soon reaching a 50-year high of 90.2% of GDP, we must pursue a credible fiscal path to make it fall. Over the past six years, we have cut the deficit by almost two thirds to 4% of GDP, and we confirmed in the recent autumn statement that we will deliver a surplus as soon as possible in the next Parliament, while in the interim bringing cyclically adjusted borrowing below 2% by the end of Parliament, and getting public sector net debt, as a share of GDP, falling in this Parliament too.

People across our society benefit from the business-led recovery that has been at the heart of our economic approach. We have made sure that Britain is open for business with our competitive tax regime, by cutting over £10 billion-worth of red tape, and with our extensive investment in infrastructure, skills and research. The autumn statement took that further with a whole host of measures, including the new national productivity investment fund of £23 billion over the next five years. It is as a result of such measures that over 1 million new businesses have started since 2010, taking us up to a record 5.5 million small businesses at the beginning of the year. By the way, I am pleased to say that about 1.2 million small and medium-sized enterprises in the UK are majority women-led—more than ever before—and they contribute about £115 billion to the economy in total.

Jess Phillips (Birmingham, Yardley) (Lab): With regard to the infrastructure spending, which the Minister heralds as part of the recovery, how many of the jobs that will be created by that will go to women?

Mr Gauke: I cannot say how many will go to women or men. Is the hon. Lady objecting to the infrastructure spending because she believes that it will not go to women? I will happily give way to her again.

Jess Phillips: I will make a more substantive speech about that shortly, but currently in the construction industry 1% of jobs go to women—1%. I ask the Minister again: what percentage of the jobs created by infrastructure spending does he think will go to women?

Mr Gauke: There are now more women doing science, technology, engineering and maths A-level subjects than ever before, which will ensure that more of them go into such jobs. I am trying to understand the hon. Lady's point. Is she saying that we should not be spending money on infrastructure because that will have a disproportionate effect, favouring men? The purpose of infrastructure spending is to improve our infrastructure in order to improve our productivity—productivity that helps men and women. That is why we are doing that.

Jess Phillips *rose*—

Mr Gauke: I will give way for the final time.

Jess Phillips: I am absolutely not saying that we should not spend money on infrastructure. What are the Government going to do to make sure that all the infrastructure spending set out in the autumn statement is shared equally between men's and women's jobs?

David T. C. Davies (Monmouth) (Con) *rose*—

Mr Gauke: I will come back to the hon. Lady's question, but I will give way to my hon. Friend first.

David T. C. Davies: I am grateful. My right hon. Friend will surely be aware that Alun Griffiths (Contractors) based in my constituency, which builds motorways, has received a parliamentary award for its commitment to championing women in the construction industry. Perhaps we should look carefully at tenders and make sure that such companies are considered.

Mr Gauke: There is a very important point to be made about how we encourage more women to become involved in engineering and construction. Increasing numbers of employers are taking more steps to do that—Crossrail is another example of where that is happening. The hon. Member for Birmingham, Yardley (Jess Phillips) seems to be objecting to infrastructure spending, which is a strange position—[*Interruption.*]

Madam Deputy Speaker (Mrs Eleanor Laing): Order. I can hear the hon. Lady—[*Interruption*—]and she should not be speaking so loudly when she is sitting down, especially when I am speaking. She will have an opportunity to speak soon.

Mr Gauke: Thank you, Madam Deputy Speaker.

The global entrepreneurship and development index has ranked Britain as the best place in Europe for female entrepreneurs, which I am sure everyone in this House will welcome and want to see us build on. Our start-up loans programme is helping entrepreneurs set up a business or become self-employed, not only through a loan, but through access to mentors. By the way, this programme issues a high proportion of loans to black and minority ethnic applicants: BME-led businesses represent 24% of start-up loan recipients, with almost 10,000 loans issued to BME recipients so far.

Our support for business goes hand in hand with the historically high employment rate that we have in the UK, with today's numbers confirming that the unemployment rate remains at an 11-year low, with employment remaining at near record highs.

Suella Fernandes: Does my right hon. Friend agree that this Government are helping women at work by introducing shared parental leave, flexible working hours and 30 hours of free childcare? Those have been pioneered by this Government, putting women first in the workplace.

Mr Gauke: Indeed. My hon. Friend makes an important point. I will deal with those measures in a moment.

It is worth pointing out that the impressive employment numbers are accompanied by rising living standards, which last year grew at their fastest rate in 14 years and currently stand at their highest-ever level. The benefits of this affect people across our society, but the House should note the evidence of particular benefits for women and people from black and minority ethnic groups. The number of women in work has increased by over 1.2 million since 2010. Indeed, the rate went up more in the previous Parliament than in the previous three Parliaments combined. That comes as the gender pay gap falls to the lowest on record, more women are on the boards or leading businesses than ever before, and there are no longer any all-male boards in the FTSE 100.

James Cartlidge: On the subject of pay, I refer to the excellent intervention my hon. Friend the Member for Rochester and Strood (Kelly Tolhurst) made on the hon. Member for Rotherham (Sarah Champion), who spoke for the Opposition and said that the national living wage was not adequate. Is my right hon. Friend aware that the only international comparator for minimum wage is *The Economist* Big Mac index, which shows that the only country with a more generous living wage than this country is Luxembourg?

Mr Gauke: My hon. Friend makes an interesting point. I did not know that and I am grateful to him for drawing it to the attention of the House. The national living wage, which was brought in by this Government, disproportionately benefits women.

The number of black and minority ethnic women in work is at a near record high, with nearly 400,000 women finding work since 2010, and the employment rate for people in black and minority ethnic groups is at a record high of 64.5%, its highest level since records began in 2001.

Sarah Champion: I am grateful to the Minister for outlining what companies are doing to help women and the black, Asian and ethnic minorities. That is fabulous, but the debate is about what this Government are doing and how the Government's austerity is adversely affecting those groups.

Mr Gauke: The logic of the hon. Lady's point appears to be that there is no link between what happens in the economy and Government policies. What has been demonstrated over the past 10 years is that there is a very clear link between Government policies and what happens in the economy, and it is because of the policies of this—[*Interruption.*] We are the fastest-growing economy in the G7 at present, so it is going quite well, given that, among the major economies, we were the economy that was most affected by the crash in 2008. We have put in place an environment where we are creating jobs and seeing living standards improving, and that is happening across the economy for men and women.

It is, of course, right that we continue our work to address long-standing barriers to work for BME people, including through Baroness McGregor-Smith's review, new support in schools, and new guidance for jobcentres and local partners. We have also set a public target to increase the proportion of apprenticeships started by people from BME backgrounds to 20% by 2020, building on good progress since 2010.

So we are strengthening our economy by managing stable public finances, backing our businesses and creating jobs. At the same time, we are helping people regardless of gender or race make their money go further in their day-to-day lives. That is why we confirmed in the autumn statement that we will raise the personal allowance to £12,500 by the end of the Parliament. By 2020, it will have increased by over 90% since 2010, taking millions of the lowest paid out of paying income tax, and representing a tax cut for over 13 million women by 2018, compared to 2015.

We have also introduced the national living wage at £7.20 an hour to help over a million people on the lowest wages, and we announced at the autumn statement that we would raise this to £7.50 in 2017. The national living wage is focused on hard-working, low-paid workers, regardless of their gender or race, and hon. Members should note that women are expected to account for around two thirds of those who will benefit from this, with people from BME communities expected to gain disproportionately.

Kirsty Blackman (Aberdeen North) (SNP): I understand what the Minister is saying about the national living wage and the increase in the floor, but on the 40% tax rate, only 27% of higher rate taxpayers are women, so the changes to the 40% tax rate disproportionately benefit men, not women. What are the Government doing about that?

Mr Gauke: Income tax in Scotland will be a matter for the Scottish Government. I look forward to seeing what they will do.

From early 2017, we are also introducing tax-free childcare to help working parents with their childcare costs. Parents will be able to receive up to £2,000 childcare support per child each year. We are also helping around 3 million households by reducing the universal credit taper, which will further strengthen the incentives for people to increase the number of hours they work and to earn their way out of financial insecurity and welfare dependency.

That goes hand in hand with our sustained investment in the public services that families value. That includes our focus on quality schools, with the highest-ever recorded proportion of children being taught in good or outstanding schools; the pupil premium, which will be worth £2.5 billion this year alone and will support pupils from disadvantaged backgrounds; and an investment of £23 billion in the school estate over the next five years.

Our investment in infrastructure—from the roads and rails we travel on, to the homes we live in—will help all. The recent autumn statement contributed to tackling our long-standing challenge to deliver more homes, with a further £5.3 billion investment in housing, including a £2.3 billion housing infrastructure fund to deliver infrastructure to unlock up to 100,000 new homes, and £1.4 billion to deliver 40,000 new affordable homes.

So our economic plans are based on delivering an economy that works for everyone, and that means an economy that benefits all races and genders. I note the efforts to analyse the effect of the measures we have taken on women and BME groups. Hon. Members will be aware of the research of the House of Commons Library and the Women's Budget Group, on which the premise of today's motion is based, but a cautious approach should be taken when analysing specific impacts on that basis. Their findings should not be considered without first undertaking an honest reflection on the flaws inherent in their research methodologies. Let me provide a few examples.

First, the House of Commons Library analysis looks only at taxes and benefits. That means it overlooks key parts of the broader economic picture, which includes the benefits to women and people from BME groups of a strong economy and rising employment and earnings. It also fails to take into account the public services that families value, such as support for childcare, schools and health services.

Secondly, the analysis has been based on assumptions made about how income is shared in any given household. For example, it is not reasonable to assume that the measure to limit support as part of child tax credits and universal credit to the first two children for new claimants will overwhelmingly affect women merely because women are usually the nominal payee of child tax credits, as the House of Commons Library did in previous analysis. This not only treats women rather than children as the beneficiary of child tax credits, but assumes that other sources of income, such as earnings, are not shared within a household in response to benefit changes.

Thirdly, the analysis makes a comparison with a world where benefits were uprated between 2010 and 2015 by the retail prices index, but RPI is a flawed measure of inflation, and it lost its status as a national statistic in 2013. So there are a range of issues with the methods used to calculate these impacts, and the findings should be seen in that light.

It is, however, right that we assess carefully the effects of any new fiscal measures on groups across our society. We carefully consider the implications of all our measures for protected equality groups, which includes gender, race and disability. That is in line with not only our own guiding principle of a fairer society but our legal responsibilities under the Equality Act 2010. We publish information alongside the autumn statement about the impact of individual tax measures. We also publish a comprehensive distributional analysis to monitor how our decisions on tax, welfare and spending would support households on a range of different incomes.

Our commitment to fairness runs through everything we do. It goes to the heart of the economic approach we have taken since 2010. The Prime Minister could not have been clearer about her determination to keep taking every action to make this a country that works for everyone. That is why, for example, we have launched an audit to look into racial disparities in our public services, which stretches right across Government, covering every area from health to education, and childcare to welfare, employment, skills and justice.

This Government are fully resolved to make this a country that works for all races and genders. That is exactly what we are working to deliver through our

[Mr Gauke]

work to build a stronger economy and to help people in their day-to-day lives, and that is what last month's autumn statement continued to support.

Several hon. Members *rose*—

Madam Deputy Speaker (Mrs Eleanor Laing): Order. Before I call the spokesman for the Scottish National party, I should warn the House that a great many people want to speak this afternoon. There were lots of interventions on the opening speeches—quite rightly so, because that is how you have a heated debate, and that is what this is. I make no criticism whatsoever, but that does mean there will have to be a time limit of three minutes on Back-Bench speeches. That does not, of course, apply to Alison Thewliss.

2.55 pm

Alison Thewliss (Glasgow Central) (SNP): I am grateful for the opportunity to take part in the debate, particularly as recent figures indicated that there have been 455 female MPs in the history of this House. That is the same as the number of male MPs present in the House today—although not on the Benches, as we can see. That is an important point in terms of the policies the House pursues, because those policies are not always in the interests of women, and women's interests have not been well represented over the years. We did not always have the 195 women we have today, although those women we have here today have certainly made their voices and those of their constituents heard.

I am grateful to the hon. Member for Rotherham (Sarah Champion), who spoke very passionately and with great knowledge on this issue, and I absolutely support her calls for a gender audit because that would make a massive difference to the way Government policies are analysed.

Research from the Women's Budget Group, which has been mentioned, noted that women's incomes will be hit twice as hard as men's by 2020. Women will be over £1,000 worse off by 2020; for men, that figure will be only £555. Women on below-average incomes will end up over £1,600 a year worse off under this Government, and female lone parents will be £4,000 a year worse off. That is a significant amount in a family budget.

Engender has suggested that, from 2010 to 2020, 86% of cuts to social security will come from women's incomes. I do not understand how anyone could make up that difference. The research becomes even bleaker when we consider women from black and ethnic minority communities, as well as single parents, the majority of whom are women, and both groups are a significant demographic in my diverse constituency.

Government Members love their soundbites. For quite a long time, they had "a long-term economic plan", but that has been abandoned, presumably because it was neither long term nor a plan. They now have a new phrase: "a country that works for everyone". The facts and figures we have heard in the debate so far demonstrate quite clearly that this was not an autumn statement that works for everyone, and I intend to highlight a few missed opportunities in the autumn statement.

I come to the debate with some frustration. The autumn statement was an opportunity for the Government to make changes—to start a slightly new course with a new female Prime Minister. To use an example I have spoken about many times in the House, it is now 526 days since the Government announced in the 2015 Budget their intention to bring forward the pernicious two-child policy for universal credit and tax credits, which is due to come into force next April. In tandem with that, we have the medieval rape clause, which will compel survivors of rape to prove that their third or subsequent child was born as a result of rape. The policy has been widely condemned by faith leaders, women's welfare groups, rape crisis organisations and organisations such as the United Nations Committee on the Rights of the Child. Ministers would do well to reflect on the seriousness of that widespread condemnation.

Interlink, from the Orthodox Jewish community, has done some research into the issue, as has the Resolution Foundation. Their figures suggest that this policy will push 200,000 more children into poverty. That is a significant figure. There is also a trap inherent in the policy, and families will not be able to earn enough to get themselves out of that trap. Interlink reckons that for every £1 extra a family earns, they will lose 75p as a result of this policy. On taking office, the Prime Minister spoke outside Downing Street about helping the justmanaging families in our society. This autumn statement does not provide that help.

When the Prime Minister was Home Secretary, she won plaudits for her action to tackle gender issues, such as forced marriage, domestic abuse and female genital mutilation. Her actions gave me some hope that this rape clause would be seen as utterly unworkable and immoral. When the consultation reports back, perhaps the issue will be tackled finally. I cannot see how this proposal can possibly work.

Instead of using the autumn statement as a means to ditch the rape clause and the two-child policy, the Government have put it out to consultation for 38 days. In the context of the more than 500 days since the policy was announced, that is a pretty small number. I await the Government's response, but I do wonder what they expect the consultation to come back with. What do they expect vulnerable women to say when they are asked, in essence, "How would you like to prove your child was born as a result of rape?" It is absolutely despicable.

In this respect, as in so many others, the autumn statement was a missed opportunity. The Government's austerity agenda is disproportionately impacting on women. It was a missed opportunity for WASPI—the Women Against State Pension Inequality Campaign—and the Office for National Statistics estimates that over 2,600,000 women in the UK are affected by this policy. Despite the efforts of WASPI campaigners the length and breadth of the country and of my hon. Friends the Members for Paisley and Renfrewshire North (Gavin Newlands) and for Ross, Skye and Lochaber (Ian Blackford), these issues are not yet addressed. Those women are not having that unjustness dealt with. That hugely significant unfairness, of which my mother-in-law is also a victim, ought to be one of the Prime Minister's actions, both as a woman in that age bracket herself and as a feminist. Women should not lose out as a result of this policy.

The Government could also have done more in the autumn statement to address an issue that my hon. Friend the Member for Lanark and Hamilton East (Angela Crawley) has been highlighting over the past few weeks. Sadly, she is not well today; otherwise she would be here herself to raise it. I am sure we all send her our best wishes on her sickbed. The Child Maintenance Service is charging a 4% administration fee for the collect and pay service—a fee imposed only on families who do not share bank details to arrange maintenance costs—and women who have fled domestic abuse are disproportionately impacted. That is patently unfair, and it puts women and children who are trying to rebuild their family life at a distinct disadvantage. The autumn statement was an opportunity to correct that unfairness. I call on Ministers to make progress on this very significant matter.

Half of Glasgow's jobcentres are to close. In discussion with DWP staff last week, Glasgow's elected representatives were told that the equalities impact assessment on these plans would be done only after the consultation. The Government are proceeding with these closures, yet only three out of eight are going to consultation while the others will not be consulted on. This is completely inadequate. The plans were drawn up by looking at Google Maps to see how far one jobcentre was from another and which buses people might get. Some of the buses referred to do not exist any more because they have just been withdrawn. When I met representatives of One Parent Families Scotland, they told me that the women with caring responsibilities they have been working with are already finding it incredibly difficult to fulfil their obligations as well as dropping off their kids at school and nursery, and adding the extra burden of travelling across Glasgow on more than one bus will make it very much harder, as well as putting them at serious risk of being sanctioned. It is inexplicable that that would not be taken into account prior to these consultations being issued. It is almost as though the Government are deliberately making it so hard for people to claim what they are actually entitled to.

Another group who have missed out are the under-25s. The Government are keen to trumpet their "pretendy" living wage, but what they never say is that someone under 25 is not entitled to the same pay. Their day's work is not seen as being as of much value as if they were over 25. The Government sometimes say that that is about experience, but it is not. For someone who walks into their job on their first day at the age of 25, the wage differential is £3.45 compared with somebody of 16 starting on the same day in the same job. That is patently unfair. The national living wage is not an actual living wage; it is a revised minimum wage that is out of touch with the true costs of living in this country.

The real living wage set by the Living Wage Foundation is being actively implemented and promoted by the Scottish Government. In Scotland, the rates of companies paying the living wage are going up. We now have 693 companies in Scotland, across a wide range of sectors and a wide range of sizes, that believe that a fair day's work deserves a fair day's pay. The Government's "pretendy" living wage will not deliver that. In discriminating against under-25s, the Government do not acknowledge that they have bills to pay. They are not going to get a discount on their rents, their messages or their costs of

living. They are also, to compound this, not entitled to the same benefits as those who are over 25. It is completely ludicrous.

There is another issue that the autumn statement has not fully addressed—the tampon tax. The SNP was the only party to have that issue in its manifesto in 2015. As the Minister may remember—he was then the Financial Secretary—when I moved my amendment to the Finance Bill, he seemed to think that resolving this would be nigh on impossible to achieve, but I am pleased that he has been able to make progress. I thank the hon. Member for Dewsbury (Paula Sherriff), my hon. Friends and others around the House who have campaigned on this issue. Without that cross-party support, we would not have got nearly as far as we have with the Government.

Although the recent funding announcement in the autumn statement regarding the revenues from the tampon tax were welcome, I would like to press the Minister to answer a couple of questions. How many groups in Scotland have benefited from tampon tax funds? When, for certain, will negotiations lead to the abolition of the tampon tax? We are still waiting. Every month, when I go to buy more tampons at the tills, the Government are still seeing that revenue come in. I want to know when I am not going to have to pay it any longer.

I agree with groups such as the Women's Budget Group and Engender that this autumn statement was a missed opportunity. It was a missed opportunity on the rape clause and the two-child policy. It was a missed opportunity on pay equality. It was a missed opportunity for the WASPI women. It was a missed opportunity for all women.

Madam Deputy Speaker (Mrs Eleanor Laing): I now have to announce the result of today's deferred Division. In respect of the Question relating to financial services and markets, the Ayes were 297 and the Noes were 151, so the Question was agreed.

[The Division list is published at the end of today's debates.]

We will now proceed, to begin with, with a time limit on speeches of four minutes, but that might well go down to three minutes very soon.

3.6 pm

David T. C. Davies (Monmouth) (Con): Ever since the Tory party, which had stood for the old landed interests, was taken over at some time in the 1800s by a motley mixture of free traders, Unionists and small "I" liberals, the Conservative party has been absolutely committed to the principle of equality of opportunity in a society where anyone can succeed based on their merit, with no regard for their race, sexual orientation or gender. That principle is absolutely right and one that we maintain to this day. As a father of two daughters myself, I want them to be able to succeed in education, in the workplace and in the public space. I am delighted with the progress that this Government are making so far, and that our society is making so far, with, as has been pointed out, the lowest gender pay gap on record, record numbers of women in employment, the fall in unemployment announced today bringing it well below 5%—something that men and women can all benefit from—and increases in the minimum wage.

[David T. C. Davies]

Yes, of course, we have more to do, but the autumn statement was not an opportunity to start spending money from the unlimited magical money tree that Opposition Members imagine; it was an opportunity to maintain the sound financial direction in which we have been going, which has led even *The Guardian* to admit that we now have the highest growth rates in the whole of the G7. It would be disastrous for everyone in this country—men and women—if the Government were to go back on that.

Of course, there are problems out there, and the Casey report, which came out a week or two ago, highlighted some of the many problems that we still face in the challenge of getting complete equality in our society. I am glad that the motion mentions the particular problems faced by black and ethnic minority women, which were also referred to in the Casey review. The most worrying statistic was that the biggest problems are faced by women of Bangladeshi cultural heritage. The report pointed out that cultural and religious factors and attitudes are having an effect. People have popped up to say that that was a disgrace and that we should not be worried about drawing attention to this for fear of being called racist. Well, I am sorry, but some of us have been pointing it out in this Chamber for very many years. I served on the Home Affairs Committee in 2008 when it produced a report on forced marriage, female genital mutilation and so-called honour crimes.

That report was absolutely horrifying. We heard evidence of girls who had been forced to marry rapists and who were unable to prevent British authorities from giving visas to the rapists because they were unable to speak out in public for fear of what would happen to them at the hands of their own families. We heard about female genital mutilation. We heard that schools are refusing to put up the number of the forced marriage helpline—in this country—because of concerns that it would alienate the local community. We know that political meetings are taking place addressed by senior Labour Members where men and women are segregated. I pointed out a few weeks ago in this Chamber that the Muslim Council of Britain—one of the so-called moderate Muslim groups—was linking to a website that told women that they should not be able to travel more than 48 miles without a male chaperone. I have drawn attention in this Chamber to the fact that some girls in some schools are expected to wear the full burqa as part of their uniform. I recently met members of One Law for All, who I am glad to say are currently giving evidence to the Home Affairs Committee on the issue of sharia law. They are worried about the increased wearing of the burqa and the pressure that girls are under to wear it in some parts of London at the moment.

I very much hope people will understand that it is not the autumn statement that is causing a lot of these problems, but backward cultural attitudes displayed by men in some communities towards the women in those communities. I am very glad that the Government announced in the autumn statement that the £3 million tampon tax would be used to support women's charities. I urge them to put the money towards charities like Karma Nirvana, run by Jasvinder Sanghera, who campaigns against forced marriage; One Law for All, which is campaigning against sharia law; and all the

other charities that are reaching out to women in ethnic minority communities to bring about the equality we all so badly want.

3.10 pm

Cat Smith (Lancaster and Fleetwood) (Lab): I am speaking in this debate because this Government's so-called long-term economic plan has failed, is failing and continues to fail women in particular. The motion states that "86 per cent of net savings to the Treasury through tax and benefit"

measures will come from women. The Minister said that maybe that was not the full picture. Well, it is not the full picture because it does not take into account the many hours of unpaid caring work that women in our communities do, often plugging the gap left by cuts to local services—caused by this Government. Moreover, some women are paying far more than others, and women in low-paid jobs from the black and minority ethnic community and women with disabilities are disproportionately taking the hit from this Government.

When it comes to social care that is paid care, rather than unpaid care, we know that 82% of employees in adult social care are women, and that their hourly median wage is £7.10, but that often does not take into account travel time between appointments, so the true figure can drop as low as £5.75—well below the £6.70 national minimum wage. The autumn statement said nothing on social care, health, the NHS or mental health; as a result it missed the point and did not tackle the issues that we face as a country.

There was nothing in the autumn statement for the 2.6 million women who have had their lives changed by this Government's attitude to the equalisation of pension ages. Those WASPI women have campaigned with dignity, but they got nothing from this autumn statement, as the Government continue to refuse to act for them.

On the tampon tax, can the Minister confirm whether the £3 million announced in the autumn statement is new funding or the remainder of the allocation from 2015 funds? I do not know where to begin with the tampon tax. The injustice of women having to pay that tax is not negated by the fact that money is given to women's charities, because women should not be funding our own refuges. A tax that the Government hope to abolish—we stand with them on that; we would like to abolish it too—does not offer secure funding for our refuges, which need long-term secure funding. The Government need to step up to the mark on that.

This debate should not be taking place, because the Government should have published their equality impact analysis ahead of the autumn statement. Perhaps the Minister will let us know whether she plans to publish the impact analysis that was undertaken ahead of the 2016 autumn statement, to reveal its impact on women.

Nothing in this debate is new. It has been known for decades that cuts to public services have a disproportionate impact on women, because they are more likely to work in the public sector and to be using the services provided by the public sector, and yet it is women who often pick up the unpaid work that is left to be done when services are cut. We have known for decades that women are disproportionately represented among the lowest-paid in our communities, and are therefore now being disproportionately impacted by the cuts made by this

Government. Given that this fundamental analysis is well known and widely accepted, one can only assume that this Government deliberately presented an autumn statement that they knew would disproportionately impact on women.

The Labour party has made a commitment that any future Labour Government will ensure that all economic policies are gender-audited, to ensure that they truly work for all. Not only has austerity failed our country, and especially the women of our country, but we need to remember that this was a political choice, made for ideological reasons rather than economic necessity.

3.14 pm

Suella Fernandes (Fareham) (Con): The Opposition motion is an attempt to attack the Government's record on equality in relation to gender and race. I am saddened by it—saddened but unsurprised, because it is unoriginal, it is typical and it is an unfounded attack.

I would ask the Opposition to change the record. They need to dump their 1980s retro-socialism and face the facts. The Conservative party that I have been elected to represent, as a woman and as a member of an ethnic minority, bears no resemblance to the picture they are trying to paint in the motion, in philosophy or policy—in fact, quite the contrary.

I am proud that on this side of the House, our values of fairness, meritocracy and service inform our policies—our values of aspiration. We say it does not matter where you start in life. It does not matter what your parents did. It does not matter where you come from. You can rise up, by using the ladder that the Conservatives provide—not handouts and not dependency. The key to that is working, because that produces confidence. It engenders teamwork. It creates responsibility. We believe in the individual, not the state. We believe that taxation stifles enterprise, instead of empowering. That is what this autumn statement depicts, and that is what this Government's track record reflects.

Labour's default position of increasing taxation, of spending more, is unsustainable; it is not prudent and it is disempowering to women, ethnic minorities and disabled people. If we want to keep and empower women in work, and to empower ethnic minorities and disabled people, we need a strong economy. We get a strong economy by managing the books and the finances prudently. This recent autumn statement set out by the Chancellor is a real reflection of how we do that, with the commitment to raising the tax-free personal allowance to £12,500; raising the national living wage from £7.20 to £7.50 in April; aligning national insurance thresholds for employees and employers; rolling out 30 hours of tax-free childcare; and introducing shared parental leave and flexible working.

Those are all conditions that empower women, and when the conditions are right, we get the results, and the results speak for themselves. Granted, there is more to do, but the gender pay gap is the lowest on record, with more women-led businesses than ever, contributing £80 billion to the economy per year. There are no all-male boards in the FTSE top companies. Britain has been voted the best country in Europe for women to set up a business. Those are the facts.

This is a Government who create the conditions to help make work pay, to strengthen our economy in a sustainable and prudent way. In doing so, we are all

empowered. We are all empowered—as women, as ethnic people, as disabled people, as people from disadvantage. It does not matter what your background is; you can achieve your potential, with no limit on your aspiration. That is why I shall vote against the Opposition motion.

3.18 pm

Carolyn Harris (Swansea East) (Lab): In the 2016 autumn statement, 85% of the net savings to the Treasury through tax and benefit measures come from women. Here I go again, as promised, speaking up for the 2.6 million women who have been adversely affected by this Government's chaotic mismanagement of the pension age increase. Action to address the situation of those who have lost out is needed to ensure that everyone is treated fairly in the process of increasing the state pension age for women. An estimated 500,000 women born in the 1950s have been affected by the changes in the state pension. Changes to state and public sector pensions will disproportionately affect women, who already make up two thirds of the UK's poorest pensioners.

I have nothing new to say, because hon. Members have heard it all before. No further explanation of the situation is needed, because Opposition Members all acknowledge that those 1950s women—the WASPI generation—are experiencing gross injustice. Today we are talking about equality, and those women do not have equality. The Government have the opportunity to redress that inequality, do the right thing and make appropriate transitional payments for the 1950s WASPI women.

3.19 pm

Lucy Frazer (South East Cambridgeshire) (Con): I welcome any support for women. Women make up half the population and contribute a great deal to our economy. We need to focus on ensuring that we have a strong economy, because through a strong economy we protect women as well as men, disabled people as well as able-bodied people, and people of all races. With a strong economy, all those people will prosper. I am pleased that our growth under this Conservative Government is second only to that of the US.

It is unfortunate that Labour Members focus on the negatives, not the positives, and that they do not seek to raise ambitions and aspiration for all society. I would like to highlight four positives in relation to women: for those who are young, for those who are on low wages, for those who are more skilled, and by way of international comparison.

First, I do not think that it is appropriate to talk down young women. Girls often do better than boys in school, and more women than men go to university. Secondly, I want to recognise the benefit of the Government's policies for women on lower salaries. Men as well as women benefit from the national living wage going up to £9 by 2020. If, as the Opposition say, women are paid less than men, the policy will disproportionately benefit women.

Thirdly, let us not forget the strides that have been made for the higher paid. We have no all-male FTSE 100 boards, and the number of women on FTSE 100 boards went up to 26% in 2015, from 13% in 2011. Fourthly, it is important to consider how we are doing by comparison with other countries internationally. The World Economic

[Lucy Frazer]

Forum gender gap measures and ranks the level of equality of opportunity between men and women. We are 20th out of 144, ranking above Canada, the US and Australia.

The hon. Member for Rotherham (Sarah Champion) stated that she was proud of successive Labour achievements. She failed to mention that according to a Fabian Society study, only 36% of Labour councillors, 16% of council leaders and 11% of the most senior Labour staff are women. I want an economy and a society that work for everyone, of every race, gender and religion.

Robert Courts (Witney) (Con): Will my hon. Friend give way?

Lucy Frazer: I have just finished.

3.22 pm

Jess Phillips (Birmingham, Yardley) (Lab): I am going to talk about the productivity gap, which was mentioned in the autumn statement. I am going to stick to talking about the autumn statement, because that is the subject of the motion. The productivity gap is, in my opinion, one of the things we fail on repeatedly because we forget half the population. Members have talked about the infrastructure spending that was announced in the autumn statement, but we all know—let us stop pretending that we do not—that that will mainly create jobs that are filled with men. I am asking the Government to do something about it.

During the Women and Equalities Committee inquiry into the gender pay gap, Minister after Minister pledged their desire to do something about it. The inquiry found clear evidence that the segmenting of jobs exacerbated the gender pay gap. Ministers—including those who were on the Front Bench earlier—have sat in front of me and said that they want to see more women in science, tech, engineering and maths. I have travelled to the UN with one of the Ministers who was on the Front Bench earlier to talk about how brilliantly the UK was doing in that field.

Dr Philippa Whitford (Central Ayrshire) (SNP): Does the hon. Lady recognise the importance of the point made by one of my colleagues yesterday that even if the 500,000 jobs coming from the industrial strategy were all given to disabled people, that still would not close the disability gap, let alone the gender gap?

Jess Phillips: I do, indeed, recognise that, and I thank the hon. Lady for her intervention. We must all recognise that we have so much more to do in this area.

The announcement of billions of extra pounds in the autumn statement represents a real opportunity for the Government to invest in construction and engineering jobs, and in tech innovation. The money provides a lever for the allocation of money to be used not only to build and make things, but to achieve some of their other aims, which they have travelled the world saying they cared about.

After the statement, I set about asking Ministers how they would make sure this money—the money of taxpayers, including all the women who pay taxes—was going to be spent on our prosperity. I asked the Chancellor if he

had plans to set targets for women's employment. I wonder whether we can guess what he said. He did not say, "Why, yes, we will stay true to our word about women's gainful employment and the breaking down of gendered roles in employment." No, he said:

"The government has no plans to set targets for women's employment to be achieved as a result of the National Productivity Investment Fund".

It is clear that women will not only lose out from the cuts, but make no gains when the Government finally decide to start spending money. A huge amount of research shows that instead of always reaching for shovels when we spend on infrastructure, we need to see our people services as infrastructure. Investment in childcare and, very topically, in care services creates more jobs than any road building, and it also has double the effect on productivity by freeing up adults of working age from the extra responsibilities that stop them working. I need not say that that mainly applies to women.

I am asking for it to be made a condition in the tendering process for all contracts involving the commissioning of all this money on infrastructure that providers must have a plan showing how they will attract more women into such roles. I would ask Ministers to set targets and quotas, but I know that they will not do so, regardless of all the evidence in favour of doing so. They have evidence-based policies only when they want. No contract should be allocated without such a workable plan being submitted.

I ask the Government to monitor how many women's jobs are created by the national productivity investment fund, so that we women taxpayers of the country can see exactly what we are getting back for our investment. Monitoring this will allow the Government to see if they are doing a good job for half the population. Just hoping this stuff gets done is no longer good enough. Government policy cannot be based on the triumph of hope over experience. The idea that progress will take another 60 years is simply not good enough.

Experience and evidence now show that only 1% of direct construction jobs are held by women, as are 14% of jobs across the entire construction industry, including all administration jobs. In that field, there is a 16% gender pay gap. We are therefore investing in a sector where women do not have jobs, or in which when they do get them, they can expect to be paid considerably less than their male colleagues. I want this investment in house building, road building, research and development, but I just want the benefits to be shared equally. At the moment, women are getting 1%, while 99% goes elsewhere. I am not shroud-waving or being negative, as Government Members say; I am standing here and waving, hoping that the Government notice that, on productivity, there is a female of the species.

3.28 pm

Dr Philippa Whitford (Central Ayrshire) (SNP): The motion is about the autumn statement, but we must accept that this is not just about the autumn statement. We are talking about the cumulative effects over the decade between 2010 and 2020. Those with the lowest 10% of incomes stand to lose 21% of their income by 2020. This will affect people with disability. We have debated in this place the cuts to the employment and support allowance work-related activity group, and we

know about the changes to the personal independence payment and about the removal of Motability cars, which will stop someone with disability getting work. We have also heard about the gender impact and the impact on black and minority ethnic people. The changes to tax have definitely helped men, and they have helped those who are not at the bottom. Sadly, those right at the bottom are probably not paying tax, so a change in the tax threshold does not help them. Some 72% of those on the 40% tax rate are men, so they are the ones who benefit.

Just in case the Government have forgotten some of the things that have happened in recent years, I will put my specs on and read the list. We had changes to child benefit, which is important because it is usually paid to the mother. There was a cut in childcare support within working tax credit, the baby element of tax credits was removed and the threshold for working tax credit for couples with children increased from working 16 hours to working 24 hours. There have been reductions in housing benefit support that hit women, as they make up most of the households with a single adult. Lone parents on income support now need to move on to jobseeker's allowance once their child is five—92% of lone parents are women. The health in pregnancy grant was axed and Sure Start maternity grants were axed after the first child. There are charges for access to child maintenance services and, indeed, to employment tribunals, which affect women when they try to bring inequality cases.

There have been benefit caps and benefit freezes. Some 89% of the people who are hit by those are in households with children and 50% are lone parents. I say again, 92% of lone parents are women. We know about the cuts to come in universal credit and the “pretendy” U-turn on tax credits, as the cuts simply come in as universal credit rolls out. Paying universal credit to one person in the household presents a real danger where domestic abuse and manipulation are part of the family.

The key issue is that there has not been a cumulative impact assessment on all the changes added together for gender, ethnicity and disability. The two biggest groups that are affected are lone parents, particularly lone mothers, and single women pensioners. As we heard earlier, lone parents stand to lose £4,000—an eye-watering amount of their income. Women pensioners have faced a 19% pay gap over their lifetime. That means they have less savings and a bigger reliance on the state pension. Of course, we also have the WASPI issue.

What all that results in is a health impact. The Government talk about NHS sustainability, but the biggest driver of ill health is poverty. We faff around talking about smoking, weight and all the things people should do, but according to the Marmot report, the difference is poverty. The biggest change that has ever happened in public health came from changing the London sewers. We should be trying to eliminate poverty and give children a decent start in life.

3.32 pm

Liz McInnes (Heywood and Middleton) (Lab): I thank my hon. Friend the Member for Rotherham (Sarah Champion) for securing this debate and for all the work she has done to highlight this important matter.

Since 2010, women have been hit three times harder by tax and benefit changes than men. Eighty-six per cent of tax and benefit savings have been taken from women. That is a further increase of 5% since last year's autumn statement. Female-headed households will be affected the most. They will see the largest drop in living standards between 2010 and 2020, and that is happening under a Conservative-led Government.

In her maiden speech on the steps of Downing Street, the Prime Minister said:

“If you are a woman, you will earn less than a man.”

That is absolutely true. The gender pay gap needs to be tackled now. The Labour Government closed it by a third, but according to the United Nations, on the current rate of progress, it will take Britain another 70 years to bridge the divide between men's and women's pay.

I have highlighted the fact that women are being paid less, but they are also paying the price of austerity. According to the Women's Budget Group, women in work will be £1,000 a year worse off on average as a result of the autumn statement. Their male counterparts will lose £555 a year. As has been highlighted, low-earning women will be the worst affected of any group. Women who are employed and earn below-average incomes will find themselves £1,678 a year poorer.

The effects of the autumn statement are also detrimental for women who rely on the welfare system for support. The cuts, including the reduction in the benefit cap and the cuts to tax credits, child support and carer's allowance, heavily affect single parents. Nine out of 10 single parents are women. For women in work the Government trumpet the raise in the personal tax allowance as

“lifting people out of tax”

yet ignore the 43% of people who do not earn enough even to pay income tax, 66% of whom are women and whom this measure benefits not one jot.

Since coming into government in 2010 the Conservatives have stated repeatedly that they have a long-term economic plan. With a new Chancellor and Prime Minister, in the autumn statement they seemed to change course and now promise to target the just about managing—the JAMs. Sadly, all I can see is them getting themselves into a long-term economic jam. I have to ask, who are these people who are just about managing? Do the just about managing need inheritance tax to be scrapped on homes worth up to £1 million? Is it helpful to give £21 billion in tax cuts to the richest half of households—are they just about managing now? Or is it just about managing to be able to afford to blow £1,000 on designer accessories? Many of my constituents can no longer just about manage. They are in fact not coping at all, having borne the unfair burden of this Government's austerity policies.

If this Government want a Britain that works for everyone, they should not be allowing women to be paid less while paying the price for their unequal policies. In a spirit of positivity, I ask the Government to begin addressing the mass inequality they have dealt to UK women, and recommend that they start with a gender audit of their own policies and gender analysis of future Budgets so we can at least begin to eradicate the imbalance that burdens women here in the UK.

3.36 pm

Kirsty Blackman (Aberdeen North) (SNP): Quite a lot of percentages and stats have been mentioned. I will throw a few more in, but not that many, in the hope that we will not bamboozle everyone too much.

The Government have been saying that things are getting better for women and that the autumn statement must therefore be okay. They have tried pretty much to gloss over the fact that the autumn statement was written without considering the impact on the two different genders. Afterwards, they tried to fudge a response to the question that inevitably came. That is the situation, and it is not good enough—it is not good enough for the Government simply to fudge this issue.

The position that women are starting from is not a level playing field. More than 90% of lone parents are female. The gender pay gap in the UK is still 13.9% for full-time employees—that figure is from the Fawcett Society. Women are 60% of those earning below the living wage, by which I mean the real living wage, not the “pretendy” one. Women make up only 27% of higher rate taxpayers. We are starting from a position of disadvantage, in which there is a gender pay gap. The Government cannot simply say that they are not doing anything bad to women. They need to stand up and say that they will do good things for women. They need policies that make the situation better, rather than simply trying to stand still. As I have said, women do not start on a level playing field.

We should also really criticise the Government because they keep saying that the Library briefings and the evidence provided are wrong. They cannot say the evidence is wrong just because they disagree with it. That does not make it wrong; it simply means that they disagree with it. It is the same with the national living wage. The Government cannot call it a national living wage and then expect people to be able to live on it just because they have called it that. That is not how these things work. They need to make actual changes.

In November 2013, the Full Fact website did some work looking at Labour’s work and policies on the gender pay gap. It said that

“women just tend to be in the groups more affected by benefit changes.”

That is absolutely the case, because of the percentage of women who are lone parents, and are therefore managing a household on their own, along with the reduction in the number of benefits being given to people with children—because of all of these changes, which disproportionately affect women. We start from a position in society of less privilege, fewer opportunities and less advantage. The Government need to do the opposite of what they are doing; they need to be making positive interventions.

The speech about people being able to climb up the ladder was frankly rubbish. People cannot climb up the ladder. People of my generation are having more trouble climbing up it than those of the previous generation. Things are going backwards. We are getting worse. People from less affluent backgrounds, women, those from black and ethnic minority backgrounds and disabled people have struggled more in the last few years to climb up that ladder than they did 20 or 30 years ago, when there was the possibility of that dream. The Government talk about how 26%, or something, of

people on a FTSE 100 board are now female. For a start, that is nowhere 50%; moreover, of those heading up FTSE 100 boards, only five are women. That needs to be fixed.

3.40 pm

Mr Steve Reed (Croydon North) (Lab): I congratulate my hon. Friend the Member for Rotherham (Sarah Champion) on securing this important debate, and I am pleased that she referred in her excellent contribution to maternity and paternity leave, because I would like to focus on the plight of parents of premature babies, a group that really is struggling to manage. The autumn statement was a missed opportunity to offer them the better help they need. Although maternity provision in the UK is generally good by international standards, it does not work for parents whose babies are born long before their due date. These tiny babies, born too soon to live without medical support, can be on life support in incubators for weeks, or even months. The parents cannot hold them because they are encased in machinery with wires, tubes and bleeping monitors as they fight for their lives.

Paid maternity leave lasts for about six months, but it is triggered the moment the child is born; there is no flexibility if the baby spends several of those first vital months inside an incubator on a special care unit. That means that the child is doubly disadvantaged, first by being born too weak and frail to live without medical support and with illnesses that can often last for years, and secondly by being denied the full period of time that healthier babies get to bond with their parents. Holding, cuddling and breastfeeding are all vital to a baby’s healthy development, but a premature baby never gets back the time they spend in an incubator.

The stress of watching their baby struggling to live leaves one in every five mums of premature babies with mental ill health, which is another issue that the autumn statement ignored. On average, the parents of premature babies spend an extra £2,000 on the costs of overnight accommodation, hospital parking and eating in expensive hospital cafeterias. For many parents, that is money they simply do not have, and it pushes many into debt that they struggle to get out of afterwards. It is difficult not just for mums but for dads, too. They still only get 10 days’ paid paternity leave, even if their baby is born months early, so at a time when their newborn child is fighting for its life and the child’s mother needs help the most, many dads are sent straight back to work.

Those parents need an extension of paid maternity and paternity leave that takes into account how premature their baby is. There would be a relatively small up-front cost to the Government, but it would save far more public money in the long term by keeping parents in work, helping vulnerable babies to develop more healthily by having that vital time to bond, reducing mothers’ mental ill health and reducing the child’s need for later medical interventions. Of course, the human benefit for families would be way beyond any financial calculation.

I took a group of campaigners and mums of premature babies to share their stories with the Under-Secretary of State for Business, Energy and Industrial Strategy, the hon. Member for Stourbridge (Margot James), and I look forward to hearing her views on what she heard. I hope that the Government will reflect on the damage they have done to families these past six years and,

in this case at least, do the right thing and support parents who need us to do the right thing for them so that they can do the right thing for their families.

3.44 pm

Rebecca Long Bailey (Salford and Eccles) (Lab): I thank my hon. Friend the Member for Rotherham (Sarah Champion) for championing this issue so well today. I also thank all of today's fantastic speakers. We have heard from my hon. Friends the Members for Lancaster and Fleetwood (Cat Smith), for Swansea East (Carolyn Harris), for Birmingham, Yardley (Jess Phillips), for Heywood and Middleton (Liz McInnes) and for Croydon North (Mr Reed), from the hon. Members for Glasgow Central (Alison Thewliss), for Monmouth (David T. C. Davies), for Fareham (Suella Fernandes), for Central Ayrshire (Dr Whitford) and for Aberdeen North (Kirsty Blackman), and from the hon. and learned Member for South East Cambridgeshire (Lucy Frazer). We heard from them on a range of issues, from the gross injustice faced by the WASPI women, the disability work gap, the productivity gap and the benefit cap to the universal credit cuts, paternity rights and the fact that austerity and cuts have ultimately fallen largely on the shoulders of women over recent years.

Last month's autumn statement was an opportunity for the new Chancellor to signal a change of direction and repair some of the damage caused by six years of Conservative failure. Indeed, we were told that our cumulative deficit would be £122 billion by 2021, a far cry from the eradication of the deficit that we were promised by 2015. We have seen six wasted years, in which the deficit has spiralled, debt has spiralled and productivity, which drives our economy, has hit rock bottom; six years of pernicious cuts and schemes aimed at dismantling and marketising our public services, which are now teetering on the edge of a cliff; six years in which the wealthiest enjoyed tax giveaways, while the most vulnerable saw their incomes savagely cut.

How did women fare in all this? I was quietly optimistic before the statement, given that we have a female Prime Minister after all, and she waxed lyrical in the days preceding the statement that the Government would help the so-called just about managing. Sadly, nothing could have been further from the truth. As we have heard, the autumn statement ensures that 86% of cuts will still come from women. There was nothing for those dubbed "just about managing", no reversal of universal credit cuts, no reversal of cuts to employment and support allowance, nothing for our NHS and not even a mention of social care. The figures are even more depressing. Analysis by the Institute for Fiscal Studies shows that real wages will not recover to 2008 levels even by 2021. This is unprecedented in modern British history, and that is before we even start looking at the gender pay gap.

The statement was sadly noteworthy more for what it was missing than what it achieved, but perhaps most disappointing was the Chancellor's failure to address the disproportionate impact of the past six years on women. He had his chance. For example, Labour made it clear that we would support him should he fully reverse cuts to universal credit, yet he chose not to and announced a meagre change to the taper rate, which will do little to mitigate the effect of the wider cuts, which disproportionately affect women.

The House of Commons Library helpfully modelled the effects of the changes on different family situations. A lone parent on the national living wage with one child is set to experience a net loss of £2,600 in 2020-21, even with the reduced taper rate. Of course, that is a desperate situation for any family, but further analysis shows, interestingly, that single female adults make up 88% of total single adults in receipt of the child and/or working tax credits that form part of the new universal credit bundle.

Not only did the statement fail to address the discrepancy in the impact of tax and benefit changes, but the systematic failure to properly fund our public services impacts on women more than men. For example, the social care sector is in crisis. In fact, it is not just in crisis; it is on the brink of collapse, which in turn puts even greater pressure on our already creaking NHS. Yet the autumn statement did not provide a single penny. Not only is this situation untenable for all in need of care, but the chronic underfunding excessively impacts on women. Women are the main recipients of social care services and constitute the majority of both paid and unpaid carers. About 80% of all jobs in adult social care are held by women, and let us be honest: the majority of them are not very well paid.

The Government seem to be suggesting that allowing local authorities to raise council tax will address the situation, but we on the Labour Benches know that such a solution creates severe geographical discrepancies and will go nowhere near plugging the gap. In fact, in my constituency of Salford and Eccles it will not even touch the sides of what we need to fund our social care system.

I began by saying that the autumn statement was an opportunity for the new Chancellor to change direction. Sadly he missed that chance, but the Minister today has another chance to correct the gender imbalance that the economic policies of the last six years have created. We need to address the fact that tonight, in my constituency, some women are going to struggle to put themselves to bed because they have no access to social care, or indeed they might be the unpaid carers putting their loved ones to bed. Women will stay on late at work—just to counteract the entrenched gender stereotype in our dog-eat-dog job market—often working longer and harder than their male counterparts for far less pay. Some mothers who have been hit by the pernicious cuts of the last six years will struggle to feed their children and themselves. All these women will dream of a future for their daughter—a future that takes them away from the desperation and shattered ambition that has seeped into society over the past six years.

The Government talk a lot about aspiration, and we have heard some of their words today. Their words, however, are hollow, and the clock has, frankly, been turned back on gender equality over the last six wasted years, with an economic plan that has failed Britain and failed women.

3.50 pm

The Financial Secretary to the Treasury (Jane Ellison): We have certainly had a wide-ranging debate today, if perhaps a little curtailed, touching on many subjects of fundamental importance to our society and indeed to this Government. I would like to thank Members of all parties for their contributions.

[Jane Ellison]

In truth, I think we all want to see an economy that works for everyone in our society, whether it be women, men, people from black and minority ethnic backgrounds—all groups. It is right to scrutinise our success in delivering on that. Historically, women and black and minority ethnic groups have been disproportionately represented in lower-income groups. We all acknowledge that, but we have not heard much from the Opposition about the broad action necessary to address that long-term historical trend. It is important to address it in the long term, which my hon. Friend the Member for Fareham (Suella Fernandes) touched on.

We have just heard from the Opposition that “aspiration” is an empty word. Actually, at the heart of Conservative Members’ contributions has been the idea that it is aspiration that will address this problem in the long term, and that can be seen in some of the actions we have taken. We have sought to raise aspirations to ensure that the next generation does better than the current one, particularly in some of the lower-income groups.

What, then, have we been doing? Fundamental to everything—I realise that this is something that the Opposition will never agree with us on and will never engage with—is a stronger economy. That underpins doing the best for everyone in our society so that they can enjoy a greater level of prosperity and higher living standards. [Interruption.] The Opposition Front-Bench team can chunter all they want, but their failure to engage with the fundamental issue of having a credible plan for our economy, for bringing down debt over time and for putting our public finances on a sustainable basis perhaps explains why only five Labour Back Benchers were in the Chamber at the beginning of this Opposition day debate. It perhaps explains why large parts of the Labour party have lost faith in their own Front Benchers. It is a consequence of their failure to engage with the fundamental truths of our economy. That issue underpins everything that we have come here to discuss today, but we have heard nothing from the Opposition about some of the key issues.

In stark contrast, we have heard from Government Members about what we are doing to maintain the focus on making this country somewhere where our businesses can grow, where people can succeed and where we can provide more jobs and more opportunities for all working people. There is a stark contrast with the Labour record, which saw female unemployment rise by a quarter, whereas we have a record employment rate. We have seen 1.2 million women find work since 2010, including 400,000 women from black and minority ethnic groups.

The House should also note—Conservative Members noted it with pleasure—that the gender pay gap has fallen to a new record low. Yes, there is further to go, but all we got from the Opposition was sarcasm, instead of saying, “Yes, we have made progress and we want to do better.” But progress we have made, and it is all about laying the foundation for rising wealth for all working people. It means having a sensible fiscal plan to get our finances under control, and it means backing British business to deliver strong growth in our economy, without which we cannot create jobs for anyone.

I was slightly mystified by the dismissive tone taken by the hon. Member for Birmingham, Yardley (Jess Phillips) on investment and infrastructure. I am glad that she engaged with the autumn statement announcements on infrastructure, but she dismissed the investment in road building, for example, as being about creating jobs in construction. That infrastructure money, whether for road building or digital infrastructure, is directly intended to help people start businesses and grow them quicker. Record numbers of women have started businesses in this country over the past six years, and it is evident that investment in improving our digital infrastructure is key to some of those companies, because women have been extraordinarily entrepreneurial when it comes to starting new online businesses.

Jess Phillips: Only 17% of jobs in innovation and technology are held by women, but we can look at that again.

Words have repeatedly, and wrongly, been put in my mouth throughout this debate. I never once said that I did not want infrastructure spending on roads; I said that I also want infrastructure spending on care. That money should be spent equally on women’s jobs and men’s jobs. All I am asking is that we record the data so that we can see if that works.

Jane Ellison: I am responding directly to that point. Infrastructure investment is about enabling the creation of more jobs and enabling more businesses to grow. We obviously agree on that point, but it is nonsense to say that men benefit disproportionately. We know that more women have started businesses and that more women are in employment, so the things we are doing to enable people to grow businesses and create jobs are directly benefiting all kinds of workers. That is fundamentally what we are about.

We heard from my hon. Friends—sadly, there was nothing from the Opposition—about the number of women on boards, the number of women in employment and the number of businesses being started by women. It is impossible to have this kind of debate if the Opposition will not acknowledge any of that or the progress made. They will not acknowledge, for example, that when the personal allowance rises to £11,500 next year, 1.3 million people will be taken out of income tax, 59% of whom are women. My colleagues talked about the investments we have made for working families through tax-free childcare, the reduction of the universal credit taper, funding for more affordable homes and investment in quality public services, meaning that more children are in good or outstanding schools. However, mention of that came there none from Opposition Members. It is as if none of those things have happened.

We carefully consider the implications of all of our measures both for protected equality groups, in line with the Equality Act 2010, and for households at different points on the income distribution. I refer hon. Members once again to the comprehensive distributional analysis that we published alongside the autumn statement. It showed—again, we did not hear about this—that only the wealthiest households would experience modest losses as a result of the measures in the autumn statement. That is why the top 1% of income taxpayers in our society today pay a greater share of income tax than in any year under the previous Labour Government, but we did not hear about that either.

We want to see women and men of all races and ages and from all parts of our country grow increasingly prosperous, and key to that is investing in a strong economy that produces jobs and opportunities for working people. That is what we have been working to deliver since 2010. That is why we have more women in work and more women-led businesses than ever before. That is why we have increased support for families and individuals in their day-to-day lives, whether through measures to increase the national living wage, which are ridiculously dismissed by Opposition Members, or by cutting income tax for millions of people.

Crucially, women are a much more important part of this country's economy than the Opposition give us credit for. We are so much more than they would have it, from listening to their speeches today. The Government are here to improve the lot of all the working people in this country and, in particular, to support the ever increasing contribution that women make to our economy—and long may it be so. This Government remain committed to ensuring that that continues into the future.

Question put (Standing Order No. 31(2)), That the original words stand part of the Question.

The House divided: Ayes 234, Noes 307.

Division No. 111]

[3.59 pm

AYES

Abbott, Ms Diane	Cooper, Julie	Fovargue, Yvonne	Monaghan, Dr Paul
Abrahams, Debbie	Cooper, Rosie	Furniss, Gill	Moon, Mrs Madeleine
Alexander, Heidi	Cooper, rh Yvette	Gapes, Mike	Morden, Jessica
Ali, Rushanara	Corbyn, rh Jeremy	Gardiner, Barry	Mullin, Roger
Allin-Khan, Dr Rosena	Cowan, Ronnie	Gethins, Stephen	Murray, Ian
Anderson, Mr David	Coyle, Neil	Gibson, Patricia	Nandy, Lisa
Arkless, Richard	Crausby, Mr David	Glass, Pat	Newlands, Gavin
Ashworth, Jonathan	Creagh, Mary	Glendon, Mary	O'Hara, Brendan
Bailey, Mr Adrian	Creasy, Stella	Goodman, Helen	Olney, Sarah
Barron, rh Sir Kevin	Cummins, Judith	Grady, Patrick	Onn, Melanie
Beckett, rh Margaret	Cunningham, Mr Jim	Grant, Peter	Onwurah, Chi
Benn, rh Hilary	Dakin, Nic	Gray, Neil	Osamor, Kate
Berger, Luciana	Danczuk, Simon	Green, Kate	Oswald, Kirsten
Betts, Mr Clive	David, Wayne	Greenwood, Lilian	Owen, Albert
Black, Mhairi	Davies, Geraint	Greenwood, Margaret	Paterson, Steven
Blackman, Kirsty	De Piero, Gloria	Gwynne, Andrew	Pearce, Teresa
Blackman-Woods, Dr Roberta	Docherty-Hughes, Martin	Haigh, Louise	Pennycook, Matthew
Blenkinsop, Tom	Doughty, Stephen	Hanson, rh Mr David	Perkins, Toby
Blomfield, Paul	Dowd, Jim	Harman, rh Ms Harriet	Phillips, Jess
Boswell, Philip	Dromey, Jack	Harris, Carolyn	Phillipson, Bridget
Brabin, Tracy	Durkan, Mark	Hayes, Helen	Pound, Stephen
Bradshaw, rh Mr Ben	Eagle, Ms Angela	Healey, rh John	Powell, Lucy
Brake, rh Tom	Eagle, Maria	Hendrick, Mr Mark	Qureshi, Yasmin
Brennan, Kevin	Edwards, Jonathan	Hendry, Drew	Rayner, Angela
Brock, Deidre	Efford, Clive	Hillier, Meg	Reed, Mr Jamie
Brown, Alan	Elliott, Julie	Hodge, rh Dame Margaret	Reed, Mr Steve
Brown, rh Mr Nicholas	Ellman, Mrs Louise	Hodgson, Mrs Sharon	Rees, Christina
Buck, Ms Karen	Elmore, Chris	Hollern, Kate	Reeves, Rachel
Butler, Dawn	Esterson, Bill	Hopkins, Kelvin	Reynolds, Emma
Byrne, rh Liam	Evans, Chris	Howarth, rh Mr George	Reynolds, Jonathan
Cadbury, Ruth	Farron, Tim	Huq, Dr Rupa	Ritchie, Ms Margaret
Campbell, rh Mr Alan	Fellows, Marion	Hussain, Imran	Robertson, rh Angus
Carmichael, rh Mr Alistair	Ferrier, Margaret	Johnson, rh Alan	Robinson, Mr Geoffrey
Champion, Sarah	Field, rh Frank	Johnson, Diana	Ryan, rh Joan
Chapman, Douglas	Fitzpatrick, Jim	Jones, Gerald	Saville Roberts, Liz
Chapman, Jenny	Fiello, Robert	Jones, Mr Kevan	Shah, Naz
Cherry, Joanna	Fletcher, Colleen	Kane, Mike	Sheerman, Mr Barry
Clegg, rh Mr Nick	Flint, rh Caroline	Keeley, Barbara	Sheppard, Tommy
Coaker, Vernon	Flynn, Paul	Kendall, Liz	Sherriff, Paula
Coffey, Ann		Kerevan, George	Shuker, Mr Gavin
		Kerr, Calum	Skinner, Mr Dennis
		Kinnock, Stephen	Slaughter, Andy
		Kyle, Peter	Smeeth, Ruth
		Lamb, rh Norman	Smith, rh Mr Andrew
		Lammy, rh Mr David	Smith, Angela
		Lavery, Ian	Smith, Cat
		Law, Chris	Smith, Nick
		Lewell-Buck, Mrs Emma	Smith, Owen
		Lewis, Clive	Smyth, Karin
		Long Bailey, Rebecca	Stephens, Chris
		Lucas, Caroline	Stevens, Jo
		Lucas, Ian C.	Streeting, Wes
		Lynch, Holly	Stringer, Graham
		MacNeil, Mr Angus Brendan	Stuart, rh Ms Gisela
		Madders, Justin	Tami, Mark
		Mahmood, Shabana	Thewliss, Alison
		Malhotra, Seema	Thomas, Mr Gareth
		Marris, Rob	Thompson, Owen
		Marsden, Gordon	Thomson, Michelle
		Maskell, Rachael	Thornberry, Emily
		Matheson, Christian	Timms, rh Stephen
		McCabe, Steve	Turley, Anna
		McCaig, Callum	Turner, Karl
		McCarthy, Kerry	Twigg, Derek
		McDonald, Andy	Twigg, Stephen
		McDonald, Stuart C.	Umunna, Mr Chuka
		McDonnell, rh John	Vaz, rh Keith
		McFadden, rh Mr Pat	Vaz, Valerie
		McInnes, Liz	Watson, Mr Tom
		McMahon, Jim	Weir, Mike
		Mearns, Ian	West, Catherine
		Miliband, rh Edward	Whiteford, Dr Eilidh

Whitehead, Dr Alan
Whitford, Dr Philippa
Williams, Mr Mark
Wilson, Corri
Wilson, Phil
Winnick, Mr David
Winterton, rh Dame Rosie

Wishart, Pete
Wright, Mr Iain
Zeichner, Daniel

Tellers for the Ayes:
Jeff Smith and
Vicky Foxcroft

NOES

Adams, Nigel
Afriyie, Adam
Aldous, Peter
Allan, Lucy
Allen, Heidi
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
Blunt, Crispin
Bone, Mr Peter
Borwick, Victoria
Bottomley, Sir Peter
Bradley, rh Karen
Brady, Mr Graham
Brazier, Mr Julian
Bridgen, Andrew
Brine, Steve
Bruce, Fiona
Burns, Conor
Burns, rh Sir Simon
Burrowes, Mr David
Burt, rh Alistair
Carmichael, Neil
Cartlidge, James
Cash, Sir William
Caulfield, Maria
Chalk, Alex
Chishti, Rehman
Chope, Mr Christopher
Churchill, Jo
Clark, rh Greg
Clarke, rh Mr Kenneth
Cleverly, James
Clifton-Brown, Geoffrey
Coffey, Dr Thérèse
Collins, Damian
Colvile, Oliver
Costa, Alberto
Courts, Robert
Cox, Mr Geoffrey
Crabb, rh Stephen
Crouch, Tracey
Davies, Byron
Davies, Chris
Davies, David T. C.
Davies, Glyn

Davies, Dr James
Davies, Mims
Davies, Philip
Davis, rh Mr David
Dinenage, Caroline
Djanogly, Mr Jonathan
Dodds, rh Mr Nigel
Donelan, Michelle
Double, Steve
Dowden, Oliver
Doyle-Price, Jackie
Drax, Richard
Drummond, Mrs Flick
Duddridge, James
Duncan, rh Sir Alan
Duncan Smith, rh Mr Iain
Dunne, Mr Philip
Elliott, Tom
Ellis, Michael
Ellison, Jane
Ellwood, Mr Tobias
Elphicke, Charlie
Eustice, George
Evans, Graham
Evennett, rh David
Fabricant, Michael
Fallon, rh Sir Michael
Fernandes, Suella
Field, rh Mark
Foster, Kevin
Fox, rh Dr Liam
Frazer, Lucy
Freeman, George
Freer, Mike
Fuller, Richard
Fysh, Marcus
Garnier, rh Sir Edward
Garnier, Mark
Gauke, rh Mr David
Ghani, Nusrat
Gibb, Mr Nick
Gillan, rh Mrs Cheryl
Glen, John
Goodwill, Mr Robert
Gove, rh Michael
Graham, Richard
Gray, Mr James
Grayling, rh Chris
Green, Chris
Green, rh Damian
Greening, rh Justine
Grieve, rh Mr Dominic
Griffiths, Andrew
Gummer, rh Ben
Gyimah, Mr Sam
Halfon, rh Robert
Hall, Luke
Hammond, Stephen
Hancock, rh Matt
Hands, rh Greg
Harper, rh Mr Mark
Harrington, Richard

Harris, Rebecca
Hart, Simon
Haselhurst, rh Sir Alan
Hayes, rh Mr John
Heald, rh Sir Oliver
Heapey, James
Heaton-Jones, Peter
Henderson, Gordon
Hinds, Damian
Hoare, Simon
Hollingbery, George
Hollinrake, Kevin
Hollobone, Mr Philip
Holloway, Mr Adam
Hopkins, Kris
Howarth, Sir Gerald
Howell, John
Howlett, Ben
Huddleston, Nigel
Hurd, Mr Nick
Jackson, Mr Stewart
James, Margot
Javid, rh Sajid
Jayawardena, Mr Ranil
Jenkyns, Andrea
Jenrick, Robert
Johnson, Dr Caroline
Johnson, Gareth
Johnson, Joseph
Jones, Andrew
Jones, rh Mr David
Jones, Mr Marcus
Kawczynski, Daniel
Kennedy, Seema
Kinahan, Danny
Kirby, Simon
Knight, rh Sir Greg
Knight, Julian
Kwarteng, Kwasi
Lancaster, Mark
Latham, Pauline
Leadsom, rh Andrea
Lee, Dr Phillip
Lefroy, Jeremy
Leigh, Sir Edward
Leslie, Charlotte
Letwin, rh Sir Oliver
Lewis, rh 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
Mackintosh, David
Main, Mrs Anne
Mak, Mr Alan
Malthouse, Kit
Mann, Scott
Mathias, Dr Tania
Maynard, Paul
McCartney, Jason
McCartney, Karl
McLoughlin, rh Sir Patrick
McPartland, Stephen
Menzies, Mark
Mercer, Johnny
Merriman, Huw
Metcalfe, Stephen

Miller, rh Mrs Maria
Milling, Amanda
Mills, Nigel
Milton, rh Anne
Mitchell, rh Mr Andrew
Mordaunt, Penny
Morgan, rh Nicky
Morris, David
Morris, James
Morton, Wendy
Mowat, David
Mundell, rh David
Murray, Mrs Sheryll
Murrison, Dr Andrew
Neill, Robert
Newton, Sarah
Nokes, Caroline
Norman, Jesse
Nuttall, Mr David
Offord, Dr Matthew
Opperman, Guy
Osborne, rh Mr George
Parish, Neil
Patel, rh Priti
Pawsey, Mark
Penning, rh Mike
Penrose, John
Percy, Andrew
Perry, Claire
Philp, Chris
Pickles, rh Sir Eric
Poulter, Dr Daniel
Prentis, Victoria
Prisk, Mr Mark
Pursglove, Tom
Quin, Jeremy
Quince, Will
Raab, Mr Dominic
Redwood, rh John
Rees-Mogg, Mr Jacob
Robertson, Mr Laurence
Robinson, Mary
Rosindell, Andrew
Rudd, rh Amber
Rutley, David
Sandbach, Antoinette
Scully, Paul
Shannon, Jim
Shapps, rh Grant
Sharma, Alok
Shelbrooke, Alec
Simpson, David
Skidmore, Chris
Smith, Henry
Smith, Julian
Smith, Royston
Soames, rh Sir Nicholas
Solloway, Amanda
Soubry, rh Anna
Spelman, rh Dame Caroline
Spencer, Mark
Stephenson, Andrew
Stevenson, John
Stewart, Bob
Stewart, Iain
Stewart, Rory
Streeter, Mr Gary
Stride, Mel
Stuart, Graham
Sturdy, Julian
Sunak, Rishi
Swayne, rh Sir Desmond

Swire, rh Sir 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
 Tyrie, rh Mr Andrew
 Vaizey, rh Mr Edward
 Vara, Mr Shailesh
 Vickers, Martin
 Villiers, rh Mrs Theresa
 Walker, Mr Charles
 Walker, Mr Robin

Wallace, Mr Ben
 Warburton, David
 Warman, Matt
 Wharton, James
 Whately, Helen
 Wheeler, Heather
 White, Chris
 Whittaker, Craig
 Whittingdale, rh Mr John
 Wiggin, Bill
 Williams, Craig
 Williamson, rh Gavin
 Wilson, Mr Rob
 Wilson, Sammy
 Wollaston, Dr Sarah
 Wood, Mike
 Wragg, William
 Zahawi, Nadhim

Tellers for the Noes:
Chris Heaton-Harris and
Christopher Pincher

Question accordingly negated.

Question put forthwith (Standing Order No. 31(2)),
 That the proposed words be there added.

Question agreed to.

The Deputy Speaker declared the main Question, as amended, to be agreed to (Standing Order No. 31(2)).

Resolved,

That this House affirms that introducing tax-free childcare, increasing the national living wage, increasing investment in affordable housing, reducing the universal credit taper, boosting investment in schools to create more good school places and taking 1.3 million individuals out of paying income tax so far this Parliament will benefit all genders and races; welcomes the fact that there are more women in work than ever before; further welcomes the Government's publication of distributional analysis along with the Autumn Statement 2016; and welcomes the action the Government is taking to develop a strong economy that works for everyone, regardless of their background.

Homelessness

Mr Deputy Speaker (Mr Lindsay Hoyle): I inform the House that I have selected the amendment in the name of the Prime Minister.

4.12 pm

John Healey (Wentworth and Dearne) (Lab): I beg to move,

That this House notes that the number of homeless households rose by 44 per cent between 2009-10 and 2015-16 to almost 60,000; further notes that the number of people sleeping rough doubled between 2010 and 2015; notes with concern that across the UK 120,000 children will be homeless this Christmas; recognises that between 1997 and 2010 there was an unprecedented fall in homelessness; and calls on the Government to end rough sleeping and take action to address the root causes of rising homelessness.

With 10 days to go to Christmas, a record number of homeless people are sleeping on our streets, in shop doorways and on park benches. More than 100,000 children will spend Christmas day in temporary accommodation—children with no home, young lives scarred by insecurity and impermanence. That shames us all. Homelessness is not inevitable in a country as decent and well-off as ours. It is a problem that we can solve. We know what works, because we have done it before. The Labour Government reduced rough sleeping by three quarters, and cut statutory homelessness to levels that led the independent audit by Crisis and the Joseph Rowntree Foundation to declare “an unprecedented decline”.

I had hoped that this debate, called in the face of rapidly rising homelessness on all fronts, would be the basis for fresh thinking and a new national will to put an end to the scandal of people sleeping rough on the street for want of somewhere to stay. I still do, but I am disappointed that the Government have rejected our motion, which simply sets out the facts. I say to Ministers and to Government Members who may support them today that they can delete our motion but they cannot deny the facts.

The facts speak for themselves. Rough sleeping fell by about three quarters under Labour; it has doubled under the Conservatives since 2010. The number of households accepted legally as homeless fell by two thirds under Labour, but has risen by nearly half since 2010. The total number of children in temporary accommodation has risen every year since 2010 to over 100,000 in England and 120,000 across the UK. For the avoidance of doubt, the source of these facts and figures is the Communities Secretary himself. If he or his colleagues on the Front Bench need to check, the figures are from Tables 1, 770 and 775.

Let us compare the feeble facts and figures in the Government's amendment. The Government are pleased with the provision of temporary accommodation, when this can mean whole families sleeping in one bed. It can mean lights that do not work, no fridge, no cooker, no locks on the doors. The Government are spending more money on homelessness. The sums of £315 million, £149 million and £50 million are totals over a full year of Parliament and are dwarfed by the scale of cuts—£5 billion of cuts to housing benefit, and the Supporting People funding halved. Finally, the Government say they are committed to building more homes, when the number of affordable homes being built has hit its lowest level in 24 years, and the number of new social

[John Healey]

rented homes is at its lowest level since the second world war. In case Ministers have any doubts, the figures are from Table 1000 published by the Communities Secretary.

I warn Conservative Members to take with a large pinch of salt whatever their Front-Bench team say about housing and homelessness. Simply ask, “Is it working?”

The Minister for Housing and Planning (Gavin Barwell): The right hon. Gentleman says that we should take with a pinch of salt what those on the Government Front Bench say. What does he have to say to the Labour Mayor of London, who says that this Government have just given London a record level of funding for affordable housing?

John Healey: I would say two things. First, a large part of that is underspends from the previous period, simply rolled over. Secondly, this year the Government are spending in total about £1 billion on building the new homes that we need in this country. In the last year of the last Labour Government, when I was the Housing Minister and in the hon. Gentleman’s place, it was £3 billion.

I said earlier that the rapidly rising homelessness shames us all. It does, but it should shame Ministers most of all. The hard truth for Tory Ministers is that it is their decisions since 2010 that have caused the homelessness crisis. There are record low levels of affordable rented housing—last year the lowest since 1991. There is a lack of action to help private renters, while eviction or default from a private tenancy is now the biggest single cause of homelessness. There have been deep cuts to housing benefit and charity funding that helps the most vulnerable people, including the homeless.

The amendment mentions the private Member’s Bill tabled by the hon. Member for Harrow East (Bob Blackman). I am disappointed that he is not in the Chamber. We back this cross-party Bill, but we set two tests for the Government on which we will hold Ministers hard to account: first, fund the costs of the new legal duties in full; and secondly, tackle the causes of the growing homelessness crisis in this country. I welcome the Bill because it draws on similar legislation that the Labour-led Government in Wales introduced in 2014. It is early days, but it seems successfully to have prevented two thirds of all households assessed as at risk of being homeless from losing their home. That is what good councils are doing, day in, day out, across the country, despite the toughest funding cuts and the toughest service pressures.

Exeter Council has cut the number of rough sleepers, against the national trend, with a new street needs audit and a firm approach to street outreach to make sure people cannot opt out of help. Manchester Council has brought together charities, faith groups, businesses, universities and residents’ groups in a new partnership to end homelessness in the city. Enfield Council has set up a council-owned company to purchase 500 properties over five years to house homeless Enfield residents and, of course, to act as a model landlord.

Tom Brake (Carshalton and Wallington) (LD): In the right hon. Gentleman’s contacts with those councils, have they highlighted what they think the impact might be of withdrawing housing benefit from under-21s?

John Healey: It is a very good question. I have not met or talked with anyone who believes that such deep cuts, targeted so harshly on young people, will do anything but compound the growing crisis of homelessness in this country. The issue is one of the causes of the spiralling scandal we see, and it is one of the things Ministers really must tackle.

In one of the media interviews I did today before the debate, the presenter said she was shocked the other day to see someone who was homeless pitching a tent in the middle of central London. That will not shock my hon. Friends, and many of them may remember the mass homelessness of the 1980s and 1990s, with tent cities in central London. However, one of the biggest forgotten successes of the last Labour Government was the reduction of rough sleeping to record low levels. We introduced the national rough sleepers unit, a comprehensive intervention plan, ground-breaking legislation, fresh investment and a target to cut rough sleeping by two thirds, which we hit a year early.

However, the time has now come to do better and to end rough sleeping so that no one need sleep on the streets. This is unfinished business for Labour, so today I have made a pledge on behalf of the Labour party that we will end rough sleeping within our first term back in government. This pledge is backed by a plan to double the capacity of the housing scheme ring-fenced for people with a history of rough sleeping. Yes, of course, more street rescue schemes, better access to healthcare and more secure homeless hostel funding are all needed, but we cannot help the homeless if we do not build the homes. Under Labour’s plan, 4,000 additional housing association homes would be earmarked for rough sleepers to help them move out of hostels and rebuild their lives, with Government funding new social rented homes to replace them.

That would be the first part of a new national rough sleeping strategy. It would, in fact, renew a stalled programme started by a Conservative Housing Minister, Sir George Young, in 1991. This clearing house scheme works across London, but it has never been set up in some of the other large cities in this country—cities such as Birmingham, Liverpool, Bristol and Leeds.

In conclusion, a Prime Minister who promises on the steps of Downing Street a country that works for everyone simply should not tolerate the scandal of today’s spiralling homelessness. The Government could do these things now. They would have wide support. The National Housing Federation has said today of Labour’s new plan that it will enable housing associations “to boost their offer to the increasing numbers of rough sleepers.” St Mungo’s, the largest homeless charity providing support for rough sleepers, says:

“We strongly welcome this commitment to ending rough sleeping and the call for a national rough sleeping strategy.”

We, too, would back the Government if they acted on Labour’s plan. Tackling homelessness can and should be a cross-party commitment, with a new national will to solve what is a growing problem. Let us hope that this debate helps start to forge exactly that shared determination.

4.24 pm

The Minister for Housing and Planning (Gavin Barwell): I beg to move an amendment, to leave out from “House” to the end of the Question and add:

“notes that homelessness is lower now than its peak in 2003-04; further notes that England has a strong safety net, and that the

provision of temporary accommodation means no family with a child ever has to be without a roof over their heads; notes that the Government is going further with legislative protection by supporting the hon. Member for Harrow East's Homelessness Reduction Bill to ensure that everyone gets the help they need to prevent or relieve their homelessness; welcomes the Government's protection of £315 million homelessness prevention funding for local authorities and £149 million in central funding; notes in particular the recently launched £50 million homelessness prevention programme, helping areas all over the country to tackle homelessness and rough sleeping; and notes that one of the best ways to tackle homelessness is by increasing the housing supply, which the measures contained in the forthcoming Housing White Paper will address."

Government Members welcome this debate. Nobody is hiding from the facts. Both statutory homelessness and rough sleeping are rising, and it is right that we discuss why that is happening and what we need to do to deal with it.

I want to start with a couple of party political points in response to some of the points that the shadow Housing Minister made, but then move on to talk about the substance of the issue and what needs to be done. The motion gives a slightly rose-tinted view of the record of the previous Labour Government. I am happy to give credit where it is due, and if Members will bear with me for a couple of minutes I will then happily take interventions. The motion would have us believe that from the moment the Labour party was elected, homelessness began to fall and continued to fall during its period in office. These are the facts.

In 1998, some 104,000 were people accepted as homeless. That figure rose throughout Labour's first term in government until halfway through its second term, peaking at about 135,000 in 2003. Then, to their credit, the Government addressed it, and it fell significantly to 41,780 by 2010—[*Interruption.*] It is not insignificant at all, and I am happy to give credit for that.

John Healey *rose*—

Gavin Barwell: I will just finish the point and then I shall be happy to take interventions. The figure has risen since then to 56,500—not by as much as the motion suggests and certainly to nowhere near the record peak that it reached in Labour's second term.

There are two other measures that we should look at, one of which is the measure of housing supply. The best measure of that is the net additions to the housing stock each year.

John Healey *rose*—

Gavin Barwell: I will cover the three points and then take the right hon. Gentleman's intervention.

Over the course of the Labour Government, in the first year the figure was 149,000, then 148,000, and then 132,000, 146,000, 159,000, 170,000, 185,000, 202,000, 214,000, 223,000, 182,000 and 144,000 respectively. In not one year of those years did the previous Labour Government build enough homes, and in only three did they build more than the current Government are achieving—and that was at the height of an unsustainable housing boom that ended up crashing our economy.

The third measure by which we should assess the housing record of the previous Labour Government is affordability. In 1997, the ratio between median earnings

and median house prices was 3.54. By 2010, it had increased to 7.01. I am happy to acknowledge that in the subsequent five years of the coalition Government it increased further to 7.63. Looking at all those three measures, while the Labour Government certainly did some good things, and I have no problem with giving them credit for that, the record is far less rosy than the motion suggests.

John Healey: I am grateful to the Minister for giving way. He sounds as though he is rehearsing to become the Chancellor giving an autumn statement or a Budget statement. This Government promised in their 2015 manifesto to see 1 million new homes built in this country. They are so far off track, even at the current levels, that it could take until 2025—five years late—to build the number of homes that are needed. The number of new affordable homes built is the lowest on record.

We are talking about homelessness. It is absolutely the case that when Labour came into government in 1997 we were faced with a rapidly rising trend of homelessness, just as we are faced with a rapidly rising trend of homelessness now. The difference was that Labour acted. The figure peaked in 2003, and homelessness over the next period was cut by two thirds. The question for the Minister is this: is he going to act now? Are the Government going to do anything about the rapidly rising and scandalously spiralling level of homelessness we see today?

Gavin Barwell: That was a long intervention that did not refute any of the points, but let me deal quickly with each of them. First, on supply, the Government are behind but not way behind, as the right hon. Gentleman suggests they are. [*Interruption.*] In 2015-16, the first year of the five years of the Parliament, we delivered 190,000, exactly as the hon. Member for Ashfield (Gloria De Piero) has just said, and to meet the 1 million target we need to be at 200,000 a year. I will return to the subject of affordable homes later, if the right hon. Member for Wentworth and Dearne (John Healey) will bear with me. The fundamental point that I was trying to make is that we could do with a little less complacency from those on the Opposition Front Bench. [*Interruption.*] Bear with me for a second. There is no room for complacency on this side of the House, either.

Rob Marris (Wolverhampton South West) (Lab) *rose*—

Gavin Barwell: Let me develop the point; then I will happily give way.

Homelessness and rough sleeping are both rising. The right hon. Gentleman quoted the speech that the Prime Minister made on the steps of Downing Street, in which she said that the mission of this Government is to make Britain a country that works not for a privileged few, but for every one of us. Sorting out our failing housing market and tackling the moral stain of homelessness are central to that mission. I want to spend the rest of my speech setting out how we propose to do that, but first I give way.

Rob Marris: I am grateful to the hon. Gentleman for his generosity today, as yesterday. I agree with him: Labour did not build enough housing units, and those of us then on the Back Benches pleaded with the

[Rob Marris]

Government to do so, as did my right hon. Friend the Member for Wentworth and Dearne (John Healey). I welcome the recognition in the Conservative amendment that supply is absolutely crucial. Can I tempt the Minister to go a little further and announce that the Government will abandon the plans that have kept jacking up demand by processes such as Help to Buy, which simply increases prices and increases homelessness?

Gavin Barwell: Until the hon. Gentleman's last point, I was in complete agreement with him. He is definitely right to say that the main focus of housing policy should be supply, and when he sees the White Paper that the Secretary of State and I are working on, he will see that is the case. However, even if tomorrow we could start building in this country at the level that we need to build, we would have to do that for a number of years before there was an impact on affordability. To do as he suggests in the interim—give up any measures that are trying to help people to bridge the gap—would be a mistake, in my opinion.

Graham Jones (Hyndburn) (Lab) *rose*—

Joan Ryan (Enfield North) (Lab) *rose*—

Gloria De Piero (Ashfield) (Lab) *rose*—

Gavin Barwell: I shall make progress, and then I will happily take an intervention from the hon. Member for Ashfield.

I want to set out now the measures that the Government are taking to address this issue. First, we want to broaden the safety net and have more focus on prevention rather than cure. Current homelessness legislation gives local authorities responsibilities in relation to families, to people who are pregnant and to single people who are vulnerable. Other people fall through the gaps. The legislation also encourages councils to intervene at the point of crisis, not upstream when problems are first apparent. I am not sure whether my hon. Friend the Member for Harrow East (Bob Blackman) is in the Chamber, but I think we would all give him great credit for the legislation that he is bringing forward, and the Government are very proud, in the 50th anniversary year of "Cathy Come Home", to support that fundamental and important change to our legislation.

Tom Brake *rose*—

Wendy Morton (Aldridge-Brownhills) (Con): Will my hon. Friend give way?

Gavin Barwell: I give way to my hon. Friend, but then I will come back to the hon. Member for Ashfield.

Wendy Morton: Does my hon. Friend agree that on the Friday when both sides of the Chamber came together to support the Homelessness Reduction Bill, the private Member's Bill introduced by our hon. Friend the Member for Harrow East (Bob Blackman), it was a really positive day, and a good indication that both sides of the House can come, and are coming, together to tackle this issue?

Gavin Barwell: There is actually much more that unites us on these issues than is sometimes apparent from our debates, and I understand that it is the job of those on the Opposition Front Bench to hold the Government to account.

Gloria De Piero: Just one rough sleeper is too many, and there was one rough sleeper in Ashfield in 2010 when we left office. The number has now gone up to eight, and statutory homelessness has risen from 42 to 93. The record of the Labour Government was considerably better for those vulnerable people than the hon. Gentleman's Government's. Does he accept responsibility? What is his answer? Why has it happened?

Gavin Barwell: I am the Housing Minister, so of course I accept responsibility. I think I speak for the Secretary of State as well: we were both appointed to these positions by the Prime Minister in July, and our focus is on solving the housing problems that this country faces, which I think are deep-seated. The truth is that we have not been building enough homes in this country for 30 or 40 years, under Governments of both colours, and that is the fundamental driver of the housing problems that we now experience.

Julian Knight (Solihull) (Con): My hon. Friend mentioned the Homelessness Reduction Bill that is passing through the House. I wonder whether he believes, as I do, that the most important thing about that is the fact that it mandates councils to provide 56 days of support to homeless individuals—for the first time, a really intense programme, to ensure that instead of no second night sleeping out, there is no first night sleeping out?

Gavin Barwell: The Bill that my hon. Friend the Member for Harrow East has introduced does two fundamental things. First, it broadens the safety net and ensures that single people do not fall through the gaps. Secondly, as my hon. Friend the Member for Solihull (Julian Knight) says, it encourages councils to intervene upstream to try to prevent homelessness.

Tom Brake *rose*—

Joan Ryan *rose*—

Dr Daniel Poulter (Central Suffolk and North Ipswich) (Con) *rose*—

Gavin Barwell: If hon. Members are happy for me to do so, I will make a bit of progress before taking further interventions. I will come next to my neighbour, the right hon. Member for Carshalton and Wallington (Tom Brake).

I have set out the first thing that the Government are doing. Secondly, as the right hon. Member for Wentworth and Dearne acknowledged, we have protected homelessness prevention funding for local authorities—nearly £390 million in this Parliament. Thirdly, we have increased central Government programmes. The Chancellor of the Exchequer announced an extra £10 million in the autumn statement, bringing the total to £150 million over this Parliament. Fourthly, in relation to welfare reform, we have increased discretionary housing payments to £870 million over this Parliament; that is a 55% increase.

I was surprised to see when I was briefed for this debate that 60% of local authorities are not currently spending their full allocation.

Fifthly, we are looking at the way in which Government fund local authorities in relation to temporary accommodation. We are looking at replacing the DWP temporary accommodation management fee with a grant from the Department, which will be more than an equivalent amount of funding but will introduce much greater flexibility. Some hon. Members may have received a briefing from the Mayor of London today welcoming that change.

Since the Secretary of State was appointed, we have taken a fresh approach to supported housing, ensuring that the local housing allowance cap will not apply and moving to a new model of funding that is based on current LHA levels but, crucially, topped up by a ring-fenced grant. I think we would all acknowledge the fundamental role that supported housing plays for some of the most vulnerable people in our constituencies. It is absolutely crucial that we get the detail of the new funding regime right, and the ministerial team are determined to ensure that we do so. I encourage all hon. Members to take part in the consultation.

The right hon. Member for Wentworth and Dearne talked about a pledge that he had made. To a degree, it developed an announcement made by the former Chancellor at Budget '16 of a £100 million fund to create 2,000 places in low-cost rented accommodation for rough sleepers in hostels and, crucially, for domestic abuse victims in refuges, so that we can move people on from short-term accommodation into permanent solutions. At this point, I happily give way to the right hon. Member for Carshalton and Wallington.

Tom Brake: I thank my neighbour for giving way, and I appreciate what he has just said about supporting vulnerable people. He will know, because I made it earlier, that this intervention is about the question of housing benefit for under-21s. I do not quite understand how that fits into the Government's homelessness prevention programme. Does he recognise that, as charities have suggested, if just 140 extra young people are made homeless as a result of the change, it will cost more than the Government will save?

Gavin Barwell: My right hon. Friend—I can call the right hon. Gentleman that—will be aware, because he served with us in coalition for five years, that what the Government are trying to do is to switch from the high-tax, high-welfare, low-wage economy that we inherited in 2010 to one in which people are paid more and keep a much greater proportion of what they earn.

Graham Jones *rose—*

Gavin Barwell: To be fair, I am still trying to answer the right hon. Gentleman's question. We are trying to reduce the welfare bill, and to ensure that we have a fair welfare system that provides help and support to people but does not treat them more generously than others in an equivalent position who are not on welfare could expect to be treated. That is what is behind those changes. I will make a bit of progress, and then I will happily come back to the hon. Member for Hyndburn (Graham Jones).

I have been working my way through the list of measures that the Government are taking, and next up is our attempt to deal with the up-front cost of accessing the private rented sector. One shocking thing, which underlines the point that the hon. Member for Wolverhampton South West (Rob Marris) made, is the fact that the main cause of statutory homelessness is the loss of a private rented sector tenancy. That shows how the supply issue is absolutely driving the rise in statutory homelessness. Rough sleeping is a different matter, and the acute housing problem faced by people who are sleeping on our streets is nearly always a symptom of a wider problem in terms of mental health or drug or alcohol addiction. Indeed, the briefing that I had from my officials suggested that in London, nearly 60% of rough sleepers are not UK nationals, so issues in our migration system contribute to that. In terms of dealing with statutory homelessness, access to the private rented sector is key. That is why the Chancellor's announcement in the autumn statement about letting agent fees—I am sure the Opposition welcome that announcement—is an important step.

Dr Rupa Huq (Ealing Central and Acton) (Lab) *rose—*

Gavin Barwell: I was going to give way to the right hon. Member for Enfield North (Joan Ryan), but she has moved seats. I will give way to the hon. Member for Ealing Central and Acton (Dr Huq) instead.

Dr Huq: The Minister is a London MP, like me, and he has mentioned London. Has he in his surgeries found an increasing number of cases of entire families having to be moved to hostels with no recourse to public funds, which is entirely illogical? Does he not recognise the dismay there will be in Ealing about the mention of the borough in Prime Minister's questions today? The Prime Minister appeared to blame the local authority for the £180 million cut to its budget. We have 12,000 people on our waiting list, and the cost of buying a home is very high, so does he not recognise that people will be dismayed about what has come out of the Government today?

Gavin Barwell: I am embarrassed to say that I was not present for Prime Minister's questions. There was a memorial service for the victims of the Croydon tram crash, which is why I am dressed in this way, and that is where I was. I therefore cannot respond to the hon. Lady's point about PMQs. However, I can say that, as a London MP, I see every week in my surgeries and in my case load the consequences of the long-standing failure in this country, for 30 or 40 years, to build the homes we need. That has happened under Governments of all kinds—

Heidi Alexander (Lewisham East) (Lab) *rose—*

Gavin Barwell: Let me just finish making this point.

London is the part of the country where the gap between what we need to build and what we are actually building is at its most acute. I am sure that I am also speaking for the Secretary of State when I say that I get up every morning thinking about what we can do to sort out this problem. It is my sole focus, and I will come on in a moment to address the issue of supply.

[Gavin Barwell]

Before I do so, I am very happy to give way to the hon. Member for Lewisham East (Heidi Alexander), who is another fine south London MP.

Heidi Alexander: I find it absolutely remarkable that the Minister is trying to absolve the previous Government of any responsibility for the housing crisis that we now face. My recollection is that, in 2011, his Government cut the national affordable house building programme by 63%. Will he set out the consequences of that on the supply of genuinely affordable homes?

Gavin Barwell: If the hon. Lady will bear with me, I will return to that central question at the end of my speech.

Graham Jones: Will the Minister give way?

Gavin Barwell: I am still responding to the hon. Lady. I cannot make myself any clearer, but if she thinks that I am absolving the previous Government of responsibility, I am absolutely not trying to do so. Let me say it one more time, so that nobody can be in any doubt about this: we have not built enough homes in this country for 30 or 40 years, and all the Governments covering the period share responsibility for that. If she wants me to offer some defences, I would say in defence of the previous Prime Minister, the previous Chancellor and my predecessors as Housing Ministers that they inherited a situation, after the worst economic crash in generations, in which the priority had to be to reduce the deficit. I will come on to the affordable housing numbers, and I hope my answer will satisfy the hon. Lady.

Several hon. Members *rose*—

Gavin Barwell: I will give way one more time, and I must then draw my remarks to a close.

Julian Knight *rose*—

Gavin Barwell: My hon. Friend has already intervened, so I will give way to my hon. Friend the Member for Central Suffolk and North Ipswich (Dr Poulter).

Dr Poulter: I thought the Minister was ignoring me, but I am sure he was not doing so. I commend his positive and constructive approach to this debate; indeed, the Opposition Front-Bench spokesman also took such an approach. The Minister has mentioned rough sleeping and the need to move from crisis to preventive measures. In that connection, will he reflect on the fragmentation of the alcohol and drug rehabilitation services commissioned by local authorities and on the fact that those services are completely disengaged from what is happening in mental health trusts and the NHS, with people falling between the cracks? That needs to be addressed.

Gavin Barwell: I am very glad that I took an intervention from my hon. Friend, because he speaks with real authority on mental health issues. He is absolutely right that we need to look at ways in which we can achieve better integration of services. Many of the people we

are talking about have profound and multiple needs, and we must ensure that all the relevant agencies are working together.

If the House will bear with me—I know many hon. Members wish to speak in the debate—I just want to make some final remarks to address the question asked by the hon. Member for Lewisham East. The fundamental thing we need to do is to drive up supply, and we will set out in a White Paper in the new year exactly how we propose to do that. Let me say a word specifically about affordable housing, on which the hon. Lady was pushing me. The autumn statement included three key announcements, one of which was about the flexibility of tenure. We inherited an affordable housing programme focused solely on shared ownership, but we have switched it so that housing associations can bid for affordable rent, rent to buy, shared ownership or whatever is most appropriate in their areas. The Chancellor has added an extra £1.4 billion to the affordable housing programme. As I made clear in an intervention on the right hon. Member for Wentworth and Dearne, we have also announced the London allocation of £3.5 billion, which is 43% of the national budget. As I said, if hon. Members do not wish to take my word for it, let me quote the Labour Mayor of London:

“This is the largest sum of money ever secured by City Hall to deliver affordable housing.”

He made that statement before London has got its share of the extra £1.4 billion that the Chancellor announced in the autumn statement.

Let me end by dealing with the issue of affordable housing supply. The right hon. Member for Wentworth and Dearne was right on one statistic at least: the 2015-16 figures on affordable housing were very low—unacceptably low. That was because we finished one programme the previous year and the new programme was late starting. That is a feeble excuse, and the Secretary of State and I are determined to ensure it does not happen again.

To set out the facts, in three of the five years of the coalition Government, we built more affordable homes than in any of the last nine years of the Labour Government. The record of the Government since 2010—I am very happy to give some credit to our coalition partners—is that we have delivered significantly more affordable housing than was delivered, on average, over the last nine years of the Labour Government. I do not have the figures for before 2001. We have just put extra money into the budget, so we should be able to drive up supply.

I will end by making this point.

John Healey: Will the Minister give way?

Gavin Barwell: No, I am drawing my remarks to a close.

What we need in this country—the hon. Member for Lewisham East was quite right—is more homes of every single kind. We need more homes for people to buy, more homes for private rent, more affordable homes at sub-market rents and more shared ownership homes. We need more homes of every single kind. We are determined to achieve that and, at the same time, to provide the crucial support on our streets to deal with the immediate

acute crisis. To end on a positive note, I hope we can build a coalition around the vital change we need in our country to get us building the homes we so desperately need.

4.46 pm

Neil Gray (Airdrie and Shotts) (SNP): I am grateful for the opportunity to speak in this debate about homelessness and I thank the Labour party for bringing it to the House. I congratulate the right hon. Member for Wentworth and Dearne (John Healey) on his contribution. It is a pleasure to follow my parliamentary football colleague, the Minister. The thoughts of all those on the SNP Benches are with the families of the victims of the Croydon tram crash on the day of the memorial service.

Although we would prefer it if the motion focused more on the causes of homelessness, including the brutal benefit sanctions regime and the years of imposed austerity, we will support it tonight in solidarity, as we believe that action must be taken by the UK Government to drive down homelessness. That must include moving urgently to address the regressive cuts to the system that is supposed to support, not punish, the disadvantaged.

Before I begin, I wish to highlight one aspect of the Labour motion that is particularly troubling for me and for others across the House: the prospect of children being without safe, warm and secure housing at any time, but particularly at Christmas. Before we retreat into our party political trenches, I hope we can all agree that that is unacceptable and must be addressed. In Scotland, the number of children living in temporary accommodation has fallen since 2007.

Michelle Donelan (Chippenham) (Con): The hon. Gentleman said that the Government should be doing more to reduce homelessness. Does he accept that we are working on a cross-party basis to reduce homelessness at the Committee stage of the Homelessness Reduction Bill, which is supported by the Government?

Neil Gray: Absolutely, I acknowledge that. Indeed, my hon. Friend the Member for Glasgow Central (Alison Thewliss) sits on the Bill Committee, so it is something that we are working on constructively. I will come on to other areas where I believe the Government should be doing more to address the issues we face.

Housing matters are devolved to each nation of the UK, so this debate offers me the chance to focus on what actions the Scottish Government have taken, using those powers, to address the problem of homelessness when it arises and to prevent it from occurring in the first place. Although housing policy is devolved, the reasons for homelessness are largely, in the public policy sense, the result of decisions taken here.

Homelessness can take many forms and has a variety of causes and consequences. Although it is sometimes thought of as referring only to those sleeping rough on the streets, an assortment of circumstances can lead to an individual being classed as homeless. Many live in temporary accommodation or stay on friends' floors or with family, sometimes in precarious arrangements. Under the Housing (Scotland) Act 1987, a person should be treated as homeless even if they have accommodation if it would not be reasonable for them to continue to occupy it.

Just as countless types of people can find themselves forced to seek asylum or to migrate to another country when their circumstances change, homelessness can affect almost anyone, and for a number of reasons, such as domestic abuse, marital breakdown, disputes with neighbours, bereavement of a family member and loss of income—those are among the many reasons why someone could find themselves unable to remain in their current property and in need of support.

The key difference in the approach to homelessness prevention in Scotland from that in the other three nations of the UK is that local authorities have a duty towards all unintentionally homeless households, irrespective of whether they are classed as being a priority need. Clearly, for any individual or family, regardless of any other criteria, the prospect of losing the roof over their head means they should be entitled to all possible support in finding alternative accommodation. The abolition of the priority need criterion was described by Shelter as providing

“the best homelessness law in Europe.”

According to figures from Crisis from April 2016, homelessness in Scotland has been on “a marked downward path” for the past five years. Crisis has attributed that decline to the introduction of the housing options model, a process in Scotland that starts with giving housing advice to someone with a housing problem who approaches their local authority, to look at an individual's options, given their circumstances, so as to match things up best and spot any warning signs for potential problems at an early stage.

In that regard, the most significant action has been the abolition of the right-to-buy scheme in Scotland. Graeme Brown, director of Shelter Scotland, argues that

“as the decades passed, it became clear that the impact of right-to-buy was to create more losers than winners in our housing system, significantly undermining wider efforts to improve social justice in Scotland... The initiative saw three social homes being sold for every new one built, representing poor value for increasingly limited public money... During the right-to-buy era, homelessness numbers soared and today still remain at levels far beyond those in 1980.”

By abolishing the right to buy the Scottish Government will help to ensure that there is a sufficient supply of local authority housing stock, at an affordable rent and with secure tenancies, to help alleviate some of the causes of potential homelessness that come with expensive private rents and the uncertainty about the long term that short-term tenancies can bring.

The Scottish National party is already committed to investing more than £3 billion over the lifetime of this Parliament to deliver at least 50,000 affordable homes, with 35,000 for social rent. Housing supply is key to the matter before us today, which is why I am heartened by the statistics released as national statistics for Scotland this week showing that social house building is up in Scotland by 77% in April to June this year, with a 26% increase in starts on council homes to September.

As well as dealing with the right to buy, the SNP Government have attempted to address another factor behind homelessness by using their limited powers to mitigate the impact of the Tory bedroom tax. Numerous homelessness charities, including Crisis and the Joseph Rowntree Foundation, have said that that hated policy is partly responsible for the rise in homelessness across

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the UK since the start of this decade. The UK Government's own research from December 2015 found that on average only 0.5% of those affected by the bedroom tax have been able to move from their home; the vast majority of those affected by the cut have had to live with a reduced income, unable to move because of family proximity, school, work and the shortage of appropriate housing.

Last year the Scottish Government provided an additional £35 million fully to mitigate the cost of the bedroom tax, with £90 million invested in that mitigation since 2013. Around 72,000 households in Scotland have been helped through this additional funding, with about 80% of recipients being disabled adults and about 11,000 of them being households with one or more children. Abolishing the bedroom tax in full will be one of the first priorities once the transfer of limited social security powers to the Scottish Government is completed.

The recent debate on the state of the social security system, particularly as it affects those unfit for work, provoked by Ken Loach's film, "I, Daniel Blake", casts our minds back to his earlier televised play, "Cathy Come Home", which the Minister mentioned, and which, in a similar social realist way, helped to highlight the problem of homelessness in 1960s Britain. There is clearly a connection between these two works. Both highlight the importance of a strong social security system to helping avoid such problems, and both illustrate what happens when a Government's approach to an issue fails fully to take into account people's individual circumstances.

The private Member's Bill introduced by my hon. Friend the Member for Paisley and Renfrewshire South (Mhairi Black) on 2 December, which the SNP supported, sought to do just that by establishing a sanctions review system whereby an individual's circumstances would be taken into account before a sanction decision could be made. Such a review would include considering whether someone is at risk of homelessness and would go some way to personalising the sanctions system, although we would obviously prefer that it be scrapped altogether.

The Tory Government's sanctions regime has had many catastrophic consequences for families across the UK, and clearly the increase in homelessness must be considered among the most serious. The regime has left individuals and families, often already vulnerable, without money for weeks on end, at a time when they are often being hounded by predators, such as payday loan companies, and can often lead to rent arrears and spiralling debt that can create a downward spiral leading to eviction.

In December 2015, research for the homelessness charity Crisis carried out by Sheffield Hallam University found that 21% of people sanctioned in the last year had become homeless as a result and that 16% of those sanctioned had been forced to sleep rough. Only last month, in response to the National Audit Office report that suggested there was no evidence that sanctions worked, Mr Jon Sparkes, chief executive of Crisis, said:

"We know from our own research that benefit sanctions are a cause of homelessness and have a significant impact on vulnerable people – including those who are already homeless, care leavers and people with mental ill health".

For anyone in such a position, losing the support of benefits can be disastrous and make it even harder to find work.

The SNP is clear about the damage caused by UK social security cuts and will keep working with stakeholders to understand the impact of the UK Government's planned local housing allowance changes on social tenants in Scotland. The proposed capping will lock those who need support out of either seeking it or being able to afford it.

Mr David Burrowes (Enfield, Southgate) (Con): On the point about sanctions for those with mental health issues and homeless people, does the hon. Gentleman welcome the recent announcement by the Secretary of State for Work and Pensions of a discretionary fund to help support them when they are at their most vulnerable?

Neil Gray: Yes, but it is clearly an acknowledgement that the system has not worked for these people. With respect, any move to get rid of the sanctions regime is obviously welcome, but far more needs to be done.

The gap between the LHA paid and the price of supported housing could see many at-risk individuals not receive the support they need from a residential tenancy. A sample study carried out by the Scottish Federation of Housing Associations found that associations in Scotland that provided supported accommodation could lose between £5.2 million and £14.3 million per year. From 2019, the resources for supported accommodation will transfer to the Scottish Government. We are left with great concern about the LHA levels.

The Scottish Government have said that, once they have further details, they will work with their partners to ensure that supported accommodation is put on a secure and sustainable future for the longer term. With the cost of living set to rise, damning forecasts for the UK economy and little cheer in the autumn statement for low-income families, as we heard in the previous debate, it is important that the UK Government realise the damaging impact that austerity is having up and down the country in a variety of ways. This debate has helped to highlight this damage in the crucial area of homelessness. The UK Government should have little to ponder when they consider the growing emergence of people just about managing.

In the time left, I wish to touch briefly on a more general discussion about homelessness, looking at things from the individual's point of view and understanding both the underlying causes and consequences of homelessness, which can be harder to quantify and address.

Crisis has carried out numerous pieces of important research on the causes and consequences, which have uncovered some particularly depressing statistics. On average, homeless people die at 47 years old, 30 years before the national average of 77. However, poor physical or mental health, along with dependency issues, are problems for the entire homeless population, whether they are sleeping rough on the streets, in hostels or in temporary accommodation.

Bob Blackman (Harrow East) (Con): The hon. Gentleman is making a powerful case, but just to correct that point, it is rough sleepers who are likely to die at the age of 46, which is a tragedy in this day and age. The figures that he is probably looking at relate to the problems of so-called sofa surfers, who are those sleeping

with friends or family or anywhere else they can find. The figures for those people, although they are homeless, are not as bad. We need to narrow the focus on to the problems faced by rough sleepers on the streets.

Neil Gray: I thank the hon. Gentleman for his intervention. I am happy to confirm that, as I have said, homeless people die at 47 years old, and there are issues with life chances whether people are rough sleeping or living in temporary accommodation of varying standards. I think that is a point he will agree with—he is nodding.

Physical disabilities, mental ill health or dependency issues can also trigger, or be part of, a chain of events that lead to someone becoming homeless. Such problems can make it more difficult for people to engage with services and get the help and support they need. Too often services are not set up to respond to the particular, individualised needs of homeless people. Two thirds of homeless people cite drug or alcohol use as a reason for first becoming homeless and those who use drugs are seven times more likely to be homeless than the general population. There are high levels of stress and mental illness associated with being homeless, and it is not uncommon for those traumatised by homelessness to seek solace in drug or alcohol abuse thereafter. Indeed, 27% of homeless people surveyed reported having or recovering from an alcohol problem and 39% reported taking drugs or are recovering from a drug problem.

Although a small percentage of those classed as homeless are sleeping rough on the streets—it is all too high a percentage nevertheless—it is worth remembering the challenges and problems that such a dreadful situation brings and what needs to be done to address it. The 2011 report by the Joseph Rowntree Foundation, “Tackling homelessness and exclusion: Understanding complex lives”, helped to highlight

“extreme forms of homelessness and other support needs,”

and the

“nearly half of service users reporting experience of institutional care, substance misuse, and street activities (such as begging), as well as homelessness.”

In conclusion, the additional challenges and underlying issues mean that while everything must be done by both the Scottish and UK Governments to ensure that a strong safety net is in place for those facing the prospect of homelessness and measures to deal with it, as a society we must also understand and seek to address the underlying causes and consequences that some of those caught up in this horrendous situation face, by ensuring that all individuals can access support from the agencies best placed to assist them.

Several hon. Members *rose*—

Mr Speaker: Order. On account of the number of would-be contributors to this debate, I am afraid there will have to be a five-minute time limit on Back-Bench speeches with immediate effect, but we will do our best to accommodate everybody.

5.3 pm

David Mackintosh (Northampton South) (Con): I welcome this debate brought forward by the Opposition. I have always said that one person who is homeless is one too many, so every opportunity we have to highlight this problem of modern society is helpful.

As we approach Christmas, I know that all those taking part in this debate will be particularly mindful of the human stories behind the statistics. I have one story at the forefront of my mind. On 31 October, I took part in a sleep-out organised by the charity Depaul at Lord's cricket ground. I left here after the late-night Monday votes and slept rough for the night. It gives us some insight into the horrible realities, but I knew that it was for only one night and that I would be back in a warm bed the next night.

After sleeping rough, I was a little tired and jaded, but I was back here the following day, and my first job was to speak at a conference on homelessness at a hotel just over Westminster bridge. As I walked over with my assistant, we both saw that a homeless person was on the street, and it was clear to us that they had sadly passed away. I do not know the name of that person, who they were or where they came from, but I know that while I was sleeping rough just a few miles away, this homeless person had been out in the cold and the wet, and died in the sight of Parliament and in earshot of Big Ben. My assistant and I were horrified to witness that visible example of the plight of homeless people on our streets, and in recent weeks, I have read about other cases in other cities.

I do not profess to have all the answers to solve this social problem, but I do know that we should not let these people die in vain. For their memory's sake, we should continue to do all we can to prevent people from becoming homeless and to address the many complex causes and challenges that lead to people becoming homeless in the first place.

We should also recognise the work that we have collectively already done. As has been mentioned, on 28 October hon. Members agreed the Second Reading of the Homelessness Reduction Bill, a private Member's Bill promoted by my hon. Friend the Member for Harrow East (Bob Blackman). We all know how important Fridays are for our constituency work, but to see over 150 MPs here on that day was proof that the issues are being taken seriously by all Members. The Government's support for that Bill is part of a package of measures, which I welcome. I am pleased to serve with other hon. Members of all parties on the Public Bill Committee. The Bill is being looked at in great detail, with cross-party support and a positive approach to improving things.

The Bill will ensure that councils can help even more people and will introduce a duty on local housing authorities to take reasonable steps to help anyone at risk of homelessness to retain or secure accommodation 56 days before they become homeless. It will require councils to take reasonable steps to provide support to any eligible people who find themselves homeless for a further period of 56 days, to help them secure accommodation.

I am pleased that the Government have, alongside supporting the Bill, announced a number of other measures and funding to help address homelessness and its causes. They are providing £500 million to prevent and reduce homelessness over this Parliament, as well as introducing a number of other schemes.

The Department for Work and Pensions temporary accommodation management fee is being replaced with a new Department for Communities and Local Government grant. That means that current levels of funding will be protected, but that an additional £10 million of funding

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will be introduced for areas with the highest pressures. The new grant will give local authorities more flexibility in managing homelessness pressures.

Central Government funding of £149 million will target prevention and reduction programmes in different ways. The £20 million trailblazer programme, for example, will enable councils to work together with other agencies to prevent homelessness in their area, while the £20 million rough sleeping fund will help those at imminent risk of homelessness or those new to the streets, and the £10 million social impact bond will help rough sleepers with complex needs. In addition, a total of £100 million will help provide 2,000 places in low-cost rented accommodation to help people move on from hostels and domestic abuse refuges towards independent living. Young people are particularly vulnerable, and it is important that they are supported into education and employment. The £40 million of funding for the Homelessness Change and Platform for Life programmes will support young people to improve their lives.

I am pleased that the Homelessness Reduction Bill will give local authorities new responsibility and new funding, but despite the challenges, I am pleased that local authorities have helped to prevent more than 1 million people from becoming homeless since 2010. I recognise that there is more work to be done and that debates such as today's help us to keep the issue at the forefront of all our minds. We know, however, that homelessness is often not the result of one factor alone, because it is a complex issue. I am pleased that we are talking about it today.

5.8 pm

Ms Karen Buck (Westminster North) (Lab): I congratulate the Opposition Front-Bench team on their continued focus on the issue of homelessness and on the initiative to tackle rough sleeping. Speaking as an MP representing the borough of Westminster, nobody could welcome that more than me. Westminster City Council is, of course, at the frontline of the national crisis in rough sleeping. The council's draft rough sleeping strategy, which is currently under consideration, shows that 3,000 people sleep rough over the course of a year—300 on any given night—and reminds us of the many complex causes and drivers that have led to the recent rise in homelessness. Colleagues have mentioned some of those factors, but one particular figure jumped out at me as an example of how the Government could learn about the importance of interconnecting services and the role that other Departments' actions play: a third of rough sleepers in Westminster—32%—have been in prison. It is absolutely extraordinary that we are incapable of preventing people who have come out of prison from ending up on the streets. One in four rough sleepers in Westminster has been assessed as being at a high risk of reoffending, so it is clearly in our public interest to ensure that the crisis does not continue.

Rough sleeping is only the tip of the iceberg, however, and I want to spend a couple of minutes on the issues that were brought out by the "Temporary Accommodation in London" report by Julie Rugg of the University of York. It tells us about the drivers of family homelessness in London and points out that one in 10 Londoners are on a social housing waiting list and that homelessness

acceptances have risen by 77% since 2010. Why is that? We have already talked about supply, repeating the figures and comparing records, so I do not want to do that again, but the Government must properly understand affordability. Even if supply grows—welcome though that will be—if accommodation is unaffordable for people at the lower end of the income spectrum, that will not solve homelessness and the Homelessness Reduction Bill, which we are coalescing around and want to see succeed, will be swimming against the tide.

The Rugg report also helps us to understand that the cuts to social security benefits and the local housing allowance, the benefit cap and other policies are driving homelessness, making it impossible for people on lower incomes to afford accommodation and causing landlords to withdraw from letting private rented accommodation to people on low incomes. According to the Residential Landlords Association, a staggering 81% of landlords are unwilling to consider homeless people on housing benefit because of the threat to their income from universal credit. In inner London, only 7% or 9% of accommodation—I do not have the figure in front of me, but the proportion is ridiculously small—is available to people on lower incomes. When the Welfare Reform Act 2012 went through Parliament, we were told that rents would fall as cuts to housing benefit were applied, but the opposite has happened: rents in London went up by 32% in outer London and 39% in inner London. That is a cause of homelessness, and the situation will get worse unless we do something about it.

The problem is not only leading to individual homelessness but costing local authorities money. London local authorities alone have spent £665 million on homelessness. Discretionary housing payments are always put forward by the Government as the solution to all the problems, but they are not, because they are temporary by definition. Until the Government understand that local authorities will not use discretionary housing payments to solve the crisis because of their temporary nature, we will end up repeating the problems.

Unfortunately, I do not have much time to talk about temporary accommodation and the fact that the squeeze on local authorities is leading to families spending this Christmas in appalling conditions. In particular, I ask the Minister to help me deal with A2Dominion, a housing association that is leaving many residents without heating in damp and mouldy accommodation. Children and families should not be spending Christmas homeless on the street, in bed and breakfasts or in nightly booked and insecure temporary accommodation. They are doing so in record numbers, and the Government must act not only through the Department for Communities and Local Government, but by co-ordinating with all the other Departments that contribute to the problem through their actions.

5.13 pm

Will Quince (Colchester) (Con): It is a pleasure to follow the hon. Member for Westminster North (Ms Buck). I entirely agree with her that nobody likes to think of anybody sleeping rough at this time of year or over Christmas. Rough sleeping is the most visible element of homelessness, but she rightly pointed out that we must not forget those who are sofa-surfing or in temporary accommodation up and down the country.

I have been impressed by the tone of the debate so far, and it is important to note that no one party has a monopoly on compassion. Let me be absolutely clear: no Member of this House wants to see anybody sleeping rough on our streets or not having a home.

In order to tackle homelessness, we need to get to the bottom of it and understand it. That is not about attributing blame; it is about understanding the complex issues and circumstances that lead to homelessness. Fifty years on from the gritty BBC drama “Cathy Come Home”, where we saw life events such as homelessness, family breakdown and Cathy losing her children, how can we have people sleeping rough on our streets in the fifth largest economy in the world? “Cathy Come Home” brought homelessness to the attention of the public via their TVs and gave the issue nationwide awareness, but 50 years on, have we forgotten? Do we see the people sleeping on cardboard on our streets when we walk past? Do we really stop to think as we dismiss another homeless person who asks us for the change in our pockets? Do we judge those we see shooting up or drinking high-strength lager in doorways? Are they someone else’s problem? Is this the result of their bad life choices? Is it really nothing to do with us?

Hon. Members should not think for a minute that I am being holier-than-thou, sanctimonious or in some way patronising, because I openly admit that I have done it, too; sometimes it is easier to walk on, close our eyes and pretend that we do not see the great stain on our humanity that is rough sleeping and the fact that in this relatively wealthy country, people are sleeping on our streets in sub-zero temperatures, open to the elements and to assault, abuse, violence and sexual assault.

We hear that we have actually gone much further than just closing our eyes and that councils up and down the country, of all political colours, are fining homeless people just for being homeless, that we are confiscating their sleeping bags and bedding, and that there are companies in this city erecting anti-rough-sleeping spikes in doorways. Have we lost our humanity? I am pleased to say that I do not think we have, because charities and voluntary groups up and down the country, including several in my constituency, work tirelessly, night and day, running soup kitchens, shelters and other facilities.

I had a recent experience when a lady approached me while I was waiting for the 91 bus opposite Charing Cross station. I thought she wanted money, but she did not, and we talked for 10 or so minutes. She asked whether she could have a hug, and I said, “Of course.” I was a little bemused and taken aback, but what she was really saying was, “Thank you for treating me like a human being. Thank you for not just stopping and ignoring me.” She never asked for money; at that point in time she was just a woman down on her luck, feeling isolated and forgotten by society, reaching out in the hope that someone would see her and listen to her plight.

As I said, the issues we are dealing with are numerous and complex. I am very proud to serve on the all-party group for ending homelessness and on the Homelessness Reduction Bill Committee, along with my hon. Friends the Members for Northampton South (David Mackintosh) and for Harrow East (Bob Blackman). The Bill is one part of the solution in tackling homelessness. We know that the leading cause of homelessness is the ending of an assured shorthold tenancy, and the Bill will mean

that councils will have to give consistent advice and no longer advise tenants to stay put until the bailiffs arrive.

David Mackintosh: Does my hon. Friend agree that section 21 notices are often the cause of people becoming homeless?

Will Quince: My hon. Friend is absolutely right; we know that the largest cause of homelessness is the ending of a tenancy, largely via a section 21 notice. The system whereby an individual comes to their council for assistance at the earliest possible opportunity when they get into trouble, and the council turns them away and says, “Come back when the bailiffs are knocking on your door”—at which point the person has arrears and a county court judgment against their name, and will never again be able to rent in the private rented sector—is failing those individuals, and it has to stop. The Government have already taken a large number of steps to tackle homelessness, and I will not repeat them, as my hon. Friend made them clear. Are they enough? Clearly they are not, as there is always more that we can do.

I am conscious that I have less than a minute left to speak, so I just want to touch on the private rented sector. I have mentioned that it is part of the problem, and we need to examine security of tenure and rent deposit schemes. We have a scheme for mortgages, via Help to Buy, and we should consider a help to rent scheme or a help to rent ISA. We need to work with the Council of Mortgage Lenders and insurers to lift the restriction on buy-to-let property owners offering assured shorthold tenancies of more than a year.

I am conscious that my time is up, but I will end by saying that prevention is absolutely key and that providing assistance at the first available opportunity is so, so important. The Bill is a step in the right direction, but there is still much more to do.

5.19 pm

Jack Dromey (Birmingham, Erdington) (Lab): On 29 November, a young man froze to death in John Bright Street in central Birmingham. Sadly, there is worse to come in Birmingham. If the Government go ahead with the biggest cuts to any council in local government history, particularly cuts to supported housing, it will mean—in the words of Alan Fraser, the chief executive of the YMCA—that “more will die”. Mark Rogers, chief executive of Birmingham City Council said that there will be “catastrophic consequences”.

I was born under Clement Attlee and I grew up under Harold Macmillan. It was an era in which a Conservative Government, following in the footsteps of a Labour Government, built homes on a grand scale—homes fit for heroes. I never thought that, in my lifetime, we would see programmes such as “Cathy Come Home”—that happened in the 1960s—and the office block speculation that happened in London in the 1970s, when homelessness was rapidly rising. I am proud to say that I was one of those who occupied Centrepoint in opposition to what was going on.

People on both sides of this House have been passionate about the cause of homelessness over many years. I have to say that I am proud of what Labour did in government, even if we did not go far enough. I am

[*Jack Dromey*]

proud of the fact that we built 2 million more houses, that we created 1 million more homeowners, that we improved 1.8 million social homes and brought them up to a decent homes standard and that we cut rough sleeping by three quarters. It was a generation of progress.

When the coalition Government took power in 2010, they should have invested in a major house building programme, but, in a bid to get the economy moving, we saw exactly the reverse: home ownership falling; social housing in crisis with 140,000 fewer homes; a rapidly growing private rented sector, characterised by soaring rents, with the average tenant paying £2,000 more over the past five years; insecurity; and often poor accommodation. All those things have contributed towards growing homelessness and the doubling of rough sleeping.

Mr Speaker, you were good enough to preside over the opening session of the first ever homeless young people's parliament in Parliament in 2012. It was a deeply moving occasion, and it challenged the caricature that, somehow, all young homeless people are druggies, drunks and drop-outs. Many of them were quintessentially middle England and middle Scotland. Their lives had fallen apart because their families had broken up. What came out of that parliament was: hear our voice; more affordable homes; and do not cut desperately needed benefit for young people.

After the young man died in Birmingham, the Secretary of State said that it was wrong and that we should do more. The problem is that the Government are doing less. Coming back to the city of Birmingham, which I am proud to represent, £800 million has been cut from its budget. Fourteen charities wrote only yesterday to the Secretary of State for Communities and Local Government saying that, thus far, the council has been able to protect the supported housing budget, but it will not be able to continue to do so. The consequences will be serious. There will be the same risk of another young man or young woman dying a terrible, cold death on the streets of the city.

Christina Rees (Neath) (Lab/Co-op): Does my hon. Friend agree that prevention is the key? The UK Government could look to the Welsh Labour Government, who in their Housing (Wales) Act 2014 have pledged £5.6 million in the first year and £3 million in the second year, despite cuts from the UK Government, to fund affordable rent as well as affordable homes to buy. They also pledged not to force local authorities to sell vacant properties to the highest bidder.

Jack Dromey: The costs of homelessness, in both financial and human terms, are infinitely greater than investing in preventing homelessness in the first place. My hon. Friend is absolutely right and I applaud the Administration in Wales for what they have done.

It is too late, as Christmas looms, to bring back that young man. It is too late, sadly, to avoid what my hon. Friend the Member for Westminster North (Ms Buck) referred to as the tragedy of 120,000 children waking up on Christmas day in temporary accommodation, much of it inferior and cramped. They are looking forward to going home after school and celebrating the day, only to be in temporary accommodation. It is too late, but the Government can do more, beginning, crucially, with

the announcement tomorrow of the communities and local government settlement for the great city of Birmingham.

The next stage—the Opposition will certainly champion this—is to develop the great national will to build the homes that our country needs; to create the jobs needed to build homes; and to provide security and warmth, and all those things that matter to us and to the people we represent. Never again should someone like that young man die, but the Government have to act and do more.

5.26 pm

Derek Thomas (St Ives) (Con): Penzance in my constituency is often referred to as being at the end of the line. Despite the beauty and charm that attracts people when they choose a holiday destination, we are not spared the challenges, not least the difficulties experienced by many people and that result in their sleeping rough. In fact, we are often described as the end of the line because that is exactly what happens: people get on the train and stay on it until they reach Penzance, and then they sleep rough and are homeless in my beautiful part of the world, which has, however, a lot of hidden poverty.

In a civilised society, it is not right that some people have no choice but to sleep rough. The challenge is much greater than providing a roof over someone's head. In recent months, I have taken a close look at the homelessness and rough sleeping issues in Penzance and other towns in my constituency. I have looked at the issues facing rough sleepers, and I have spoken to the police and to rough sleepers themselves. I spent a couple of days in the recent recess going out early in the morning and talking to them to find out what their problems were and how they reached that point. I have also spoken to charities and Church groups that provide support—an incredible number of resources and services are available for people in far-west Cornwall—as well as housing providers.

There are many reasons why people become homeless. Some of them struggle to adjust when their jobs change. I met a fisherman who, once he had finished fishing, could not settle into what we would describe as normal life. There are many foreign nationals in our part of the world. We have a lot of transient workers and people who work on part-time contracts for farmers. At the end of the season, they often do not have anywhere to go and they find themselves living rough.

As has been said, former prisoners are often homeless. I met a former prisoner who could not find the help that he needed to re-establish his life and rehabilitate himself. Because we are at the end of the line, highly skilled and well-paid people who want a change of lifestyle come to Cornwall to find one, but it does not go right, their money disappears and they have nowhere to go. All their bridges are burnt.

Another cause of rough sleeping and homelessness, as has been discussed, is family break-up. Many families break up, and young people and even partners have to find somewhere to live, but there is nothing available for them. They are at a stage in life where they did not expect that to happen.

Sometimes a debt-fuelled life hits crisis point. I have met people who were just about managing, but an accident or something else happened in the family and

they suddenly experienced a loss of earnings and everything went downhill very quickly. Domestic violence, drug and alcohol dependency and mental health problems can also be a trigger. People get to the point where they cannot cope: they try to keep everything together, but they cannot manage household bills and so on.

In west Cornwall, we have a problem with a low-wage economy and high living costs. Council tax band C is £138 a month, for example, which is 9% of earnings for a full-time worker on £10 an hour. We are living in an environment where people can become homeless very quickly because of the sheer cost of living.

More homes are needed, I agree, but we must also support people—for example, with the skills they need. We must provide help to support couples and families. We need to reduce drug and alcohol dependency, provide adequate mental health services, drive up earnings and reduce the burden of tax on low earners. The greater challenge is to support people to be independent and to live full lives. If we fail in this, we will never genuinely address the nation's homelessness problems. I would like to hear from the Minister today more detail about how the Government intend to prevent homelessness and use the money that they are setting aside to support the organisations and charities that can help so many people live the lives that they deserve.

5.30 pm

Vicky Foxcroft (Lewisham, Deptford) (Lab): Since I was first elected last year, the largest part of my casework has involved housing and homelessness issues. Let me share two cases with the House.

A 28-year-old contacted me, having been homeless for nine years. A lack of help meant that he fell into a life of crime, substance misuse and rough sleeping. Last Christmas, he was attacked and had to have a metal plate in his jaw. This is not the life he wants to live. He wants to make changes and he does not want to be constantly scared.

A mother of an eight-week-old baby contacted me after she was placed in temporary accommodation, two hours away from her local community. She does not know a single person. The accommodation is filthy. It is unhygienic, so she is worried about breastfeeding her baby. The first few months of a child's life are crucial. She is scared, lonely and disconnected from her support network in south London. These are just two examples of the hundreds and hundreds of cases that I receive.

A homelessness charity in my constituency, Deptford 999 Club, which sees around 50 people in a single day, tells me that it has seen a rise in the number of young vulnerable adults in its winter night shelters. One 23-year-old who was brought up in care was made homeless after a breakdown with his adoptive family. He was sofa-surfing until he ran out of places to stay. He then began sleeping rough. However, Deptford 999 Club managed to house him locally and he now attends university. Thankfully, this is a success story, but, sadly, it is a rarity. Too many people are having to rely on the good will of such charities. We should be doing more.

Deptford 999 Club has had some of its vital resources decommissioned because of the lack of council funding currently available. Fierce cuts in local authority budgets mean that it is forced into making decisions that have detrimental knock-on effects. It is these knock-on effects

that have led to the present situation. Lewisham council's budget has been cut by £121 million since 2010, and funding will be cut again by a quarter by 2020. These cuts are creating holes in our services and simply cost us more in the long term. The number of households in temporary accommodation has gone up by 91% since 2010, yet the supply of affordable lets has decreased by 40% since 2010. These numbers just don't add up. How on earth are local authorities expected to help those people?

I have looked through the Homelessness Reduction Bill, which I welcome, but I have some concerns about how it will deliver and how local authorities can fund the duties that they will have. They will be required to carry out an assessment of what led to each applicant's homelessness, but without additional money. Local authorities will be required to secure accommodation for all eligible households threatened with homelessness—again, no additional money.

Bob Blackman: The hon. Lady is making a powerful case for her area. Does she not understand that under the new burdens doctrine, because those measures are in the Bill, the Government have to provide funding for those services?

Vicky Foxcroft: I thank the hon. Gentleman for his intervention. If the Government were providing that funding, we would welcome it, but we have seen no evidence of that. They are giving councils additional things to do, but not providing extra funding. They are just ring-fencing funding in different areas.

Local authorities will be required to provide those who find themselves homeless with support for a further 56 days to help them secure accommodation, and that—I am going to say it again—is without additional funding. While these things all sound good in principle, I have to ask again how on earth they will be possible when the Government are not properly resourcing local authorities to deliver them.

As we sit here and debate this issue, there are thousands of people across Britain with no roof over their heads, no place to call home, no shelter and no warmth. Rough sleeping has doubled since 2010. Homelessness is up by a third. Things have to change if we want to reverse this trend. We need more affordable housing. We need to tackle spiralling high-cost rents. We need to ensure that local authorities are given the funding they need to be able to tackle these issues.

5.35 pm

Mrs Flick Drummond (Portsmouth South) (Con): When we discuss homelessness in this place, we should always keep it in mind that there but for the grace of God go I. Like people in the country at large, we all have different circumstances, but I wonder just how little would need to go wrong for us to find ourselves in dire straits—perhaps just a missed rent or mortgage payment, especially if we do not have family or friends to take us in.

Homelessness can come very suddenly and for a number of reasons, but homelessness and rough sleeping should not be allowed to rob individuals of their individuality or their hopes and dreams. We do not want people to fall out of society. Homelessness is about more than

[Mrs Flick Drummond]

simply the availability of houses. That is why the Homelessness Reduction Bill and the Children and Social Work Bill are such good news, and I will return to those later.

There is, though, good work being done already. In my area, Portsmouth City Council has received 1,068 homeless presentations in the last year. Of these, 527 were accepted. In 110 cases, homelessness was prevented, and in 183 cases, advice and assistance alone were sufficient for the applicant. Once it has accepted a family, Portsmouth has a strong record of finding permanent, secure accommodation. Three months in temporary accommodation is an average wait for a family, with some housed much sooner. This is very positive, but there are undoubted pressures.

Robert Courts (Witney) (Con): My hon. Friend speaks movingly of the fact that is at the front of everyone's minds: there but for the grace of God may go any one of us. Does she agree that the work done by local councils all over the country, such as the one in west Oxfordshire on which I still serve, is absolutely critical? Moreover, does she agree that the fact that 4% more people are being prevented from becoming homeless than last year shows that local councils are in fact tackling homelessness very effectively?

Mrs Drummond: I thank my hon. Friend for his intervention, and I was disappointed that Opposition Members did not tell us earlier about what Labour councils are doing around the country, and just blamed the Government every time.

There are undoubted pressures. Difficulties with private landlords, domestic violence and eviction by parents are the most significant factors in Portsmouth. The council is coping well with the demands made of it, but we need to consider how we can prevent these circumstances from developing in the first place.

Sleeping rough is not something that anyone undertakes lightly, and those who have not done it must struggle to understand the blow it must be to one's self-esteem and identity. Dignity can be hard to maintain. I therefore praise Portsmouth City Council's work to give rough sleepers support. The homeless day service, run by The Society of St James, is available seven days a week, and provides advice on how to find a home. But more than that, it offers access to free showers and laundry services and a free breakfast.

There are currently 37 rough sleepers in the city, and as the cold weather begins to set in, their predicament is especially acute. The council recognises the problem. Over the winter months, the council can call on 36 beds for rough sleepers on an 8 pm to 8 am basis. During periods of severe cold, the number of beds can increase to 44. This means there is a bed, a bath and a breakfast available to nearly every rough sleeper in our city over the coldest months of the year. I hope we can all agree how important it is that local authorities support these services.

There is much to praise in the charity sector in my city, too. On Christmas day, there will be two places providing lunches for homeless people in the city. Portsmouth Anglican cathedral will cater for 60 people who are homeless, lonely or finding it hard to manage

the cost of Christmas lunch. The lunch will be catered by the excellent FoodCycle Pompey. Volunteers will prepare a three-course meal from food that would otherwise have been thrown away by supermarkets. Elsewhere in the city, the Salvation Army will hold its annual Christmas lunch at Southsea Citadel, where some of the people will have been referred by the council's homeless day service. I thank everybody involved for putting on those lunches. Particularly at Christmas, the burden of social exclusion can be unbearable, and efforts to keep people in touch with others are in the true spirit of the season.

Ending the breakdown of the corporate family is the business of the Children and Social Work Bill. As I have said in this House before, parental duties do not lapse as soon as a child reaches the age of majority; it is optimistic even to think that they end when the child is 21. Anyone here who is a parent of young adults will say as much. I am therefore delighted that the Bill looks to extend the duty of responsibility for those in care to the age of 25, keeping care leavers off the streets. The Homelessness Reduction Bill, on whose Committee I am pleased to serve, does similar work. I support the duty on local authorities to become involved before people become homeless. The Bill will also double the period for which support will be available.

I have not focused on the bricks and mortar, or even the hard cash, of homelessness; those matters have been well ventilated by others. Instead, I have tried to stress that there is so much more to homelessness than simply being unhoused: it is about families and their breakdown; children and their welfare; human dignity and self-respect. I urge those who are overtaken by events to seek help as soon as possible. I reiterate my thanks and admiration for those in Portsmouth, and around the country, who are showing homeless people that they are valuable members of society.

5.41 pm

Paula Sherriff (Dewsbury) (Lab): It is a national disgrace that we have got to a position, as one of the most advanced nations on earth, where so many people are faced with homelessness this winter. Hon. Members across the House will have seen the terrible human consequences of this on an individual scale in their own surgeries, and my constituency is no different. The last official statistics showed that we have just six rough sleepers in my area, but quite apart from the potential underestimating of the problem, that is six too many. We know that in 2015 Kirklees Council dealt with over 400 statutory homelessness cases, and over 2,000 prevention and relief cases. That gives an idea of the scale of the problem even in an area well away from the inner cities.

Melanie Onn (Great Grimsby) (Lab): The figure of six is pertinent, because last year the Department for Communities and Local Government said that there were six rough sleepers in my borough whereas the real figure is about five times that. Does my hon. Friend agree that part of solving the problem of homelessness and rough sleeping is for the Government to know exactly what the scale of the problem is in the first place?

Paula Sherriff: I will talk in a moment about the hidden scale of homelessness. It is absolutely imperative that the Government do more research to find out more about that.

I want to draw particular attention to the plight of homeless women and the unique challenges that they face. There are different causes of homelessness for different groups. In a particularly stark example, Crisis estimates that about four fifths of homeless women in England are fleeing domestic violence. When I first sought statistics to assess the scale of female homelessness, it was chilling to be told by Crisis and St Mungo's that it was almost impossible to estimate, for the simple reason that so many homeless women deliberately remain invisible because they are in fear of their lives. The Library, however, was able to break down the local authority statistics by household type, showing that the largest pool of homeless applicants were female lone parents, who make up nearly half of those applying to councils. When women in couples with children and women without children are factored in, over two thirds of applicants were female—nearly 50,000 women in one year. Most of those were parents, so there is a clear relation to the equally stark fact that 120,000 children will be homeless this Christmas, according to Shelter. That is a figure that all of us in this House should feel ashamed of.

Preventing the problem is vital, of course, but I also want to talk about the reality of life for those women who, for whatever reason, find themselves homeless. The Homeless Period is a new campaign to highlight the problems faced by homeless women in acquiring sanitary products. It should go without saying that most women take these for granted as a fact of life, but whereas homeless shelters have an allowance from the Government to provide items such as condoms, they have no such allowance to buy female sanitary products. I have been horrified by the reports coming out of the campaign of the conditions in which homeless women are forced to live: reports of women faced with the choice between buying food and buying tampons, or forced to decide which is less dignified—stealing sanitary products or doing without. Put simply, it is enough of an affront to human dignity for a person to be homeless in the first place, but that is multiplied by the fear—for women who are forced to sleep rough, a very real fear—of their own natural bodily functions. A lack of access to basic hygiene also poses health risks that women can ill afford when they are already in one of the most vulnerable positions imaginable.

I recently met again with Laura Coryton, who campaigned so effectively on the tampon tax. She, The Homeless Period campaign and others are calling for donations of sanitary products to food banks and homeless shelters, so that no woman in such desperate circumstances is forced to suffer the indignities I have just described. I wish to place on record my thanks to Laura and all those campaigning on this vital issue for the work they are doing to improve the lives of some of the most vulnerable women in our society.

I am also pleased to tell the House that just this week I have worked with Boots to set up a pilot scheme through which they will donate sanitary products to food banks, and also encourage donations from their customers in store. We will start in my constituency—of course—this winter, and if that is a success, I hope it can be replicated up and down the country.

But it is not enough to rely on charity alone. The Government need to intervene sooner rather than later. It is not enough for them to choose between tackling either symptom or cause.

When I started campaigning in this House on the tampon tax, some hon. Members recoiled, while others did not even want to talk about periods or tampons, as if the words themselves were obscene. I do not regret providing such a culture shock to this place—quite the opposite—but that reaction exemplifies why the issue of homeless women's access to sanitary care is so widespread and terribly underestimated. As The Homeless Period campaign says,

“it doesn't bear thinking about—and that's the problem.”

I hope that hon. Members from all parties, especially the Minister, will bear thinking about it today, and that we will not only acknowledge the problem but start to find solutions.

5.46 pm

Julian Knight (Solihull) (Con): It is a great pleasure to follow the hon. Member for Dewsbury (Paula Sherriff). She is doing fantastic work in the area of tampons and provision for the homeless.

As a member of the Communities and Local Government Committee, I have seen for myself the challenges of homelessness. Nobody should have to live on the streets. Not only do too many do so, but many more are only one or two missed paycheques from joining them, and that is a real point in our society: there is so little buffer. So few people have savings in place, and so many of us are captured by debt. People find themselves in rental arrears with county court judgments and other factors that stop them getting further tenancy agreements. That blights the lives of thousands of people across this country.

My hon. Friend the Minister made a very brave speech, in which he said that there were failings, and that the figure for rough sleeping is not good enough in this country, in this economy at this time. That was very brave, in the face of a poised but also very political speech by the right hon. Member for Wentworth and Dearne (John Healey). I congratulate the Minister. His point stands, but I genuinely believe that there is a step change going on right now. Many of the statistics that have been mentioned in this debate—I will not rehash them—show that there is this step change. We need to work together, and, as the hon. Member for Westminster North (Ms Buck) said, we need interconnectivity. People need to stop working in silos and we need to think from start to finish.

Mr Stewart Jackson (Peterborough) (Con): Does my hon. Friend agree that it is important that local authorities work together with the Local Government Association to tackle the pernicious practice—born of desperation—of local authorities shuttling their homeless people round the country to other local authorities, sometimes in the hands of rapacious private landlords who use housing benefit regulations loopholes to get more money? That sometimes means serving section 21 notices on existing tenants.

Julian Knight: That is a good point. I know for a fact that that occurs in my hon. Friend's constituency, and he has seen the dramatic effects of moving people in that way.

The clearest example of the Government's determination to tackle rough sleeping is the decision to support the Homelessness Reduction Bill, which was introduced

[Julian Knight]

by my hon. Friend the Member for Harrow East (Bob Blackman). It was drawn up by colleagues on the CLG Committee and based on our independent research and findings. The Bill would mandate councils to provide 56 days of support to homeless individuals, and to make sure that other services refer people who are at risk of homelessness to the council's housing team. Most importantly, the Bill would require local authorities to help at-risk individuals to find accommodation before they end up on the streets—not no second night sleeping out, but no first night sleeping out. Such early intervention is crucial to tackling these problems before the costs, both financial and human, start to mount.

Although my patch, Solihull, aims to provide a high-quality response to the needs of those who are already on the streets, prevention has become the central focus of the borough's homelessness strategy in recent times. The council and partners co-operate to identify and assist vulnerable households, members of which are in immediate danger of becoming homeless. I am pleased to report that our council has passed the first stage in achieving the gold standard for homelessness and housing advice services, and it has pledged not to rest until it reaches that goal and can guarantee Solihull residents the support services that they deserve and increasingly need. As my hon. Friend the Member for Colchester (Will Quince) has mentioned, there is a lot of hidden homelessness—sofa-surfing, and so on—even in seemingly well-to-do areas.

Unfortunately, the high standard of care for which Solihull aims is not universal. Earlier this month, many of my constituents and I were shocked to hear of a young man freezing to death in neighbouring Birmingham, as mentioned by the hon. Member for Birmingham, Erdington (Jack Dromey). I hope and believe that the Homelessness Reduction Bill will help to focus minds on the human costs of homelessness and guide local authorities towards effective policies that are preventive where possible, and remedial where necessary.

Enacting the Homelessness Reduction Bill would be a great step towards tackling homelessness in the best way: by preventing people from becoming homeless in the first place. That it was drawn up, unusually, by a Select Committee demonstrates the depth of concern inside and outside the House. The Government, Opposition parties and the country need to rise to that challenge together, and the Government's support for the Bill is proof that they share that ambition.

5.52 pm

Heidi Alexander (Lewisham East) (Lab): I am speaking in this debate because I am angry. I am angry because in one of the richest countries in the world, the number of people sleeping rough on our streets is going up; I am angry because the number of families placed in temporary accommodation is increasing; and I am angry because the cuts to housing benefit mean that more and more of my constituents are unable to cover their rent, so they find themselves out on the streets with their belongings.

I am angry, but I am also sad. I am sad because if someone is on the minimum wage in an area such as mine and they do not have a council or housing association property, their chances of finding somewhere decent and affordable to live are close to zero. I am also sad

that children often pay the highest price. A family may be placed in a bed and breakfast miles away from their children's school, because the local authority cannot source local properties at an affordable rent.

When I became an MP six years ago, it was uncommon for anyone to visit my advice surgery because they were a rough sleeper. It was uncommon, but not unknown: there were men who would ride night buses trying to keep warm, and some would find shelter in disused garages or parks. Now, it is commonplace. At one advice surgery in October, I saw four people in the space of as many hours, all of whom were set to sleep outside that evening. They could have been the people my constituents see on a daily basis on a mattress underneath the arches next to Lewisham station, in sleeping bags in Ladywell Fields or huddled and cold on wet cardboard outside the BP garage on Lee High Road. It is all too easy to walk by and to think that it is someone else's problem. It is not, though; it is our problem, and as a country we need to fix it.

Rob Marris: As well as being angry, does my hon. Friend share my dismay? There is a consensus in the House about the need to do something about homelessness, but homelessness is not a problem that drops out of the sky. Homelessness and the explosion in the number of people using food banks are consequences of Government policy in the last six years.

Heidi Alexander: I totally agree with my hon. Friend. As I said in my intervention on the Minister, the previous Government cut the national affordable house building programme by 63% in 2011 and they have an awful lot to answer for.

I want to share with colleagues one story that underlines the need for change. At my advice surgery in Downham a few weeks ago, I met a man called Terry. Terry is not his real name, but for reasons that will become obvious, he does not want his real name to be known. Terry, who is in his 60s, works with young men at risk of getting into trouble with the law. He has lived alone for the past few years, having gone through a divorce. Terry used to pay £650 a month for a one-bedroom flat—cheap by Lewisham standards—but then the rent doubled overnight. He could not afford it, and he had to move out. Terry now sleeps in a van. He has not told his children because he is too embarrassed, and he cannot get help from the council because he is not deemed to be in priority need. When I hear Conservative politicians say, "If you can't afford to live in London, you should move out", I wonder whether they mean people like Terry—people who have not done anything wrong, and have done quite a lot right.

Julian Knight: Will the hon. Lady name the Conservative politician involved? Was it a councillor or a Member of Parliament? I am just wondering who that quote comes from.

Heidi Alexander: Anyone listening to the rhetoric during the last Parliament will be under no illusions about what certain members of the former Government have said.

I say this to the Government on behalf of my constituents: wake up! They should wake up and invest in social housing. They should wake up and build homes that people can afford to live in. They should

wake up and stop pumping money into the bank accounts of private landlords and build social housing instead.

Dr Poulter: Will the hon. Lady give way?

Heidi Alexander: I am afraid I will not give way, because I have already had my injury time.

I have previously spoken in the Chamber about the disparity that can exist between the housing benefit paid out on private rented property and that on social housing. If we take two families in receipt of full housing benefit in my constituency, with one in a two-bedroom private rented flat and one in a two-bedroom council flat, the annual benefit paid on the private rented property will be almost £9,000 more than that paid on the council flat. We cannot afford to go on like this. We all know—the Chancellor confirmed as much a few weeks back—that the public finances are likely to be shot to pieces as a result of Brexit. I fear for my constituents in these circumstances, and that makes it all the more important that the Government make the right choices. They should fund local authorities adequately, shift the public subsidy from benefits to bricks and mortar, and build social housing. Until we do that, any attempts to tackle homelessness will always be destined to fail.

5.58 pm

Bob Blackman (Harrow East) (Con): It is a pleasure to follow the hon. Member for Lewisham East (Heidi Alexander), who made such a powerful case on behalf of her area. I draw the House's attention to my entry in the Register of Members' Financial Interests.

The causes of homelessness are many and varied. It is all too easy for us to concentrate on one particular issue. I apologise for not being present for the Labour Front-Bench spokesman's speech—I meant no disrespect; I was in a Committee meeting elsewhere in the Palace, and the timing of this debate meant that I was held up—but the reality is that homelessness peaked under the previous Labour Government at over 300,000 applications in 2003-04. By 2010, because of action taken by the Labour Government, it had dropped dramatically, and it has been rising steadily ever since. It is quite clear that we must address that.

I am very thankful for all the comments about my Homelessness Reduction Bill. I thank everyone who spoke on Second Reading, and those who are serving on the Public Bill Committee as we take it through the House. I look forward to its returning to this place early in 2017, going to the House of Lords and eventually becoming law.

That is only one part of the jigsaw puzzle in solving homelessness. I am clear that we have to deal with the problem of supply above all else, but we need to do other things as well. If we do not build proper affordable housing, quite clearly we will never solve this problem.

Dr Poulter: I commend my hon. Friend for his Bill. On the point he has just made, does he agree that a zeal for private home ownership at all costs is at the very root of this problem? We must deal with that if we are to tackle it in the longer term. We need more affordable homes and a genuine housing mix. That is the only way we will help people to avoid homelessness and find a sustainable solution.

Bob Blackman: Clearly we have the problem that Governments of all persuasions, as the Minister rightly said, have failed to build enough housing for almost 40 years. The reality is that the private sector alone will never build enough housing. We have had the announcement of the settlement for London, with £3.15 billion to build 90,000 affordable homes across London over the next three years. That is a great settlement. It is now incumbent on everyone to get on with building those properties. Public land is available on which they can be built, and it can.

We have to divide homelessness into two categories. There are rough sleepers—people who are on the street and who are at severe risk. Their health is bad and they are likely to be attacked. Many of them are on the streets for the first time and are extremely vulnerable. As I said in an intervention, it is likely that they will die as a result of sleeping rough. That is an absolute scandal in this day and age. They cost the health service huge amounts of money. They are likely to be addicted to drugs, alcohol or tobacco. We cannot blame them for that, because they are in a spiral of despair. We have to come together as a House to make sure that no one gets to the stage of sleeping rough.

There is also the problem of the hidden homeless—the sofa surfers. These are people who stay with family and friends until they exhaust all their family and friends and end up on the streets. Unless we address that issue, we will not solve the problem.

Last night, I went out with a brilliant team from St Mungo's to identify people on the streets of the city of London who are sleeping rough. It is clear that those individuals have complex needs. It is not a magic solution to say, "Give them somewhere to live or sleep and that is the end of the problem." They need counselling and support. They need a whole package of measures to help them get back on their feet and live what we would all call a normal life. Unfortunately, providing accommodation is not sufficient. That is an important point.

Equally, it is clear that one problem in society now is that private sector landlords are reluctant to rent homes to people who are homeless. I therefore ask the Government to consider a national deposit scheme, so that people who are in need of housing in the private sector can be provided with a deposit at a national level, rather than relying on local authorities to identify a deposit for them. That would secure private rented accommodation for people who are not in priority need. That would make a huge difference to the number of people who are declared homeless but are not assisted. We know that one of the challenges for people who are in difficulty is finding the deposit to buy a house or for private rented housing. That is something that the Government should consider.

I look forward to the publication of the White Paper on the development of new homes and the housing strategy. We all have to be clear that housing is a market. If we start interfering in a market, there are unintended consequences. I trust that my right hon. and hon. Friends on the Front Bench have considered all those aspects and, rather than tinkering with some of the measures, will get on with a national house building programme that we can all be proud of and with measures that will alleviate the homelessness crisis. I look forward to the other announcements that will no

[*Bob Blackman*]

doubt follow. Measures to reduce rough sleeping are paramount. If we do not address that problem quickly, we will lose too many people too early.

6.4 pm

Tracy Brabin (Batley and Spen) (Lab): I applaud my right hon. and hon. Friends on the Front Bench for their efforts in securing this important and timely debate.

I have witnessed homelessness at first hand, volunteering with Crisis at Christmas to hand out hundreds of turkey dinners to homeless people. I saw homelessness for what it is: not a problem confined to addicts or one that results only from mental health issues, but something that could happen to us all. We are all just three steps away from homelessness: one, you lose your job; two, you lose your partner; three, you lose your house. It could happen to anyone.

After years of what has been described as unprecedented decline, homelessness is now back on the rise. Rough sleeping has doubled, families living in emergency bed-and-breakfast and hostel rooms are up by 18% in only one year, homeless households have increased by 44%, and 120,000 children will be homeless this Christmas. We see it every day on our way in and out of work, with people sleeping in the entrances to Parliament on cardboard boxes and in sleeping bags.

Homelessness is not just confined to city centres. My constituency of Batley and Spen is not somewhere one would usually associate with homelessness; with not one single urban centre, we are a smattering of Yorkshire towns and villages. Yet, as I have said in this House before, when I was six my family fell behind on the mortgage repayments and we had to hand the keys of our home back to the building society. The council stepped in and found us a new home. But with 14,000 people on the Kirklees Council housing waiting list, if that happened to us now, I am not sure what would become of my family. Perhaps we too would have to rely on the kindness of strangers, in an emergency bed and breakfast or even on the streets.

We know that the situation is getting worse, not better. The manager of the Batley drop-in centre at the Central Methodist church told me just yesterday that his centre has seen a 15% year-on-year increase in people coming through the door. What stood out from our conversation is that not all those using the centre are what we would normally deem homeless. They are not all sleeping on the streets; most are sofa-surfing until the good will runs out and they have to move on to other friends. His explanation for the increase is threefold: at the church, for two days in the week, they do not have to pay for heating, they get a hot meal and a food parcel to take away, and—let us not forget this—they also get companionship, which must be thin on the ground when circumstances force someone to keep moving on.

As the hon. Member for Harrow East (*Bob Blackman*) said, one third of households that become homeless do so when their private rented tenancy ends. We need to adapt to the needs of the growing number of families who rent. Longer-term, secure tenancies with affordable rent increases are essential, because homelessness is not always caused by the loss of a home, but is often due to an inability to find a new one. Crisis tells us that deposits average nearly £1,200, with agency fees to pay

on top, so it is easy to see how a family ends up in financial difficulties. I applaud the hon. Gentleman's call for a rent deposit guarantee system for homeless people and those faced with homelessness.

The Government's support for the hon. Gentleman's Homelessness Reduction Bill is welcome—as long as it is fully funded—but it will not address the lack of support for private renters or the chronic lack of investment in affordable homes. I welcome the pledge of my right hon. Friend the Member for Wentworth and Dearne (*John Healey*) to eradicate rough sleeping in the first term of a Labour Government. I know he has sent his proposals to the Prime Minister, so I hope that Government Members can give assurances that those proposals will be considered seriously.

Every single expert, organisation and Member of this House knows that the only long-term solution to homelessness is to build genuinely affordable homes for families to live in, because a home they can afford is not just bricks and mortar, but stability and security. Let us not find ourselves back in this place this time next year debating these same issues. Those 120,000 children deserve better, and we cannot let them down.

6.9 pm

Ronnie Cowan (Inverclyde) (SNP): What does homelessness actually entail? In the words of Rachel Moran in her excellent book, "Paid For",

"The word 'homeless' seems to present the condition as a single lack, but homelessness is actually many individual deficiencies combined. The worst of them are emotional; but to mention the physical challenges first: the single worst bodily aspect of homelessness is exhaustion. It is caused by several factors, including sleep-deprivation, hunger and a constant need to remain on the move."

This explanation of homelessness is insightful, because it shows us just how inadequate the word "homeless" is. To live without a fridge, cooker, television, shower, sofa or bed is a struggle that homeless people contend with daily. It might start with sleeping on a friend's sofa, then another friend's; but then a week-long stay becomes a day here, a day there, until the night comes when there is no sofa available, and instead a doorway is used, probably nearby at first, but then the person drifts; and one day they have to acknowledge that they are homeless. It does not start that way. We all see homeless people, but we never suspect that we will become one. How damaging to a person's self-esteem and mental health is that moment when homelessness becomes an acknowledged reality? How does anyone find their way back?

In Scotland, the number of homelessness applications is decreasing, from a peak of over 60,000 in 2005-06 to 34,600 in 2015-16. Some 294 of these applications were made in my constituency, and that is 294 too many. We have made progress, but Shelter Scotland has indicated that there has been no underlying change in the drivers of homelessness. Almost half of those who have made homelessness applications in Scotland are single males, and 16% are single females with a child. Shamefully, many of those people are ex-service personnel—people who have made the highest commitment to serve their country but have not received the support they deserve.

Although homelessness is primarily tackled by the UK and devolved Governments, local authorities also play an important role. Scottish local authorities have been hindered by policies born in this place, such as the right to buy, which was not reinforced by a need to build.

According to Scottish Government statistics, we have lost over 450,000 homes from the social rented sector as a result of the right to buy, and thousands of the homes that remain are of dubious quality. It is estimated that about one in 10 households in Scotland are affected by dampness or condensation. Thankfully, the Scottish Government have ended the right to buy, and more than 16,000 new homes have been built in the last year—a rate higher than the UK average.

I hope to see this issue prioritised as a matter of public policy across the UK, particularly as homelessness is increasingly being stigmatised. Recently, *The Huffington Post* reported that Crisis spoke to 458 people who were sleeping rough or had slept rough in the last year and said they were facing “ever-more hostile streets”. Councils, developers, businesses and other organisations are deploying “defensive architecture”, including iron and concrete studs placed in flat areas to prevent homeless people from finding a place to sleep. It makes me wonder what the threat is and why we need to defend ourselves from it. A compassionate society should not be deploying medieval-style defences against vulnerable people who need assistance. So-called defensive architecture is dehumanising and sends a clear message: “go away, disappear, you’re not wanted.”

Homelessness is an issue of priorities. Instead of encouraging developers to build luxury apartments, some of which are bought up as investments and never lived in, we should be building social housing. Our welfare system must also be tailored in a compassionate way that enables people to have a platform on which to build their own lives. Our current system does not provide that support. A universal basic income could be a solution to address social ills and protect the most vulnerable from becoming homeless. At the very least we should be exploring that possibility, instead of tinkering around the edges of a system that is in need of a more fundamental reform. I will concede, however, that homelessness is a complex issue, and one that cannot be eliminated just by burying it with money and legislation. Homelessness is not only an issue of housing; it is also the product of inequality, poverty, domestic abuse, family breakdown and addiction. It can happen to anyone from any background.

In conclusion, we should never allow ourselves to accept homelessness as an inevitable result of a modern society. It is not inevitable and it does not need to happen. Complacency on the part of the UK Government will result in a failure to tackle this issue. Rising living costs, stagnating wages and the UK’s mismanaged welfare system are putting increased pressure on homelessness services. My fear is that the progress made at Holyrood is being undermined by welfare decisions taken at Westminster. Ultimately, people sleeping rough tonight do not care whether local authorities, devolved Administrations or the UK Government have the power to help them; they just need support. It is up to all elected Members across the UK to ensure they receive that support.

6.14 pm

Carolyn Harris (Swansea East) (Lab): I am very proud of the Welsh Government’s record on tackling homelessness. The Welsh Government have funded affordable homes to rent as well as buy and have pledged to protect their Supporting People budget for homeless services. Local authorities in Wales are not forced to sell

vacant homes to the highest bidder in order to credit funds to the Exchequer. Since 2011, Welsh local authorities have suspended the right to buy scheme in areas experiencing high demand for housing in order to preserve the stock of affordable homes.

My Labour-led council in the city and county of Swansea has recently broken ground on a pilot scheme to build 18 Passivhaus standard energy-efficient homes. This ambitious plan is just the first stage and could lead to thousands of new homes across Swansea. These homes have the potential to offer annual fuel bills of just £70—yes, annual fuel bills. The first homes will be occupied this coming March. Swansea is a forward-thinking, ambitious local authority preparing for the future and offering solutions not just to homelessness but to fuel poverty.

Chris Elmore (Ogmore) (Lab/Co-op): On my hon. Friend’s point about the work of Swansea Council, lots of Welsh local authorities are now moving to build more council housing because of the support from the Welsh Government for tackling homelessness and being able to build social housing. Does she agree that the Welsh Government and local government in particular are showing the way in tackling homelessness and affordable housing?

Carolyn Harris: I certainly do agree with my hon. Friend and I will come to that in a moment.

Right across Wales, the intention is to reduce homelessness by utilising both the private and social housing sectors. The commitment from the Welsh Government has been to fund proactive schemes to prevent homelessness. My local authority is a pioneer in this area. Between 2015 and 2016, more than 7,000 households were threatened with impending homelessness, but the Welsh Government were able to prevent 65% of them from becoming homeless. That proves that local authorities such as mine, and others right across Wales, are working with the Welsh Government to understand and tackle the problem. Maybe it is time the Westminster Government took a leaf out of the Welsh Government and Welsh local authorities’ “How to Tackle Homelessness” book.

Madam Deputy Speaker (Mrs Eleanor Laing): I call Chris Elmore. [*Interruption.*]

6.17 pm

Chris Elmore (Ogmore) (Lab/Co-op): Sorry, Madam Deputy Speaker, I was taken by surprise a bit. There is nothing like having two Welsh Members following each other, is there?

The motion before us notes that 120,000 children will be homeless this Christmas. That is a fact that should alarm every Member of the House and shame the Government for their inaction. The levels of homelessness across the UK show the worst consequences of ignoring the most vulnerable in society. There can be no excuse for the fact that the number of people sleeping rough doubled between 2010 and 2015. While this Government are refusing to acknowledge rising homelessness, I am glad to see a different approach being taken by the Welsh Government. In contrast to the Government in Westminster, the First Minister and his Government have shown time and again that they are not afraid to tackle the problem head on.

[Chris Elmore]

Unlike the UK Government, the Welsh Government have continued to fund affordable homes to rent as well as buy, allowed councils to suspend the right to buy in areas of high housing pressure and have not forced local authorities to sell vacant homes to the highest bidder. On top of that, the Welsh Government have introduced a housing Act designed to reduce homelessness through a stronger focus on prevention and, despite significant budget pressures, provided the necessary funding and resources.

Bob Blackman: On that point, is the hon. Gentleman aware that the total number of people presenting themselves as homeless for the whole of Wales is less than the figure for the single London borough of Lambeth?

Chris Elmore: I acknowledge that and understand what the hon. Gentleman is saying. What I am trying to stress is that there are different and more positive approaches to tackling homelessness, and the Welsh Government are leading the way on that.

I am incredibly proud of the action taken by the Welsh Labour Government to tackle homelessness, but equally I am incredibly proud of the work of the last Labour Government in this House and their efforts. When Labour is in government, be it in Wales or the UK as a whole, homelessness falls. Under the two previous Labour Prime Ministers, statutory homelessness fell by almost two thirds, and the number of people sleeping rough fell by three quarters. In Wales, in the first year of the Welsh Government's Housing Act, 65% of families assessed as threatened with homelessness were successfully prevented from becoming homeless, as the shadow Secretary of State for Housing and indeed my hon. Friend the Member for Swansea East (Carolyn Harris) mentioned.

This House needs a cross-party approach to tackle the scourge of homelessness across the UK. Labour Governments have repeatedly shown that it is possible to take action, and I hope this Government will today take note and work to help find everybody a home.

6.20 pm

Helen Hayes (Dulwich and West Norwood) (Lab): I met a former constituent today at a community event in my constituency. I first met her two years ago when she was being evicted, with her young children, from her private sector home while she was receiving treatment for cancer. She was moved out of my constituency into temporary accommodation—and two years later, she is still there. She said to me, “I saw something about homelessness on the news this morning. Is that about people like me? Are they going to do something?” I would like to be able to say to her at the end of this debate, “Yes, the Government have made a commitment to sort out homelessness.”

Late last night, I checked my emails and found a message from a constituent whom I have been supporting over a number of issues in the past few months. He wrote that he had come home to find that his private landlord had changed the locks, leaving him, his wife and two very young children, who were running a fever, out on the streets with nowhere to go.

The other week, I saw a constituent in my surgery who was crying as she told me how hard it is to be living in temporary accommodation. She said, “It's living out

of boxes and bags. All I want is to make a home for my kids, but I can't while we are living out of boxes and bags.” These stories are devastating, but they are absolutely typical of the experiences of thousands and thousands of people who are not sleeping rough, but who nevertheless do not have the security of a permanent home. There are 1,800 families, including 5,000 children in temporary accommodation in Lambeth—families who are facing Christmas without the essential security and comfort of a home. That is a disgrace.

I am pleased to support the Homelessness Reduction Bill and I have been working with colleagues on its detail. It responds directly to evidence we heard in the Communities and Local Government Committee inquiry into homelessness that the statutory framework governing support for homeless people is not fit for purpose and is not working because it allows too many people to go unsupported. Absolutely critical to the success of this Bill is the Government's commitment to resource it and the level of the resource that they provide. We are almost at the end of the Committee stage of the Bill, but we still do not know how or at what level the Government will resource councils to implement the new duties and burdens that the Bill can introduce. I hope that the Minister will take the opportunity in his summing up speech to give some confirmation.

The Homelessness Reduction Bill is an important and necessary reform, but it is important for the Government to recognise that it addresses only one part of the problem. Supply is fundamental, but so is the nature of that supply. Evidence heard by the Communities and Local Government Committee in our inquiry into capacity in the homebuilding industry points to key skills shortages in the construction sector, but also to a private sector that is maxed out in the number of homes that it can deliver.

Our Committee returned this morning from a visit to Berlin, where we learned about the significant public sector resource—land, low-cost loans and direct public subsidy—that goes into delivering high levels of social housing at genuinely affordable rates. We have delivered the number of homes needed to keep pace with demand in the UK only in the post-war period when the public sector was directly delivering many thousands of homes.

I await the housing White Paper with anticipation, and I hope to see in it the policies we need to make a huge shift in the rate of homebuilding in this country. In the meantime, we are left with the private rented sector. I sat through weeks of debate last year on the Housing and Planning Act 2016—devastating legislation that did nothing about the single biggest cause of homelessness. While I support the banning of letting agents' fees to tenants, that is only one issue in a sector urgently in need of reform. We need better security of tenure, and particularly in London we need to be able to limit the rate of rent increases that can be charged within the terms of a tenancy.

The Government must not be complacent in thinking that support for the Homelessness Reduction Bill means that they can tick the box for having solved homelessness. I hope the Minister will take the opportunity to set out today what the Government will do to fund genuinely affordable homes, to increase the rate of homebuilding and to reform the private rented sector, so that we can end the scandal of homelessness.

I end by paying tribute to the organisations in my constituency and across the country that will support homeless people this Christmas, helping homeless families through food banks or providing direct shelter and food to those in need, and to the many volunteers who help to make those operations happen. They are a reminder that we are a compassionate nation. We recognise homelessness as a scandal that shocks and horrifies us, and communities across the country want the Government to sort it.

6.25 pm

Kirsty Blackman (Aberdeen North) (SNP): I want to talk about the issues facing young people today and then about complex cases of homelessness and the related problems.

At Prime Minister's questions on 23 November I mentioned Aberdeen Cyrenians, a charity in my constituency. In fact, I think it may be in the constituency of my hon. Friend the Member for Aberdeen South (Callum McCaig), but it is in my city anyway.

Callum McCaig (Aberdeen South) (SNP): Our city.

Kirsty Blackman: Our city; I am sorry. I mentioned that charity and asked the Prime Minister about how austerity is increasing homelessness. The Prime Minister's answer included the phrase "living within our means", which is unfortunate phrasing. Homeless people do not have any means to live within. They do not have a house or other things. Today's debate has been much more considered and measured and a lot less political than that exchange at PMQs.

I have heard young people today—as in people under about 35 or 40—being described as the precariat. They have precarious jobs. The gig economy is increasing and they do not have the long-term jobs that people used to have. They are subsisting on zero-hours contracts and do not have the same level of security as previous generations, who could walk into a job and have it for life. They do not have security in housing. They live incredibly expensively in the private rented sector, where not enough safeguards are in place to ensure security of tenure. As has been mentioned, people can come home and find that their locks have been changed, and their private sector landlord feels that that is the way forward. A huge number of landlords are not like that, but enough are to make it a problem.

Young people today are in precarious situations, and the risk of homelessness is real and one that we have not seen in recent generations. A study published in September found that 40% of families have less than £100 in savings. Much has been said today about so many of us being just a step away from homelessness, but that bears repeating—40% of families have less than £100 in savings. People do not have the extra cash in their pockets to deal with an unexpected change in situation, so homelessness is perhaps a bigger risk than it has been previously.

With austerity, benefits sanctions and the changes to the benefits system, the people with the most complex, chaotic lives are being disadvantaged the most. The Government cannot easily get them back into work, and they represent a figure that a few weeks of jobcentre intervention will not change. They need months of

intervention—some may need years—due to their complex problems, including mental health issues, homelessness and being unable to hold down a job in recent years. They require huge amounts of intervention before they will be able to get back to being tax-paying, working members of society. It is quite easy, if the Government say they are not going to provide intensive support for those people, for them to fall between the cracks. Allowing that to happen in those complex cases is one of the worst things that this Government have done, and that causes a real issue of homelessness.

A huge number of other things can lead to homelessness. Domestic violence has been talked about a lot, and we have a debate on it on Friday. It can lead to women or men—in the main it is women—fleeing and finding themselves homeless or in an insecure tenancy. That is a real problem that they have to deal with at a time when they are going through a huge number of other problems too. Again, that problem is sometimes being left alone because it is too difficult to tackle and it is not an easy statistic to change—the Government cannot easily get people back into work and back into a secure place.

As someone who was elected to a local authority in 2007, I am a passionate advocate against the right to buy. I saw the damage it caused to our communities and the number of people who do not have a permanent roof over their head as a result of it, and the Government need to change their plans on it.

6.30 pm

Andy Slaughter (Hammersmith) (Lab): We have had a well-informed debate. I appreciate the contributions from Members on both sides of the House and respect their passion and sincerity, but nothing that has been said has distracted from, let alone contradicted, the three stark statistics in the motion, which indict this Government's record on homelessness. Those are a 44% increase in statutory homelessness since 2010—there is an absolute duty to the most vulnerable and those in the most need—a doubling in street homelessness, which is the most obvious and insistent evidence of our failure as a society to provide all our citizens with basic necessities of life, and 120,000 children being homeless this Christmas.

We have heard 17 Back-Bench speeches in this short debate, which shows the degree of interest in this subject. We have heard from the hon. Member for Northampton South (David Mackintosh), my hon. Friend the Member for Westminster North (Ms Buck), the hon. Member for Colchester (Will Quince), my hon. Friend the Member for Birmingham, Erdington (Jack Dromey), the hon. Member for St Ives (Derek Thomas), my hon. Friend the Member for Lewisham, Deptford (Vicky Foxcroft), the hon. Member for Portsmouth South (Mrs Drummond), my hon. Friend the Member for Dewsbury (Paula Sherriff), the hon. Member for Solihull (Julian Knight), my hon. Friend the Member for Lewisham East (Heidi Alexander), the hon. Member for Harrow East (Bob Blackman), my hon. Friend the Member for Batley and Spen (Tracy Brabin), the hon. Member for Inverclyde (Ronnie Cowan), my hon. Friends the Members for Swansea East (Carolyn Harris), for Ogmores (Chris Elmore) and for Dulwich and West Norwood (Helen Hayes), and the hon. Member for Aberdeen North (Kirsty Blackman). We have heard from every part of the British Isles. I apologise if I do not have the time to comment on each of those speeches, as they all had much to recommend them.

[*Andy Slaughter*]

I will not do the speeches justice by summarising themes, but I have to say that what I heard in a number of speeches by Conservative Members—I exempt the hon. Member for Harrow East from this—was real distress at individual cases in surgeries and in the streets, but no real appreciation of the link between those cases and their own Government's policy. I credit the hon. Gentleman, as he acknowledged the scale of the problem and how it has risen.

A number of my colleagues made the point about where the blame lies, and although I am being invidious by singling anyone out, I do single out my hon. Friends the Members for Lewisham East, for Westminster North and for Birmingham, Erdington, whose experience over many years and indeed decades in areas of very high housing stress enabled them to put the blame where it lies: with Government policy, with local government cuts and with the persistent failure to build social housing and relieve the pressure.

The Government's amendment does them no credit. It is a nit-picker's attempt to sidestep the central causes of the homelessness crisis, which this Government and their coalition predecessor have caused. What is beyond dispute is that the measures the Government rely on in their defence are not working. If they were, we would not have seen a year-on-year worsening in the plight of homeless persons. No one says it will be easy to resolve issues that are now chronic and endemic across the UK, particularly in London and other areas with high demand and a poor supply of affordable homes. The Minister could at least begin to tackle the worst aspects of homelessness by signing up today to the proposals to tackle rough sleeping set out by my right hon. Friend the Member for Wentworth and Dearne (John Healey) and tackling street homelessness through an extension of the clearing house scheme, which both Labour and Tory Governments have supported in the past. There is nothing inevitable about homelessness. The record of the last Labour Government showed that with a two-thirds drop in statutory homelessness in the 10 years to 2010 and a three-quarters drop in rough sleeping in the same period.

I noticed how, in opening the debate, the Minister for Housing and Planning tried to minimise Labour's achievements and talk up his own party's achievements. I suppose that that is his job, but independent audit has a different view. I hope that he and the Under-Secretary of State for Communities and Local Government, the hon. Member for Nuneaton (Mr Jones), who will be replying to the debate, have read the "Green Book", which was published this month by Shelter to mark its 50th anniversary and the 50th anniversary of "Cathy Come Home". It says:

"The numbers of households living in temporary accommodation and the numbers of people found sleeping rough on a given night have risen for the last five years. The number of households coming to their council and being found to be homeless and in priority need is over a quarter higher than five years ago. The number of households accepted as homeless started to rise in 2010. Even more striking is that this followed a period of six years when the level of homelessness appeared to drop sharply. The sharp turn that the homelessness statistics made after 2009 is a striking trend".

Callum McCaig: Does the hon. Gentleman agree that developer contributions are an important way of attracting additional funds for local authorities to build affordable

housing to help tackle the problem of homelessness? Does he share my disappointment that my local council has forgone £30 million in developer contributions for student accommodation that could have helped to alleviate homelessness in Aberdeen?

Andy Slaughter: I hope the hon. Gentleman will forgive me if I am not an expert in planning gain in his own local authority area. There are a number of ways of funding affordable homes, and I will come on to one or two of them in a moment. He is right to identify that matter as being the root cause of the problem.

I turn to the Homelessness Reduction Bill, which we were considering in Committee this morning and which the Government pray in aid in their amendment. A number of Members who are on the Bill Committee have mentioned it. That Bill is the brain child of Crisis and is supported by St Mungo's Broadway, Shelter and the consensus of opinion across the housing sector. Those excellent organisations have been on the frontline against homelessness for decades. Like many Members, I have been proud to work with them in my constituency.

More importantly for the Bill's chances of making it to the statute book, it has the support of all parties and of the Government, and has been ably promoted by the hon. Member for Harrow East. It is no exaggeration to say that it will make a sea change in homelessness law, both through the emphasis it places on prevention and through the changes that it imposes on local authorities to assist non-priority groups, particularly single people, in finding accommodation.

In promoting the Bill, Crisis is also making the statement that it can no longer be expected to pick up the pieces of the failure of much of the apparatus designed to help the homeless. I welcome the Bill both for the signal that it sends and for the detailed requirements that it places on the Government to tackle this growing crisis, but—this "but" has dominated our discussions on the Bill—legislation alone will not solve the problem. Indeed, it may, in the first instance, make it worse. Let me give three reasons why I say that.

First, local authorities, especially those in metropolitan areas, are struggling to deal with their responsibility to those who are in priority need. Members who have seen the Mayor of London's briefing—I welcome the Mayor's personal commitment to tackling London's housing crisis—will know that the number of households in bed and breakfasts in London has risen by 234% since 2010. The figure is 157% elsewhere. The telling statistic for London Members is this: in 2010, 13% of families were placed outside their local authority area, but that has now almost tripled to 35%. Every one of those families is a tragic story of people displaced from their communities, their schools, their jobs and their family support. If we are not careful, one consequence of putting additional burdens on local authorities for the non-priority homeless when they cannot at the moment cope with the priority homeless is that the latter will suffer.

Secondly, there is a general pressure on local authority budgets, with cuts of 40% to 50%—by far and away the largest in any part of the public sector. Those pressures extend everywhere, and I imagine that tomorrow we will hear quite a lot about that and about social care. Because of those pressures across the board, it is absolutely vital that the measures in the Homelessness Reduction

Bill are fully funded. I hear what the Government have said about that, but we are still waiting. The Under-Secretary has promised that we will have details of the funding before the Committee reports. It is important that that pledge is honoured and is not just a paper promise. We must clearly see that the measure will be fully funded, otherwise it simply will not work and local authorities will again carry the can for central Government's mistakes.

The third and most important issue is the effect of the Government's general policies on housing and homelessness. In the area of housing finance, the benefit cap has just been further reduced, which has had an attritional effect on my authority and many others. The freeze on local housing allowance, the introduction of the bedroom tax and 45% cuts in the Supporting People budget in the last Parliament are unprecedented cuts, and the net effect is to destabilise the people who are most vulnerable and most at risk of homelessness.

In the private rented sector, rent increases and the ability for private landlords to charge higher rents to make more profit mean that evictions are at a high. Some 40% in London—30% nationally—of people presenting to local authorities cite the serving of a section 21 notice, or the no-fault eviction process. We have heard it argued that as a result we need the Bill to put more responsibility on local authorities, but what about the responsibility of the Government to legislate for longer tenancies and, as we would do, to legislate for rent control to combat rent rises during a tenancy? That would have a much more salutary effect in preventing homelessness.

Gavin Barwell *rose*—

Andy Slaughter: If the Minister does not mind, I will not give way, as I have only two minutes left, and I do not want to take time away from his colleague the Under-Secretary.

Housing supply is the key issue. We have the lowest social housing build on record. We still face the prospect of the sale of high-value council homes, and a reduction in rent has prevented councils from building new social homes. We have 140,000 fewer council homes than in 2010. Unless that problem is tackled we will never tackle the problem of homelessness.

That is the story of the Homelessness Reduction Bill, but it is also the story of this Government and their attitude not just to homelessness but to the housing crisis generally. They talk about solutions, but their policies have made matters worse. We have been promised cash for the implementation of the Bill and we have been promised wider initiatives in the delayed White Paper, but time is running out for the Government to act. Empty words and empty Bills will not stop children being homeless at Christmas or vulnerable people sleeping on the streets. Tomorrow, the new figures on statutory homelessness will be published, but they are unlikely to bring any comfort to the homeless or to the Government. This is a crisis that the Government have neglected, and have even aggravated with the range of policies that they have pursued. If they are sincere about tackling the problems of homelessness, words will no longer suffice—only action will.

6.44 pm

The Parliamentary Under-Secretary of State for Communities and Local Government (Mr Marcus Jones): I thank the Opposition for bringing this important debate to the House. It has given Members across the House an opportunity to discuss a critical issue, and it gives me the opportunity to outline the actions that this Government are taking to meet the challenge.

This has been a good debate. Time does now allow me to do justice to all the contributions, which were excellent, but I will endeavour to respond to as many of the points as I can within the time available. As my hon. Friend the Minister for Housing and Planning stated at the outset, the Government are committed to tackling homelessness. I reiterate that that is a priority for me and for the Government. No one should find themselves without a roof over their head. As my hon. Friend outlined earlier, we are supporting the largest house building programme of any Government since the 1980s, but as many hon. Members have said, homelessness is not just a housing issue. Tackling it requires a collective response at both national and local levels and an unrelenting focus on prevention.

There are many good examples of early intervention around the country. We want to drive good practice to help all areas learn from the experiences and take on the good practice of the councils that are doing things the right way. To kick-start this, we have launched a £50 million homelessness prevention programme, which takes an end-to-end approach to preventing more people from becoming homeless and helping people to get their lives back on track when they have fallen through the safety net provided. Our programme will mean innovation and collaboration to prevent homelessness.

Our £20 million grant funding for prevention trailblazer areas will help areas to go further and faster with reform, laying the groundwork for many of the changes that we want to see through the Homelessness Reduction Bill promoted by my hon. Friend the Member for Harrow East (Bob Blackman). Those areas will develop and adopt best practice and data-driven approaches to identify people at risk of homelessness and provide them with early support to prevent a crisis.

Southwark, Newcastle and Greater Manchester—our early adopters—will be taking forward a range of initiatives. Successful projects will involve collaboration between a wide range of services to identify people who are at risk of homelessness and help them well before they are threatened with eviction. Trailblazer areas will test innovative approaches to preventing homelessness to help us build our evidence base on what we know works.

The £20 million rough sleeping grant fund, which forms part of this programme, will enable local areas to intervene early with rough sleepers before their problems become ingrained and to build a better local multiagency partnership to address people's underlying problems. Building on the successes of the London rough sleeping social impact bond, the £10 million rough sleeping fund for social impact bonds will allow local partnerships to work with some of the most entrenched rough sleepers, focusing on getting them into accommodation and using personalised support to address their complex needs.

Bob Blackman: I thank my hon. Friend for his kind remarks about me. Does he agree that one of the issues for rough sleepers and people threatened with homelessness is the complexity of the various reasons? Homelessness is not always the result of a private sector rental coming to an end. It may be caused by relationship breakdown. A homeless person may be an ex-offender or someone leaving the armed forces who is not used to settled accommodation. All these issues need personalised plans to assist those people to get into decent accommodation.

Mr Jones: My hon. Friend is right. Sometimes it is easy for us to simplify the challenges surrounding homelessness and rough sleeping, but most informed Members know that the position is far more complex. I welcome the provisions in his Bill for a personal plan that local authorities must go through with individuals, both people who are homeless and are owed a duty by a local authority to be housed and people who are not owed a duty to be housed. For the first time, they will get bespoke support. I thank my hon. Friend for raising that.

My hon. Friend is right to point out that we must deal with this challenge at a local level, but I am also absolutely committed to making sure we work effectively across the Government to tackle it. I am driving action across the Government through a ministerial working group on homelessness, and one example I can give the House is in regard to mental health, where we are looking at what more can be done to make sure rough sleepers with mental health problems get the specialist support they need. The group is also looking at how we can ensure that people who are homeless, or at risk of homelessness, receive the help they need to get into work.

I want now to pick up on a number of the comments hon. Members made. First, it was great to hear from my hon. Friend the Member for Portsmouth South (Mrs Drummond). She extolled the virtues of the way in which Portsmouth City Council is trying to tackle homelessness, particularly through prevention and the work it is doing upfront to try to prevent people from becoming homeless in the first place. It was good to hear that the council is also working closely with local charities and other partners, and that is something we certainly want to see in the proposals local areas bring to us in relation to the grant-funding programmes we are providing.

The hon. Member for Dewsbury (Paula Sherriff) made a number of important points. She mentioned the rough-sleeping statistics. They are now much more accurate than they were in 2010, when local authorities were not obliged to provide a return to central Government in relation to how many rough sleepers there were in their areas. They are now compelled to do that, so the data are far more accurate. We are looking, though, at how we can improve the data that the Department holds, and we are doing so by trying to work out when people become homeless on multiple occasions and how we can prevent that from happening again to them.

I welcome what the hon. Lady said about the work Boots is doing in relation to sanitary products for women who, unfortunately, find themselves sleeping rough—an issue that she is particularly interested in. A number of programmes are centrally funded from the Department for Communities and Local Government

for outreach organisations that deal with rough sleepers. In that sense, we do provide funding to those organisations, and they do, in turn, provide the type of support the hon. Lady rightly recognises is required for women rough sleepers.

Rob Marris: May I take the Minister back to the question of data? The hon. Member for Harrow East (Bob Blackman), for example, raised the issue of hidden homelessness and sofa-surfing. The Minister has just said that the figures on rough sleepers are getting more accurate—I welcome that—but what are the Government doing to collect more accurate data on hidden homelessness and the sofa surfers, who are particularly at risk of becoming rough sleepers?

Mr Jones: That is obviously a much more difficult thing to measure, but with regard to the Homelessness Reduction Bill, which the Government are backing, I am absolutely sure, and we are certainly factoring this into our sums, that a significantly higher number of single people who are homeless—the type of people the hon. Gentleman identifies—will present at a local authority, because they will expect to receive far better advice and support than they do now, and they will have a personal plan, which we hope will allow their homelessness to be alleviated. So I think we will be able to measure that in a better way. On whether we can go as far as identifying all those people, I think that would be rather difficult.

My hon. Friend the Member for Harrow East was right to identify the challenges, particularly in London. He was also right to identify the record funding—£3.15 billion—that the Government are providing to the Mayor of London to build 90,000 new homes across a range of tenures to suit the needs of Londoners. It is great to see that in a spirit of co-operation the Mayor has welcomed that record funding.

My hon. Friend also hit the nail on the head when he said that just having a place for a rough sleeper to stay is not enough, as we discussed earlier in the debate. We have to look at the underlying personal challenges and tackle them in the work that we do. The cross-Government working group that I lead is looking to tackle a number of other issues in that regard.

My hon. Friend the Member for Northampton South (David Mackintosh) made an excellent speech in which he particularly highlighted his knowledge of this subject as chairman of the all-party parliamentary group on ending homelessness. He highlighted the tragic consequences that can happen where rough sleepers are not supported sufficiently, as did the hon. Member for Birmingham, Erdington (Jack Dromey) and my hon. Friend the Member for Solihull (Julian Knight). I was heartened to hear from my hon. Friend the Member for Northampton South about his support for the Government's programmes, particularly those on tackling rough sleeping.

The hon. Member for Westminster North (Ms Buck) mentioned a housing association in her constituency that she said was not providing adequate housing conditions for its tenants. That is an extremely serious situation if it is the case. I recommend that she take that up with the local council. I would be keen to hear more detail from her on the types of issues that are being experienced. I can say, as somebody who was quite heavily involved in the Housing and Planning Act 2016, that there are now significant penalties for rogue landlords. Local authorities

can now levy significant financial penalties of up to £30,000 on rogue landlords who do not provide adequate housing for the people to whom they rent property.

My hon. Friends the Members for Colchester (Will Quince) and for St Ives (Derek Thomas) made excellent speeches underlining the causes of rough sleeping. They were absolutely right to highlight the role of charitable workers and volunteers, who do tremendous work up and down the country. I would like to thank those volunteers, on behalf of the Government, for doing such an excellent job on behalf of a group of very vulnerable people.

The hon. Member for Lewisham, Deptford (Vicky Foxcroft) mentioned funding for the Bill that my hon. Friend the Member for Harrow East has brought to the House. I can assure the hon. Lady that it is the Government's intention to fund the Bill. We recognise that new burdens will be created, and as the new obligations on councils come forward, we will fund that. We fully expect, though, that the Bill will create a situation whereby councils deal with homelessness far more quickly. It will therefore become far cheaper for local authorities to deal with and support people because they will not be dealing with a housing crisis as often as they do currently. She referred to temporary accommodation. I can assure her that, by law, temporary accommodation must be suitable. If it is not in the case of the constituent she mentioned then that constituent has the right to a review and should go back to her local authority in that regard.

This has been an excellent debate on an extremely important issue. Our ambitions are backed by a new funding programme and the most ambitious legislative reform in decades. This Government are taking an end-to-end approach to tackling homelessness because we—

Mr Nicholas Brown (Newcastle upon Tyne East) (Lab) *claimed to move the closure (Standing Order No. 36).*

Madam Deputy Speaker (Mrs Eleanor Laing): I hear the Opposition Chief Whip asking whether the Question might now be put, but I think he was just pipped to the post by the Minister concluding and sitting down.

Mr Jones: Madam Deputy Speaker, I beg to move that—

Madam Deputy Speaker (Mrs Eleanor Laing): No, the Minister had perfectly discharged his duty, so there is no necessity for the Question on the closure to be put. I shall put the Question.

Question put (Standing Order No. 31(2)), that the original words stand part of the Question.

The House divided: Ayes 230, Noes 289.

Division No. 112]

[7 pm

AYES

Abbott, Ms Diane	Barron, rh Sir Kevin
Abrahams, Debbie	Beckett, rh Margaret
Alexander, Heidi	Benn, rh Hilary
Ali, Rushanara	Berger, Luciana
Allin-Khan, Dr Rosena	Betts, Mr Clive
Anderson, Mr David	Black, Mhairi
Arkless, Richard	Blackford, Ian
Ashworth, Jonathan	Blackman, Kirsty
Bailey, Mr Adrian	Blackman-Woods, Dr Roberta

Blenkinsop, Tom	Greenwood, Lilian
Blomfield, Paul	Greenwood, Margaret
Boswell, Philip	Griffith, Nia
Brabin, Tracy	Gwynne, Andrew
Bradshaw, rh Mr Ben	Haigh, Louise
Brake, rh Tom	Hanson, rh Mr David
Brennan, Kevin	Harman, rh Ms Harriet
Brock, Deidre	Harris, Carolyn
Brown, Alan	Hayes, Helen
Brown, rh Mr Nicholas	Healey, rh John
Buck, Ms Karen	Hepburn, Mr Stephen
Burgon, Richard	Hodgson, Mrs Sharon
Butler, Dawn	Hopkins, Kelvin
Byrne, rh Liam	Howarth, rh Mr George
Cadbury, Ruth	Huq, Dr Rupa
Campbell, rh Mr Alan	Hussain, Imran
Carmichael, rh Mr Alistair	Jarvis, Dan
Champion, Sarah	Johnson, rh Alan
Chapman, Jenny	Jones, Gerald
Cherry, Joanna	Jones, Graham
Coaker, Vernon	Jones, Mr Kevan
Coffey, Ann	Kane, Mike
Cooper, Julie	Keeley, Barbara
Cooper, Rosie	Kendall, Liz
Cooper, rh Yvette	Kerevan, George
Corbyn, rh Jeremy	Kerr, Calum
Cowan, Ronnie	Kinnock, Stephen
Coyle, Neil	Kyle, Peter
Crausby, Mr David	Lamb, rh Norman
Cryer, John	Lammy, rh Mr David
Cummins, Judith	Lavery, Ian
Cunningham, Mr Jim	Law, Chris
Dakin, Nic	Lewell-Buck, Mrs Emma
Danczuk, Simon	Lewis, Clive
David, Wayne	Long Bailey, Rebecca
Davies, Geraint	Lucas, Ian C.
Day, Martyn	Lynch, Holly
De Piero, Gloria	MacNeil, Mr Angus Brendan
Docherty-Hughes, Martin	Mactaggart, rh Fiona
Doughty, Stephen	Madders, Justin
Dowd, Jim	Mahmood, Shabana
Dowd, Peter	Malhotra, Seema
Dromey, Jack	Marris, Rob
Durkan, Mark	Marsden, Gordon
Eagle, Ms Angela	Maskell, Rachael
Edwards, Jonathan	McCabe, Steve
Efford, Clive	McCaig, Callum
Elliott, Julie	McCarthy, Kerry
Ellman, Mrs Louise	McDonagh, Siobhain
Elmore, Chris	McDonald, Andy
Esterson, Bill	McDonald, Stuart C.
Evans, Chris	McDonnell, rh John
Farron, Tim	McFadden, rh Mr Pat
Fellows, Marion	McInnes, Liz
Ferrier, Margaret	McKinnell, Catherine
Field, rh Frank	McMahon, Jim
Fitzpatrick, Jim	Meale, Sir Alan
Flello, Robert	Mearns, Ian
Fletcher, Colleen	Miliband, rh Edward
Flint, rh Caroline	Monaghan, Dr Paul
Flynn, Paul	Moon, Mrs Madeleine
Fovargue, Yvonne	Morden, Jessica
Furniss, Gill	Mulholland, Greg
Gapes, Mike	Mullin, Roger
Gethins, Stephen	Murray, Ian
Gibson, Patricia	Nandy, Lisa
Glass, Pat	Newlands, Gavin
Glendon, Mary	Nicolson, John
Grady, Patrick	O'Hara, Brendan
Grant, Peter	Olney, Sarah
Gray, Neil	Onn, Melanie
Green, Kate	Onwurah, Chi

Osamor, Kate
 Oswald, Kirsten
 Owen, Albert
 Paterson, Steven
 Pearce, Teresa
 Pennycook, Matthew
 Perkins, Toby
 Phillips, Jess
 Phillipson, Bridget
 Powell, Lucy
 Pugh, John
 Qureshi, Yasmin
 Rayner, Angela
 Reed, Mr Jamie
 Reed, Mr Steve
 Rees, Christina
 Reeves, Rachel
 Reynolds, Emma
 Reynolds, Jonathan
 Robertson, rh Angus
 Robinson, Mr Geoffrey
 Ryan, rh Joan
 Shah, Naz
 Sheerman, Mr Barry
 Sheppard, Tommy
 Sherriff, Paula
 Shuker, Mr Gavin
 Skinner, Mr Dennis
 Slaughter, Andy
 Smeeth, Ruth
 Smith, rh Mr Andrew
 Smith, Angela
 Smith, Cat
 Smith, Nick
 Smith, Owen

Smyth, Karin
 Spellar, rh Mr John
 Stephens, Chris
 Stevens, Jo
 Streeting, Wes
 Stuart, rh Ms Gisela
 Tami, Mark
 Thewliss, Alison
 Thomas, Mr Gareth
 Thompson, Owen
 Thomson, Michelle
 Thornberry, Emily
 Timms, rh Stephen
 Trickett, Jon
 Turner, Karl
 Twigg, Derek
 Twigg, Stephen
 Umunna, Mr Chuka
 Vaz, rh Keith
 Vaz, Valerie
 Weir, Mike
 West, Catherine
 Whiteford, Dr Eilidh
 Whitehead, Dr Alan
 Whitford, Dr Philippa
 Williams, Mr Mark
 Wilson, Corri
 Winnick, Mr David
 Winterton, rh Dame Rosie
 Wishart, Pete
 Woodcock, John
 Zeichner, Daniel

Tellers for the Ayes:
Vicky Foxcroft and
Jeff Smith

NOES

Adams, Nigel
 Afriyie, Adam
 Aldous, Peter
 Allan, Lucy
 Allen, Heidi
 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
 Blunt, Crispin
 Bone, Mr Peter
 Borwick, Victoria
 Bottomley, Sir Peter
 Bradley, rh Karen
 Brady, Mr Graham
 Brazier, Mr Julian
 Bridgen, Andrew
 Brine, Steve
 Bruce, Fiona
 Burns, Conor

Burns, rh Sir Simon
 Burrowes, Mr David
 Burt, rh Alistair
 Cairns, rh Alun
 Carmichael, Neil
 Cartlidge, James
 Cash, Sir William
 Caulfield, Maria
 Chalk, Alex
 Chishty, Rehman
 Chope, Mr Christopher
 Churchill, Jo
 Clarke, rh Mr Kenneth
 Cleverly, James
 Clifton-Brown, Geoffrey
 Coffey, Dr Thérèse
 Collins, Damian
 Colvile, Oliver
 Costa, Alberto
 Courts, Robert
 Cox, Mr Geoffrey
 Crabb, rh Stephen
 Crouch, Tracey
 Davies, Byron
 Davies, Chris
 Davies, David T. C.
 Davies, Glyn
 Davies, Dr James
 Davies, Mims
 Davies, Philip
 Davis, rh Mr David
 Dineneage, Caroline
 Djanogly, Mr Jonathan
 Donelan, Michelle

Double, Steve
 Dowden, Oliver
 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
 Evennett, rh David
 Fabricant, Michael
 Fernandes, Suella
 Field, rh Mark
 Foster, Kevin
 Fox, rh Dr Liam
 Francois, rh Mr Mark
 Frazer, Lucy
 Freer, Mike
 Fuller, Richard
 Fysh, Marcus
 Garnier, rh Sir Edward
 Garnier, Mark
 Gauke, rh Mr David
 Ghani, Nusrat
 Gibb, Mr Nick
 Gillan, rh Mrs Cheryl
 Glen, John
 Goodwill, Mr Robert
 Gove, rh Michael
 Graham, Richard
 Gray, Mr James
 Grayling, rh Chris
 Green, Chris
 Green, rh Damian
 Greening, rh Justine
 Grieve, rh Mr Dominic
 Griffiths, Andrew
 Gummer, rh Ben
 Gyimah, Mr Sam
 Halfon, rh Robert
 Hall, Luke
 Hammond, Stephen
 Hancock, rh Matt
 Hands, rh Greg
 Harper, rh Mr Mark
 Harrington, Richard
 Harris, Rebecca
 Hart, Simon
 Haselhurst, rh Sir Alan
 Hayes, rh Mr John
 Heald, rh Sir Oliver
 Heapey, James
 Heaton-Jones, Peter
 Henderson, Gordon
 Hinds, Damian
 Hoare, Simon
 Hollingbery, George
 Hollinrake, Kevin
 Holloway, Mr Adam
 Hopkins, Kris
 Howarth, Sir Gerald
 Howell, John
 Howlett, Ben
 Huddleston, Nigel
 Hurd, Mr Nick
 Jackson, Mr Stewart
 James, Margot

Javid, rh Sajid
 Jayawardena, Mr Ranil
 Jenkyns, Andrea
 Jenrick, Robert
 Johnson, Dr Caroline
 Johnson, Gareth
 Johnson, Joseph
 Jones, Andrew
 Jones, rh Mr David
 Jones, Mr Marcus
 Kawczynski, Daniel
 Kennedy, Seema
 Kirby, Simon
 Knight, rh Sir Greg
 Knight, Julian
 Kwarteng, Kwasi
 Latham, Pauline
 Leadsom, rh Andrea
 Lee, Dr Phillip
 Lefroy, Jeremy
 Letwin, rh Sir Oliver
 Lewis, rh 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
 Mackintosh, David
 Main, Mrs Anne
 Mak, Mr Alan
 Malthouse, Kit
 Mann, Scott
 Mathias, Dr Tania
 Maynard, Paul
 McCartney, Jason
 McCartney, Karl
 McLoughlin, rh Sir Patrick
 McPartland, Stephen
 Menzies, Mark
 Mercer, Johnny
 Merriman, Huw
 Metcalfe, Stephen
 Miller, rh Mrs Maria
 Milling, Amanda
 Mills, Nigel
 Milton, rh Anne
 Mitchell, rh Mr Andrew
 Mordaunt, Penny
 Morris, David
 Morris, James
 Morton, Wendy
 Mowat, David
 Mundell, rh David
 Murray, Mrs Sheryll
 Morrison, Dr Andrew
 Newton, Sarah
 Nokes, Caroline
 Norman, Jesse
 Nuttall, Mr David
 Offord, Dr Matthew
 Opperman, Guy
 Osborne, rh Mr George
 Parish, Neil
 Patel, rh Priti
 Pawsey, Mark
 Penrose, John
 Percy, Andrew
 Perry, Claire

Pickles, rh Sir Eric
 Pincher, Christopher
 Poulter, Dr Daniel
 Prentis, Victoria
 Prisk, Mr Mark
 Pursglove, Tom
 Quin, Jeremy
 Quince, Will
 Raab, Mr Dominic
 Redwood, rh John
 Rees-Mogg, Mr Jacob
 Robertson, Mr Laurence
 Rosindell, Andrew
 Rutley, David
 Sandbach, Antoinette
 Scully, Paul
 Shannon, Jim
 Shapps, rh Grant
 Sharma, Alok
 Shelbrooke, Alec
 Skidmore, Chris
 Smith, Henry
 Smith, Julian
 Smith, Royston
 Soames, rh Sir Nicholas
 Solloway, Amanda
 Soubry, rh Anna
 Spelman, rh Dame Caroline
 Spencer, Mark
 Stephenson, Andrew
 Stevenson, John
 Stewart, Bob
 Stewart, Iain
 Stewart, Rory
 Streeter, Mr Gary
 Stride, Mel
 Stuart, Graham
 Sturdy, Julian
 Sunak, Rishi
 Swayne, rh Sir Desmond
 Swire, rh Sir 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
 Tyrrie, rh Mr Andrew
 Vaizey, rh Mr Edward
 Vara, Mr Shailesh
 Vickers, Martin
 Villiers, rh Mrs Theresa
 Walker, Mr Charles
 Walker, Mr Robin
 Wallace, Mr Ben
 Warburton, David
 Warman, Matt
 Wharton, James
 Whately, Helen
 Wheeler, Heather
 White, Chris
 Whittaker, Craig
 Whittingdale, rh Mr John
 Wiggin, Bill
 Williamson, rh Gavin
 Wilson, Mr Rob
 Wollaston, Dr Sarah
 Wood, Mike
 Wragg, William
 Zahawi, Nadhim

Tellers for the Noes:
Jackie Doyle-Price and
Chris Heaton-Harris

Question accordingly negated.

Question put forthwith (Standing Order No. 31(2)),
 That the proposed words be there added.

Question agreed to.

The Deputy Speaker declared the main Question, as amended, to be agreed to (Standing Order No. 31(2)).

Resolved,

That this House notes that homelessness is lower now than at its peak in 2003-04; further notes that England has a strong safety net, and that the provision of temporary accommodation means no family with a child ever has to be without a roof over their heads; notes that the Government is going further with legislative protection by supporting the hon. Member for Harrow East's Homelessness Reduction Bill to ensure that everyone gets the help they need to prevent or relieve their homelessness; welcomes the Government's protection of £315 million homelessness prevention funding for local authorities and £149 million in central funding; notes in particular the recently launched £50 million homelessness prevention programme, helping areas all over the country to tackle homelessness and rough sleeping; and notes that one of the best ways to tackle homelessness is by increasing the housing supply, which the measures contained in the forthcoming Housing White Paper will address.

Business without Debate

DEFERRED DIVISIONS

Motion made, and Question put forthwith (Standing Order No. 41A(3)),

That, at this day's sitting, Standing Order No. 41A (Deferred divisions) shall not apply to the Motion in the name of Brandon Lewis relating to the Europol (Opt-in Decision) and the Motion in the name of Secretary Amber Rudd relating to the draft Terrorism Act 2000 (Proscribed Organisations) (Amendment) (No. 3) Order 2016.—(*Steve Brine.*)

Question agreed to.

EUROPEAN UNION DOCUMENTS

Motion made, and Question put forthwith (Standing Order No. 119(11)),

EUROPOL (OPT-IN DECISION)

That this House takes note of Unnumbered European Union Document, a Regulation (EU) 2016/794 of the European Parliament and of the Council of 11 May 2016 on the European Union Agency for Law Enforcement Cooperation (Europol) and replacing and repealing Council decisions 2009/371/JHA, 2009/934/JHA, 2009/935/JHA, 2009/936/JHA and 2009/968/JHA; endorses the Government's decision to opt in under Protocol 21 on the Position of the United Kingdom and Ireland in respect of the Area of Freedom, Security and Justice annexed to the EU Treaties; and supports the Government's assessment that Europol provides a valuable service to the United Kingdom and opting in would enable the United Kingdom to maintain its current access to the agency, until the United Kingdom leaves the EU.—(*Steve Brine.*)

Question agreed to.

Prevention and Suppression of Terrorism

7.14 pm

The Minister for Security (Mr Ben Wallace): I beg to move,

That the draft Terrorism Act 2000 (Proscribed Organisations) (Amendment) (No. 3) Order 2016, which was laid before this House on 12 December, be approved.

The threat level in the UK, which is set by the independent joint terrorism analysis centre, remains at severe. That means that a terrorist attack in our country is highly likely and could occur without warning. We can never entirely eliminate the threat from terrorism, but we are determined to do all we can to minimise it and keep the public safe. The nature of terrorism is constantly evolving. There are organisations that recruit, radicalise and promote and encourage terrorism, as well as those that commit terrible acts of violence against innocent people.

Proscription is an important part of the Government's strategy to disrupt the full range of terrorist activities. The group we propose to add to the list of terrorist organisations, amending schedule 2 to the Terrorism Act 2000, is National Action. This is the 21st order to be made under section 3(3)(a) of the 2000 Act. Hon. Members will be aware that this is the first time we have laid a proscription order for a far-right group. The Government are committed to tackling terrorism, regardless of what motivates it. National Action is a group whose views and ideology stand in direct contrast to the core values of Britain and the United Kingdom.

Keith Vaz (Leicester East) (Lab): I welcome the decision to ban this group. Have there been any deproscriptions since the last time the House passed an order proscribing an organisation in July?

Mr Wallace: It has not happened since July. Two groups have been deproscribed. The People's Mujaheddin of Iran or the MEK was deproscribed at the High Court and a Sikh group linked to allegations of extremism made representations and was deproscribed as a result.

Despite its name, National Action seeks to divide communities and stir up hatred—actions that are entirely contrary to the interests of our nation. Proscribing this neo-Nazi group will prevent its membership from growing and prevent it from spreading propaganda, which allows a culture of hatred and division to thrive. It will also help to prevent National Action from radicalising people who may be vulnerable to extreme ideologies and at risk of emulating the terrorist acts it glorifies.

Luciana Berger (Liverpool, Wavertree) (Lab/Co-op): Does the Minister share my view that we should all revile this group because its members stood on the steps of St George's Hall in Liverpool during one of its demonstrations and did Nazi salutes, which filled the whole of Liverpool with hatred and disgust for them? People will welcome this move today.

Mr Wallace: Anyone who seeks to glorify the Nazis is a threat to this country and our values. Members of this House died fighting Nazis to keep this country and Europe free. I would describe people who think that this country would somehow like to follow a Nazi course of action as twisted to say the least.

Under section 3 of the Terrorism Act 2000, the Home Secretary has the power to proscribe an organisation if she

“believes that it is concerned in terrorism.”

If the statutory test is met, the Home Secretary may exercise her discretion to proscribe the organisation. The Home Secretary takes into account a number of factors in considering whether to exercise that discretion, including the nature and scale of the organisation's activities and the need to support other members of the international community in tackling terrorism.

The effect of proscription is that a listed organisation is outlawed and is unable to operate in the United Kingdom. It is a criminal offence for a person to belong to, support or arrange a meeting in support of a proscribed organisation, or to wear clothing or carry articles in public that arouse reasonable suspicion that they are a member or supporter of a proscribed organisation. Proscription acts to halt fundraising and recruitment, and makes it possible to seize cash associated with the organisation.

Given its wide-ranging impact, the Home Secretary exercises her power to proscribe only after thoroughly reviewing the available evidence on an organisation, including open source material, intelligence material and advice that reflects consultation across Government, including with intelligence and law enforcement agencies. The cross-Government proscription review group supports the Home Secretary in the decision-making process. The decision to proscribe is taken only with great care and after careful consideration of the particular case. It is appropriate that it must be approved by both Houses.

Having carefully considered all the evidence, the Home Secretary believes that National Action is currently concerned in terrorism, and that discretionary factors weigh in favour of proscription.

Luciana Berger: The Home Secretary told us just the other week that she was particularly concerned about the increasingly sophisticated methods that this group was using on the internet both to recruit new members and to promote its warped ideology. Will the Minister share a little more about how, if the order is passed, he and the Home Office will ensure that this organisation is held to account and any material it puts online is removed?

Mr Wallace: I have to be careful that we do not undermine the operational capability and effectiveness of the law agencies, which may take action. But it is certainly the case that, when an organisation is proscribed, it allows us to bring the full force of those agencies to bear on the threat posed by the proscribed organisation and the individuals within it. Within that, I would expect measures to make sure that any use of the internet for what is a kind of grooming is restricted or, I would hope, stopped completely, along with other measures. But I will leave that up to the security services and the police, as that will get the best effect, and it would be wrong of me to speculate further about what they may or may not do.

Although I cannot comment on the specific intelligence behind the decision to proscribe, I can provide the House with a summary of the group's activities. National Action is a racist neo-Nazi group that was established in 2013. It has a number of branches across the United

Kingdom, and conducts threatening street demonstrations and activities aimed at intimidating local communities. Its activities and propaganda materials are particularly aimed at recruiting young people. National Action's ideology promotes the idea that Britain will inevitably see a violent race war, which the group claims to be an active part of.

The group rejects democracy, is hostile to the British state and seeks to divide society by implicitly endorsing violence against ethnic minorities and perceived race traitors. National Action has links to other extreme right-wing groups abroad, including in Europe. In May 2016, National Action members attended the Buchenwald concentration camp, where they made Nazi salutes and posted images online.

The Government's counter-extremism strategy challenges extremism in all its form. Alongside the strategy, our Prevent work will continue to monitor whether extremist groups have crossed into terrorism. The group is relatively small and has been in operation in the UK for only a few years, but the impact of its activities has been felt in a number of United Kingdom communities.

Keith Vaz: In the evidence presented to the Home Secretary by the agencies before the decision was made to proscribe the group, was there any evidence of any links with other organisations in different parts of Europe? We have seen that far-right groups tend not to operate in only one country.

Mr Wallace: I cannot expand on the intelligence behind this particular decision, but I agree that we see far-right groups with a European network, and being active both here and abroad. Far right groups from abroad are active in the United Kingdom as well.

Sir Nicholas Soames (Mid Sussex) (Con): Will my hon. Friend tell the House whether any other groups similar to this particularly unpleasant group are near to having the same sort of decision made about them by the Government?

Mr Wallace: There are obviously other groups out there promoting hate. We keep them under review where they wander close to terrorism, and I would come straight back to this House should we gather the evidence or intelligence that meant we must do so. As I have said, other European far-right groups are active in the United Kingdom, either at other people's rallies or through having a presence among their ethnic grouping here—the Polish far right, for example, would be active in the United Kingdom or have a branch.

Since early 2016, National Action has become more active, and its activities and propaganda material have crossed the threshold from extremism into terrorism. Its online propaganda material, disseminated via social media, frequently features extremely violent imagery and language, and condones and glorifies those who have used extreme violence for political or ideological ends. This includes two tweets posted in 2016 in connection with the murder of our friend Jo Cox, which the prosecutor described as a terrorist act. One stated:

“Only 649 MPs to go”.

Another, containing a photo of Thomas Mair, reads:

“don't let this man's sacrifice go in vain. #Jo Cox would have filled Yorkshire with more subhumans!”

The group also disseminated an image doctored to condone and celebrate the terrorist attack on the Pulse nightclub in Orlando and another depicting a police officer's throat being slit. People might have become aware of these messages who could reasonably have been expected to infer that these acts should be emulated, and therefore such propaganda amounts to the unlawful glorification of terrorism. The Orlando massacre was an atrocity in which 49 people lost their lives. Jo Cox's murder was a tragedy, familiar to us all, and closer to home. Both are examples of attacks committed for the purpose of advancing a political, religious, racial or ideological cause, and both were terrorist attacks. If we allow such events to be celebrated and encouraged, we live with the risk that they will be repeated.

Our strategy to combat terrorism looks at the full spectrum of activity, and that includes ensuring that groups that unlawfully glorify horrific terrorist acts are prevented from continuing to stir up hatred and encourage violence. It is right that we add National Action to the list of proscribed organisations in schedule 2 to the Terrorism Act 2000. Subject to the agreement of the House and the other place, the order will come into force on Friday 16 December.

7.26 pm

Ms Diane Abbott (Hackney North and Stoke Newington) (Lab): The Opposition welcome this order proscribing the new Nazi group National Action and give it our full support. We have heard from the Minister and others on both sides of the House about some of its appalling actions and propaganda, whether Nazi salutes in Liverpool or online communications glorifying the killing of our late colleague Jo Cox.

Terrorism has become the scourge of society, but we cannot give an inch to this plague of our time. Our swift action in proscribing this far-right group will provide some reassurance to all parts of the community in these increasingly difficult and unstable times. This week, I visited the Metropolitan police's counter-terrorism unit and saw at first hand the difficult work it does to detect terror threats. It was clear that in an increasingly digital age, ideology has become more extreme and more pervasive, and that digital technology is the key recruitment tool for terrorism. We can only imagine the effect it can have on some impressionable young people sitting in their bedrooms and seeing the online propaganda put out by such groups. That is why proscription is so important.

Because of the advances in technology and the changes in our media, specifically social media, terrorist ideology has become a cancer. We need to remain vigilant, faster, smarter and swifter in dealing with the threat. It is completely right, therefore, that we take this action. As we look forward to 2017, the major threats we face are asymmetric—a couple of young men in their bedroom can wreak terror in their community—international and deadly, and they are so rapidly changing that we could not in the House have foreseen them a decade ago. This far-right group is a genuine threat to our domestic security, and Parliament's legislation must reflect the urgency and complexity of the situation.

7.28 pm

Richard Arkless (Dumfries and Galloway) (SNP): We in the SNP support this organisation's being added to the proscribed list. I struggle to say its name in the

[Richard Arkless]

House, for risk of glorifying it, so I will refer to it as NA. Issues of national security are of course reserved to this place, but there has been close co-operation between the Scottish Government and the UK Government, and that will continue. It is our desire in Scotland, as much as in the rest of the UK, to do everything possible to meet the threat of terrorism.

On the basis of the tweets alone about our departed and much loved colleague Jo Cox, which will have disgusted anybody with a sense of reasonable objectivity, as well as the appalling words it put out about the terrible attack in Orlando, we have no hesitation in backing the Government's call to add this organisation to the proscribed list. Of courses, all additions to the proscribed list must be necessary and proportionate. We must always have those two criteria and qualifications in mind, and we believe it is abundantly clear that they are met in this case.

We came to the House a couple of months ago to add another four or five organisations to the proscribed list, which was successfully done with our support. When we debated that statutory instrument, the right hon. Member for Leigh (Andy Burnham), who is not in his place today, and I called on the then Minister, the right hon. Member for South Holland and The Deepings (Mr Hayes), to contact the British Broadcasting Corporation to see whether it would desist from using the phrases "so-called Islamic State" and "Islamic State" when referring to the organisation that the Government now rightly call Daesh. The Minister gave clear commitments to contact the BBC and make those representations, but I must admit that in my very occasional watching of BBC News, I have noticed that the phrase continues to be used, perhaps more than ever. I therefore respectfully ask the Minister today, for whom I have great respect, whether he will take that suggestion away, perhaps talk to the previous incumbent, and contact the BBC so that it stops using this awful phrase, which frankly gives legitimacy to an organisation that is neither Islamic nor a state.

7.31 pm

Keith Vaz (Leicester East) (Lab): I along with others in the House completely support the Minister's decision to proscribe this organisation. Ministers obviously have important and sensitive information that they are unwilling to share with the House on such occasions, but the Minister has gone a long way to reassure the House that the information he has is more than sufficient to take the action he is proposing today.

National Action will be the first extreme right-wing organisation to be banned, which is a very welcome step. We certainly need to be very strong in dealing with right-wing extremism and we need to be very concerned about it. I raised the issue of what was happening in Europe. The world can never forget the 77 victims of Anders Breivik in 2011. The Minister mentioned the words of the organisation in question when it praised the killer of our colleague Jo Cox. My hon. Friend the Member for Liverpool, Wavertree (Luciana Berger) was right to remind us of what the Home Secretary said only this week: that this group has no place in our country.

The shadow Home Secretary—for whom I have enormous respect and who has campaigned all her political life against right-wing extremism and extremism

of any kind—has visited the counter-terrorism unit, as she said. I am sure she will join me and the rest of the House in praising those who are part of that unit, who day after day, day and night, work so hard to keep us safe. Under the incredible leadership of Mark Rowley, they ensure that many of the plots that we do not know about are dealt with and prevented before they come to fruition. Mark Rowley has recognised that increasing numbers in the United Kingdom are "gravitating towards extremism" and has talked about 60 to 70 cases each month. This is a very large figure indeed.

It is important to recognise what has happened since the referendum this year. The number of hate crimes, especially against Polish and other eastern European citizens, has increased by 41% since 2015.

Luciana Berger: I note what my right hon. Friend has said about the number of people of concern. Does he share my concern that the latest figures from Prevent show that around 300 young people under the age of 18 have been identified as posing a threat of extremism from the far right? That figure should concern us all and should embolden the Home Office to do even more to ensure that the next generation embraces equality, not division.

Keith Vaz: I am astonished at those figures, but I think they are witness to what the shadow Home Secretary has said about access to the internet and social media. Individuals who may be very young could be operating from their homes, involving themselves in this kind of hatred. It is very easy to disseminate hatred, as my hon. Friend will know—she has been one of the victims in this House of hatred coming from social media and the internet. She has behaved with absolute dignity in the face of it. She is right to raise these figures. These are issues of enormous concern. The younger the people who get involved in these activities, the more difficult it becomes to turn them around once they become ingrained with them. There has also been a spike in anti-Semitic incidents across the country—11% higher than last year. We should thank the police and the counter-terrorism unit for the work they do in trying to combat this.

Oddly, just before this particular debate, the House unanimously endorsed without any debate the Government's decision to opt into Europol—one of the very few organisations in Europe that we are joining at the same time as we are leaving the rest of the EU. Europol has an extremely important role to play in ensuring that we combat far-right extremism and extremism in general all over Europe. It has an amazing head in Rob Wainwright, who is a Brit, and it is able, through the capacity that we have helped to build as part of Europol, to ensure that we deal with these organisations.

I end by asking the Minister the question I asked a little earlier, as I think he may have misunderstood it. I asked how many organisations had been deproscribed since July. I think the People's Mujaheddin were deproscribed several years ago—not since July. The Minister is right to prescribe that we should keep on monitoring the deproscription process. On numerous occasions when these orders have been discussed, I have raised the situation of the LTTE—Liberation Tigers of Tamil Eelam—and my Tamil constituents, who still feel stigmatised by the fact that the LTTE is banned, even though it no longer exists. We need to be very aware of

the need to look at the issue of de-proscription and keep it under review, while of course welcoming what the Minister has done.

The independent reviewer of terrorism legislation, David Anderson, had made it very clear that he thinks there should be a time limit. In the case of this particular organisation, I think we are all agreed that the Minister has come to this House and made a powerful case. The House will speak with one voice in supporting what he has done absolutely. We look forward to this organisation being monitored very carefully indeed, so that none of its evil tentacles are passed on to other organisations, perhaps bearing a different name, but with the same personnel involved, who will seek to poison and destroy the minds of the people of this country.

7.38 pm

Louise Haigh (Sheffield, Heeley) (Lab): I am very pleased that we are having this debate today, but I am surprised and a little disappointed that we did not have it earlier. In the wake of Jo's murder, the entire media coverage was dominated by issues about Thomas Mair's mental health and the idea that he was a lone wolf. It was exactly the same after the atrocities committed by Anders Breivik. We should compare and contrast that with when Muslims commit terrorist atrocities, and the entire public discourse is about the ideology that motivated them to commit those horrendous crimes. There are demands for Muslim leaders to condemn and apologise on their behalf. Yet here we are, six months after Jo's murder, and only now are we debating the extremist perverted ideology that inspired Thomas Mair to commit his horrific crime.

Mr Wallace: It was felt that bringing this proscription forward earlier could have jeopardised a fair trial. To avoid undermining the trial of Jo Cox's murderer, it was best to delay to ensure that the trial was completed, given the murderer's link to far-right groups and far-right ideology.

Louise Haigh: I am grateful to the Minister for that intervention. I was by no means criticising the Government when I mentioned the delay in bringing the proscription forward; my comment was more about the media's treatment of this atrocity and the general public discourse. I wholeheartedly support the Government's intention today and welcome the proscription of National Action. It is clearly a terrorist organisation, and I note that it changed its slogan in the wake of Jo's murder to "Death to traitors, freedom for Britain!", in the light of Thomas Mair's plea hearing.

I also want to take this opportunity to call on the Government to give time to debate the proscription of Britain First. I called for such a debate last month. I did not call for Britain First's proscription; I just called for the House to be given evidence and to look at the details of the group's paramilitary activity and anti-democratic behaviour. As a result of that and of how the media covered my call, I have received very explicit death threats. I have been called a traitor and a Muslim-lover. On Friday, an individual went through every one of my YouTube videos and said he would not rest until I was murdered. If that is not evidence that Britain First should be proscribed as a terrorist organisation, I am not sure what is. I hope that the Minister will consider seeking time in the House to debate just that.

7.41 pm

Jim Shannon (Strangford) (DUP): It is important that the hon. Member for Sheffield, Heeley (Louise Haigh) knows that everyone in the House stands with her. The Minister will say that at the end, but it is important that hon. Lady knows that we stand shoulder to shoulder with her.

I come from Northern Ireland, where we have great knowledge and understanding of the Terrorism Act 2000. I thank the Minister for his work in proscribing membership of National Action, which has been labelled by the media as a neo-Nazi group. Members of what is commonly known as a racist, homophobic and anti-Semitic group will now understand that it is illegal to be a part of it and will have to question why it has been made illegal.

I agree with the Minister's decision to ensure that the group is proscribed and see it as a cog in the wheels of ensuring that while people are entitled to their own politics such opinions are viewed as warped and can never and should never be expressed in the way this group has expressed them thus far. The vile way in which the murder of our colleague Jo Cox was touted by the group says a lot about its warped, demented ideology.

Without disclosing anything that he should not disclose, will the Minister tell us what is being done to monitor other far-right groups that skirt the limits of the law but are close to stepping over the line and working towards evil ends?

I caution Members that proscribing an organisation unfortunately does not signify the end of the group. I only wish that it did, because it would be a great day for everyone in this House and further afield. Dissident Republican groups have been proscribed for many years, yet there were 52 bomb attacks in Northern Ireland in 2015-16—the highest in years—so the fears are real. Only this week, I raised that matter at the Northern Ireland Affairs Committee and asked representatives from the Police Service of Northern Ireland about the relationship that dissident Republicans have with international terrorism in the middle east and north Africa, which are awash with explosives and guns. Dissident Republicans have access to Semtex and the threat to mainland GB is serious, so that needs urgent attention. It is wonderful that the Minister has stated that this behaviour will not be tolerated, but the Home Office must make available the resources that put the teeth into this legislation—counter-terrorism-trained officers who can gather intelligence and do the business to keep us safe in this House and our constituents safe across the whole of this great nation of the United Kingdom of Great Britain and Northern Ireland, not simply from this group, but the other 70 groups that have been proscribed under this Act and the further 14 groups that were proscribed before the enactment of legislation in Northern Ireland. This is a watch list of the lowest of the low and those who threaten the very democratic process that we are privileged to be part of. The Police Service of Northern Ireland and the police service in Great Britain must have the resources to contain the threat that exists, making it necessary to proscribe these organisations.

I very much welcome the Minister's statement here tonight, but I also encourage a greater allocation of resources to deal with the threat, and to keep people safe and able to carry on with their lives—we have a responsibility in this House to ensure that.

7.45 pm

Mr Wallace: As I said at the outset, the Home Secretary and I strongly believe that National Action should be added to the list of proscribed organisations in schedule 2 to the 2000 Act. I am grateful for the contributions from right hon. and hon. Members to this short debate. I am grateful to the Labour party and the hon. Member for Hackney North and Stoke Newington (Ms Abbott) for their support, and I can assure her that we will continue to do all we can to monitor people who pose a risk, and want to link violence to their cause and to inspire hatred on whatever part of the spectrum it may be.

I am grateful for the support of the Scottish National party, and I can confirm that my predecessor did indeed get in touch with the BBC. I also say to the hon. Member for Dumfries and Galloway (Richard Arkless) something that may frustrate us from time to time: the BBC is editorially independent. We both need to continue to press the case on the point he makes; the media have to be very careful with language in all these areas.

The hon. Member for Sheffield, Heeley (Louise Haigh) rightly made the point that the media have a strong role to play. We did not take our eye off the far right. We have been making sure we watch where these people go, and when they cross from hate speech into extolling terrorism. We have all been involved. The Prevent programme has involved a considerable number of referrals of people on the far right, but the media have for a long time chosen to focus on one section of society, sometimes too much so and at the expense of others.

The lesson from this, as I see when I go out and about around the country, is: if you do not think this applies to your area, think again. People are being radicalised and groomed, perhaps in their bedrooms, on the internet, and this knows no boundaries, be it class, background, race or religion. The ability for the internet to radicalise people and for those behind this to manipulate the internet to do that is incredible. Tragically, in today's society we are going to have to deal with more of that, not less. I go to local authorities that clearly do not think this applies to them, but I am afraid I know that it does.

What we have seen with the far right is that there are parts of this country where it is successfully recruiting people and they are part of that Prevent programme. The good news is what can happen when they get into that programme. The hon. Member for Liverpool, Wavertree (Luciana Berger) mentioned the Channel referrals. I spoke to someone in the north of England recently who had referred a 15-year-old to that programme for the far right, and that child is now back in mainstream education, has gone on to further education and has built a future for himself. Prevent is there to help; it is there not only to prevent people from being radicalised into extremism and terrorism, but to make sure that people are given help and support.

The points the right hon. Member for Leicester East (Keith Vaz) made about the internet are absolutely right. We use the counter-terrorism internet referral unit to work with internet providers to remove material as it comes online, and since 2010 they have removed 220,000 pieces of terrorist-related material online. That work is ongoing and constant, and we must make sure we do it.

The hon. Member for Strangford (Jim Shannon) does not need lessons from me on Northern Ireland-related terrorism, as the people involved have not gone away and it is still an active problem that we are trying to deal with. I am afraid that they have moved with the times and used many of the smooth, slick recruitment materials that we see across the board.

I am grateful to the House for its support. We should also take this opportunity to remember that some people will not be celebrating Christmas this year. Some of our security services and police will be on duty keeping us safe while we are having our breaks at home. They will be making sure that hon. Members in this House who are under threat and the wider public are protected. I want to place it on the record that we greatly appreciate the work that they do. They are not allowed to shout about it. They get almost no recognition in public. I know from the job that I do how important they are to keeping us safe. Proscription is one of the measures that we can give them to tackle the threat.

Proscription is not targeted at any particular faith, social group or ideological motivation. It is based on clear evidence that an organisation is involved in terrorism. It is my firm opinion and that of the Home Secretary that, on the basis of available evidence, National Action has promoted and encouraged acts of terrorism. This includes the unlawful glorification of the murder of Jo Cox, committed by Thomas Mair, and the unlawful glorification of the massacre at the Pulse nightclub in Orlando. It is therefore appropriate for the Home Secretary to exercise her discretion to proscribe this group. The proscription of this group demonstrates our condemnation of its activities. Proscribing it will also enable the police to carry out disruptive action and ensure that it cannot operate here. It will prevent National Action's membership growing, or help to stop those who might be vulnerable to radicalisation and possibly at risk of emulating terrorist attacks. Being drawn into the group's extreme and distorted ideology is what we are trying to stop. Therefore, I commend this order to the House.

Question put and agreed to.

Business without Debate

DELEGATED LEGISLATION

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

LOCAL GOVERNMENT

That the draft Greater Manchester Combined Authority (Functions and Amendment) Order 2016, which was laid before this House on 21 November, be approved.—(*Mark Spencer.*)

Question agreed to.

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

LEGAL SERVICES

That the draft Legal Services Act 2007 (Claims Management Complaints) (Fees) (Amendment) Regulations 2017, which were laid before this House on 17 November, be approved.—(*Mark Spencer.*)

Question agreed to.

PETITION

Baverstock Academy

7.51 pm

Steve McCabe (Birmingham, Selly Oak) (Lab): I rise to present a petition on behalf of more than 1,500 residents of my constituency of Selly Oak, including a great many parents who live in Druids Heath, protesting at the threat and closure of their only secondary school, Baverstock Academy. Whatever the problems at Baverstock, they are not the fault of the pupils or the parents, and they should not be punished for the failings of others by losing their only secondary school.

The petition states:

The Petition of residents of Birmingham Selly Oak constituency, Declares that Baverstock Academy should not be closed.

The petitioners therefore request that the House of Commons urges the Government to take action to save Baverstock Academy.

And the petitioners remain, etc.

[P001999]

Corporate Governance and Social Responsibility

Motion made, and Question proposed, That this House do now adjourn.—(Mark Spencer.)

7.53 pm

Louise Haigh (Sheffield, Heeley) (Lab): I thank you, Mr Deputy Speaker, for allowing time to debate this issue of critical importance today.

Having worked in corporate governance before I was elected, I am well accustomed to the fact that it is not a subject that excites or even particularly interests many people. I completely accept that, and it is demonstrated by how rarely it is raised or debated in this House. However, it is utterly fundamental to the workings of our economy and to how wealth is distributed across the country. What it essentially boils down to is this one key question: who does our economy work for?

In a year of global convulsions, that is a question being asked in unlikely quarters. When Mark Carney made his significant intervention, warning of “staggering inequalities” in an economy where many “lack a stake”, some voices said that he had strayed too far from his brief. Not only was his intervention appropriate, it was absolutely urgent, because while 75 companies on the FTSE 100 collectively made a profit of £32 billion last year, most ordinary people’s wages are predicted to flatline well into a second lost decade. That makes people justifiably angry and society less robust.

In is in that context that the Prime Minister’s corporate governance agenda should be seen, and although it was welcome that the Secretary of State for Business, Energy and Industrial Strategy should introduce proposals for reform, I am afraid that the signals are not good. The Prime Minister floated worker representation on boards on her first day in office, but then informed the CBI that that would be voluntary. In a statement to the House, the Secretary of State lauded his own success in bringing down average pay for chief executive officers from £4.3 million to £4.25 million—I am afraid that that is hardly a job well done.

I know first-hand the enormous creative potential that a well-functioning company, backed by a strong governance regime, can unleash. Unlike the Government, who appear to have stepped back from desperately needed reform, I know that the status quo cannot continue. It represents grotesque pay ratios between the top and the bottom, and astronomical executive pay. We have seen the corporate greed of BHS, Sports Direct, Gunstones, ASOS and JD Sports, which treat their low-paid workforce with little more than contempt; the behaviour of energy companies quick to hike prices to maximise profits, but slow to lower them when the market shifts; and the short-termism that has resulted in productivity flatlining and investment being stifled as directors seek to maximise shareholder value at the cost of everything else.

That is nothing short of a crisis of legitimacy in the shareholder model, because confidence is placed in shareholders that, in my experience, is undeserved and misunderstands the completely altered nature of shareholders in UK plc. Although I welcome the Green Paper, I fear that it clings to a model that belongs firmly in the last century. We are not dealing with the shareholders of 30 years ago, who had a stake in the UK and held

[Louise Haigh]

shares for a significant period. In 1998, just a third of shares were owned by non-UK investors, but now the vast majority are owned by such investors. In fact, it is almost absurd to talk about shareholders as investors, as most do not hold the shares for long—some hold them for just seconds. The figures are contested, but the most reliable ones that I have seen suggest that the average holding period has fallen from eight years in the 1960s to just four months, and as much as 70% of trades are high frequency.

The equity chain is grossly over-intermediated, meaning that those with skin in the game have little or no involvement in the company at the other end of the chain. Investors tend to own only about 3% of a company at any given time. The notion that that fragmented group will clamp down on executive remuneration, or is interested in the voice of workers or the long-term contribution of the company to the communities that it serves, is either naive or disingenuous.

Jim Shannon (Strangford) (DUP): I thank the hon. Lady for giving way in a speech on an important issue. Does she agree that the Government's social responsibility does not lie simply in assessing how much GDP goes on benefits? It should be a living, breathing policy that takes account of the changing needs of the communities that the hon. Lady has discussed, rather than a document that is assessed at Budget time. Does she further agree that the previous Government's big society ideal was never given the resources that it should have been given to take off? That should be considered and, indeed, reviewed.

Louise Haigh: I completely agree with those sentiments. Corporate responsibility is too often tacked on at the end of a company's activities, in a completely separate report. It is not embedded throughout the organisation as it should be, which is why a strong, effective governance regime is vital to ensure that companies respect the communities in which they operate, the environment and their social impact.

At ASOS, despite the shocking evidence with which it was presented of mistreatment of its workforce, investors went ahead and backed the bumper pay package for executives. Why rock the boat when investors are getting their return? Since advisory votes on executive pay came into force, CEO pay has continued to climb to obscene levels, and the average vote in favour of remuneration packages has been a shocking 93%. The Kay review, commissioned by the coalition Government, which presented a fantastic analysis of the issues but fell disappointingly short on recommendations, said that

“the pursuit of shareholder value has distorted corporate principles”. Rather than push against that open door, the Government seem intent on clinging to an outdated and inappropriate model that puts the interests of international shareholders above all else—above the interests of the workforce, of stakeholders, of supply chains and of the wider community. It does not make economic sense and it is deeply unpatriotic.

Yes, the shares in UK plc may rise and international investors will have their red letter day. What good is that if workers and communities here in this country do not feel the benefit? The Government cling to a model that

says that hedge funds on Wall Street are more important, and should have a greater say over the direction of a UK company, than the workers whose mortgages, pensions and livelihoods are dependent on the success of that business. Rather than having a stake in the community, investors are increasingly coming to resemble buy-to-let landlords, skimming off profits with little interest in the community at large, yet they hold all the cards.

As the Bank of England's Andy Haldane has said, if shareholders hold all the power,

“we might expect high distribution of profits to this cohort, at the expense of ploughing back these profits...or distributing them to workers”.

That is exactly what we have seen. Wealth for the 1% has grown unchecked while wages for the rest have stagnated.

It is not without reason that research and development spend in countries like our own is so low when the focus of investors and directors alike is on maximising the value of shares. That is why we need change. Our companies must look closer to home and above all to their employees, their supply chains and their communities, and give the people they rely on a stake. British workers create the wealth, the services and the products from which shareholders earn their reward. We should give them real influence in the businesses that they work for. We must modernise company law to correct the absurdity that denies employees a say but gives power to hedge funds.

If we give powerful voting rights to overseas investors who speculate in the shares of our major employers, it is right to give the programmer, the secretary, the driver or the picker who works for those businesses some power too. It is not about one or the other. It is about giving employees an equal stake. Having grappled with these issues in practice myself, I know that the big issue is that the more directors are accountable to increasingly anonymous investors, the more our top businesses end up being accountable to no one at all.

Preparing for today's debate, I was reminded that Keynes wrote that bad ideas die slowly. He also wrote:

“Practical men who believe themselves to be quite exempt from any intellectual influence, are usually the slaves of some defunct economist.”

I am not pretending that reform in this area is easy. If we are honest, the reforms to fiduciary duties by the last Labour Government have had little impact, given that conservative legal advice invariably prejudices short-term shareholder interests. That is why transparency has to be at the heart of any reform. Large companies should report qualitatively on their impact on their communities, their environment and their workers, in the interest not merely of corporate accountability but of good management.

Reforms to section 172 of the Companies Act 2006 will inevitably be an important part of that. The Financial Reporting Council made the point that more focused reporting on exactly how companies are complying with the various elements of section 172 is crucial. That may very well have to become a requirement, as surveys suggests that a large number of shareholders are not aware of the very section on which it is their duty to hold directors to account.

Today Mark Carney supported better reporting on climate change risk, which is undeniably material for a growing number of sectors. However, I have real concerns

about how effective section 172 is. After all, it was introduced back in 2006 and since then we have seen some extreme examples of corporate excess and recklessness that have brought the economy to its knees and led to a bail-out of such astonishing proportions that we will still be paying for it for decades to come. Section 172 has been in force for more than 10 years, and in that time a director has had to have regard to the interests of the company's employees, the impact of the company's operations on the community and the environment, and the desirability of the company maintaining a reputation for high standards of business conduct. It would be almost laughable if it were not such a desperate example of the corporate neglect which has maligned this country for decades.

Throughout that time we have lacked a regulator with teeth, yet still the FRC says that it should be incumbent on shareholders to enforce the provisions of section 172. The fact that the FRC is only now commencing its investigation into KPMG's audit of HBOS, some nine years after the collapse and bail-out, should tell us all we need to know. There is a serious problem with the enforcement of our corporate governance regime. The Government need to go much further if they want to see meaningful change. I am not convinced by the argument that we should leave such a crucial aspect of company law to shareholders who have so consistently demonstrated little interest in it and an authority seemingly unwilling to take action.

In its current definition, the duty to promote the success of the company under section 172 is seen as serving shareholder interest. As John Kay found in his review of equity markets, with share trading playing an increasingly important role in the strategy of investors, it is not at all clear how short-term investors can support the long-term good of companies. The long-term success of a company must therefore be codified in changes to section 172.

Changes in the legal duties of directors to prioritise the long-term success of the company at large over shareholders would be a significant shift, but it is one that many voices that previously advocated only minimal change are now calling for. Employees having a statutory role at board level must also be a line in the sand. The Government must not row back on giving workers an equal stake and, with it, bringing their different priorities and fresh perspective to the boardroom. Diversity is vital in governance terms—not for moral or representative reasons, but to challenge and address what Margaret Heffernan has termed “wilful blindness”.

With that in mind, I would like to ask the Minister what proposals she has discussed and considered. Much has been said about introducing a statutory role, with a third of the board being drawn from workers, whose representatives would themselves be elected. Has the Minister considered those specific proposals? What assessment has she made of the quality of reporting on environmental, social and governance issues and the impact it has had on internalising costs? Has the Minister considered the need for advisory panels to sit alongside the board, which would draw from those directly referred to in section 172, bringing a much-needed voice to directors' responsibilities under that section?

Surely the long-term goal has to be allowing other stakeholders an equal stake in holding the board and directors to account. The Government simply cannot

afford to row back on that reform. At the heart of it is the crisis that Carney referred to: people lack a stake, and they cannot see a way to exert influence.

When I was working in the City of London, the risk taking, bonuses and pay packets were viewed as the symbol of the corporate neglect that has done so much to shake trust in big business and that played its part in bringing our economy to its knees. No doubt those things were and still are grotesque, unchecked by shareholder power and in need of urgent reform. There is a crisis of legitimacy over who governs our companies and, in turn, whose interests they act in. The Government would be wise to seize that with both hands, because we cannot ignore it any longer.

8.6 pm

The Parliamentary Under-Secretary of State for Business, Energy and Industrial Strategy (Margot James): I congratulate the hon. Member for Sheffield, Heeley (Louise Haigh) on securing today's debate on corporate governance and social responsibility. I know it is an area in which she has a long-standing interest and considerable expertise born of her previous career—she and I share a business background. However, I listened carefully to what she said, and I do not fully recognise the picture of corporate life she has painted, although, certainly, some of it had strong resonance.

We require no reminder of just how important it is that business is conducted in a socially responsible way. There are over 3 million businesses in the UK, from small start-ups to large established businesses with a presence across the globe. They provide employment for over 26 million people. Whether large or small, they are a critical part of our society. They are not in some way separate from it. The way businesses operate and the decisions they take have a big impact on their employees, customers and suppliers and on the communities in which they are based.

The Government have a key role in setting minimum legal standards that businesses must meet in areas such as employment and consumer protection, environmental standards, and the protection of creditors in the event of insolvency. These provide a vital underpinning for business activity; it is the corporate and legal responsibility of business to comply with that framework, and I believe the vast majority do. Where businesses fall short, they are rightly held to account.

However, corporate responsibility and the way businesses manage their impact on society go beyond simple legal compliance. If we are to achieve our objective of an economy that works for everyone, we need more businesses to aim at the high standards of responsible business practice achieved by our best companies. The Government's role in that context is to encourage those businesses that lead in good practice and to encourage others to follow suit.

The hon. Lady mentioned diversity in senior business management and at board level. We are encouraging business-led moves towards a more diverse and inclusive culture in the top management of our biggest companies that will set a lead for others to follow. Boardrooms should mirror wider society, and businesses should make the most of all the talent they have in their diverse workforces. We are following up the success in increasing representation of women on boards of our biggest companies by working with businesses to ensure that

[Margot James]

more talented women achieve senior executive roles. We welcomed the report last month from Sir Philip Hampton and Dame Helen Alexander, who are now pressing ahead with proposals to drive up the representation of women at senior executive level and build on the pipeline for female management and talent.

We also welcomed last month the launch of the report by Sir John Parker and his recommendations for addressing the worryingly low level of representation of black and minority ethnic directors in UK boardrooms. Half the FTSE 100 companies do not have ethnic minority representation on their board, and that is shameful. Diversity at the top of our businesses is about trust. It shows workforces that their boards are representative of them and that routes to the top are open to them. People want to believe that if they work hard they too can get there, whatever their background.

As the hon. Lady reminded the House, the Government have recently published a Green Paper on corporate governance reform in which we are exploring options for strengthening aspects of our corporate governance framework. The UK has a good reputation for corporate governance that combines high standards with low burdens, but this reputation can be maintained only if Government and business review and upgrade those standards from time to time. She mentioned several recent reports on corporate governance, which followed landmark reports by Cadbury, Greenbury and Hampel in the 1990s.

The Green Paper invites views on three main areas. First, it asks for views on options to strengthen shareholder influence on executive pay, to improve the transparency of reporting on executive pay, and to strengthen the link between executive pay and long-term company performance. The hon. Lady was right to point out that the gap between rising CEO pay and corporate performance had grown too wide in recent years.

Secondly, the Green Paper asks for views on options for strengthening the connection between the boards of directors of companies and their employees, customers, and other stakeholders. All the best companies know that there are economic as well as societal benefits to be derived from maintaining strong links with interested groups. However, we need to consider what more can be done to ensure that all UK companies are equipped with an appropriate model of employee, customer, and wider engagement.

Finally, the Green Paper seeks views on whether some of the features of the corporate governance and reporting framework covering quoted companies should be extended to our largest privately held companies. Many of these companies have an economic footprint that is equal to that of listed companies. For example, there are approximately 2,500 private companies with more than 1,000 employees. In asking these questions, we want to improve the ability of UK businesses to take decisions that are informed by a wider range of views and better support long-term company performance and sustainability.

Louise Haigh: I absolutely support proposals to extend reporting to private companies, but will the Minister comment on how effective the current reporting regime is? Some businesses certainly report at an absolutely

excellent level. However, I used to have the arduous and unenviable task of reading through some of these reports, and for many companies it is just a tick-box exercise. The FRC is not sufficiently resourced in terms of staff or sanctions properly to enforce the regime on companies that refuse to report properly and raise their standards, as she rightly said, to those of the businesses that are doing well in this area.

Margot James: I agree that the standard of reporting on the non-financial aspects of corporate performance is mixed and varied. One of the purposes of our Green Paper is to bring the standards of the poorer companies in terms of reporting, and indeed within other parameters, up to the standards of the best.

One option is for companies to appoint individuals to company boards to represent these stakeholder views. In the case of employees, this could be someone who works for the company—a worker representative. There is nothing in UK law to prevent unitary boards from including worker representatives as full members. Indeed, such arrangements can work well for some companies, FirstGroup plc being the best-known example. But very few UK companies have adopted it. There are undoubtedly more companies who could benefit from this approach, and the consultation period provides an opportunity for the case to be made.

Given the huge variety of UK companies, it is unrealistic to think that one size will fit all corporate requirements. For other companies a different approach to workforce engagement will work better. That is why the Green Paper makes it clear that we are not proposing to mandate the direct appointment of employees to company boards. Instead the Green Paper looks to generate a debate on the range of options that companies can choose to improve the connection between boardroom and workforce. The best companies know that there are economic benefits to be gained from understanding and maintaining healthy relationships with employees and customers. The key point is to ensure that all companies are equipped with an appropriate model of engagement to deliver a stronger voice for employees and other stakeholders in the boardroom.

The hon. Lady mentioned section 172 of the Companies Act 2006. We are not consulting on amending the wording in that section, but we are consulting on whether, and if so how, companies could provide more information on the steps that directors are taking to fulfil their duties under that section. We are also consulting on how to strengthen the connection between boardrooms and other voices, as I mentioned earlier. We would welcome comment—the hon. Lady's views will be considered, along with those of other interested parties—on how we could get companies to report more fully on how directors are fulfilling their duties under that section.

I am very grateful to the hon. Lady for initiating this debate, which has drawn attention to the key contribution that businesses can and should make to society. It has also provided an opportunity to set out steps that the Government are taking to raise standards in responsible business practice.

Question put and agreed to.

8.17 pm

House adjourned.

Deferred Division

FINANCIAL SERVICES AND MARKETS

That the draft Immigration Act 2014 (Current Accounts) (Excluded Accounts and Notification Requirements) Regulations 2016, which were laid before this House on 7 November, be approved.

The House divided: Ayes 297, Noes 151.

Division No. 110]

AYES

Aldous, Peter
Allan, Lucy
Amess, Sir David
Andrew, Stuart
Argar, Edward
Atkins, Victoria
Bacon, Mr Richard
Baker, Mr Steve
Baldwin, Harriett
Barclay, Stephen
Bebb, Guto
Bellingham, Sir Henry
Benyon, Richard
Beresford, Sir Paul
Berry, Jake
Berry, James
Bingham, Andrew
Blackman, Bob
Blackwood, Nicola
Blunt, Crispin
Bone, Mr Peter
Borwick, Victoria
Bottomley, Sir Peter
Bradley, rh Karen
Brady, Mr Graham
Brazier, Mr Julian
Bridgen, Andrew
Brine, Steve
Bruce, Fiona
Buckland, Robert
Burns, Conor
Burns, rh Sir Simon
Burrowes, Mr David
Burt, rh Alistair
Cairns, rh Alun
Campbell, Mr Gregory
Carmichael, Neil
Carswell, Mr Douglas
Cartledge, James
Cash, Sir William
Caulfield, Maria
Chalk, Alex
Chishti, Rehman
Chope, Mr Christopher
Churchill, Jo
Clark, rh Greg
Clarke, rh Mr Kenneth
Coffey, Dr Thérèse
Collins, Damian
Colville, Oliver
Costa, Alberto
Courts, Robert
Crabb, rh Stephen
Crouch, Tracey
Davies, Byron
Davies, Chris
Davies, David T. C.
Davies, Glyn
Davies, Dr James

Davies, Mims
Davies, Philip
Davis, rh Mr David
Dinenage, Caroline
Djanogly, Mr Jonathan
Dodds, rh Mr Nigel
Donelan, Michelle
Dowden, Oliver
Doyle-Price, Jackie
Drax, Richard
Drummond, Mrs Flick
Duddridge, James
Duncan, rh Sir Alan
Dunne, Mr Philip
Elliott, Tom
Ellis, Michael
Ellwood, Mr Tobias
Elphicke, Charlie
Eustice, George
Evans, Graham
Evennett, rh David
Fabricant, Michael
Fallon, rh Sir Michael
Fernandes, Suella
Field, rh Mark
Foster, Kevin
Fox, rh Dr Liam
Frazer, Lucy
Freeman, George
Freer, Mike
Fuller, Richard
Garnier, rh Sir Edward
Garnier, Mark
Gauke, rh Mr David
Ghani, Nusrat
Gibb, Mr Nick
Gillan, rh Mrs Cheryl
Glen, John
Goodwill, Mr Robert
Gove, rh Michael
Graham, Richard
Grant, Mrs Helen
Gray, Mr James
Grayling, rh Chris
Green, rh Damian
Greening, rh Justine
Grieve, rh Mr Dominic
Griffiths, Andrew
Gummer, rh Ben
Gyimah, Mr Sam
Halfon, rh Robert
Hall, Luke
Hammond, Stephen
Hancock, rh Matt
Hands, rh Greg
Harper, rh Mr Mark
Harrington, Richard
Harris, Rebecca
Hart, Simon

Haselhurst, rh Sir Alan
Hayes, rh Mr John
Heald, rh Sir Oliver
Heapey, James
Heaton-Harris, Chris
Heaton-Jones, Peter
Henderson, Gordon
Hermon, Lady
Hinds, Damian
Hoare, Simon
Hollingbery, George
Hollinrake, Kevin
Hollobone, Mr Philip
Hopkins, Kris
Howarth, Sir Gerald
Howell, John
Howlett, Ben
Huddleston, Nigel
Hunt, rh Mr Jeremy
Hurd, Mr Nick
Jackson, Mr Stewart
James, Margot
Javid, rh Sajid
Jayawardena, Mr Ranil
Jenrick, Robert
Johnson, Dr Caroline
Johnson, Gareth
Johnson, Joseph
Jones, Andrew
Jones, rh Mr David
Jones, Mr Marcus
Kawczynski, Daniel
Kennedy, Seema
Kinahan, Danny
Kirby, Simon
Knight, rh Sir Greg
Knight, Julian
Kwarteng, Kwasi
Lancaster, Mark
Latham, Pauline
Leadsom, rh Andrea
Lee, Dr Phillip
Lefroy, Jeremy
Leigh, Sir Edward
Leslie, Charlotte
Letwin, rh Sir Oliver
Lewis, rh 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
Mackintosh, David
Main, Mrs Anne
Mak, Mr Alan
Malthouse, Kit
Mann, Scott
Mathias, Dr Tania
May, rh Mrs Theresa
Maynard, Paul
McCartney, Jason
McCartney, Karl
McLoughlin, rh Sir Patrick
Menzies, Mark
Mercer, Johnny
Merriman, Huw
Metcalfe, Stephen
Miller, rh Mrs Maria
Milling, Amanda
Mills, Nigel
Milton, rh Anne
Mitchell, rh Mr Andrew
Mordaunt, Penny
Morgan, rh Nicky
Morris, David
Morris, James
Morton, Wendy
Mowat, David
Murray, Mrs Sheryll
Murrison, Dr Andrew
Neill, Robert
Nokes, Caroline
Norman, Jesse
Offord, Dr Matthew
Opperman, Guy
Paisley, Ian
Parish, Neil
Patel, rh Priti
Pawsey, Mark
Penning, rh Mike
Penrose, John
Percy, Andrew
Philp, Chris
Pickles, rh Sir Eric
Pincher, Christopher
Poulter, Dr Daniel
Prentis, Victoria
Prisk, Mr Mark
Pursglove, Tom
Quin, Jeremy
Quince, Will
Raab, Mr Dominic
Redwood, rh John
Rees-Mogg, Mr Jacob
Robertson, Mr Laurence
Robinson, Gavin
Robinson, Mary
Rosindell, Andrew
Rudd, rh Amber
Rutley, David
Sandbach, Antoinette
Scully, Paul
Selous, Andrew
Shannon, Jim
Shapps, rh Grant
Sharma, Alok
Shelbrooke, Alec
Simpson, David
Skidmore, Chris
Smith, Henry
Smith, Julian
Smith, Royston
Solloway, Amanda
Soubry, rh Anna
Spelman, rh Dame Caroline
Spencer, Mark
Stephenson, Andrew
Stevenson, John
Stewart, Bob
Stewart, Iain
Stewart, Rory
Streeter, Mr Gary
Stride, Mel
Stuart, Graham
Sturdy, Julian
Sunak, Rishi
Swayne, rh Sir Desmond
Swire, rh Sir 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
 Tyrie, rh Mr Andrew
 Vaizey, rh Mr Edward
 Vara, Mr Shailesh
 Vickers, Martin
 Villiers, rh Mrs Theresa
 Walker, Mr Charles
 Walker, Mr Robin

Wallace, Mr Ben
 Warburton, David
 Warman, Matt
 Wharton, James
 Whately, Helen
 Wheeler, Heather
 White, Chris
 Whittaker, Craig
 Whittingdale, rh Mr John
 Wiggin, Bill
 Williams, Craig
 Williamson, rh Gavin
 Wilson, Mr Rob
 Wilson, Sammy
 Wollaston, Dr Sarah
 Wragg, William
 Zahawi, Nadhim

Grady, Patrick
 Grant, Peter
 Gray, Neil
 Green, Kate
 Greenwood, Lilian
 Greenwood, Margaret
 Griffith, Nia
 Gwynne, Andrew
 Hanson, rh Mr David
 Hayes, Helen
 Healey, rh John
 Hendry, Drew
 Hodgson, Mrs Sharon
 Hopkins, Kelvin
 Howarth, rh Mr George
 Huq, Dr Rupa
 Johnson, rh Alan
 Johnson, Diana
 Kane, Mike
 Kerevan, George
 Kerr, Calum
 Kinnock, Stephen
 Kyle, Peter
 Lammy, rh Mr David
 Law, Chris
 Lewell-Buck, Mrs Emma
 Long Bailey, Rebecca
 Lucas, Caroline
 Lucas, Ian C.
 MacNeil, Mr Angus Brendan
 Mactaggart, rh Fiona
 Madders, Justin
 Marsden, Gordon
 Maskell, Rachael
 Matheson, Christian
 McCabe, Steve
 McCaig, Callum
 McCarthy, Kerry
 McDonald, Stewart Malcolm
 McDonald, Stuart C.
 McInnes, Liz
 Mearns, Ian
 Miliband, rh Edward
 Monaghan, Dr Paul
 Moon, Mrs Madeleine
 Mullin, Roger
 Murray, Ian

Onn, Melanie
 Onwurah, Chi
 Osamor, Kate
 Oswald, Kirsten
 Paterson, Steven
 Phillips, Jess
 Pound, Stephen
 Powell, Lucy
 Rayner, Angela
 Rees, Christina
 Ritchie, Ms Margaret
 Robertson, rh Angus
 Robinson, Mr Geoffrey
 Saville Roberts, Liz
 Sheerman, Mr Barry
 Sheppard, Tommy
 Sherriff, Paula
 Skinner, Mr Dennis
 Slaughter, Andy
 Smeeth, Ruth
 Smith, Angela
 Smith, Jeff
 Smith, Owen
 Stephens, Chris
 Stevens, Jo
 Streeting, Wes
 Stringer, Graham
 Stuart, rh Ms Gisela
 Thewliss, Alison
 Thomas, Mr Gareth
 Thompson, Owen
 Timms, rh Stephen
 Turner, Karl
 Twigg, Derek
 Twigg, Stephen
 Umunna, Mr Chuka
 Vaz, rh Keith
 Vaz, Valerie
 Weir, Mike
 West, Catherine
 Whitford, Dr Philippa
 Wilson, Corri
 Winnick, Mr David
 Wishart, Pete
 Wright, Mr Iain
 Zeichner, Daniel

NOES

Abrahams, Debbie
 Alexander, Heidi
 Ali, Rushanara
 Anderson, Mr David
 Arkless, Richard
 Ashworth, Jonathan
 Beckett, rh Margaret
 Berger, Luciana
 Black, Mhairi
 Blackford, Ian
 Blackman, Kirsty
 Blenkinsop, Tom
 Blomfield, Paul
 Boswell, Philip
 Brabin, Tracy
 Brock, Deidre
 Brown, Alan
 Brown, rh Mr Nicholas
 Butler, Dawn
 Chapman, Douglas
 Cherry, Joanna
 Coaker, Vernon
 Cooper, Rosie
 Corbyn, rh Jeremy
 Cowan, Ronnie
 Coyle, Neil
 Creagh, Mary
 Cummins, Judith
 Cunningham, Mr Jim

Danczuk, Simon
 David, Wayne
 De Piero, Gloria
 Docherty-Hughes, Martin
 Doughty, Stephen
 Dowd, Jim
 Dromey, Jack
 Durkan, Mark
 Eagle, Ms Angela
 Eagle, Maria
 Edwards, Jonathan
 Ellman, Mrs Louise
 Esterson, Bill
 Evans, Chris
 Farrelly, Paul
 Ferrier, Margaret
 Fitzpatrick, Jim
 Ffello, Robert
 Fletcher, Colleen
 Flint, rh Caroline
 Flynn, Paul
 Fovargue, Yvonne
 Foxcroft, Vicky
 Gapes, Mike
 Gethins, Stephen
 Gibson, Patricia
 Glass, Pat
 Glindon, Mary
 Goodman, Helen

Question accordingly agreed to.

Westminster Hall

Wednesday 14 December 2016

[ALBERT OWEN *in the Chair*]

UK Sovereign Wealth Fund

9.30 am

John Penrose (Weston-super-Mare) (Con): I beg to move,

That this House has considered the UK Sovereign Wealth Fund.

It is good to have you looking after us this morning, Mr Owen. The title and subject of this debate come from a proposal I published recently, with help from the good people at the Social Market Foundation, called “The Great Rebalancing: A sovereign wealth fund to make the UK’s economy the strongest in the G20”. It is available in all good book stores; failing that, the Library refers to it in a good deal of detail in its excellent debate briefing note. For anyone who is sufficiently riveted to want more details, it is available on my website with a slightly pithier summary alongside it, written for *The Times’s* “Red Box” column.

The reason for writing the proposal was simple. This is a crucial moment for Britain. Brexit creates an inflection point—an opportunity to ask ourselves fundamental questions for the first time in many years about what kind of country we want to be once we leave the European Union. How can we best use the spur of our newly won freedoms to change the way our country works? What do we want our economy, our society, our cities and our countryside to look like? “The Great Rebalancing” is an attempt to answer at least some of those questions.

For years, economists of all kinds, of left and right, have said rightly that Britain is worse at long-term planning than other countries. We save less, invest less and build less economically vital growth-promoting infrastructure, such as roads, railways and ports, than they do. Other oil-rich countries such as Norway have built up large sovereign wealth funds, but we have not. We have a rock ‘n’ roll economy that lives for today and depends too much on consumer demand, unlike more sobersided countries such as Germany, which are much better at investing for tomorrow.

The result is that we lag behind the United States, Germany, France and even Italy in productivity. It takes a German worker four days to produce what we Brits make in five, so we work longer hours for lower pay than other countries, and we will not be able to raise our living standards sustainably or to build an economy that works for everyone unless we fix that fundamental underlying issue.

Even worse, we have huge national debt, partly as a hangover from the 2008 financial crisis, but mainly because the promises we have made in our pay-as-you-go pensions and benefits system create long-term liabilities that are, financially, effectively the same as debt. That is not fair to our children and grandchildren, who will have to repay the money we have borrowed. We are handing them the bills for our lifestyle, rather than

paying for it ourselves. These are long-term structural problems that are deeply ingrained in our economy and in our politics. They have taken decades to build up, and they will take just as long to solve.

Part of the answer is to invest more in crucial economic infrastructure such as roads, bridges, railways and ports, and to keep doing it consistently and predictably. To my mind, the most important and least noticed bit of the Chancellor’s autumn statement was not the £23 billion investment pledge for innovation and infrastructure, although that was certainly welcome and valuable. It was the instruction to the National Infrastructure Commission to plan for a future where, every year, we spend between 1% and 1.2% of GDP on this stuff, rather than 0.8%, as we do today. That is not a one-off; it is a permanent change that he proposes. It stops the infrastructure boom and bust that we have suffered for decades, in which Governments postpone critical growth-promoting projects whenever money gets tight. Making our investments boringly predictable really matters, because stop-start spending does not only delay growth; if there is not a smooth pipeline of projects, taxpayers get less value for money, and we cannot build as much with the money we have.

But what about that huge national debt? How do we make things fair for our children and grandchildren? First, we have to stop adding to the debt, which means stopping borrowing. The autumn statement said the deficit will be down to 2% by 2020, cyclically adjusted across the business cycle, which is a vital step in the right direction. My proposal goes one step further and asks for an annual public declaration by the independent Office for Budget Responsibility to ensure the Government’s budget stays balanced across the economic cycle in future. That is a small but crucial piece of fiscal rule making.

We gave the OBR responsibility for the financial forecasts to stop Chancellors using fairytale projections to cover up problems when they were under pressure. Once we have finally balanced the budget, sometime during the next Parliament, we should extend that same mechanism a little further, to shine a harsh and unforgiving spotlight on any future Chancellor who is not prepared to live within the country’s means. We have not, after all, endured years of austerity and belt-tightening just to have a future financially irresponsible Chancellor toss it all away.

George Kerevan (East Lothian) (SNP): Does the hon. Gentleman envisage a permanent budget surplus?

John Penrose: At this point in my remarks, I envisage a consistently balanced budget across the economic cycle. That would be a major step forward and, given this country’s history since the second world war, it would produce a welcome degree of certainty for businesses, Government and everyone else. I will come on to how we might then build up the sovereign wealth fund; the hon. Gentleman might like to come back at me at that point if he thinks I have not covered the issue properly.

Once we have stopped borrowing, we can start saving, which is the point the hon. Gentleman just made. That is where the sovereign wealth fund comes in. Most of that huge national debt comes from our pay-as-you-go state pension and benefits scheme, so paying off Government bonds—gilts—will not be enough on its

[John Penrose]

own. Even worse, we cannot just grow our way out of trouble, because the pension and benefits scheme's liabilities will just grow with us. Instead, we need a sovereign wealth fund to pay for what we owe in our pensions and benefits system.

Mr Gareth Thomas (Harrow West) (Lab/Co-op): As the hon. Gentleman is one of the more assiduous members of his party, he will have seen that the Co-operative party floated in September 2013 this very idea of a UK sovereign wealth fund. Does he see our proposal of turning the Crown Estate into that sovereign wealth fund as an attractive idea?

John Penrose: I have not included in my paper any proposal to take existing Government assets and pour them into the sovereign wealth fund, to give it a kick-start. It would be possible, and there are parallels. The previous Chancellor floated the idea of a regional shale gas sovereign wealth fund, based on the proceeds from fracking. A number of Government assets could be added to any sovereign wealth fund, though in my paper, I do not propose that they should be, but there are respectable parallels. For example, the Norwegian sovereign wealth fund is based on the proceeds of its North sea oil. That is certainly an option to consider. I am not proposing it here, but it is certainly not beyond the bounds of possibility. There are very respectable parallels and antecedents elsewhere in the world.

We need a sovereign wealth fund to pay for what we owe in our pensions and benefits system. It would give the scheme the same strong financial foundations as other occupational pension schemes in the UK for the first time in our country's history. Like those other schemes, it should be managed through a fully independent board—in this case, a new stand-alone national insurance trust with a heavyweight board of trustees, like that of the Bank of England, to prevent political meddling.

Building the fund is rather like repaying a mortgage or saving for a pension: we have to put a little aside every month for a very long time. We would start by creating a new national debt charge, carved out of income tax, to pay the interest on the national debt, currently projected to be just over 2% of GDP by 2021. It would be set as a percentage of GDP and, as the economy grew, any surplus would be used to build up the fund. The process needs to take a long time—several generations—so that the costs do not all fall unfairly on current taxpayers. It is urgent too, because we need to start soon. There will be a brief moment, when the Government's budget reaches balance in the next Parliament, when we could set the fund up, but old, bad habits die hard. As soon as there is a hint, a sniff, of a surplus, there will be dozens—hundreds—of proposals for tax cuts or extra spending from both sides of the House. Many of them will be excellent ideas, but we must ensure that we do not miss the golden opportunity to set the fund up at that moment, when we can, before it is too late and any surplus money is earmarked for other things.

We must ensure that all the effort and sacrifice of getting the budget in balance is not wasted. A balanced budget cannot be just a one-off episode of fiscal sobriety, in which our rock 'n' roll economy detoxes for a few

months before hitting the party scene again. We need a long-term commitment to clean living—to the fundamental rebalancing of our economy that the sovereign wealth fund would deliver.

Creating the fund would rebalance our economy; build stronger foundations, so that we invest more for the long term; deliver faster growth and extra jobs, so that we could afford stronger and better public services; insulate us against the next economic shock, such as the latest banking crisis; make us less dependent on foreign investors once Brexit is complete; build our international heft around the world; and answer some of those fundamental questions about the kind of country that we want to be after we leave the EU.

Mr Gregory Campbell (East Londonderry) (DUP): I congratulate the hon. Gentleman on his choice of debate. I agree with him about the long-term thinking that will be required to create a sovereign wealth fund. Does he agree with me that successive Governments need to commit to the promotion of a wealth fund? Then the beneficiaries throughout the United Kingdom will support it, because they will see tangible benefits accruing from it.

John Penrose: That is a crucial point. As I said, we need to start building the fund soon. It is an urgent priority that we should begin it when the budget hits balance, but once we have begun, we need to save a little for a very long time, and that needs to last over several generations, so that the burden of setting the thing up does not fall unfairly on the current generation of taxpayers. The hon. Gentleman is exactly right: for it to be stable over such a long time, it needs to be politically stable. That means two things. First, I hope that it has cross-party consensus behind it, so that it will have some degree of political longevity; secondly, it will need institutional bulwarks to prevent Chancellors of whichever party, when they are under pressure—facing a general election or a cyclical recession—from interfering, meddling or trying to get their sticky fingers on the money. The hon. Gentleman is absolutely right: the fund will need very strong institutional safeguards around it. Those are laid out in some detail in my paper. I did not plan to go into huge detail about that here. I am happy to, if anyone wants me to, but I thought that I would spare everyone the detail at this stage, simply because of pressure of time and because other hon. Members want to add their thoughts.

If we could do what I propose, we would be a fairer, more generationally just country, because we would not be saddling our children and grandchildren with the bills for our lifestyle. We would be more socially just, because low and high taxpayers would all own the same personal stake in the fund that underpins their state pension and benefit payments.

I hope that all of us in the debate, including my hon. Friend the Minister, will deal with three issues. First, can we all agree that rebalancing our economy is necessary and important? A number of Members have suggested in interventions that there may be consensus on that, but it would be good to get that on the record from hon. Members on both sides of the House if we can. Secondly, can we all acknowledge that once we have the budget in balance, reducing the bits of our national debt that we happen to have issued as Government bonds will not be

enough to achieve rebalancing on its own? Thirdly, can we all accept that a sovereign wealth fund to underpin the state pension and benefit system is at least one valid way of solving the deeply ingrained imbalances and problems in our nation's economy and finances, even if there may be other ways as well?

Think of it: if we can agree on some or all of those issues, cross-party, we could launch a new Britain—a socially just, generationally just, asset-owning democracy on a scale that no other developed nation could match. The post-war Governments created new institutions such as the NHS and the welfare state, which had little relevance to rebuilding homes and cities damaged in the war, but everything to do with forging a new society and nation. The post-Brexit Government is our generation's chance to do the same—to leave a mark, to mould and weld our fractured society into a new and better shape. This will be a brief political moment in which, if we grasp it without fear, whether we are from the political left or right, we can create a legacy for our children and grandchildren to remember us by with pride, so let us think big and long term, and let us do this together.

George Kerevan: There might be broad agreement on what we are discussing, but the hon. Gentleman has premised much of his case on a surplus being run. As I understand it, the three fiscal rules that the new Chancellor has introduced have moved away from the previous budget surplus rule, and nothing in the current fiscal rules says that we will run a permanent surplus.

John Penrose: What I propose would take effect once we had got the budget in balance. The Chancellor's new set of fiscal rules is designed to take us through the next few years before we get the budget in balance, but once we do get it in balance, any Chancellor—as we are talking about the period after the next general election, I hope that it will be the current Chancellor, but I will not prejudge the results of that election—will need to rethink and reset fiscal rules. What I argue, as the hon. Gentleman will have heard, is that there should be a national debt charge, initially just to carve out what we are already committed to paying in terms of interest on the debt, but as the economy grows, that would slowly start to yield a very small surplus, which could be used to pay into the sovereign wealth fund. That is a very long-term process, but we need to start it soon.

9.46 am

Ian Blackford (Ross, Skye and Lochaber) (SNP): It is a pleasure to serve under your chairmanship, Mr Owen. I congratulate the hon. Member for Weston-super-Mare (John Penrose) on securing the debate and raising this most important topic. He asked whether there could be consensus across the House. There are those of us on this side who have been arguing for infrastructure investment for quite some time, for the simple reason that we need to build capacity in the economy—we need to create the circumstances for growth.

We all want a high-wage economy; we would absolutely welcome that. The debate is about the mechanisms that will create it. We make the point that if we want to deliver a balanced budget in this country, that has to come through the delivery of economic growth; it cannot come on the backs of the poor, as has been the case over the last few years because of austerity. The issue has to

be about building capacity in the economy, creating the circumstances for growth, which perhaps can deliver the kind of outcomes that the hon. Gentleman talks about.

I am delighted that we are having this debate, but in some senses it is happening too late for us in Scotland. As the House of Commons Library briefing paper confirms, more than 30 countries have sovereign wealth funds, and it is estimated that funds based on oil and gas receipts are responsible for more than half the global total value of those funds. We in the Scottish National party have long argued that we should have established a wealth fund from our oil revenues to ensure that future generations could benefit from the proceeds of North sea oil. Not for the first time, and over a long time, Westminster was not listening.

The UK Government have taken a staggering £340 billion in tax receipts from North sea oil. Where has that gone? Why have we not seen a legacy from that bounty for all the people in this country? It was not invested to ensure that there was a legacy for future generations. Rather than North sea oil receipts being looked at as a bounty that could be invested to ensure that there was future growth, the proceeds of North sea oil were frittered away.

Let us contrast the UK's lack of foresight with the foresight of our near neighbours in Norway. Norway's wealth fund, to which the hon. Gentleman referred, now exceeds \$905 billion; the value is \$177,000 per capita—for each Norwegian citizen. That astonishing sum shows what can be done if people take the right approach to investing in their future. The Norwegians recognised that oil was a bonus. It will run out at some point, but they ensured that their country would have a lasting benefit. Let me quote what *The Economist* said in an article in September this year:

“Two decades after Norway's government paid a first deposit into its sovereign-wealth fund, the country is learning how to manage a behemoth. The vehicle, which is used to invest abroad the proceeds of Norway's oil and gas sales, has amassed a bigger fortune than anyone expected, thanks to bumper oil prices.”

The hon. Gentleman has talked about a wealth fund that may build up over generations, but Norway has achieved the largest wealth fund in the world after two decades because it was prepared to put something away for future generations. In that sense, I support the broad outline of what he says. The article goes on:

“As the direct benefits of oil decline—around 46% of Norway's expected total haul of oil and gas is gone—the relative importance of the fund will grow. The annual revenues it generates now regularly exceed income from oil sales.”

Establishing a wealth fund from the benefits of North sea oil receipts is an effective means of protecting an economy from oil prices that can prove to be volatile. In that sense, the lucrative revenue generated by oil and gas is used to protect its own longevity as well as the overall prosperity and stability of an economy during price swings. We have known all that for decades.

The McCrone report, delivered to the UK Cabinet Office in 1974, claimed that North sea oil revenues could have made an independent Scotland as economically prosperous as Switzerland. The report was so alarming for the UK Government that it was buried as top secret for 30 years. That is, perhaps, of little wonder. Scotland's bounty has kept the UK afloat; there is no lasting financial legacy for Scotland. The Norwegians have a

[*Ian Blackford*]

foundation of financial security; we have a UK Government who would not come clean on the benefits of North sea oil and have denied us the opportunity to have our own legacy from that bounty. Yes, let us plan for a sovereign wealth fund, but that should have been delivered over the past few decades.

Denis Healey said the following about the saga:

“I think we did underplay the value of the oil to the country because of the threat of”

Scottish

“nationalism”.

He said he thought that Westminster politicians

“are concerned about Scotland taking the oil, I think they are worried stiff about it.”

That is the reality, yet we are constantly told by Westminster politicians about the perils of Scottish independence and that we cannot afford to take responsibility for our own destiny. If we had this oil fund, that would give us the tools to manage any financial storms like those we have witnessed over the past few years.

Denis Healey let the cat out of the bag; it was a worry that the wealth of Scotland could create this oil fund and undermine the significance of Westminster. McCrone suggested way back in the 1970s that an oil fund should be set up, but here we are in 2016 asking why we have not done so.

Mr Gregory Campbell: There is an emerging consensus about the need to think long term in regard to the wealth fund. Does the hon. Gentleman agree that some people will listen to his comments about an oil fund, which would, by its nature, have a very limited lifespan—the oil is going to run out at some stage in the near future—and think we need to think beyond that lifespan? We need to be talking about a generational expectation rather than a general election expectation.

Ian Blackford: I agree, in so far as we have to establish the mechanisms to make sure that we have something left for future generations and the issue is not just about oil. What I want to do in this debate is talk about the missed opportunities and how we can learn from them.

I will come specifically to how we can deal with not only the financial crisis but the decline in oil prices over the past few years. We cannot run away from the fact. We know that oil prices are depressed at the moment and that revenues from North sea oil have declined alarmingly, and that that will remain the case for the next couple of years. However, there is still the value of 2 billion barrels of oil in the ground under the North sea, and at some point oil prices will recover: there will still be the opportunity to create that oil fund out of the North sea oil revenues.

Mr Gareth Thomas: In the words of Oasis, the hon. Gentleman is looking back in anger. I understand, given his political perspective, why he is doing that. Might I encourage him to look forward and to think about how we might establish a sovereign wealth fund going forward? Has he had the chance—assiduous politician as he most definitely is—to reflect on the Co-op party proposal, which envisages turning the Crown Estate into the beginnings of a UK sovereign wealth fund?

Ian Blackford: I am grateful for the hon. Gentleman’s kind remarks. We need to make sure that people in this country can benefit from the wealth that is created. It is a reasonable contribution to the debate to consider what should happen with the Crown Estate.

I would actually take things a stage further because I want to see the benefits of the Crown Estate come down to our communities. There is considerable value generated by the Crown Estate in the highlands and islands of Scotland and we have seen none of the direct benefit of that. Of course some of that will be devolved to the Scottish Government over the coming years, but I do not want the assets of the Crown Estate to sit in a fund, whether that be in London or in Edinburgh; I want my communities in the highlands and islands to benefit directly from it.

There is a bounty that will no doubt come from offshore wind over the course of the next few generations, and I want to take that opportunity to make sure that its benefits and bounty are reinvested back into the highlands and islands, so that we can broaden the base of sustainable economic growth. I agree with the broad direction of travel that the hon. Gentleman has suggested, but I would do it in a slightly different way to make sure that our local communities get direct benefit from the bounty of the Crown Estates.

I know that many other Members want to speak, so I will move on quickly. We have long argued that to take account of the volatility of North sea oil, we have to establish not just one, but two, funds as and when circumstances permit: a stability fund and a savings fund. Why a stability fund? It is an implicit recognition of the volatility of commodity pricing and a desire to set a cautious budget that would allow excess tax receipts generated in periods of high oil prices to be released for current spending at a time of price weakness. That would create stability of revenue sources for Government spending and protect the economy from price shocks.

Secondly, a long-term savings fund would, as is the case in the 30 countries that have established such funds, have a long-term legacy for future generations. A lack of vision and a focus on only the short-term have seen the UK consistently refuse to do that. If we are now seeing an emerging consensus challenging that, I will be delighted.

Although I welcome this debate and the initiative of the hon. Member for Weston-super-Mare, what he argues for is simply not going to happen in the short term given the state of the UK’s finances today. We need to make sure that in Scotland, as circumstances dictate, we can return to this as a solution for us all.

In the short term, maximising the potential for the North sea and west of Shetland must be a priority. The fiscal and regulatory regime must therefore support ongoing investment, so that we can continue to benefit from the oil that is still there to sustain jobs and our future prosperity. We have taken a substantial bounty from the North sea. Now is not the right time to establish a wealth fund; now is the time to put in place mechanisms that will support the industry, development and the ability to extract longer-term value and, of course, taxation revenue.

Just as those in Westminster sat on their hands when an oil fund should have been established, they have now been slow to respond to the weakness in oil and gas

prices. Inaction has impacted the ability to maximise recovery in the industry. Today, the priority is to support this industry with an eye on creating the circumstances that will allow us to return to the needs of establishing an oil fund. For us, recovery in the oil industry and in tax revenues goes hand in hand with a transition to a green economy. It is part of a holistic approach that recognises that we need to adapt to a new, low-carbon economy.

I say yes to a sovereign wealth fund, but as part of a wider strategy. It is just a pity that we have missed so many opportunities and that, in the meantime, Scotland has missed out.

9.58 am

Jim Shannon (Strangford) (DUP): It is always nice to be called to speak, Mr Owen. I congratulate the hon. Member for Weston-super-Mare (John Penrose) on setting the scene on a subject that has to be discussed and given some thought in this House. Those of us here, and those who unfortunately have not been able to make it, will have ideas about how to do this. This is the first stage of a discussion that we should, perhaps, have had many years ago. At least we are starting the process; let us start it with this discussion. I look forward to the shadow Minister's contribution, other Members' contributions and, in particular, the Minister's response on how to take this forward.

We are considering the proposals put on paper by the hon. Member for Weston-super-Mare in his report, "The Great Rebalancing: A sovereign wealth fund to make the UK's economy the strongest in the G20". That is a very grand title, but it encapsulates his thoughts on the subject—and, perhaps, our thoughts as well. An enormous level of thought and groundwork went into these proposals. I congratulate the hon. Gentleman on the paper, which we read—not just the background notes—back home, and it gave us food for thought. I am astonished that he found the time to do so much work on it. Anyone who takes the time to read the background notes will understand the time that he has put into writing this paper, which is worthy of discussion in the House, and in Westminster Hall today.

I was raised to save for a rainy day, as many in my generation were—and that is not just because I am an Ulster Scot and we think that every pound is a prisoner. I was taught to save for a rainy day at an early age by my mother and father, and it has not done me any harm over the years. I am now married, of course, and the money is never my own anymore; it belongs to her, but that is by the bye. I do not wish to dumb down in any way the hard work of the hon. Gentleman, but to me this is like the Government saving for a rainy day, as I said to him when discussing the debate beforehand. The hon. Member for Ross, Skye and Lochaber (Ian Blackford), who spoke before me, is a strong advocate for the WASPI—Women Against State Pension Inequality—women and their pensions, and I am glad he is here. Before I came in, I thought, "What if we had had this fund 20 years ago? We would have been able to look after the WASPI women and make sure their pensions were covered." We did not, but at least we have chance to look at this issue now.

Ian Blackford: As always, the hon. Gentleman makes a number of pertinent remarks. There is a view that we do not have the resources to pay the appropriate pensions

to people, but we should keep an eye on the Government Actuary's Department, which has argued—I am keen that people should not get away from this—that the national insurance fund will be in surplus to the tune of about £30 billion by 2016-17. The resources are there to give the women what they are due, and over the next 20 or 30 years, pensions will remain affordable.

Jim Shannon: I thank the hon. Gentleman for those figures. I was not aware of them, but if that money is available, perhaps we are in a position to start the fund today with some of those resources.

I am sure that, like me, many hon. Members, including the hon. Gentleman, will know of 63-year-old women in their constituency who still have to work as their pension is unavailable. Those women are wishing that in the 1980s, at the time of the North sea oil find, which we have heard many comments about, the Government had decided to invest in a rainy day fund, which could have helped the pension pot. For that reason, the sovereign wealth fund must be considered seriously by the Government. That is why this matter is worthy of debate.

This issue is not cut and dried, by any means. There is talk of the Government's shale fund being similar to this plan, as the hon. Member for Weston-super-Mare mentioned, but this is not the day to debate the pluses and minuses of fracking. A lot of hard work would need to be carried out before the fund saw any profit, but many people are already making claims about the potential for shale oil, if that comes through—and I suspect that, at some time, it will. We must think about what can be done for the future benefit of all people in the UK. Today's austerity is a reality for us all. We have to be honest in this House about moneys and finances.

David Simpson (Upper Bann) (DUP): I apologise for my late arrival, Mr Owen; I had another meeting. Does my hon. Friend agree that we have to look forward, when it comes to these funds? Oil prices, fracking and all the rest have been referred to, but we have to debate the issue as a whole, including wind turbines and all of that. Green energy could be as much as 40% more expensive, and we have to look at all of it. If we are going to put money in, we have to get the price correct.

Jim Shannon: I thank my hon. Friend and colleague for his intervention. As always, it is good to have his businesslike approach; he looks at the real issues critically and focuses on the situation that we are in. We need to look at the issue more widely and at some things that will cost more. That is part of the debate for the future.

We all know that the deficit needs to be cut, as the hon. Member for Weston-super-Mare openly acknowledged, yet it is incumbent on us all to look at the long term; in this House, we have to be visionary, and this debate gives us chance to do so, and to look at how we can secure a better future, using our resources for future generations.

I respectfully point out that, like many people, I have opposed the severity of Government cuts. I have met people in my office who have come for help and thought that they were deserving of benefits, but those have become harder and harder to get. I am sometimes overwhelmed by the cases I come across. It is very hard as an elected representative, no matter which party

[Jim Shannon]

Members belong to and whatever their views, not to become perturbed and emotional about those cases. When I see people who should be on benefits, whose medical conditions are being made 10 times worse because there is no alternative than to work, I think, “No, we cannot sustain the cuts.” I stand by that belief. I stand by the fact that our front-line medical staff and emergency services need investment to sustain services. I stand by the belief that we need an Army that is capable of dealing with international commitments. All those things need to be in place.

Achieving all that and still cutting the deficit is incredibly hard to imagine, yet it can and must be done. Looking at the situation and saying that we need to invest in our future with a portion of the money is even more difficult, and that is why we are having this debate. Perhaps the national insurance contributions that the hon. Member for Ross, Skye and Lochaber referred to can kick-start the fund.

We expect people to budget with their money at home in exactly the same way. People must pay for a secure home with a mortgage, which should be paid off in some 30 years of work. People must pay their tax and national insurance to ensure healthcare and future security. On top of that, we ask people to pay into a compulsory private pension fund set up by their employer, and they must then live off the returns from that money. That is what we all must do in this place: we must keep all the balls in the air, as we expect our constituents to, while living a normal life. We must pay our mortgage—the deficit—at a rate that enables us to meet the rest of our obligations. Many young couples out there would love a 15-year mortgage, but it is not possible to pay that and live daily. As my mother says, “You cut your cloth to suit your needs.” We must pay off what we can afford to, and continue to spend money on what we must not neglect.

The hon. Member for Weston-super-Mare said in his paper on the sovereign wealth fund:

“We can and should start doing this immediately, because it is the only kind of Government spending which can justifiably be paid for with long term debt. It will inevitably mean a slightly longer wait to eliminate the Government deficit and achieve a balanced budget, but should earn a good financial return through higher economic growth nonetheless.”

I agree, and we should consider that. It is a difficult, but not impossible, task. We are elected to take difficult decisions in this House and to ensure that they are the right ones. That is why this debate is so helpful.

At the very least, the proposals merit full Government scrutiny and consideration. A committee should be set up to do this work and to see how the Government can invest now to help future generations. I think of Katie and Mia, my wee granddaughters—most of us probably have grandchildren—and I would give them the world, if only it were mine to give them. We would all do that for our children and grandchildren. We have an obligation to the generations ahead to do the right thing, to make the tough choices now and to secure a better future for them than seems to be on the horizon. The work needs to be done, and the hon. Gentleman has started it with this debate. We now need seriously to consider in this place how to do that. The Minister will lead on this issue, so there is no pressure on him whatever. We look

to him genuinely and seriously for guidance on how best we can fulfil our obligations as MPs, and—I do not mean to sound like Trump—on how to make sure that we keep Great Britain great.

10.8 am

Mr Gareth Thomas (Harrow West) (Lab/Co-op): I apologise to the Front Benchers: because of other commitments, I will have to read their responses to my contribution and others in *Hansard*.

I want simply to re-emphasise the proposal that the Co-operative party floated some three years ago: that the Crown Estate, which holds some £8.6 billion of land and property, should have changes made to its regulations to allow it to invest overseas and so essentially become the beginning of a sovereign wealth fund. It is appropriate to have a degree of realism about the size of other sovereign wealth funds and, therefore, about the task for a future Government who want to set one up. As others have suggested, one has to start somewhere if one thinks a sovereign wealth fund is a good idea.

For all intents and purposes, the Crown Estate acts like a sovereign wealth fund by investing in property—usually retail centres—and paying the surplus it generates back to the Treasury to help offset the costs of our royal family. We should encourage the Crown Estate to be a little more ambitious by lifting the restriction that says it can invest only in UK assets and by allowing it to invest in assets overseas, as other sovereign wealth funds do. The Crown Estate clearly has a track record of expertise in the retail sector, and one might therefore expect it to continue with that approach. I see no reason for the Crown Estate not being allowed to contemplate, under the Treasury’s watchful eye, investment in similar ventures overseas. The Crown Estate could then hopefully generate sufficient surplus not only to pay for the royal family, but to invest in the types of infrastructure projects that all Members want to see.

The Crown Estate has a comparatively smaller asset base than the funds held by Norway and a number of middle eastern countries. Nevertheless, I see no reason for not advocating a more ambitious strategy, with the hope and aspiration that the Crown Estate might begin to become a sovereign wealth fund. I have had no clear explanation from the Treasury of why it opposes changing the law to lift the restrictions that limit the Crown Estate’s investments to the UK market. I hope that the Minister—if not in this debate, then perhaps by way of letter—will think about that, because if the restriction were lifted, the Crown Estate would begin to act like a sovereign wealth fund.

George Kerevan: Does the hon. Gentleman accept that some of the Treasury’s reservations might be overcome if we followed the Norwegian example and had limits for classes of investment that a sovereign wealth fund could make? If we went down the route of investing in foreign equities or bonds, only a proportion of that investment would then qualify for the overall fund.

Mr Thomas: That is a helpful suggestion. If the Treasury could be persuaded to allow the Crown Estate to dip its toe in overseas markets, it might initially restrict how and where, and in what type of assets, the Crown Estate invests. The hon. Gentleman, cautious Scot as he clearly is, might wish to encourage the

Treasury both to be open-minded about investment overseas and to carefully restrict such investment. I do not oppose such a restriction if it allows the Crown Estate to be a little more imaginative.

With that pithy contribution, I encourage the Minister and my Front-Bench colleague to embrace the Co-op idea with enthusiasm and consider how we might begin a UK sovereign wealth fund.

10.14 am

George Kerevan (East Lothian) (SNP): I begin in time-honoured fashion by thanking the hon. Member for Weston-super-Mare (John Penrose) for securing this debate. I say that genuinely because we do not get enough chance to think long term or to debate issues in detail, and this is a practical issue on which to do so.

This has been a limited debate, and I begin my summing up by agreeing with many of the hon. Gentleman's reasons for having some kind of sovereign wealth fund. In the current context, the most important reason is that a sovereign wealth fund would provide inter-generational justice. There have been discussions about a UK sovereign wealth fund since the 1970s; the issue has come and gone. There have been many arguments for a sovereign wealth fund and, in the '70s, the North sea oil money had arrived and we needed to do something sensible with it.

Such reasons are episodic. On both sides of the House, we have all come to understand that inter-generational fairness is an issue. Successive generations have repeatedly used up available funds, often making a mess of the economic situation, and left it to future generations to pick up the pieces, as the Women Against State Pension Inequality Campaign is at the moment.

In the absence of any inter-generational mechanism for creating such fairness, we have to consider some kind of sovereign wealth fund. The Government are on record as seeking some form of inter-generational justice, and this is the only mechanism currently under discussion that has any chance of success. Without prejudging how we do it, a sovereign wealth fund is worthy of discussion because it exactly fits the kind of programme that the Government have suggested.

The hon. Gentleman did not examine in any great detail the other argument for some kind of sovereign wealth fund. During a periodic economic crisis, a sovereign wealth fund, provided we do not touch the capital, would give us an emergency revenue stream that can be put to use without unbalancing the broader fiscal mix. Since 2008, at the same time as building up the equity base of their sovereign wealth fund, the Norwegians have been able to tap some of the income stream temporarily, to offset lower tax revenues as a result of the global economic crisis. Again, that would seem to recommend itself to the Treasury.

Ian Blackford: I applaud what Norway has done, but one of the weaknesses of the Norwegian model is that it invests primarily in equities and bonds. If we get this right, there is an opportunity to invest in infrastructure. My hon. Friend is right that we should draw down only on the income streams, but there is a real opportunity to invest in infrastructure to build capacity and growth opportunities, as well as investing in financial assets.

George Kerevan: I could not agree more. I will come on to that, but the Norwegian example is slightly skewed by the fact that Norway is a relatively small country and, when its sovereign wealth fund was being built up, it had an excess of inward investment in the oil industry. Norway therefore did not need to tap the wealth fund for domestic infrastructure expenditure. Norway has also been canny in making significant investment in infrastructure anyway. There is a glaring gap in the UK's infrastructure investment, and infrastructure would be one of the primary places to secure a positive income stream; it is therefore somewhere we would want to invest.

Just to finish on the Norwegian example, there is never a good time to start a sovereign wealth fund. It is interesting that the Norwegians did not start their wealth fund until the early 1990s, just as oil prices collapsed. They set up a spanking new sovereign wealth fund, and they chose to persevere after oil prices nosedived. Oil revenues built up again during the 1990s and the wealth fund powered away. On whether we should wait and whether there is a right time to start, there is never a right time. The Norwegians started their sovereign wealth fund at the worst possible time for the income streams that they were tapping, namely oil revenues, but they persevered. It is about perseverance and long-term thinking. The hon. Member for Weston-super-Mare made the key point that this works only if we think long term.

We must look at some of the counter-arguments, because as enthusiasts we tend to let our ideas run away with us. The fundamental argument that is always made, especially from the Conservative Benches, is "Why should the Government—or some Government agency, even at arm's length—keep the revenues and invest them? Surely we should cut taxes and let people spend the money themselves, because they are better judges of how to invest for the long term." It is a compelling argument, but the trouble is that historical experience does not bear it out: look what happened to North sea oil revenues back in the 1970s.

It has not yet been mentioned today that a prototype sovereign wealth fund, in the shape of the National Enterprise Board, was set up in 1975 by the then Labour Government to invest in domestic infrastructure. As I remember, it had £1 billion a year from North sea oil. It began by building up a portfolio of British industrial companies. There was a Scottish equivalent, the Scottish Development Agency. That was all abolished in 1979 when the Conservative Government came in under Margaret Thatcher. The argument was, "Individuals and private companies are better able to spend the money, so why not cut taxes?"

The 1980s were the decade of maximum inflow of funds from North sea oil. What happened to investment in that decade? Industrial investment fell—indeed, by the end of the 1980s, the UK turned out to be one of the lowest spenders on private industrial investment in the OECD. So it did not go into private sector investment; what about public sector investment? We started the 1980s with something like 2% of GDP being spent in net public investment in infrastructure, which is quite good by today's standards. By the end of the decade, that had been reduced to something like 0.2% of GDP. There was a catastrophic fall in investment throughout the 1980s. Whatever the huge influx was of funds from North sea oil, it was not passed on in investments.

[George Kerevan]

What about tax cuts? I always like to remind Conservative Members that during the 1980s the share of taxation in GDP did not fall. Yes, Mrs Thatcher cut income tax quite considerably, but she counterbalanced that by increasing VAT. The overall tax burden did not fall, so we have to ask where the North sea oil money—the excess revenue for the Treasury of more than £100 billion in that decade, in contemporary terms—went.

In the first half of the 1980s, there was a very serious recession, from which the economy took 18 quarters to recover and which reduced the Treasury's overall tax income. Essentially, the Treasury made up the loss from that early-1980s Thatcherite recession by using the North sea oil money. In the end, in the 1980s—the peak years of income from North sea oil—the money was wasted. It did not go into private or public infrastructure investment and it was not used by private individuals to expand their savings; it simply went down the drain.

John Penrose: Does the hon. Gentleman agree that there is not necessarily a choice between tax cuts and a sovereign wealth fund? Potentially, depending on pacing, we could do both. In some cases, it might make sense to do both, if only because—as the Government have already said in answer to parliamentary questions—we will need to do something to reduce the country's overall debt burden. All I am arguing is that we should not ignore the liabilities built up in our state pensions and benefit system as part of that burden. We need to address that and we may also want to make tax cuts, but for different reasons, to do with demand stimulation and so on.

George Kerevan: In a spirit of compromise and reaching a consensus that might have an impact on the Treasury, I happily take the hon. Gentleman's point.

All I am trying to say is that the crude default assumption that taking the money and giving it to individuals or companies will resolve the infrastructure investment problem has historically not proven correct. We come back to the need for some kind of overall public agency that saves and invests. The crude Thatcherite argument, if Members will forgive me for putting it that way, that says "Leave it to the public" is wrong. Short-term pressures on the public and on companies are just as great as those on Governments and Ministers. Somebody somewhere has to create an agency that thinks long term. That is what we are talking about.

Mr Gareth Thomas: The hon. Gentleman's colleague was a bit sniffy about the idea of turning the Crown Estate into such an agency. Could the hon. Gentleman be persuaded to be more positive about the idea?

George Kerevan: I am not sure that I recognise that characterisation of my good friend, my hon. Friend the Member for Ross, Skye and Lochaber (Ian Blackford). In case it has never been said on the record before, I will say that he was once my student when I lectured in economics—he is younger than he looks—so everything he knows about economics probably came from me. Anyway, I will come on to the Crown Estate in a minute.

What should we spend the money on? I agree with the hon. Member for Harrow West (Mr Thomas) that the Norwegian example of simply investing in foreign equity

is too narrow. Given the primary crisis here in the UK, we should impose an injunction on whatever form of wealth fund we create to invest primarily—not totally, because for safety and balance it should have a remit to spread its portfolio—in infrastructure. The OECD reckons that a baseline of something like 3.5% of GDP should be reinvested in public infrastructure every year to maintain and develop reasonable levels of productivity. In the UK, that investment has fallen to less than 2%. I fully recognise that significant funds for infrastructure investment over the forecast period were announced in the autumn statement, but even so the figure will rise only to about 2.3%, and we need to get up to at least 3.5%, so there is an infrastructure investment gap. The flow of funds could come from a sovereign wealth fund, because above all a sovereign wealth fund can think long term, whereas the City and the financial institutions are being forced to think more and more short term. Again, one of the crucial things we get from a sovereign wealth fund is the ability to think long term rather than just talk about thinking long term.

How would we fund it? I share some of the disquiet about simply linking it to running a budget surplus. Running a budget surplus is extraordinarily difficult; it has rarely been possible to run one over any length of time, in this country or in others. Gordon Brown ran one for a few years at the beginning of the millennium, but it was largely done through artifice because he sold off the gold reserves at rather a bad time. Roy Jenkins, who some Members may be old enough to remember, ran a budget surplus at the end of the 1960s, but only with a hugely draconian austerity programme that actually undercut investment in the long run.

From looking closely at the autumn statement, I do not believe that there is much chance of our running a budget surplus at the end of the forecast period. I certainly agree that we should seek to have a balanced current budget over the medium term, but artificial controls on investment and on borrowing for investment are the wrong way to go. There is no reason not to have quite a healthy borrowing for investment, provided that it is roughly in line with trend growth, because it will make a return. Simply linking the sovereign wealth fund to running a budget surplus is offering a hostage to fortune.

We should therefore look at other sources of funding. The Crown Estate is one—clearly we have assets there that could be deployed. I also remind hon. Members of something that has not yet been mentioned: in the last decade, most of the sovereign wealth funds that have been created, particularly in China, have come from recycling the foreign investment earnings from a trade surplus. It is a bit difficult for the UK, given that we have a trade deficit. Fortunately, in Scotland, where we still have a trade surplus, that surplus would underline the re-creation of our sovereign wealth fund.

Clearly, this is an idea whose time has come and about which there is broad consensus across the parties. It is also an idea that the Treasury has always been reluctant to think about, but that stems from the short-termism of the Treasury. The new Chancellor has suggested that he wants to think longer term. A sovereign wealth fund would be his chance to prove that that is what he is going to do.

10.30 am

Jonathan Reynolds (Stalybridge and Hyde) (Lab/Co-op): Thank you very much, Mr Owen, for calling me to speak. It is a pleasure to take part in this debate.

I begin by thanking the hon. Member for Weston-super-Mare (John Penrose) for securing a debate on such a genuinely interesting issue: his proposition for a UK sovereign wealth fund. I have read with interest his recent paper for the Social Market Foundation, “The Great Rebalancing”; the ideas he presented there are very much the basis for his speech today. He was kind enough to advertise the paper’s availability for those seeking a late Christmas present for a loved one. However, I can genuinely say that I enjoyed his pamphlet and I enjoyed listening to his speech today.

I do not want to get the hon. Gentleman into any trouble, but I have to say that parts of his speech were very much on board with certain parts of current Labour party economic policy, even if we do not necessarily reach the same conclusion on this issue. However, on separating current and capital spending and balancing day-to-day spending while allowing for long-term investment, we are very much on the same page. I only hope that his Government will listen to him and implement such a sound economic policy, which is rapidly becoming a mainstream consensus position.

The Labour party has been calling for higher levels of Government investment, given that, as the hon. Gentleman and other hon. Members outlined, we are investing less as a percentage of GDP than any other comparable developed nation. As the hon. Gentleman writes in his pamphlet:

“The result is chronic under-investment relative to other developed nations, and creaking infrastructure which chokes and slows economic growth.”

Frankly, I could not agree more: we are committed to mobilising billions of pounds more for sustainable investment in the UK economy. We want to see £250 billion of direct Government expenditure in key infrastructure projects over the next 10 years and a further £250 billion mobilised through a national investment bank. Labour will deliver the long-term investment the UK economy needs, to boost growth and tax receipts, and to ensure that our welfare and public services can receive the funding they desperately need—today and in the future. In that way, the public finances will be better placed to respond to the demands of meeting pensions and benefits payments in the long term.

The hon. Gentleman’s idea is for a sovereign wealth fund that would be ring-fenced for pensions and benefits payments. I see some difficulties with that idea. Ring-fencing our pensions and benefits systems to a sovereign wealth fund means using a pot that would vary pro-cyclically to fund a social security system that functions counter-cyclically. In other words, benefits need to be paid out when the economy takes a downward turn, which is when the wealth fund would be at its weakest. Moreover, it seems risky to use a fluctuating fund as a ring-fenced source of public spending that needs to be fairly stable in the long term. What would happen if, at the moment people needed Government support, the wealth fund could not pay out?

The hon. Gentleman wrote in his paper that

“Clearly it wouldn’t be generationally fair or just to expect the same people who had just fought a war, or weathered the financial storm of a global financial crisis, to rebuild the financial cushion...within the next few years of a single economic cycle.”

However, I feel that an eventuality such as a war could cause exactly that type of situation. We have already seen that the Conservative Government consider it fair for the average UK citizen to pay the price of six years of austerity following a financial crash in which they played no real part, and I am not sure how a sovereign wealth fund would ensure that that could not happen again.

Of course, there are advantages to wealth funds if they are used, for example, to invest in infrastructure projects, which many Members have mentioned. However, countries with effective funds tend to run a budget surplus and, as we are all too aware, the UK does not—and has not done so for some time. Indeed, the last Chancellor missed out on all his deficit reduction targets and did not reach his arbitrary surplus goal, so it is no wonder the new Chancellor has abandoned that goal altogether. I struggle to see now how a fund could be built up, given the pressures on the public finances as they stand.

Overall, though, the concept of a sovereign wealth fund for the UK is definitely one that should be discussed. Other countries around the world have indeed benefited from establishing one, and Norway’s great success is often cited as an example. However, at this stage we do not have a workable proposal about how to build up the necessary reserves, and I would certainly not be happy with people becoming dependent on a fluctuating fund for state support and pensions, as has been advocated. Equally, we need to be realistic about how capable Britain is of building up such a vehicle at this time and about the difference between our circumstances and those in countries that have deployed sovereign wealth funds to their benefit.

However, I thank the hon. Gentleman for allowing us to debate this issue today. I look forward to hearing the Minister’s comments. I am sure that the idea of a sovereign wealth fund will be debated in more detail in the future.

10.35 am

The Economic Secretary to the Treasury (Simon Kirby):

It is a great pleasure to serve under your chairmanship, Mr Owen.

I start by thanking my hon. Friend the Member for Weston-super-Mare (John Penrose) for securing this debate today. The issues it raises go to the heart of the Government’s economic approach, which is to get our finances in order and to build for the long term-success of the country. I read with great interest my hon. Friend’s paper, produced with the Social Market Foundation; I might indeed consider purchasing it as a small Christmas gift. The objectives that informed his paper are all ones that I share, along with Members on both sides of the House, I am sure: to see the UK’s economy strengthen and grow sustainably in the future.

Let me start by addressing the idea of sovereign wealth funds more generally, because I agree that they can form an important part of any country’s strategy for investing in its future success. Often, they are a way for Governments to manage fiscal surpluses, foreign currency operations or balance of payments surpluses. They can indeed be an effective tool for both planning sustainable investment and managing volatility in receipts. We have seen how they can work well for countries that

[Simon Kirby]

have large fiscal surpluses. Hon. Members have mentioned Norway's Government pension fund; there is also Saudi Arabia's Saudi Arabian Monetary Agency's foreign holdings fund.

However, we are not debating today the valuable role that sovereign wealth funds play in other countries around the world; we are considering whether such a fund would be appropriate for the UK, and—importantly—appropriate at this time. As the House is fully aware, we are not in the same position as many other countries that have elected to set up such funds. The crucial point is that the UK has not run a surplus since the start of this century, although we are now committed to doing so.

We have chosen the path of a credible fiscal policy that will restore our economy for long-term health, and although we are no longer seeking to deliver that surplus in 2019-20, we remain resolved to do so, to bring our public finances into balance. That is why we have committed once again in the autumn statement to deliver the surplus: we set out our plan to make that happen as soon as possible in the next Parliament, while in the interim bringing cyclically adjusted borrowing below 2% by the end of this Parliament, and getting public sector net debt, as a share of GDP, to fall in this Parliament, too.

I share my hon. Friend's conviction about the need for strong and sustainable public finances for the UK and I understand his interest in exploring the potential for a British sovereign wealth fund. I agree with the hon. Member for Strangford (Jim Shannon) that the country should be prepared for a rainy day—sensible advice that we should all listen to. However, given that UK debt will soon be at a 50-year high of 90.2% of GDP, our priority must be to return the public finances to balance and to get the debt falling before we can consider a sovereign wealth fund in more detail. However, although such a fund may not be an appropriate avenue for us to explore at this stage, I will touch on some of the issues that today's consideration has raised.

One such issue has been our infrastructure. One of the key roles that a sovereign wealth fund can perform is to act as a vehicle to fund sustained investment in infrastructure. Although we may not have a sovereign wealth fund, or even a formal statutory target for the proportion of our GDP that we invest in infrastructure, the Government share my hon. Friend's conviction about making the infrastructure investments we need that will boost our productivity and strengthen our economy. That is why we have asked the National Infrastructure Commission to make recommendations on the future infrastructure needs of the country.

Once again, I refer all Members to the commitment in the autumn statement, where we prioritised high-value investment in infrastructure and innovation. That included the new national productivity investment fund, with £23 billion of extra spending targeted at high-value projects that will deliver more opportunities and higher living standards for working people—whether that is more homes, better transport links or the 21st-century digital capacity we need.

Ian Blackford: The Minister is setting out why he thinks it is not relevant to set up a sovereign wealth fund today, but does he accept that there was a missed

opportunity with the £340 billion bounty that came from North sea oil? That could have been used to establish an oil fund that would have delivered benefits for today and the future.

Simon Kirby: I often say as an MP—I suppose the same is true as a Minister—that it would be nice to have a crystal ball, a magic wand and a time machine. We are where we are, and we have to make the best decisions going forward—rather than looking back in anger, if I may quote the hon. Member for Harrow West (Mr Thomas).

The additional capital will take public sector net investment to over 4% of GDP for the rest of this Parliament, well above the average of the last 30 years; in real terms, it has been more than 50% higher on average this decade than it was under the whole period of the previous Government.

Another aspect of my hon. Friend's excellent paper was the suggestion that a new national debt charge be carved out of income tax to help pay down the debt. He will know how much I share his conviction that we need to get debt falling, but I know he also shares the Government's commitment to helping people who are just about managing. It is important that we build an economy that works for everyone. That is why we would not look to deliver a new income tax charge in our current position. Indeed, as part of the tax lock, we have legislated not to increase the main rates of income tax, national insurance contributions and VAT during this Parliament. Alongside that, we have prioritised an approach to taxation that supports working people, such as our increase in the tax-free personal allowance.

John Penrose: Just to ensure that we are all clear, I clarify that my paper supports what the Minister is describing. The proposal in my paper is that the national debt charge would not start until the budget was in balance and would only equal what we were already going to be paying in debt interest to begin with. I reassure him that I am not suggesting an undercutting or a swerving away from the fiscal rules announced in the autumn statement. Those are essential to get us to the point where the budget is in balance, as he is ably laying out at the moment.

Simon Kirby: I thank my hon. Friend for again demonstrating what a sensible person he is.

The hon. Member for Ross, Skye and Lochaber (Ian Blackford) asked about North sea oil and why we did not create a fund in the past. He knows full well that successive Governments made use of the revenue from North sea oil to support public finances in the years when the revenues rose. I can tell him that going forward from April 2017, his Scottish Government will have the powers to contribute to their own reserve fund if they so wish. Perhaps that is something they might consider. We all agree that investment in infrastructure is key to growing the economy. That is why the extra £23.7 billion announced in the autumn statement is important; it takes the total we are spending to £170 billion during this Parliament. That will improve productivity, increase living standards and be an essential part of our plan going forward.

George Kerevan: About half of the extra £23 billion that the autumn statement has put into infrastructure investment is going into housing. How does that raise productivity?

Simon Kirby: Housing does raise productivity. It is a much-needed part of our economy. People need affordable homes to rent or buy. The building process, as I am sure the hon. Gentleman is aware, creates jobs and increases prosperity and productivity.

The hon. Member for Strangford mentioned a shale fund—a suggestion that others have made, too. The UK does not currently meet the criteria of a country that would benefit from a shale wealth fund: we have a high debt and a large deficit, and we do not have extensive commodity or natural resource exports. The development of the shale industry would leave a positive legacy for local communities and regions where it is based. The Government's policy is for those communities to be able to choose to invest the funds for the long term. I thank the hon. Gentleman, as ever, for making a very thoughtful contribution that added greatly to the debate.¹

The hon. Member for Harrow West apologised for not being able to be present during my speech, and I appreciate that. He asked about lifting investment restrictions on the Crown Estate. That is an interesting idea; I will do as he asked and write back to him on that matter.

I thank the hon. Member for East Lothian (George Kerevan), as ever, for his thoughtful contribution. He mentioned inter-generational fairness. I agree that that is an important issue, but at 90% of GDP next year, our debt is just too high. That represents a burden on future generations, and it is important that we retain our focus on our priority of returning the public finances to balance and getting the debt falling. Therefore, it is not possible, and it would not currently be appropriate, for the UK to set up a sovereign wealth fund. He also mentioned taxation levels; I feel duty-bound to remind him that from tomorrow, for the first time, his party—the SNP—will be able to put up taxes in Scotland. The Scottish Government can put their money where their mouth is, if they choose to do so.

John Penrose: The Minister is being generous. I want to pick up on the point he has now made twice: about prioritising the reduction of the overall level of Government debt in the economy once we have eliminated the deficit. I completely applaud that, but does he accept in return that the debt denominated as gilts or as bonds is only part of the overall picture of liabilities that the Government and successive Government have loaded up? A large proportion of the total liabilities—a larger proportion than the actual debt denominated as bonds—is embedded in the state pensions and benefits system. It would be a mistake for any of us to ignore those liabilities. They are equivalent to debt, so at some point we need to face up to the costs that they include, as well as to the ones he is rightly pointing out with the bonds themselves.

Simon Kirby: I thank my hon. Friend for that point, and I accept that the debt is made up of a variety of different things.

I commend my hon. Friend once again for securing the debate, which has been interesting. We have discussed some significant issues for the British economy. There are many areas where he and I are in full agreement, but in closing, I would like to highlight three key aspects.

First, rebalancing our economy is necessary and important. Secondly, dealing with the deficit and getting debt falling is necessary but not sufficient to rebalance the economy. A dynamic and strong economy where growth is shared across all parts of the UK is what we need. Thirdly, on the effectiveness of sovereign wealth funds in various countries, I must repeat our conviction that setting one up is not appropriate for the UK at this point in time when our priority is to get debt falling.

Indeed, as my hon. Friend the Member for Weston-super-Mare notes in his paper, there is little point in attempting to build up such a fund when debt is at “its current, historically high levels.”

I share my hon. Friend's desire to live within our means—the hon. Member for Strangford used the expression “to cut our cloth accordingly”—and to secure our public finances, to get debt falling and to invest sensibly in our future success, which are all important areas that represent core priorities for the Government. Those priorities were reflected in the approach that we outlined in last month's autumn statement: to build an economy that works for everyone.

10.50 am

John Penrose: What a splendid debate. There is a high degree of consensus among all parties, with a few isolated islands holding out against the principle. Much of the debate has been about how we might set up a fund, the competing mechanisms that we might use to build it up, and when we should have started, but there has been widespread agreement that, in principle, such a fund is desirable. Scottish National party Members say they are in favour of the principle of a sovereign wealth fund, but they argued that we should have started it earlier and built it up from oil. None the less, they were in favour.

The voice of Northern Ireland agreed. The hon. Member for Strangford (Jim Shannon) said he was brought up to save for a rainy day, as were we all, and he is absolutely right. The hon. Member for Harrow West (Mr Thomas) brought up the Co-op party's suggestion—similar but not identical to mine—which was helpful.

Although the hon. Member for Stalybridge and Hyde (Jonathan Reynolds) was kind about my paper, I am not sure that the Labour party and I are at the same point on generational justice; it puts less weight on it than I do, although I reassure him that the fluctuations in the fund that he is worried about need not be fatal, but that is for a longer conversation on another occasion.

The Minister was very helpful in accepting the three questions that I asked. On the need for rebalancing, he was clear about the desirability of making our economy more robust and more sustainable. Is debt repayment sufficient on its own, or do we have to take into account our broader liabilities, to rebalance the economy? The answer to the latter is yes, and the Minister was clear about that. He left the door temptingly open on whether this proposal is the right answer. He was generous in his acknowledgement of the strengths and benefits of sovereign wealth funds around the world. He rightly says, as my proposal acknowledges, that it would be wrong to start such a thing now. He leaves the door temptingly ajar, so that it might be something we should consider in future, but I understand that he cannot commit Her Majesty's Government to this at this point. However, that gives us

1. [Official Report, 19 December 2016, Vol. 618, c. 9-10MC.]

[John Penrose]

plenty of opportunity, on a cross-party basis, to come back to this and make sure that that chink of light is brought into full focus.

Question put and agreed to.

Resolved,

That this House has considered the UK Sovereign Wealth Fund.

A-level Archaeology

10.53 am

Tim Loughton (East Worthing and Shoreham) (Con): I beg to move,

That this House has considered the future of A level archaeology.

First, I declare an interest, having studied archaeology at university. I have hacked through jungles in pursuit of Mayan pyramid sites and spent wet summers in duffel coats digging up Roman forts on Hadrian's wall. I started such practices at the age of seven on a Saxon homestead on a windy hillside in Sussex. I am chairman of the all-party groups for archaeology and for the British Museum, and a fellow of the Society of Antiquaries. I want to put on record my thanks to Dr Mike Heyworth of the Council for British Archaeology, who provides the secretariat for the all-party group on archaeology and has provided very useful information for today's debate.

The subject of the debate may seem somewhat niche, although I am sure it does not seem so to you, Mr Owen, but it is important. If nothing is done, the current cohort of students studying archaeology in our schools and colleges will be the last. We have already lost the GCSE in archaeology. I studied AO-level archaeology all those years ago. Those days are long since gone, because in October, the AQA examination board, the last board offering archaeology at A-level, announced that after a lot of consideration it had made the difficult decision to discontinue, from September 2017, its work creating new AS and A-level qualifications in archaeology, classical civilisation, history of art and statistics. That is despite the fact that in 2016 more than 600 candidates sat the AS exams in archaeology and 369 sat the A-level. The number has been fairly consistent over the past five years.

On its website, AQA describes archaeology as

“one of the most exciting subjects in the curriculum. It is the ultimate subject for an ‘all-round’ student, in that it combines elements of many other academic disciplines, such as Science, Art, Technology, Geography, History, Sociology and Religious Studies. The study of Archaeology challenges students to understand and use a range of evidence to draw substantiated conclusions and raises their awareness of the uncertainty of knowledge.”

Indeed, it is one of the most exciting, challenging and stretching subjects in the curriculum. Far from scrapping it, we should be promoting and expanding it to more schools and more students, particularly in the state sector.

Archaeology is not some dusty, crusty, outdated subject for eccentric fossils like me. It teaches us about who we are, where we come from, where we can go, and how we relate to those around us. As the great Roman republican senator, consul and historian, Cicero, said, to be ignorant of what happened before one was born is to remain always a child.

Alex Chalk (Cheltenham) (Con): On that point, will my hon. Friend give way?

Tim Loughton: On the point of Cicero, I am delighted to have an intervention.

Alex Chalk: We will have some Ciceronian advocacy. Archaeology ought not to be seen as a poor cousin of history. All the reasons to study history apply in equal measure to archaeology.

Tim Loughton: My hon. Friend is absolutely right. Archaeology teaches us the disciplines of forensic analysis; how to peel back the layers of evidence, literally; how to contextualise and study the data in physical form—or often, as importantly, its absence in physical form—and to make assumptions based on scientific analysis. In a contemporary context, those same disciplines were brought to bear in the Shoreham air show tragedy in my constituency last year, when expert archaeologists were brought in to help in the grim but necessary job of identifying remains. There are many everyday applications for archaeologists in police, crime and detective work.

From archaeology, we learn a lot about our environment and the relationship between man and our landscape. We learn about why a bronze-age settlement was built on the side of the downs, for example, and about the relationship with sources of water and the preservation of scarce resources. How were the Romans able to keep food fresh and preserved without electricity and refrigeration? How did the Mayans build pyramids that mirrored the cosmos with the most accurate charts and calendars until the invention of the modern computer? How did the Greeks build such magnificent temples without JCBs and machines? They can all teach us a lot about recycling, respecting and conserving resources, and working in partnership with nature when food miles were scarce and expensive.

There are numerous examples of how archaeology has helped modern civilisation, such as the rediscovering of the Roman irrigation system in Libya to provide water for sustainable agriculture today. From archaeology we can learn about our society at a national and local level; what binds us together across generations; and where archaeological and heritage projects can be a major tool for regeneration and education, especially in deprived communities. Archaeology is a major driver of the economy, not only as a source of visitor attractions and because of its contribution to tourism, but as a serious employer in many sectors, too.

Heritage tourism in this country generated some £20.2 billion gross value added last year and is responsible for 386,000 jobs. The British Museum is the No. 1 visited attraction in the United Kingdom, with more than 7 million visitors. It is the world's greatest museum—a museum of and for the world and the culture of mankind on this planet. There is a contribution, too, from marine archaeology, through famous wrecks such as the Mary Rose, which attracts hundreds of thousands of visitors to Portsmouth.

In the creative arts, the stories, films and programmes about the treasures of Tutankhamun and Howard Carter, the documentaries on Egypt and the more fanciful adventures of Indiana Jones, for example, are all linked to archaeology. In Syria, there are horrific scenes of man's inhumanity to man, but more attention was given to the tragedy because of the destruction of archaeological treasures and UNESCO world heritage sites, such as the magnificent Palmyra, which I was privileged to visit when it was safe to do so.

Kevin Foster (Torbay) (Con): My hon. Friend refers to the jobs created in the heritage sector. I am grateful to Dr John Davey, the lab manager for archaeology at the University of Exeter. He told me that 55.3% of those employed in this area are aged 45-55 years. Does my

hon. Friend agree that that shows the importance of continuing A-level archaeology to recruit the people we will need in future to replace those retiring?

Tim Loughton: My hon. Friend is right. I am very grateful for the work that many academics in archaeology departments have done to communicate important facts to Members of Parliament about how archaeology applies across the generations and across social backgrounds.

Going back to Syria, a nation's soul is its culture and heritage. That is why it is so important to preserve and protect important sites and the products of their civilisations. If war-torn countries such as Syria are to pull themselves up and recover, retrieving a sense of cultural identity will be a major part of that, but when misused, archaeology can be distorted by nation states to create slanted, propaganda-driven visions of the past.

There is also the practical application of archaeology and archaeologists in a developed industrial country such as the United Kingdom. If we are to build houses, develop communities and construct major infrastructure projects, we need archaeologists to recce and clear the ground first. If the northern powerhouse, High Speed 2, garden cities and the like are to happen, we need trained archaeologists in at the beginning. They are in short supply, as confirmed by the Chartered Institute of Archaeologists and the study carried out by the all-party parliamentary group on archaeology.

Historic England has said that it is

“concerned to hear that archaeology will no longer be an option at A-level. We anticipate growing demand for archaeologists trained to handle the large number of excavations likely to be needed in advance of housing development and major infrastructure projects. So we need to be encouraging the development of archaeological skills, and broadening the appeal of archaeology as a discipline. This move will close off a small but significant route into the profession. To address the situation we are working with universities and other organisations to promote archaeology apprenticeships and vocational training to offer potential new routes into the profession.”

Professor Carenza Lewis of the University of Lincoln and of “Time Team” fame notes that archaeology develops a range of transferable knowledge and skills, such as credible thinking, structured working, reflective learning, report writing, team working, verbal communication and citizenship, and that a lack of those skills often disadvantages students, particularly those from less affluent backgrounds, when they attempt to continue their education or enter the workplace. I say “hear, hear” to that. I could add a whole list of disciplines involving the environment, sustainability, culture, regeneration and heritage.

Archaeology is also a major source of volunteering. In 1985, the Council for British Archaeology calculated that there were something like 100,000 archaeological volunteers across the country, spread between about 450 societies. By 2010, that had grown to 215,000, across 2,030 organised archaeological groups and societies. Dr Daniel Boatright, who teaches archaeology A-level at Worcester Sixth Form College and started a petition that has so far attracted 13,261 signatures, says:

“Specialist A-levels like archaeology are vital tools in sparking students' interest in learning and in preparing vital skills for use when they go onto university courses. AQA is extremely naïve if it believes UK students will benefit from a curriculum of only the

[Tim Loughton]

major subjects. What we will be most sorry to lose is a subject capable of bringing out talent and potential in students that might have been left undiscovered.”

He is absolutely right.

Why is archaeology A-level so integrally important? Nearly three quarters of students who study A-level archaeology go on to study it at university, from where many of our archaeology professionals come. That route to jobs will now be cut off.

It is clear that this decision by AQA is hasty and ill-thought-through. It was announced without any discussion with anyone in archaeology or anyone associated with the delivery of the A-level or its redevelopment. It came out of the blue, apparently flying in the face of the archaeological community, which is and has been ready to offer additional support and publicity for the new qualification and has already undertaken research on what is needed. A lot of hard work has already taken place in expectation that the archaeology A-level would be revamped, reinvigorated, grown and promoted. As the Council for British Archaeology said, the archaeology profession has been developing Government-approved apprenticeships, which are due to be launched in 2017. Together with A-level archaeology, they would have offered an important alternative pathway into the profession at a time when there is a growth in demand for archaeologists linked with large infrastructure projects. I want to pay tribute to the good work done by the Department for Education in promoting the Heritage Schools project to bring archaeologists and other experts into schools.

AQA has given three main reasons for its decision to discontinue the qualification: the complexity of the syllabus means that there is a lack of specialists to act as markers; there are declining numbers coming forward to study the subject, although they have been fairly constant over five years; and there are difficulties in maintaining a comparative marking system with the degree of optionality available in the specification.

The archaeological community has queried all three points. Feedback from Ofqual had been very positive about the development of the new specification and the progression of the drafts. There is general consensus among examiners and teachers that the new syllabus would reduce complexity; there is a wealth of qualified examiners and teachers; and there are offers of increased support from higher education archaeology academics. People who have applied to become markers of the archaeology A-level are on a waiting list. The necessary specialisms are available in the existing examining group; there has been no attempt by AQA to discuss this with the group, which I think is a great shame. It makes no sense that AQA has dropped the subject at this time.

Alex Chalk: Does my hon. Friend agree that the criticisms or concerns raised by AQA apply just as much to history of art? It made a U-turn on history of art, and therefore it ought to make a U-turn on this as well.

Tim Loughton: It has not made a U-turn on those subjects; they have been taken on by another examination board—I will come to that in a minute—but my hon. Friend makes a valid point.

There has been a glimmer of hope: alternative examination boards have shown an interest, most notably Pearson UK, which has previously come to the rescue of under-appreciated subjects, and which announced earlier this month that it would be taking over the art history and statistics A-levels and GCSEs and A-levels in five minor languages. Yet the archaeology A-level is left to languish unloved. I am encouraged to hear that, after an initial rejection, Pearson UK is meeting a delegation from the CBA, the chair of University Archaeology UK and the chief examiner for AQA A-level archaeology next week.

The archaeological sector has been galvanised into offering considerable support for the development and delivery of the new archaeology A-level specification, with offers from employers, academics, archaeological contractors, teachers, Historic England and assorted professional bodies. The all-party parliamentary group stands ready. Sir Tony Robinson—I am delighted that he is not far from us today—who did so much to inspire a generation of children, including my son, to dig up their garden in the pursuit of the past, as well as all his work with “Time Team”, is also fully behind the campaign. He has described the loss of archaeology A-level as

“a barbaric act...It feels like the Visigoths at the gates of Rome.”

So why is this down to the Government? What do I want the Minister to do? The situation comes about as a result of changes to A-levels under this Government. AQA has said that, prior to its decision, it was fully committed to offering a new A and AS-level in archaeology, accredited by Ofqual, using the subject criteria determined by the Department for Education. It had already put considerable resources into developing those new qualifications, fully intending to offer them from 2017. However, in the process of developing and obtaining accreditation for the new levels, it concluded that the new qualifications developed from the Government’s criteria would be extremely challenging to mark, as the large number and specialist nature of the options created major risk to safely awarding grades. It was in that context that AQA concluded that there were unacceptable awarding delivery risks for the new archaeology A-level.

AQA has signalled that, if it gives up the A-level, it is agreeable to handing over the majority of the specification material that has been developed for the planned archaeology A-level, together with initial comments from Ofqual. It also helpfully agreed to consider continuing to offer the existing specification for a further year to aid a transition to a new exam board and ensure that there is no gap. On 23 November, the Minister replied to me that he was in discussion with other examination boards on this issue. I would like to know what progress has been made. He praised Pearson UK for coming to the rescue of the other A-levels that had been dropped, but curiously not archaeology.

I know that the Minister is an accountant, but surely even he could not fail to be seized by the moment when Howard Carter glimpsed those treasures of Tutankhamun, hidden from human reach for 3,300 years; when Sir Leonard Woolley first came across the Sumerian treasures from the royal tombs at Ur; or when Hiram Bingham first glimpsed that fantastic Mayan city in the sky, Machu Picchu. Surely even the Minister, with his frenzied interest in spreadsheets and profit and loss balance paragraphs,

could not have failed to be enthused and to grab for a four-inch pointing trowel to investigate what lay beneath his feet.

Parliament has a special relationship with archaeology. It was this House that, in 1753, in an Act of Parliament, established the British Museum as a universal museum; it now has 8 million items. Sir Austen Henry Layard, Liberal MP for Amersham from 1852, gave us invaluable archaeological records and some of the first sketches of the ruins at Nineveh, Nimrod and Babylon. Lord Avebury, MP for Maidstone from 1870, rescued Avebury—the largest stone-age site in Britain—invented the terms palaeolithic and neolithic, and drove the Ancient Monuments Protection Act 1882. We have a special relationship with, a special interest in, and a special duty to the archaeological treasures of this country and, indeed, the world.

This is an opportunity for the Minister to prove that he is not a Visigoth. All excavation archaeology is inevitably destructive, but has the legitimate and valuable purpose of adding to the knowledge of man.

Kirsten Oswald (East Renfrewshire) (SNP): Will the hon. Gentleman give way?

Tim Loughton: I am going to finish.

Destroying such a successful route to widening that knowledge is unforgivable and illegitimate. I hope that the Minister will think again.

11.12 am

The Minister for School Standards (Mr Nick Gibb): It is a pleasure to serve under your chairmanship, Mr Owen. I congratulate my hon. Friend the Member for East Worthing and Shoreham (Tim Loughton) on securing this very important debate. I agree with him—I have never seen him as a dusty fossil, and I hope he does not see me as a Visigoth—about the importance of archaeology. It is an important discipline. It connects our present to our past and helps us understand what it means to be human. Anyone who has had the privilege to visit Pompeii or gaze in wonder at the treasures of Sutton Hoo—even an accountant—knows how far archaeology has enriched our cultural heritage and our understanding of the past. It would indeed be a tragedy if our young people were prevented from pursuing archaeology as a career in the future.

Securing a pipeline of students to study archaeology at university, as my hon. Friend did, is clearly very important, but it would be wrong to assume that only students who study the subject at A-level go on to degree-level study. As he knows, archaeology is a broad subject requiring critical analysis and research skills. It covers aspects of art, history, science, sociology and mathematics. Universities look for students who have a range of academic A-levels for entry to their archaeology courses.

For those reasons, and because the archaeology A-level is not widely available, universities do not require an A-level in the subject as a prerequisite for degree-level study. The number of students currently studying the subject at A-level is very low: there were just 340 entries in 2016, of which just 26 were from state-funded schools. Although the Council for British Archaeology has sought to encourage take-up of archaeology A-level, it also

advises students who are contemplating a degree in archaeology to consider humanities A-levels, particularly history, geography or geology, and a science A-level where the course follows a science-based route. A knowledge of ancient languages can also be a useful route in many courses.

Those are the subjects that many universities are looking for. A greater focus on those facilitating subjects will ensure that a broad range of high-quality choices are available to A-level students and help them to choose the subject that will open the most doors to top university courses. We have worked with universities and exam boards to develop new A-levels that better prepare students for university study, including in each of those subjects.

In history A-level, students must study topics from a chronological range of at least 200 years, and might, for example, make use of archaeological sources to complete their compulsory, independently researched historical inquiry. In ancient history, students must develop a broad and extensive understanding of the ancient world. They must understand the nature and methods of the analysis and evaluation used to examine historical evidence. In geography and geology, students are now required to have extensive practical field work skills and the analytical knowledge to interpret their findings. Across a range of subjects, our reforms to A-levels will equip students with the knowledge that is essential for undergraduate study.

My hon. Friend raised concerns about AQA's decision not to develop a new archaeology A-level for teaching from September 2017. I share his disappointment about its decision. I assure hon. Members that, contrary to some media reports, it was not a Government decision; it was taken by AQA itself. Our intention has always been that there should continue to be an A-level in archaeology, which is why we published subject content earlier this year. The way our exam system works is that individual exam boards decide which qualifications to develop once the Government have set the relevant framework. The Government can seek to persuade where necessary, but ultimately we cannot require the boards to develop particular qualifications. Their decisions on whether to do so depend on a range of factors, including the level of demand for a qualification and the extent to which they can offer a high-quality qualification and award grades to students fairly and consistently.

In this particular case, AQA initially intended to develop a new archaeology A-level, but, having submitted an initial specification to the regulator, Ofqual, for accreditation, it reviewed its position and concluded that it was not able to continue. It explained that the decision was due to concerns about challenges in ensuring that grades could be awarded in a safe and fair way, given the small number of students taking the subject and the wide range of options that the qualification would need to offer, which meant that ensuring comparability between students would be difficult.

Tim Loughton: The points that the Minister is making about archaeology apply also to statistics and history of art, which have been saved. I quoted the problems that AQA cited. Will the Minister acknowledge that there is a problem with AQA and that many people are moving away from it? It did not consult the archaeological community, which offered help on all those problems,

[Tim Loughton]

so they could have been addressed. Because it is the only examining authority that still offers archaeology, the future of archaeology is now in peril.

Mr Gibb: I will come to the other A-levels that my hon. Friend refers to in a moment. AQA was also having difficulty recruiting suitable examiners for the qualification. Those challenges also apply to the existing A-level, which AQA offers. It tried for some time to find acceptable solutions, but unfortunately it has not been able to do so.

My hon. Friend asks what action the Government have taken to secure the future of the qualification. As soon as AQA notified us of its decision not to continue to develop A-level archaeology, in addition to, as my hon. Friend said, history of art, classical civilisation and statistics, we opened urgent discussions with the other exam boards to see whether they were willing to offer those subjects.

As my hon. Friend mentioned, discussions with the exam board Pearson were positive. On 1 December, in a written statement, I announced that Pearson is to develop A-levels in history of art and statistics. Classical civilisation has already been developed by another exam board, OCR, and the specification has been accredited, so the A-level is available for schools to teach from next September.

Unfortunately, no exam board has been willing to develop a new A-level in archaeology for teaching from 2017. Other boards felt unable to overcome the challenges identified by AQA in relation to that particular qualification. The A-level will therefore no longer be available for students starting courses from September 2017. The option for any exam board to develop an A-level in archaeology, however, will remain open. I reassure my hon. Friend that students studying archaeology A-level now, for examination in 2017 and 2018, are not affected by AQA's decision. They may continue to study the subject and to take the qualification.

My hon. Friend also expressed the concern that, were students no longer able to study archaeology A-level, they would not have the opportunity to be introduced to archaeology as a discipline or be encouraged to take the subject further. I disagree with that analysis. Recent archaeological finds such as that of Richard III and the site at Must Farm, with the wide coverage they received, can only serve to engage and enthuse a new generation of potential archaeologists.

Kirsten Oswald: I am an historian, rather than an archaeologist, and I find myself in agreement with much of what the hon. Member for East Worthing and Shoreham (Tim Loughton) said. Does the Minister agree that initiatives such as Dig It! 2017 and the inaugural Scottish archaeology and heritage festival are important in encouraging people to take an interest in archaeology and perhaps pursuing it as a further course of study?

Mr Gibb: I could not agree more with the hon. Lady. Such activities, when they receive wide coverage in the media, enthuse people generally to be interested in the subject and young people to consider archaeology as a career.

Dr Julian Lewis (New Forest East) (Con): I apologise for arriving late to the debate. The Minister is showing that of course he is not a Visigoth, or a Goth of any sort. If any Minister can be relied on to protect an important subject, albeit a minority one, it is he. Therefore, and in the light of concerns expressed by people such as the staff, parents and students of Brockenhurst College in my constituency, where archaeology is taught extremely well, will he do his very best to redouble his efforts to persuade another board to take up that important subject?

Mr Gibb: I am grateful for my right hon. Friend's kind comments. I suspect that his school, Brockenhurst, must therefore be a major contributor to the 26 A-level archaeology entries of 2016, and I congratulate it on its wide-ranging curriculum. I assure him that I left no stone unturned in my encouragement of other exam boards to adopt the subject, as with the languages with small cohorts—we were successful in persuading Pearson to take up those subjects, too.

It remains open for any board to produce a specification or an offer to take forward archaeology. We published the content because we want the subject to continue. We remain open to any exam boards wanting to set an archaeology A-level.

The changes we have made to the national curriculum will help to provide students with a greater understanding of the subjects that they study, feeding their enthusiasm for further study. In history, students are now required to have greater chronological understanding through the study of a wider range of historical periods, including more than one ancient civilisation. Enrichment activities, such as battlefield tours of the western front, in which 1,400 schools have participated to date, have enabled students to gain a deeper understanding of, and develop an interest in, significant historical periods.

Many universities will expect students to arrive already having had work or volunteering experience in museums or heritage sites, or having had practical experience in the field, where possible. Organisations such as the Council for British Archaeology, which runs almost 70 Young Archaeologists' Club branches all over the UK, and industry magazines such as *Current Archaeology* offer a wealth of volunteering opportunities around the country.

I hope that I have been able to reassure my hon. Friend the Member for East Worthing and Shoreham that the Government are fully committed—

Tim Loughton: The Minister and I have been in this place a long time. With great respect, if he says that he really has left no stone unturned in pursuit of an alternative, he would not make a good archaeologist. Can the Minister honestly say that he has gone to every examination board and made a case as strongly as has clearly been made for those other subjects rescued and saved by Pearson and that he really thinks nothing further can be done? If so, that will come as a huge blow to many people in the archaeology community in this country, and in years to come, his colleagues in the Department for Communities and Local Government will find their plans for infrastructure projects seriously thwarted because he has not been able to produce trained archaeologists to do that vital job.

Mr Gibb: I am grateful for my hon. Friend's words, but with respect the absence of an A-level does not prevent students from taking the subject at university. As I explained earlier, universities are looking for a range of A-level subjects for entry into the degree subject. That is where his focus should be: on encouraging more young people to study archaeology at university.

We did leave no stone unturned. The exam boards have been facing financial issues to do with the cost of running examinations, and both OCR and AQA have dropped a range of subjects. Thanks to the work of Department for Education officials, we have managed to persuade Pearson to take on a number of subjects despite their small cohorts and the fact that they will not be lucrative for the exam board to pursue. We have to be realistic.

As I said, even now if an exam board came forward with an offer to continue to develop a new archaeology A-level, the Department would be responsive—our intention was not that the subject should be dropped at A-level. I am as disappointed as my hon. Friend about the decision, the root of which, however, is the low numbers who have been taking the subject in recent years: down to 26 in state-funded schools and 340 across the piece, compared with more than 80,000 taking the single most popular A-level, maths. That is the degree of difference between archaeology and the more popular subjects.

I hope that I have explained that the Government share the concerns about AQA's decision to withdraw from archaeology, but I am confident that our wider A-level reforms will equip students with the knowledge, skills and drive that they need to succeed, whatever their chosen field.

Question put and agreed to.

Resolved,

That this House has considered the future of A level archaeology.

11.27 am

Sitting suspended.

Exiting the EU: Businesses in Wales

[STEVE McCABE *in the Chair*]

2.30 pm

Chris Elmore (Ogmore) (Lab/Co-op): I beg to move,

That this House has considered the effect of exiting the EU on businesses in Wales.

It is a pleasure to serve under your chairmanship, Mr McCabe. The effect that exiting the European Union will have on businesses in Wales is incredibly important, so I thank hon. Members for attending. This debate offers an opportunity to recognise the challenges ahead and gives the Government the chance to clarify their Brexit plan for Wales, on which I sincerely hope for some detail from the Minister.

Businesses in Wales have serious concerns that the Government do not have a plan for how Brexit will work for them. The success of our local small and medium-sized enterprises should be a concern for us all. When local businesses do well, they not only generate jobs and meet the needs of our communities, but fill up our high streets, liven up our towns and inspire the businesses of the future. Businesses throughout Wales are facing dangerous uncertainty and need the Government to publish their plan for Welsh Brexit.

One of the starkest consequences of exiting the EU for businesses in Wales could be a widening funding gap. Each year the EU contributes about £650 million in investment to Welsh social businesses and SMEs. Each pot of funding that has helped our businesses to thrive seems only to have been made possible by EU contributions. The social business growth fund, for example, contributes £4 million, but £2.3 million of that is from the EU. Similarly, the Wales business fund provides £136 million, but £76 million is from the EU. In addition, we have low-interest loans from the European Investment Bank, which have enabled companies and public bodies throughout Wales to thrive; the European regional development fund, which, among other projects, will provide £106 million for phase 2 of the south Wales metro; and Horizon 2020, which has been pivotal for Welsh universities. Without Government planning for Brexit, our Welsh businesses could see a serious dent in their funding.

To the Government's credit, the Chancellor has announced that the Treasury will guarantee all multi-year EU business funding agreed before Brexit, but we need confirmation of the Government's plan for EU funding that does not fit that criterion. The Government must also provide clarity about the status of the cumulative £2.7 billion post-2020 EU funding that has not yet been underwritten by the Treasury.

Our departure from the EU might also have an impact on the availability of training in Wales. Jobs Growth Wales, the Welsh Government scheme to get young people into work, will support the creation of 8,955 new job opportunities for 16 to 24-year-olds over the next three years, and has only been made possible by the European social fund. Similarly, the Workways Plus scheme was made possible by £7.5 million from the European social fund. The scheme offers one-to-one mentoring to help long-term unemployed people

[Chris Elmore]

become ready for work, gives an opportunity for people to gain new qualifications and finds paid positions for some.

Thousands of apprenticeships throughout Wales also rely on the EU and could be affected by our exit. The European Alliance for Apprenticeships, launched in July 2013, works closely with the Welsh Government to strengthen the quality, supply and image of apprenticeships. The alliance has been pivotal in securing and promoting opportunities throughout Wales.

Other consequences could include Britain leaving the single market or ending freedom of movement, which could affect businesses in Wales. Welsh universities, and the businesses reliant on them, would be particularly impacted by the end of freedom of movement. Each year more than 7,000 EU students enrol at universities throughout Wales. Were the Government to clarify their desired future migration arrangements, universities and associated businesses could plan accordingly. As things stand, the Government have given no clear indication of whether restrictions will be applied and the enrolment of EU students will decrease once we have left the European Union.

When this House debates the effect of exiting the EU, we sometimes allow the discussion to slip away from the reality on the ground, but I want to focus on the real impact that exiting the EU will have on one business in my constituency. It is one of the UK's leading manufacturers in its industry. It has asked to remain anonymous, but kindly told me its concerns about the future, which I will share with the House. Its business is already being impacted by a downturn in construction activity and sizeable currency fluctuations. It tells me that the scale of potential change is vast, and that if widespread change materialises, the implications for resources and productivity are significant. For that industry-leading business, the level of uncertainty is of serious concern and must be addressed urgently.

This business employs people throughout the UK, not only in my constituency. It needs clarity on the form of Brexit, and it needs a plan. Specifically, it needs to know whether the Government plan to stay in the single market and the customs union. It tells me that it needs a commitment to ensuring that Britain can secure the right skills in the workforce. It also needs assurances that other policy voids, such as the one on energy efficiency, will be filled.

The bottom line is that business in Wales is crying out for a Brexit plan for Wales. When the UK leaves the EU in March 2019, in all likelihood the engine of Welsh business will not break down, but if the Government do not plan, it will slowly lose fuel and industries will come to a halt. Wales needs not a red, white and blue Brexit, as the Prime Minister suggested, but a comprehensive strategy to deliver the most secure outcome. Vague platitudes from the Government mean nothing and serve only to distract from the fact that, as things stand, we are being led into the night without a torch.

Wayne David (Caerphilly) (Lab): Does my hon. Friend agree that Norgine, a Dutch pharmaceutical company with a manufacturing facility in Hengoed, speaks for many businesses in Wales when it states that it wants a very soft Brexit?

Chris Elmore: I completely agree with my hon. Friend. I am getting that constantly from businesses in my constituency. My hon. and learned Friend the Member for Holborn and St Pancras (Keir Starmer), the shadow Secretary of State for Exiting the European Union, has asked the Government 170 questions on how the UK will be shaped after we have left. To minimise that, I will ask the Government only three simple questions about the effect of exiting the EU on businesses in Wales. Will the Government guarantee to replace post-2020 EU funding that has not yet been underwritten by the Treasury? What steps will be taken to ensure that there is not a training shortage in Wales once we have left the EU? How will the Government involve business in Wales in their EU negotiations, and in representations made by the Secretary of State for International Trade?

Mr David Hanson (Delyn) (Lab): May I add a fourth question to my hon. Friend's helpful list of three? Will the Government come clean on whether deals have been done with companies such as Nissan in the north-east? In my constituency and that of my hon. Friend the Member for Alyn and Deeside (Mark Tami), we have a large number of car manufacturers. For example, Vauxhall, although in England, and Toyota employ my constituents and those of my hon. Friend, and they depend on access to the single market.

Chris Elmore: I completely agree with my right hon. Friend. In addition, the constituency of my hon. Friend the Member for Bridgend (Mrs Moon), who could not attend today, includes the Ford plant that borders my constituency, and I would ask for similar guarantees on the automotive industry, because it has a direct effect in Ogmere.

I will be surprised if the Minister answers any of my questions, but I will conclude with a warning. Leaving the EU will inevitably have an effect on businesses in Wales, but the uncertainty that the Government have created is completely unnecessary. The Government need a plan for businesses in Wales, which they need to announce to the House for the attention of businesses in all our constituencies. The EU is embedded in businesses throughout Wales, and it contributes to funding, training and opportunity.

Mark Tami (Alyn and Deeside) (Lab): The focus is often on the big primes—my constituency has Airbus and Toyota—but I am particularly worried about the supply chain, especially if it supplies other parts of a business in Europe. In that case, companies might think that they are better placed there and relocate there, which would cause massive harm to all our areas.

Chris Elmore: I entirely agree with my hon. Friend, and I echo his concern. I hear that constantly from small businesses, not only in my constituency but across the piece, living as I do in south Wales.

Geraint Davies (Swansea West) (Lab/Co-op): Do my hon. Friend and the Minister agree that there should be a level playing field? If certain motor companies are selected for special subsidies through under-the-table deals, that discriminates against other companies, whether they are big, like Airbus, or smaller suppliers. We need

support for all exporters and subsidiary suppliers that will be confronted by tariffs, so that they can continue to compete effectively.

Chris Elmore: I thank my hon. Friend for that intervention, which the Minister heard. My hon. Friend is right to make the point that we need a fair playing field for all businesses across Wales and, indeed, the UK.

The opportunities that the EU offers will be sorely missed if the Government do not create better circumstances for businesses in a post-EU Wales. Businesses in Wales are clear that they are willing to adapt to a post-Brexit Britain, but they need certainty and assurances from the Government about what that will look like. As Members of Parliament, it is our duty to go back to our constituencies and tell businesses what they can anticipate from Parliament and the Government in the near future, but I cannot give them any assurances because this House has not been given any by the Government. I am not asking for a running commentary—I leave that privilege to the Foreign Secretary—and I am not hoping for a line-by-line strategy; I am asking only for a few select assurances, so that business in Wales can begin to plan.

I ask again: will the Government guarantee to replace the cumulative £2.7 billion post-2020 EU funding that has not been underwritten by the Treasury? What steps will be taken to ensure that there is not a training shortage in Wales? How will the Government involve businesses in Wales in their EU negotiations and representations made by the Secretary of State for International Trade? I suspect that the Government are unable to provide any answers, and I can only assume that is because they do not have any.

2.41 pm

Ian C. Lucas (Wrexham) (Lab): It is a great pleasure to be here today with you in the Chair, Mr McCabe. I represent a successful manufacturing and exporting constituency with many businesses that export both to and outside the European Union. The terms of trade that apply when those businesses deal with customers from outside the UK are extremely important for their day-to-day planning. As anyone who has run a business knows, certainty is precious and fundamental to the ease of running any business, but the one thing that we lack as far as terms of trade are concerned is certainty. That is a fundamental barrier to running a business in the UK with ease. The Opposition will therefore continue to press the Government to provide more certainty for businesses, so they can start to plan for an imminent massive change.

That change is not just about terms of trade; the regulatory mechanisms that apply to any modern business and its area of operation are also vital. The automotive sector has already been referred to. When I was the automotive Minister, it was important that we had clear environmental regulatory standards that were agreed internationally, because the automotive sector operates internationally. Some people talk about “quickie divorces,” but those will not help businesses that need to plan ahead—to develop new cars to new environmental standards, for example. The international environmental standards that will apply need to be made clear to businesses, but at the moment we have no idea what the mechanism for establishing such standards will be in a post-EU world.

Stephen Kinnock (Aberavon) (Lab): Does that not mean that certainty for businesses in Wales and across the United Kingdom will be conditional on a commitment to a transitional arrangement? We must not have a situation where the article 50 negotiations come to an end in 2019 and we fall off a cliff edge, because that would cause so much uncertainty, not just about tariffs but about the regulatory environment to which my hon. Friend refers.

Ian C. Lucas: Indeed. It seems increasingly likely that there will be some kind of transitional phase. I have talked about one set of standards—the environmental standards in the automotive sector—but different regulatory regimes will apply to all sorts of businesses right across the piece. Constructing the mechanisms that will apply to businesses and our relationship with the European Union after we leave will involve a huge amount of work. Regimes will have to be defined for areas such as financial services, broadcasting and pharmaceuticals, and those will have to apply very soon. If those systems are going to be in place within the next two years, we need to provide clarity to businesses that are making investment decisions now. Businesses in Wrexham that I represent, such as Wockhardt and Ipsen Biopharm, which are both exporting pharmaceutical companies, need to know what our relationships will be. If they do not, they may begin to reflect on whether the business environment in this country will be as effective, successful and supportive for them in the future.

My objective for post-Brexit Britain and Wales is for the UK to be as close as possible to membership of the single market, while retaining the right to devise and implement immigration policy. If I were negotiating, that is what I would want. I would love the Government to provide that sort of clarity about its negotiating position. It is really important that we have access to the single market. Membership of the EU and the single market has benefited the Wrexham economy hugely—it has become very much an exporting economy—but the lesson of the referendum is that we have failed to manage migration to the UK. I am clear that we must apply a managed migration policy for EU citizens.

Wayne David: Does my hon. Friend accept that there is a need to differentiate between skilled and unskilled labour?

Ian C. Lucas: Absolutely. One of my questions for the Minister is: what migration system will apply to EU citizens? We already have a system in place for citizens from outside the EU, and I imagine that if we jump off the cliff that my hon. Friend the Member for Aberavon (Stephen Kinnock) referred to, EU citizens will, by default, be put in the same position as people who come to the UK from outside the EU. However, I have seen reports in the press that the Prime Minister thinks that the points-based immigration system for people from outside the EU that the Labour party introduced when it was in power is not restrictive enough. I would really like clarity on that question from the Government, because we need to have a system in place. In my constituency, we have really important multinational manufacturing businesses such as Kellogg’s and Solvay, whose members of staff travel regularly from mainland Europe to the UK. Those businesses need to know what system will be put in place for them to manage that.

Mark Tami: My hon. Friend makes an important point. For Airbus, for example, if a wing is not fully finished in Broughton but needs to be fitted in Toulouse or Bremen, they will send workers, chase the wing and carry on the work that needs to be done. We clearly must not be in a position where they will have to apply for some sort of work permit to do that—that would be ludicrous—but we just do not know what is going to happen.

Ian C. Lucas: As my hon. Friend makes clear, there will be a system in due course and the issue will be managed, but we have no idea what the system will be. More importantly, the businesses that will be required to operate it have no idea. This is a massive task. If we are to have a new system—not the points-based immigration system that applies to citizens from outside the EU—the Government must tell business what that will look like, what requirements and burdens they will impose on employers and where responsibility lies.

Stephen Doughty (Cardiff South and Penarth) (Lab/Co-op): My hon. Friend is making a strong speech.

Individuals are also incredibly affected, including constituents of mine who have found that contracts they were meant to be working on in other EU member states in collaborations, and vice versa, have been cancelled because of the precautionary principle, given the uncertainty about what will happen and the risk of not being able to work on the projects in the next five or six years.

Ian C. Lucas: My hon. Friend makes an excellent point. The clock is ticking on all these issues—I will sit down shortly because several of my hon. Friends want to make speeches—but what is really ticking is the clock for the Government. It is their responsibility to implement the policy they wish to see on these important matters, which could ultimately undermine confidence in business in our communities and affect the prosperity of our constituents.

We need a bit of straightforward clarity from the Government about the mechanics of what the new systems will look like, and we need engagement from the Government. That is not just about listening but about beginning to tell business what its responsibilities will be and what post-Brexit Wales will look like. That responsibility rests firmly with the Government, who have brought the situation about, and that must be made clear to our constituents. We need to have that clarity as soon as possible.

2.52 pm

Liz Saville Roberts (Dwyfor Meirionnydd) (PC): Diolch yn fawr. I thank the hon. Member for Ogmore (Chris Elmore) for securing this important debate. It is a pleasure to serve under your chairmanship, Mr McCabe. We find ourselves in a situation whereby there is a real risk that the UK Government will set sail on a course that is counter to the interests of Wales. The way in which we exit the EU is clearly still an ongoing fight. My priority is to argue for the least damaging option for the Welsh economy, which includes campaigning for the best possible outcomes for businesses across Wales and in my constituency.

Plaid Cymru has been united and consistent in its campaign to maintain membership of the single market and customs union from the very beginning. That is by

far the least damaging option for the Welsh economy, first because of the wide-reaching benefits that being a single market and customs union member has for trade in Wales as an exporting economy. Of course, Wales has an annual goods trade surplus of £5 million whereas the UK has a deficit. Secondly, continued membership would enable Wales to qualify for certain cross-border and transnational programmes that promote research and innovation, both of which are integral to a dynamic and entrepreneurial business community.

The last report of the Federation of Small Businesses' UK small business index showed that, for the first time in four years, more businesses were pessimistic than positive about the future. That was the third quarter in a row in which there had been a downturn in confidence. A glimmer of hope is that 55% of the businesses stated they wanted to grow in the coming year, which shows that ambition is still strong. Businesses want to prosper and, of course, they will do that only if they have the nurture they require, which only Government can provide.

Having spoken to various stakeholders in my constituency, it is clear that the certainty and stability of the UK market has taken a hit. They are very much alert to the fact that the forthcoming negotiations will have long-term implications across the country. The Federation of German Industry in the UK, which represents German companies in the UK, has representatives in my constituency who are particularly concerned about the loss of confidence in the UK market. Among those companies, CeKa, long-established in Pwllheli, has expressed clear apprehension about the volatile exchange rate. It is also concerned about cost increases from possible new tariff and non-tariff barriers. The Government should be doing all they can to mitigate those uncertainties now. We could achieve that by remaining part of the single market and customs union.

SMEs are the backbone of the Welsh economy and, with the right support, they can be adaptable, responsive and resilient. When handled well, they have every potential to flourish as one of our most important assets in Wales. We need to put a support framework in place now and do everything we can to help them weather the storm.

Continuing with the German theme, Plaid Cymru has long emphasised the need for a Welsh "Mittelstand"—that is the term used to describe indigenous medium-sized firms in German-speaking countries. Such companies are locally grounded but successful exporters, with strong brands in specialised niches and with long-term growth potential. They characterise one of the strongest and most resilient global economies.

Another area of concern for a company in my constituency, which is of substantial significance to the local economy, is the uncertainty surrounding that which will replace the rural development programme and, for that matter, the common agricultural policy. South Caernarfon Creameries employs 130 staff and also has 130 suppliers selling Welsh milk from Welsh farms. I emphasise that it collects milk from farms across Wales. As a result, the creamery generates at least £30 million a year for the local economy. It has recently expanded as a result of moneys provided by the EU and is planning on doing so once more. Since the vote to leave the European Union, however, the Government have failed to shed any light on how they intend to compensate for the millions of pounds lost.

Kirsten Oswald (East Renfrewshire) (SNP): It is interesting to hear how South Caernarfon Creameries, which is of great significance to the rural economy in the hon. Lady's constituency, has relied on money generated by the EU for expansion. Will she join me in expressing concern about the way in which the common agricultural policy is repatriated and implemented in the eventuality of the UK leaving the EU?

Liz Saville Roberts: I share the hon. Lady's concern, not least because the National Farmers Union has presented evidence to the Welsh Assembly that indicates that if the money that reaches Wales from the common agricultural policy were to be Barnettised—to go through the Barnett formula—that would result in a 40% decrease in the money reaching Wales.

To return to the creamery issue, we have yet to see any real clarity on how that will be addressed, and that is of considerable importance to anyone involved in agriculture and the rural economy. As we know, Wales is a net beneficiary from the EU to the tune of £79 per individual a year. Businesses must not be left second-guessing where their future lies and how they can plan ahead.

I will refer specifically to business rates. Businesses in Gwynedd have experienced an average increase of 8.9%, which I believe is the second highest after the county of the Under-Secretary of State for Wales, the hon. Member for Aberconwy (Guto Bebb), who will address us anon. I join my Assembly colleagues in pressing Labour's Welsh Government to investigate all available powers to ensure that business rates do not penalise businesses. For example, they could use index business rate multipliers to the consumer prices index rather than the retail prices index; variable multipliers, so that small businesses are not disproportionately taxed; three-yearly revaluations, because Gwynedd waited eight years for its most recent revaluation, which had a considerable impact on the increase; and an equitable valuations appeals process. In addition, I strongly urge the Welsh Labour Government to consider adopting Plaid Cymru's business rates support scheme, which would be likely to benefit tens of thousands of businesses across Wales.

Ian C. Lucas: I want to make the point that the delay in the revaluation was because of a decision by the UK Conservative Government. It was nothing to do with the Welsh Labour Government.

Liz Saville Roberts: I emphasise that business rates are devolved and that there is great potential for the Welsh Government to use that as a means to support business. Businesses are seeing 100% increases in their business rates valuations under the present arrangements, and that is extremely difficult for them. Plaid Cymru's scheme would mean that all businesses valued at £15,000 or less would benefit, and those valued at under £10,000 would not pay anything at all. That would be likely to affect 80% of businesses in Wales, and I think some 70,000 would end up paying no business rates at all, which, knowing my local businesses, I am sure would be greatly welcomed.

Businesses are the backbone of the Welsh economy, and with the right support they can be resilient. To enable that, the UK Government need to come clean on their strategy and Labour's Welsh Government need to use their devolved powers creatively and boldly to do

everything to enable Welsh businesses to weather the storm. Every possible safety net must be put in place to mitigate the potentially tempestuous period in front of us, and both the UK Government and the Welsh Government should have a plan to ensure the long-term resilience of Wales.

2.59 pm

Geraint Davies (Swansea West) (Lab/Co-op): It is a pleasure as always to serve under your chairmanship, Mr McCabe. As has already been said, there is great uncertainty about Brexit among the business fraternity across Wales. If article 50 is, in fact, triggered on 31 March 2017, the remaining EU27 countries will determine the deal that we have to live with, no matter what has been said in this Chamber and elsewhere. There is a natural concern that that deal will be in the interests of those 27 countries and others that are not leaving the EU.

There is the spectre of tariffs. Some people have said there will not be tariffs because we import more than we export. However, only Germany and the Netherlands have a net trade surplus with us, so other countries may have an incentive to impose tariffs. Indeed, German car makers may want to block, for example, Japanese car makers that use Britain as a platform to launch into Europe. Of course, that is why there has been an under-the-table deal with Nissan, which has been referred to, while several other large conglomerates have naturally come forward to ask for money to offset prospective tariffs.

As I said when I intervened, it is particularly important that Welsh businesses and all people relying on exports to the EU have a level playing field and subsidies and support, so that they can continue their terms of trade after Brexit—assuming that Brexit goes ahead. My constituency of Swansea West is part of the wider Swansea Bay city region, where 25,000 people's jobs involve exporting to Europe. Alongside that, there is obviously a farming community that is helped by the common agricultural policy, which may be under threat, and we also benefit from billions of pounds of convergence funding. I am looking to the Minister to provide assurances on all those things—namely, the level playing field, the matched convergence funding and, indeed, what the farmers may need in CAP.

A big employer in my area is Swansea University, which is an engine and an asset for economic growth. It has now doubled in size with the new bay campus in the constituency of my hon. Friend the Member for Aberavon (Stephen Kinnock). It is a jewel in the crown of engineering research and development capability across Europe, and the problem is that we may not be able to maximise our opportunities of utilising that; it is not only an asset for young people to grow and learn, but for producing innovative products for export.

Stephen Kinnock: The European Investment Bank played a critical role in funding the bay campus, which is indeed one of the jewels in the crown of Welsh higher education. Does my hon. Friend agree that some assurance on how to deal with our exiting from the European Investment Bank is desperately needed from the Government?

Geraint Davies: As my hon. Friend knows, the three primary sources of funding for the bay campus were the European Union, the European Investment Bank and the Welsh Government. We need clarity about those future relationships and future funding. Thank goodness it has actually been built. Clearly, if Brexit had occurred a couple of years ago, we would be in all sorts of problems. We are looking for assurances from the Minister on tie-ups with the network of universities across Europe in the future, on possible funding streams and on support for exports that are driven by innovation from that campus. My hon. Friend knows the campus is linked with Rolls-Royce, Tata and other big manufacturers. The idea was to have an integrated approach to export delivery, and we do not want to put that in jeopardy.

There is great concern among the business community across Wales about the prospective falling consumer demand following Brexit and in the light of the autumn statement, which showed that an extra year of austerity would be inflicted upon us and that Britain's debt would grow to 90% of GDP. Incidentally, it was half that—45%—when the last Labour Government were in power in 2010. The debt is completely out of control. The Chancellor's Brexit evaluation is that we will all have to pay an extra £1,000 in future taxes. On top of that, the inflation that has occurred owing to the falling value of the pound is equal to a 5% cut in everybody's income, which they then cannot spend in local shops and on domestically grown products. There are concerns, and we want reassurance, and the business community wants those assurances without further ado.

Hon. Members may know that my position is that the triggering of article 50 should be delayed until next November, after the French elections in May and the German elections in October, to provide an opportunity for real negotiation up to that point. People should then have the final say on whether it is a good deal or not, with the default position of staying in the EU. As time moves on, not only the business community but everyone will see that the balance of costs and benefits is heavily weighted towards costs, and in my considered view, we are better off staying in. People should have the final say because, frankly, they were given false information when they voted in the first instance.

Assuming for a moment that we trigger article 50, we need those assurances from the Minister now. Businesses desperately want to plan for a prosperous future, rather than an uncertain future of fewer sales.

3.6 pm

Christina Rees (Neath) (Lab/Co-op): It is a pleasure to serve under your chairmanship, Mr McCabe. I congratulate my hon. Friend the Member for Ogmore (Chris Elmore) on securing this important debate.

The uncertainties of leaving the European Union are hazardous and wide ranging. Structural funding, environmental protections and workers' rights, trade with the EU and the impact on the economy and growth are all areas of concern for the businesses and people of Wales. The lack of clarity is both frustrating and worrying, as the absence of a plan creates an inertia that stalls economic growth and investment. Businesses in Wales have already suffered from the impact of austerity and poor economic UK growth since 2010.

The Office for Budget Responsibility has estimated that cumulative potential output growth will be 2.4 percentage points lower than it would otherwise have been in 2021 had the referendum not happened. Growth forecasts from the consultancy company Oxford Economics have been downgraded in all regions, with growth in Wales expected to be about 0.25 percentage points lower than the pre-referendum forecast.

Structural funding has played an important role in the regeneration of a post-industrial Wales. The statistics may suggest that it has struggled to achieve its aim of increasing GDP and wealth, but that is not the whole story. When I visit communities across my constituency and the wider region, I find vibrancy, tenacity and life, despite hardship and economic decline. In the last round of funding, projects financed through our membership of the European Union across Neath Port Talbot have helped to launch 485 businesses, support 7,300 people into work, create 1,355 jobs, provide 14,870 qualifications and enable close to 5,000 people to complete an EU-funded apprenticeship—all in that county borough alone.

Projects such as the £22 million valleys regional park have built the tourism infrastructure of my constituency, and more and more visitors are coming to enjoy the beautiful scenery of Gnoll country park and the industrial heritage of Aberdulais Falls. The regional essential skills scheme has helped thousands of people to acquire the competencies necessary to return to work. Neath Port Talbot has also been a lead partner on the pioneering transitional employment initiative, Workways.

I must pay tribute at this point to the leader of Neath Port Talbot Council, Ali Thomas, who last night announced that he will be standing down after many years of service. In fact, he took over from the previous leader, Derek Vaughan, who went on to become our Labour MEP. They are two great men of Neath.

Stephen Doughty: Does my hon. Friend agree that, even with the prospect of the European Parliament seats for Wales being abolished, Derek Vaughan continues to fight for Wales and for all of us to secure the best deals on European funding for our constituencies?

Christina Rees: I absolutely agree that Degsy, as he is known in Neath, is continuing to fight Wales's corner. He is vice-chair of the European Parliament's budgetary control committee, so he has great influence in Europe.

Neath Port Talbot has been the lead partner on the pioneering transitional employment initiative, Workways, which has helped to tackle barriers that prevent individuals from finding or returning to employment by supporting the job search, CV writing and interview skills, and access to training. The Workways project would never have happened without EU structural funds. It received a contribution of £16.7 million towards its overall costs. The scheme is held in such high regard that a second phase has been funded—Workways Plus—which began in April this year and will support at least a further 1,000 people into employment.

Swansea University's science and innovation campus, the Bay campus, which has had a substantial impact on Neath and the region, simply would not have happened without the £95 million of funding received from the European Union. Derek Vaughan's legacy before he left

as leader of Neath Port Talbot County Borough Council was to make sure that the campus was just inside the council area.

Stephen Kinnock: And the Aberavon constituency.

Christina Rees: And inside the Aberavon constituency, as my hon. Friend points out. Neath Port Talbot is also home to a company called SPECIFIC, which uses coated steel to make world-leading, innovative technologies that produce, store and release energy. SPECIFIC is hugely concerned about leaving Europe, not least because of the essential funding it has received, without which it probably would not exist.

Stephen Kinnock: My hon. Friend is making a powerful speech. On the issue of steel, which is at the heart of the SPECIFIC project, the Welsh Government have taken action to deliver £8 million that will be spent on reducing energy costs at the Port Talbot plant, and £4 million for skills and training. That is precisely the sort of industrial strategy that we need. By contrast, the UK Government continue to be completely asleep at the wheel.

Christina Rees: My hon. Friend makes a very powerful point, with which I agree wholeheartedly. Not only will SPECIFIC lose its funding, but it will lose its potential market: it could sell its innovative products to Europe. Also, 16,000 farmers gain direct subsidies from the common agricultural policy. More than 90% would go bust without continuing subsidies from the UK Government via Europe.

Those examples illustrate direct investment across the public and voluntary sectors, but we must note the derived benefits to the private sector and all forms of business. Projects such as Swansea University's Bay campus have supported hundreds of local businesses—contractors, subcontractors, cafés, shops, fuel stations and bus companies; the list goes on. Those who have been on an EU-funded training scheme have taken up employment with local businesses, which in turn have benefited from a revitalised, skilled workforce. The businesses that make up our tourism industry have been safeguarded and developed through additional investment in projects that have encouraged visitors to the area, who have been renting accommodation, eating out in restaurants and pubs, and enjoying the activities and facilities run by local businesses.

The triggering of article 50 is a leap into the unknown. Any process or deal on exiting the EU needs full scrutiny. The Government need to be held to account for their decision, whether it is for a hard Brexit or a red, white and blue Brexit. Whichever Brexit we end up with, we need fully to consider the implications of a Britain outside the single market or the customs union. The British Retail Consortium has already suggested that if we rely on World Trade Organisation rules and tariffs, the price of meat will rise by 27%, and of clothing and footwear by 16%. Those are costs that my constituents can ill afford during the good times, without the loss of funding and the threat of unemployment on top of that. What will the Government do to protect the 100,000 jobs in Wales that depend on our trade with Europe?

Beyond the fear of losing structural funding and trade with the EU, my constituents have concerns about the protection of workers' rights. We have already seen

this Tory Government going at it hammer and tongs over assent to the nasty and pernicious Trade Union Bill. How can we trust them on workers' rights? I am simply not convinced that the Prime Minister and her Government will be committed to protecting workers' rights after Brexit and the repeal of EU employment laws. As to whether EU regulations on businesses bring costs or benefits, I appreciate that there are arguments on both sides, and only time will reveal which of those opinions is true.

All in all, this is a troubling time for the people of Wales, and our businesses are no different. Some 95% of businesses in Wales employ fewer than 10 people, and it is those micro and part-time businesses that will suffer the most from poor UK growth, the absence of structural funds, the lack of a single market and the disappearance of EU regulations.

My hon. and learned Friend the Member for Holborn and St Pancras (Keir Starmer), our shadow Secretary of State for Exiting the EU, has said that we need to see the Government's plan before article 50 is triggered. We need sufficient detail of the plan, so that the Exiting the European Union Committee and other parliamentary Committees can scrutinise it. We need enough detail so that the Office for Budget Responsibility can cost the plan. We need the devolved nations, such as Wales, to have input, and we need consensus, so that the plan will work for 100% of people, not just 52% or 48%. I look forward to the Minister's comments on the plan.

3.17 pm

Stephen Doughty (Cardiff South and Penarth) (Lab/Co-op): It is a pleasure to serve under your chairmanship, Mr McCabe, and to follow the excellent speeches by colleagues from Wales. I congratulate my hon. Friend the Member for Ogmore (Chris Elmore) on securing this debate. We have all been listening to and hearing the concerns of businesses in our constituencies, which is why we are here today. I hope the Minister will have some helpful responses to the concerns that we have raised.

I have been listening to businesses in my constituency of Cardiff South and Penarth. I have spoken to small, large and medium-sized businesses and to individuals who have raised concerns with me at surgeries, on the doorstep and on many other occasions. There is a lot of concern. The issue is not minor; it comes up again and again. There is a willingness to get on and make things work, but there are a lot of questions and a lot of uncertainty.

Having listened to all those concerns, I am not prepared to support a blank cheque for the Government in activating article 50, particularly when there is so little information available about the plan. Members may be interested to know that the Brexit Secretary has been speaking to the Brexit Committee while we have been sitting; he has confirmed that no plan will be published until February at the latest, because, apparently, a lot of research and policy work needs to be done. He says there will be a transitional deal only if necessary. That is concerning. When in February? How late? If we are talking about activating article 50 on 31 March, we will not get any clarity on the Government's plans until very late in February.

The Parliamentary Under-Secretary of State for Wales (Guto Bebb): I do not think there is anything new in what the Secretary of State has said. Did not the

[Guto Bebb]

Opposition accept the argument that article 50 will be triggered by the end of March on production of a plan before that?

Stephen Doughty: If the Minister checks the voting list, he will see which way I voted on that matter. I am speaking about my own views on this issue and I certainly have a great deal of concern about the lack of information.

Geraint Davies: Does my hon. Friend also accept that even if we did agree to this last minute plan, whatever it is, once article 50 is triggered the 27 EU countries will decide to give us what they want, not what is in the plan?

Stephen Doughty: I have a great many concerns about the negotiating process, but I want to turn to three areas of particular concern that businesses have raised with me: regional funding, the single market and the situation for universities.

It is worth reflecting, as some colleagues have, on the importance of the scale on which businesses engage in the single market. There are 191,000 jobs dependent on EU trade, and that affects everything from steel to the high-tech products in my constituency; 500 firms in Wales export more than £5 billion annually to other EU member states and 450 firms from other EU member states, located in Wales, employ more than 50,000 people.

Several hon. Members have spoken about funding and I will come on to that, but, without referencing specific names, the sorts of things I have been told about include workers' rights to travel to engage in cross-European projects; contracts, which I mentioned in an intervention; and concerns about research collaboration and major long-term projects being put at risk. The message is very clear that businesses do not want a hard Brexit, if there is to be a Brexit. They want it to be as soft as possible and are particularly concerned about tariffs and access to the single market. Those concerns are constantly raised with me.

Businesses were positive with me about the work that the Welsh Labour Government are doing to try to provide some certainty and optimism in the economy in uncertain times. There is particular praise for the work of the First Minister and Economy Secretary, who went to the United States and Japan to stand up for Welsh businesses and the links that we have with those two markets. Whether it is a case of fighting for funding for the south Wales metro or for other projects, the Welsh Assembly Government are trying to ensure that some positive things happen during the uncertainty.

There is also continued investment in infrastructure projects and building, including a lot going on in Cardiff at the moment. There is the city centre redevelopment; we have plans for new stations; we have an enterprise zone, where there is a lot of investment; and—to give credit—there is some degree of cross-party agreement on a city deal. It is vital that such investment in infrastructure and business should continue, particularly now while there is a lot of uncertainty.

Wayne David: We understand that the Government have given some assurances about the continuation of what would have been European funding. Does my

hon. Friend share my concern about the fact that the Government are also talking about changing expenditure priorities?

Stephen Doughty: I do. I have yet to be convinced about the certainty on levels of funding, let alone the sectors. That will be greatly worrying to many in my constituency. It is worth reflecting on what the Office for Budget Responsibility said in the economic and fiscal outlook published in November: that as a result of the referendum decision, the potential output growth will be 2.4 percentage points lower than it would have otherwise been in 2021 without the referendum. As to the impact on Wales, the House of Commons Library briefing mentions that there could be

“lower business investment...the impact of a less open economy on productivity...a reduction in investment in research and development”

and

“costs associated with adjustments to new regulations or new markets”.

There will obviously be costs and changes: how are they to be minimised?

On regional funding, €5 billion for Wales is planned for 2014 to 2020, and potentially £2.7 billion post-2020. I still do not feel that we have had the guarantees from the Treasury. Why does that matter? It matters for specific projects such as the south Wales metro, which is vital for people's ability to get around, do business, get to work and take advantage of opportunities in my constituency and the whole south Wales area.

We might be able to achieve those things in part outside the south Wales metro project. I have supported, for example, the proposals for a St Mellons parkway station, which could be funded by other means. There is a good degree of cross-party agreement about the importance of Network Rail and Department for Transport funding for it. However, fundamentally, the south Wales metro has the potential to be a transformative scheme for the south Wales economy. I am pleased that the First Minister was in Brussels arguing for the £110 million-worth of funding. The European Commission was very clear in saying that it could not comment about what would happen after the UK leaves. Such uncertainty is causing concern, so perhaps the Minister will provide some assurances—particularly about that project, which is so crucial to the economy of south Wales.

I have mentioned concerns about access to the single market, which will affect all businesses. I should be particularly worried if we were to consider putting tariffs on goods produced in Wales. The First Minister has made it clear that that is a red line for him. It would affect industries such as the steel industry in my constituency.

I have spoken many times in this Chamber about companies such as Celsa, based on my patch. It does significant amounts of exporting. It is a European company from Catalonia in Spain and works across the European Union. Forty per cent. of direct sales of British and Welsh steel go to the EU. That is similar to the overall total—41% of total goods exports from Wales go to the EU. What assurances can the Minister give to companies such as Celsa that export so much to the EU, let alone other places? What tariffs might they face in the future? What additional trade restrictions might they face?

We have heard a lot of talk about Airbus, which also has a major facility, Airbus Defence and Space, in a neighbouring constituency to mine, Newport West, where a number of my constituents work. Concerns are being expressed about European collaboration on space projects. High tech is an important growth industry in which the UK has been investing more. I should hate such jobs to be lost from our communities—let alone the wider aerospace industry in south Wales.

I want finally to discuss universities. The total value of future research income to Cardiff University, from the seventh framework programme and Horizon 2020 up to July 2016, was £23.5 million, with further applications in the pipeline of up to £15.7 million; work from the European structural fund was worth £23.6 million, plus a potential £35.2 million of projects in development. Those are significant sums.

To give an idea of the sorts of projects involved, I should say that they include the Cardiff University brain research imaging centre, which is doing pioneering work on dementia, multiple sclerosis and other neurological conditions. We should be proud that that work is going on in our capital city. Many researchers from my constituency work in and around the university. What if such things are to be put at risk? I am hearing a lot of concern from the university sector in my area, from individual workers and universities. What assurances can the Minister give?

Christina Rees: There is uncertainty about whether the excellent Erasmus programme in which students from Wales can study in Europe will continue. It has benefited many students from my constituency, and, I am sure, from across Wales.

Stephen Doughty: My hon. Friend makes an excellent point: 18% of Cardiff University's home undergraduates are defined as internationally mobile—so they have taken part in Erasmus or one of the other types of exchange schemes, often with other European countries. That adds to their value—their opportunities to contribute to the global economy in the future and bring value to the economy in Wales. That is even before we get on to considering the contribution of international students, researchers and experts to our university sector in Wales. What assurances can the Minister give that those opportunities will not be lost in future for the Welsh university sector?

I have outlined three key areas about which concerns have been raised with me. I hope that the Minister will provide some reassurances and guidance for those who have expressed them. It is clear that this is an uncertain time for all involved. I am not happy for the Government to be given a blank cheque over the negotiations. I want to secure the best deal for businesses, individuals and the academic sector in my constituency and Wales.

3.28 pm

Kirsten Oswald (East Renfrewshire) (SNP): It is a pleasure to serve under your chairmanship, Mr McCabe. I thank the hon. Member for Ogmore (Chris Elmore) for obtaining the debate, which has been incredibly interesting. The speeches were all notable and it is a vital topic.

I was particularly interested in the speech of the hon. Member for Dwyfor Meirionnydd (Liz Saville Roberts). It is an extraordinary fact that there is such a lack of

strategy and clarity about the UK Government's plans. Clearly, Scotland voted unequivocally to remain in the EU, and that is our focus, but for our friends in Wales I reflect on the wise words of the hon. Lady, who talked about a tempestuous period before us. Her focus, and that of other hon. Members who spoke, is rightly on securing the best possible outcomes for businesses in Wales. Instead of the clarity that we would want from the UK Government in this context, we continue to hear such phrases as “Brexit means Brexit”, “have your cake and eat it” and “red, white and blue Brexit”. It is like “The Great British Bake Off” or some kind of punchline. It is just not funny; in fact, it is highly irresponsible.

It is quite extraordinary and very disappointing that before negotiations have even begun, the UK Government appear to have given up on retaining membership of the single market. I understand well the concerns that hon. Members have expressed. Small and medium-sized businesses, which the hon. Member for Ogmore talked about, are watching this kind of debate carefully because they are looking and hoping for clarity and reassurance. Although I have the greatest respect for the Minister, I fear he cannot possibly deliver that because essentially there is no plan.

For all the devolved Governments, it is vital that there is real and proper engagement on the EU, for business reasons, social reasons and other reasons across our society. The hon. Member for Ogmore highlighted a business that had already raised concerns about negative impacts and rightly warned that platitudes are simply no substitute for plans. The hon. Member for Cardiff South and Penarth (Stephen Doughty) spoke of uncertainty among businesses of all sizes about the implications of Brexit. We also heard a sensible question from the hon. Member for Ogmore about whether Welsh businesses will be involved in negotiations. I will wait with bated breath to hear the Minister's response on that.

There is a significant issue with the involvement of the Scottish Government, demonstrated by our long, unanswered call to the telephone hotline. There is a dearth of real dialogue and opportunity to input. For Wales and Welsh businesses, that attitude—which is in stark contrast with the clear and planned proactive engagement of Scotland's First Minister—rightly rings alarm bells, as the Brexit vacuum continues. That cannot be more starkly illustrated than by the hon. Member for Cardiff South and Penarth's helpful comment that it is likely to be February before the UK Government publish any plan.

The hon. Member for Wrexham (Ian C. Lucas) spoke of the need for certainty, which keeps coming up. Businesses are the backbone of the Welsh economy and can be resilient, with the right support. They undeniably require certainty and clarity, which are simply missing. The UK Government must come clean. We want to hear something from the Minister on the Government's strategy for exiting the EU. The Welsh Government need to put into place a framework of support to ensure they are doing everything possible to help business weather the storm. It seems that the ideological Brexiteers who are sitting right at the heart of power are preventing us from seeing this plan from the UK Government. All we hear are bull-headed assurances that a land of milk and honey awaits—it does not, and businesses can see that.

[Kirsten Oswald]

The hon. Member for Wrexham described what his Brexit negotiating position would be. His particular focus was on migration. The hon. Member for Caerphilly (Wayne David) spoke about skilled migration. I was pleased to hear a mention of universities from the hon. Members for Cardiff South and Penarth and for Croydon Central. Universities have significant concerns. I have had several meetings with representatives of higher education institutions.

Geraint Davies: Although I did have an association with Croydon Central, I am the MP for Swansea West.

Kirsten Oswald: I thank the hon. Gentleman for that important intervention.

I have met several university representatives, both before and after 23 June. They express particular concerns about the sustainability of courses and the finance of universities. Those issues would be hugely compounded by the reported UK Government plans in respect of overseas students. That is a huge issue economically, socially and in educational terms, and the UK Government need to get a grip on that.

More generally, all of us here need to be clear on what we mean when we talk about migrants and migration. It is vital that, as politicians, we never leave any doubt in people's minds about the value we place on people from elsewhere who have chosen to make their homes alongside us. The First Minister of Scotland made that very clear when she spoke about the EU nationals who have chosen to make Scotland their home. She said:

"You remain welcome here. Scotland is your home and your contribution is valued."

It is undoubtedly the case in Wales, as it is elsewhere in these nations, that people who have come here more recently, as well as longer ago, have made a significant contribution to our society and continue to do so. Specifically, they have contributed to business, including universities, social care, healthcare, small and medium-sized enterprises and big business. All those things are vital to the Welsh economy.

The hon. Member for Dwyfor Meirionnydd expressed a concern that the UK Government need to act in the best interests of Wales. She emphasised the importance for Wales of single market membership and customs union membership. She also mentioned that the business confidence figure for Wales has fallen, despite the great ambitions of the business community. Business is concerned. She gave a striking example of the potential significant impact on important companies such as South Caernarfon Creameries.

It has been quite challenging for me to sit here today and hear hon. Members trying desperately to look on the bright side. There really is not much to look forward to, should we leave the EU. It is no wonder that hon. Members such as the hon. Member for Swansea West seek reassurance. It seems clear to me, as someone who represents a constituency where 74% of people voted to remain, that there are vital benefits to remaining in the EU, as the hon. Member for Neath (Christina Rees) said. She spoke of workers' rights, which are very important, as well as economic benefits and social protections. I echo those sentiments.

I also highlight the importance of cultural and business benefits, which we could lose if we leave the EU. Some 99% of Welsh businesses are SMEs. The hon. Member for Dwyfor Meirionnydd emphasised the need to adopt or adapt systems similar to those favoured in Germany to ensure the potential of those businesses is achieved. She is focused on achieving the best deal for Wales, for her constituents and for Welsh business.

My focus is on protecting Scotland's interests. Of course, our aim to remain in the EU is strong and unequivocal. The UK vote means that Scotland faces being taken out of the EU against our will. That would be unacceptable and democratically unsustainable. Just as the hon. Member for Dwyfor Meirionnydd focuses on protecting Wales, it is right that my focus and that of my party is on considering and pursuing all possible steps to ensure Scotland's continuing relationship with the EU.

To conclude, it is essential that we get far more from the UK Government than the limbo, woolly words and clunky slogans we have had so far. For all our businesses, all our communities and all the people living in them, it is essential that the UK Government start to have real, meaningful discussions with the devolved Governments and much more constructive discussions with our friends in Europe.

3.37 pm

Gerald Jones (Merthyr Tydfil and Rhymney) (Lab): It is a pleasure to serve under your chairmanship, Mr McCabe. I congratulate my hon. Friend the Member for Ogmore (Chris Elmore) on securing his first Westminster Hall debate on this important subject and on the powerful case he made. He was right to underline the huge uncertainty for businesses in Wales at the moment and the role that the Welsh Government have played in utilising EU funds to support jobs in Wales through initiatives such as Jobs Growth Wales, which, as he outlined, will lead to 8,955 new job opportunities. He also highlighted the work to support initiatives such as the south Wales metro, Horizon 2020 and the support the Welsh Government have given to universities.

We have heard from a number of hon. Members from across Wales, who have made clear the risks of our departure from the EU for businesses in their constituencies. It is really positive to see the number of constituencies represented by Opposition Members—my hon. Friends the Members for Ogmore, for Wrexham (Ian C. Lucas), for Swansea West (Geraint Davies), for Caerphilly (Wayne David), for Neath (Christina Rees), for Aberavon (Stephen Kinnock), for Alyn and Deeside (Mark Tami) and for Cardiff South and Penarth (Stephen Doughty), as well as my right hon. Friend the Member for Delyn (Mr Hanson) and the hon. Member for Dwyfor Meirionnydd (Liz Saville Roberts). That is in complete contrast with the lack of Members on the Government Benches, which I hope is not an indication of their view on businesses in Wales.

It is important that we highlight the risk of the Government's lack of certainty and clarity about their post-exit plans and the huge uncertainty that is causing businesses. As my hon. Friend the Member for Wrexham underlined, businesses and investors hate uncertainty, yet at the moment that is all we have from this Government. That reflects the views expressed in discussions that I have had with businesses in my constituency of Merthyr Tydfil and Rhymney.

My hon. Friend the Member for Caerphilly highlighted the view of Norgine in Hengoed in his constituency and its hope for a soft Brexit. That message is repeated by businesses across Wales.

My hon. Friend the Member for Alyn and Deeside highlighted the work that Airbus does, the various plants that it has across Europe and the need for flexibility to travel. When I met Airbus representatives some weeks ago, they talked about workers who may go to European plants for two hours, two days or even two weeks—it is very uncertain, so there is a need for flexibility.

My hon. Friends the Members for Swansea West and for Aberavon highlighted the role that universities play and particularly research and development, the risk to future funding and the uncertainty that that is causing at the moment. My hon. Friend the Member for Neath highlighted the absence of a plan for exiting the EU and the uncertainty that that is causing for business.

Christina Rees: Does my hon. Friend agree that once article 50 is triggered, all the MEPs will be involved in the negotiations because they will have to have a vote at the end of the negotiations to ratify the proposal before it goes to the European Council to be ratified, so it would be fair for all Members of this House to be involved in the negotiations as well?

Gerald Jones: My hon. Friend makes a very important point. It underlines the position that we are in: we have no direction from the Government. They say that Brexit means Brexit and they are not willing to give a running commentary on what is happening. We understand that up to a point, but we are not asking for a running commentary. As hon. Members know, we are asking for the UK Government's direction of travel, but unfortunately that has not been forthcoming.

I pay tribute to the comments of my hon. Friend the Member for Cardiff South and Penarth on the work of the Wales MEP Derek Vaughan, who continues to stand up and speak out for Wales. I also agree with my hon. Friend's comments on the Welsh Government continuing to promote Wales and secure funding for infrastructure projects. We heard just today the announcement about a range of large-scale infrastructure projects taking place across Wales.

The last time that I spoke in a Westminster Hall debate from the Front Bench, I said:

“The Government have a clear and pressing duty to reduce...uncertainty. We have all heard of investment decisions that have been delayed and of businesses that are genuinely worried for their futures. People voted to leave, but they did not vote to damage our economy, so the Government need to step up and set out their plans more clearly to deliver the clarity and business confidence we so badly need.”—[*Official Report*, 25 October 2016; Vol. 616, c. 40WH.]

I still stand by every word of that today. Despite the time that has passed, neither the Minister nor the Government have done anything to give businesses any clarity or certainty, leaving people, as my hon. Friend the Member for Ogmere so clearly pointed out, in the dark about their futures, their careers and their businesses.

At the recent Welsh questions, my hon. Friend the Member for Clwyd South (Susan Elan Jones) quite reasonably asked the Minister:

“Can he tell us whether his officials have made any estimate of how many jobs in Wales will be lost if the UK leaves the single market and what he and his Government are planning to do about it?”

We are elected to Parliament to represent our constituencies and their interests. As the Opposition, it is our democratic duty to scrutinise and challenge the Government. That was not an unfair, partisan or trick question from my hon. Friend. It was asking what assessment the Minister's Department has made of the biggest issue facing our country since the second world war and what plans the Government have to help mitigate the negative effects. However, the Minister replied:

“I am somewhat disturbed by the hon. Lady's comments. Time and again, I hear Opposition parties talking down the Welsh economy.”—[*Official Report*, 30 November 2016; Vol. 617, c. 1509-1510.]

That was not an appropriate response. In fact, it was quite shameful, and it does a disservice to the office that the Minister holds not to engage with that as a genuine question.

If the Government are planning to offer support to protect jobs, businesses in Wales need to know what that package will look like and when it will come. So far, this has been a Government of smoke and mirrors, confusion and obstinacy. Whether through ignorance or incompetence, they will not give a straight answer to the simplest of questions.

Furthermore, in a written question, the shadow Secretary of State, my hon. Friend the Member for Cardiff Central (Jo Stevens), asked what estimate the Secretary of State has made of the economic value to Wales of the UK's membership of the single market. However, again, rather than answering the question, which might help to highlight what the impact of a hard Brexit could be on Wales, he said:

“I recognise many businesses in Wales trade with the single market”.

Given the significant impact that the EU exit could have on Wales and, more importantly, the impact that the wrong deal could have on our country, that excuse for an answer is completely unacceptable. Is it asking so much for the Minister to share with us the assessment that he has made of the biggest challenge facing our country? Will he today put on the record the Government's assessment of the economic value to Wales of the UK's membership of the single market?

My hon. Friend the Member for Cardiff Central also asked at the last Welsh questions whether Ministers would commit to supporting jobs at the Ford plant in Bridgend post 2020 by offering Ford the same post-Brexit guarantee as the Government recently gave its competitor, Nissan. It is vital for the future of that site and the jobs that are linked to it through the supply chain, as we have heard this afternoon, that post Brexit, it is able to operate on the same terms as competitors such as Nissan. In refusing to give guarantees to Ford, the Secretary of State is offering businesses in Wales a worse deal than those in Scotland or Northern Ireland. We know that because his Cabinet colleagues, the Secretaries of State for Scotland and for Northern Ireland, committed at the Dispatch Box to offering the same protections for businesses in their respective countries as those offered to businesses in England. Is Wales getting a worse deal than Northern Ireland and Scotland? If so, can the Minister tell us why? If not, why will he not guarantee

[Gerald Jones]

Ford the same deal as its competitors? It looks like a game of playing favourites. My right hon. Friend the Member for Delyn highlighted the support needed for industries such as the automotive industry.

Labour Members believe that a modern industrial strategy for Wales should be more than just picking winners from Whitehall. Companies in Wales should get at least the same deal from the Westminster Government as companies in England. If the Minister will not give that commitment to Ford, perhaps he will consider another major company in Wales, one of the biggest employers and investors—Airbus. It, too, needs to know what the future looks like. We need a straight answer from the Minister. Will Airbus get the same deal from the Government as Nissan? Airbus spends £4 billion with suppliers, supporting approximately 110,000 jobs. Millions of pounds and hundreds of thousands of jobs are on the line, so we need answers from the Minister. Will he offer a deal and protect the future of 100,000 jobs in Wales?

I have said this previously, but for the avoidance of doubt I will repeat it. Labour respects the result of the referendum, but we must get the best deal for people and businesses in Wales from the coming negotiations, and we will get that only if the Government provide some clarity on what their strategy is and what businesses can expect. It is essential that the UK Government work closely with the Welsh Government and the other devolved Administrations in preparing for the EU exit. They owe that to the businesses and people of Wales. I look forward to some clarity from the Minister on what he and the Government are doing to provide any reassurance to the people and businesses of Wales.

3.48 pm

The Parliamentary Under-Secretary of State for Wales (Guto Bebb): It is a pleasure to serve under your chairmanship, Mr McCabe. I, too, extend congratulations to the hon. Member for Ogmore (Chris Elmore) on securing the debate, and on winning a by-election in Ogmore—a task that was beyond my capacity back in 2002.

This has been a good, detailed debate, but it has been lacking in constructiveness. Its title on the Order Paper is “Effect of exiting the EU on businesses in Wales”, but throughout the debate, an acknowledgement of Wales’s strong position has been sorely lacking. There has been no mention of the fact that, in the past year, Wales has performed extremely well on jobs. On every single measurement of employment, the Welsh performance has been positive, and it has been in the top three of the 12 UK regions and nations. As we debate our exit from the European Union, we are in a strong position, both as regards employment levels and how businesses are performing in Wales. It is a shame that those comments have not been made in this debate.

There has been acknowledgment of the strength of various parts of Welsh industry and of success stories in parts of Wales, but we need to look at the overall performance of the Welsh economy since 2010. Wales’s employment growth has been well above that of the UK as a whole. We have seen unemployment in Wales fall, and I am happy to say that that is because of a constructive relationship between the UK and Welsh Governments. That is something we should hear a bit more about,

rather than the scaremongering we hear when people continually ask whether there will be job losses as a result of leaving the European Union.

Wayne David: Does the Minister agree that the most disappointing aspect of this debate has been the absence of a single speech from a Conservative party Member of Parliament for Wales?

Guto Bebb: I thank the hon. Gentleman for his intervention.

Glyn Davies (Montgomeryshire) (Con): Will the Minister take an intervention from me?

Guto Bebb: I will of course give way to my Parliamentary Private Secretary—no, had I better not. Certainly, the debate has been interesting, but hon. Members are well aware that Members have responsibilities in different parts of the House and are in different debates that are going on, and it is unworthy of the hon. Member for Caerphilly (Wayne David) to try to score that political point.

Going back to the success of the Welsh economy, we need to identify the fact that small businesses are a great part of that success story. Small businesses are growing. Indeed, we have seen the figures that show that small businesses’ growth in turnover in Wales has been among the best in the UK during the past year. The best performing part of the entire UK has been small businesses in Cardiff, which have enjoyed 12% growth in turnover, outpacing the situation in London. I pay tribute to all small businesses in Cardiff that have been part of that success story.

Stephen Doughty: I pay tribute to them, too, as I did in my speech. On the Minister’s earlier comments, to be fair, I did make it very clear that there had been work on the city deal and on the enterprise zone, and that kind of constructive work needs to continue through this period of uncertainty. Does he agree that the very real concerns being raised by a number of businesses in my constituency, despite that growth, are valid and need to be answered?

Guto Bebb: As a Minister in the Wales Office, I fully accept that small businesses have concerns—indeed, all businesses in all sectors of the economy in Wales have concerns—but they also see opportunities, and we have heard precious little on those opportunities in this debate. The Secretary of State for Wales and I have been out dealing with stakeholders regularly—those in the farming industry, the third sector, the university sector and the further education sector; businesses small and large; the Confederation of British Industry; the Institute of Directors; and the Federation of Small Businesses. We have been talking to all those stakeholders. We have been doing that because this change—the decision made by the people of Wales and the United Kingdom to leave the European Union—is huge, so it is imperative that we talk to individuals, businesses and stakeholders who will be affected.

A Government who were arrogant enough to think that they had all the answers are not a Government I would want to be a part of. The fantastic thing about my involvement in the Wales Office since March has

been the opportunity to meet so many stakeholders in Wales and listen to what they want from the decision that was made to leave the European Union.

Ian C. Lucas: I am grateful to the Minister for showing his usual courtesy in giving way a great deal. Will he give me an example of one opportunity arising from Brexit that the university sector has told him about?

Guto Bebb: The hon. Gentleman asks an important question. I have to respond in the same way as some of the hon. Members who mentioned businesses in their constituency but indicated an unwillingness to name them. I was recently in discussion with a university in Wales that saw huge potential to increase its attractiveness to students from outside the European Union; however, it is not a case of either/or. It wants to attract an increasing number of students from outside the European Union, but it also wants to ensure that it keeps the markets that it has in the European Union. These discussions are wide-ranging, and it is fair to say that the responses that we are getting, even from the further and higher education sector, are not as negative as the hon. Gentleman implies.

Kirsten Oswald: It is interesting that the Minister has come to the subject of universities, which I mentioned. Does he care to elaborate on his suggestion that universities do not particularly see this as a negative, because that is contrary to the discussions that I have had with them? Also, will he talk about overseas students and the impact of his Government's plans for overseas students on universities in Wales, Scotland and elsewhere?

Guto Bebb: The whole point of having consultations with universities is to understand their perspective. Their perspective is that, yes, they have concerns about elements of the decision to leave the European Union, but they are not entirely negative. I am not speaking about a single university; between myself and the Secretary of State, we have spoken to most of the higher education system in Wales since the decision to leave the European Union. We have listened to those concerns, but we are also hearing that they see opportunities. More than any sector, the higher education sector is aware that its success and ability to play a full part in the development of cutting-edge technologies, for example, is dependent not only on our membership of the European Union, but on our partnerships with all parts of the world. I argue that the doom and gloom of some people here, when it comes to us no longer being part and parcel of European projects supporting higher education, can be challenged through agreements with states such as Israel. Again, we need to be slightly more constructive when talking about the response.

Several hon. Members *rose*—

Guto Bebb: I have to make progress, because I have only five minutes left. We also need to talk about exports. We are doing extremely well: Wales has doubled its exporting since 1999, which has been a great success, and many people have highlighted the fact that we export some 60% of our products outside the European Union. We appreciate the importance of the single market to businesses in Wales, but it would be wrong to think that the single market is the only option for Welsh businesses.

I welcome the comments about the importance of the city region deals; they are important. I would not want to underestimate the importance of the guarantee given by the Chancellor that European funding will go on until the point at which we leave the European Union. I am grateful that that has been recognised by some Members.

On Wales's involvement in the negotiations, we should take some comfort from the fact that there is an ongoing engagement process from the Wales Office and across Government. The Secretary of State for Exiting the European Union and the Secretary of State responsible for foreign investment have been to Wales, so the engagement is there. In addition, cross-Government committees have been set up to ensure that the voices of the Northern Ireland Assembly, the Scottish Parliament and the Welsh Assembly are heard. I have sat on those committees, and I say to the spokesman for the Scottish National party, the hon. Member for East Renfrewshire (Kirsten Oswald), that the contributions made in those committees by members of the Scottish national Government in Edinburgh have been incredibly constructive and positive. Of course there are differences, but the efforts to create a structure that allows all the Parliaments and nations of the UK to contribute to this discussion are very important.

It is only fair to respond to the questions asked by the hon. Member for Ogmere. It is fair to say that we have offered guarantees on European funding up until the point of exit from the European Union. The questions on funding after our exit from the European Union also relate to what we would qualify for after our exit from the European Union. That still needs to be looked at and considered carefully. I am unable to give any assurances on that issue at this point in time; indeed, it would be irresponsible of me to do so.

I was asked about skills, and there is an issue about that. We have had huge investments from European Union funds to support skills, but it is imperative to highlight that some degree of certainty is offered. In addition, I point the hon. Gentleman to the fantastic agreement between the UK Government and the Welsh Government in ensuring that there is a support structure in place for the apprenticeship levy; I hope that he welcomes that.

Another issue that has been highlighted is the triggering of article 50. Most, but not all, hon. Members on the Opposition Benches have supported the fact that there will be more information provided before we trigger article 50. Obviously, the Labour party has stated that it will support the triggering of article 50, and I welcome that development.

We are moving forward, and a detailed plan will be forthcoming, but it is important to stress again that the reason why we are not providing an ongoing running commentary is that we have an obligation to listen to the views of people in Wales and the rest of the United Kingdom. Hon. Members, especially those sitting on the Opposition Benches, ask for clarity; today I have heard a degree of difference in the calls for membership of the single market. For example, the hon. Member for Wrexham (Ian C. Lucas) highlighted that there are genuine concerns in his constituency and other parts of north-east Wales about migration. He will be aware that any efforts to deal with that issue would have an impact on our membership of the single market. That is a more subtle response than we have heard from some hon. Members.

[Guto Bebb]

Finally, on this desperate need for information, I fully accept that businesses in Wales need to know more. However, I share the concerns of the hon. Member for Dwyfor Meirionnydd (Liz Saville Roberts); I have had more correspondence relating to business rates than on this specific issue. We have the responsibility to do the right thing. I am confident that we will, and in February more information will be made available.

Motion lapsed (Standing Order No. 10(6)).

4 pm

Sitting suspended for a Division in the House.

Exiting the EU: Scotland

[MR GEORGE HOWARTH *in the Chair*]

4.15 pm

Mr George Howarth (in the Chair): It may be helpful if I make it clear at the outset that, as a result of the Division, the proceedings have been pushed back 15 minutes: this debate will conclude at 4.45 pm.

Peter Grant (Glenrothes) (SNP): I beg to move,

That this House has considered Scotland and the process of the UK leaving the EU.

It is a pleasure to speak here under your chairmanship, Mr Howarth.

Exactly 174 days ago, 62% of people in Scotland voted to remain in the European Union. We are now about three fifths of the way between the referendum and invoking article 50, so 107 days from now, at most, the Prime Minister intends to trigger—probably irrevocably, although that is subject to some discussion—the process of taking us out of the European Union, despite the fact that 62% of us want to stay in.

Two years after that, we face a spectacle in which the citizens who hold sovereignty over one of the most ancient—indeed, most European—of all nations will face the threat of having our European Union citizenship stripped from us: neither because we wanted to rescind it nor because we broke the rules and it was rescinded by the European Union, but because it was taken from us by the actions of a Government who have never held a majority in Scotland during my lifetime.

There will be some on the Government Benches—there are not many here today, admittedly—and possibly even on the Opposition Benches, whose public response would just be, “Tough! That’s the way things go. If you don’t like it, you just have to lump it,” dismissing Scotland’s concerns out of hand. My advice to them is to think very carefully indeed about how such an attitude is likely to be received north of the border.

With this debate, I am not trying to reopen the argument that was won and lost in ballot boxes the length and breadth of the United Kingdom. I find it strange that, although I have now accepted that certainly England and Wales are leaving the European Union, some hon. Members who represent constituencies in those countries may be trying to prevent that from happening. I respect the will of the people of England and Wales. They have given a mandate and I understand that the Government seek to implement that mandate. However, I ask the Government to accept—even simply to recognise—the fact that no such mandate exists from the people of Scotland or, indeed, the people of Northern Ireland.

William Wragg (Hazel Grove) (Con): I just wondered whether the hon. Gentleman would remind me of the result of the Scottish independence referendum.

Peter Grant: I am delighted to remind the hon. Gentleman that during the Scottish independence referendum, Ruth Davidson, the leader of the Scottish Conservative party, promised the people of Scotland that a vote for independence would take us out of the

European Union and a vote against independence would guarantee a place in the European Union. I am also delighted to remind him that, in percentage terms, the majority of the people of Scotland who want to stay in the European Union was almost two and a half times bigger than the majority who wanted to stay in the United Kingdom in the Scottish independence referendum.

Just now we are talking about the threat to our membership of the European Union. Other aspects of our constitutional status may well be up for discussion at some other time but, in the limited time available to me now, I will concentrate on the immediate issue, which is respecting the democratic will of the people of Scotland to remain in the European Union.

Jim Shannon (Strangford) (DUP): I spoke to the hon. Gentleman beforehand to ask whether I could make an intervention. The Scottish fishing sector, like the Northern Ireland fishing sector, voted almost unanimously to leave the EU. It is fed up with the EU telling it what to do, with reduced fishing fleets, imposed quotas and reduced days at sea, and with red tape and bureaucracy strangling our once proud fishing fleets. Does the hon. Gentleman accept that, for fishing across Scotland and the whole United Kingdom of Great Britain and Northern Ireland, our leaving the EU cannot happen quickly enough?

Peter Grant: I certainly understand the frustrations of fishermen and women. I have had some dealings with their representatives in Scotland, but I have not had the same discussions with those from other parts of the United Kingdom, so I cannot speak for them at all. We have to remember that the reason why the fishing industry in Scotland lost out through the common fisheries policy is that, as became public many years later, there was a deliberate decision by the UK Government of the day to negotiate away the livelihoods of our fishing communities in return for something that presumably benefited some other community elsewhere.

The hon. Gentleman points to part of the contradiction in the way the European Union operates. Luxembourg, which does not have a fishing fleet for the very good reason that it does not have a coastline, whose population is about the same size as that of Scotland's capital city, got more votes on adopting the common fisheries policy than Scotland ever had. Regardless of where the European referendum takes us all in the next few years, there are unanswered and unsettled questions about the constitutional status not only of Scotland but of other UK nations in relation to the rest of Europe.

The Government asked the people of the United Kingdom for a mandate on the European Union. They got different mandates from different countries within the UK. That creates a problem—there is no denying that. My concern is how we resolve that problem on behalf of the nation that I call home and that I am here partly to represent.

Sammy Wilson (East Antrim) (DUP): The concerns in Scotland are the same as those in Northern Ireland, Wales and indeed many local authority areas throughout the UK. However, there are mechanisms: those set up through the Joint Ministerial Council, through the input that Departments in Scotland and Northern Ireland will have in the preparation for negotiations and through

the ongoing opportunities for debate in this House and the Exiting the European Union Committee, of which both he and I are members. Do those not give the regions of the United Kingdom the opportunity to ensure that their voices are heard? The important thing is that the Government must respond positively to the concerns raised.

Mr George Howarth (in the Chair): Order. May I remind Members who have made interventions that the terms of the motion are specifically about Scotland? We should not be trying to develop this into a wide-ranging debate about other parts of the United Kingdom, tempting though I am sure that is.

Peter Grant: Thank you, Mr Howarth. May I just say in response to the hon. Member for East Antrim (Sammy Wilson) that the jury is still out on whether the Joint Ministerial Council is worth the paper that its name is written on? We will find out once we see the position adopted by the UK Government and the evidence—or lack of evidence—of any change at all in their stance to take account of the very different demands and needs of the different parts of the United Kingdom.

It would be easy for the Government to carry on and negotiate a settlement that satisfied just their own Back Benchers and their own priorities, but to do so would be to ignore the distinct constitutional identity of Scotland and their party's own promises to treat Scotland as an equal partner in the Union. It would renege on the Government's call for Scotland to lead the Union and would ditch forever the respect agenda that they were so keen to promote barely 24 months ago.

To ignore and dismiss out of hand the wishes and the expressly stated decision of the people who hold sovereignty over Scotland and who are sovereign even over this Parliament when it legislates on Scottish matters would certainly please the hard-liners on the Government Benches for a few hours—until they saw how it was received in Scotland. How it would be received in Scotland is not hard to imagine, so I do not need to dwell on that here.

The first argument for giving Scotland its proper place throughout the Brexit process is that it is Scotland's proper place. If we are truly an equal partner in this Union and an integral part of the United Kingdom, we are entitled to nothing less than equal partnership. We should be an integral part of the most important negotiations that the United Kingdom has undertaken since 1945.

The second argument stems from the Prime Minister's repeated claims that she will negotiate a deal in the best interests of all the United Kingdom. How can she possibly know what is in the best interests of all the different nations and regions of the United Kingdom? Who is now telling her what is in the best interests of the people of Scotland? Who in the inner circle of the Cabinet will speak up for Scotland's interests or those of other devolved nations when—not if, but when—they do not coincide with the interests of other parts of the United Kingdom? The Secretaries of State for the devolved nations are not even part of that core decision-making team. How can it be credible for Cabinet Ministers to say that they will negotiate for what they know is in best interests of Scotland, when they are fighting among themselves about what is in the best interests of the United Kingdom?

[Peter Grant]

By contrast, the Scottish Government are pretty clear about what they believe is in the best interests of Scottish people. Their immediate response after the referendum was almost unanimous and supported across party lines in the Scottish Parliament. They have committed to publishing proposals before Christmas that could deliver as much as possible of what is in Scotland's interests, while still allowing the UK Government to respect and honour the decision made on 23 June. It is sad but not surprising that before anyone even knows what that document will contain, it is already being torn to pieces by the social media trolls—none of whom, I am sure, has any connection with the Conservative party.

I hope that the UK Government will at least take time to examine the Scottish Government's proposals. I am not insisting that they adopt them in their entirety, but I would like an assurance that at least they will be examined and given the respect that they are due. That really is the least the UK Government can do, given that for months their party leader in Scotland has been screaming demands to know the Scottish Government's plan for Brexit. Interestingly, I do not remember ever hearing her asking to know her own Government's plans for the United Kingdom, but maybe that is more her problem than mine.

I have not seen the Scottish Government's document, but—again, in contrast to the UK Government—they have been clear and consistent in setting out what they believe Scotland needs to see at the end of the process. We need to retain full access to the single market. If that does not happen, the impact on our economy may be very serious indeed, because Scotland is a trading nation. Our exports support tens of thousands of jobs—not only in Scotland, but elsewhere. They also provide a very tidy income indeed, thank you very much, for Her Majesty's Treasury. I hope that that will not be forgotten.

We also want to retain free movement of people. The UK Government have decided that free movement of people is fundamentally a bad thing that we should not accept at all, but in order not to have to accept it they are prepared to lose the benefits of membership of the single market. In Scotland, we do not see a conflict, because we want to keep free movement of people. We see free movement of people as a positive. We have benefited as a nation, socially, culturally and economically, from migrants coming in from other parts of the European Union. Our citizens have benefited from opportunities to become immigrants in other people's countries. We want that to continue, and that is not just the view of the Scottish Government: all the indications are that it is the overwhelming view of the people of Scotland.

I suggest to the Minister that the apparent conflict between Scotland's attitude to the free movement of people and the attitude of some other parts of the UK, and between Scotland's determination to remain a full part of the single market and the lukewarm reception that the single market gets in other parts of the UK, can be resolved if the Government are prepared to countenance a negotiating position that seeks an agreement to allow immigration rules to apply different criteria in different parts of the United Kingdom, to meet different pressures on services and needs in the employment market. If they are prepared to accept that—it is now quite common practice in a lot of EU countries—the rules on the

single market, trade areas, customs union and so on do not have to apply absolutely uniformly across the whole United Kingdom.

It has become increasingly obvious over the past few years that there are very few areas of public policy in which one size can hope to fit all throughout the United Kingdom. I suggest to the Government today that, for some of the major pillars of policy on which we will need to negotiate agreements in the lead-up to Brexit, one size cannot possibly fit both Scotland and the rest of the United Kingdom.

If the Government are not prepared to seek a solution that allows different sizes and different applications of policy in different parts of the United Kingdom, what are they suggesting instead to deliver the stated wish of the sovereigns of Scotland—the 5.5 million people who rightly and inalienably hold the right to determine what the future holds for our nation and which direction it goes in? If they are not prepared to respect that sovereign will, how will they ensure that, when the Brexit process is completed, the people of Scotland believe that they are still valued, equal partners with a mission to lead the Union?

4.29 pm

The Parliamentary Under-Secretary of State for Exiting the European Union (Mr Robin Walker): It is a pleasure to serve under your chairmanship, Mr Howarth. I congratulate the hon. Member for Glenrothes (Peter Grant) on securing this debate. It is a pleasure to return to Westminster Hall, which the hon. Member for Glasgow North (Patrick Grady) suggested should be renamed “Brexit Minister Hall” because of the frequency of my visits. I commend him and his colleagues for their active role in supporting the Department's debates.

Upon her appointment in July, the Prime Minister committed to full engagement with the devolved Administrations to get the best possible deal for all parts of the United Kingdom as we leave the EU. Following the referendum result, her very first visit was to Edinburgh to meet the First Minister of Scotland, followed quickly by trips to Cardiff and Belfast. Make no mistake: the United Kingdom voted on 23 June to leave the European Union, and we will leave the EU as one United Kingdom. I welcome the acceptance by the hon. Member for Glenrothes that a mandate has been given—at least in some parts of the country—for that process, but I noticed that in his avoidance of the intervention by my hon. Friend the Member for Hazel Grove (William Wragg) he neglected to note that the 2 million people in Scotland who voted to stay in the UK in 2014 outnumber significantly those who voted to remain in the EU.

Patrick Grady (Glasgow North) (SNP): It is great to see the Minister in his customary place; perhaps at the end of the Brexit negotiations his name will be chiselled on to the chair. Does he accept that, as the First Minister said, the United Kingdom that people in Scotland voted to remain part of in 2014 has “fundamentally changed”? That was the expression she used. There has been a fundamental change in circumstances, so we have the right to insist that the mandate in Scotland to remain in the EU is respected in the UK Government's negotiating position.

Mr Walker: I am always pleased to engage with the hon. Gentleman, but it is clear that the referendum was UK-wide. The decision was taken on a UK-wide basis and the negotiations will be conducted on a UK-wide basis. Nevertheless, we do, of course, have to accept the concerns and views of the Scottish people, to which I will come in greater detail.

As we prepare to leave, we stand by our commitment to engagement with the devolved Administrations, including the Scottish Government. The devolved Administrations are having and will have the opportunity to have their say as we form our negotiating strategy. The Prime Minister chaired a plenary meeting of the joint ministerial council in October, at which she discussed the process of preparing to leave the EU with the First Minister of Scotland, the First Minister of Wales, and the First Minister and Deputy First Minister of Northern Ireland.

We have created a new Joint Ministerial Committee (EU Negotiations), which brings together all the constituent parts of the United Kingdom to develop a UK-wide approach to our negotiations. The committee is chaired by my right hon. Friend the Secretary of State for Exiting the European Union and has agreed to meet monthly as we seek to agree a UK-wide approach to negotiations, share evidence and take forward joint analysis. In our commitment to the JMC(EN) process, we have also agreed to work collaboratively, first, to discuss each Government's requirements for the future relationship with the EU; secondly, to seek to agree a UK approach to, and objectives for, the article 50 negotiations; and thirdly, to provide oversight of negotiations with the EU, to ensure, as far as possible, that outcomes agreed by all four Governments are secured from the negotiations.

Jim Shannon: I should put on record the fact that although the majority of people in Northern Ireland voted to remain, in my constituency the majority voted to leave. Nevertheless, throughout Northern Ireland many people who were in the remain camp now accept that the decision has been taken UK-wide, and as such they want to move forward. The issue today is not the decision that was taken on 23 June, but how we move forward for everyone, even those who were in a different camp, most of whom accept that we should move forward.

Mr Walker: I totally accept the hon. Gentleman's point. Indeed, I was in a different camp during the referendum. I said at the end of last week's debate that we all must now move forward to ensure that we make the process work not for 48% or 52%, but for 100%. The hon. Gentleman's point was well made.

Mr David Anderson (Blaydon) (Lab): The Minister mentioned the meetings of the committee that has been set up under the Secretary of State's chairmanship. The Secretary of State agreed last week that a plan would be put to the House before article 50 is triggered—will that group meet before then, during the process, or what?

Mr Walker: I am grateful to the shadow Minister for his intervention. I assure him that the group will meet before that plan comes forward. As I said, monthly meetings of the group are already arranged, and there will be further meetings before the publication of the plan. It is important that the views of the JMC should be taken into account.

Sammy Wilson: Although there is going to be consultation through the JMC, will the Minister make it clear, now, that that does not mean that different regions of the United Kingdom can have a different relationship with the EU, either by volunteering for it or by having it forced on them?

Mr Walker: I absolutely accept the logic of the hon. Gentleman's point; we need to conduct the negotiation for the whole United Kingdom. Nevertheless, it is important that we demonstrate that our door is open to the Scottish Government and all the other devolved Administrations.

My right hon. Friend the Secretary of State has already had a number of discussions with the Scottish Government's Minister for UK Negotiations on Scotland's Place in Europe, Mr Russell. Indeed, I welcomed Mr Russell's comments to the Scottish Affairs Committee on Wednesday 7 December, when he said: "The hotline is working". I personally attended the recent meeting of the British-Irish Council in Cardiff, with the First Minister of Scotland and Minister Russell, and was pleased to have constructive discussions with that important forum. Such engagement at ministerial level is being complemented by a good deal of engagement at official level. We are holding detailed bilateral meetings with each of the devolved Administrations on key sectors that they identified as priorities, and UK Government Departments are continuing to engage with each of them on their key policy areas.

In preparing for this debate, I decided to revisit the views of the hon. Member for Glenrothes on EU policy. I was pleased to read that last November he said that

"the experts on matters such as fishing and agriculture are very often the people who work in those industries. If we do not listen to them from the very beginning of the process, we will get it wrong."—[*Official Report*, 10 November 2015; Vol. 602, c. 79WH.]

I could not agree more. It is crucial that, as we prepare to leave the EU, we listen to voices from across the UK, and, indeed, from across Scotland. I have detailed some of our engagement with the Scottish Government, but that is only part of the picture.

Peter Grant: The Minister's exact recollection of my words is better than my own, but I certainly will not disagree that that is what I have said. Given that we agree that the people who understand the fishing industry best are the people who work in the industry, with hindsight does he accept that a previous generation of Ministers treated the fishing industry very badly when they sold it out to Europe in return for benefits elsewhere?

Mr Walker: In this debate, we should focus on the future rather than debate the past, but I think we all accept that we are where we are today because mistakes have been made on Europe in the past.

On our engagement with Scotland and more widely, DExEU Ministers have met more than 130 companies from every sector of the British economy since July. That is one part of a whole of Government effort to speak to every sector and region of the British economy. Behind the scenes, officials across Whitehall are working together to ensure that businesses' views reach the policy makers who are working to get the right deal for the UK. We have hosted round-tables with universities, energy companies, retailers, professional and business services providers, the financial sector, automotive companies,

[Mr Robin Walker]

construction firms, oil and gas companies, farmers, fishermen, the food industry and businesses in regions throughout the UK. That is just the start of a national conversation that will continue as we leave the European Union.

We will continue to speak to businesses of all sizes and shapes, in every corner of the UK, including Scotland. We want to give small businesses the opportunity to have their say. The Prime Minister has held her first business summit with the Federation of Small Businesses, and we have been visiting chambers of commerce throughout the country and speaking to groups representing family businesses. Our Ministers have visited Wales, Northern Ireland and every region in England, and, of course, the Secretary of State went to Glasgow, where he visited the Tontine business centre and held a stakeholder round-table at the University of Strathclyde.

I was originally planning to visit Scotland this week, but the pressure of parliamentary business means that I now intend to travel to Scotland early next year, as does my right hon. Friend the Minister of State, Department for Exiting the European Union. Incidentally, on my way here from the voting Lobby, I ran into my hon. Friend the Under-Secretary of State for International Trade, who assured me that he is very much looking forward to a meeting with the Scotch Whisky Association to discuss some of the opportunities of this process. We will listen to stakeholders, including farmers, the fishing industry, and food and drink manufacturers, as well as the universities—including Scottish universities—representatives of some of which I met earlier today.

The hon. Member for Glenrothes touched on the future trading relationship with the EU. One of our first priorities is to allow UK companies to trade as freely as possible with the single market in goods and services—that is the very point he was making. We will work hard to get the best deal for the whole UK, and we are considering all factors carefully in implementing the referendum decision. We are, though, looking for a unique outcome, not an off-the-shelf solution. We are aiming for the right deal for the United Kingdom. As we conduct our negotiations, it is a priority to secure British companies' trade with the single market in goods and services.

Indeed, we want the best possible arrangement for trade in goods and services with the EU. We are not seeking to replicate any other model; we want a bespoke approach that works for the whole of the UK, including Scotland. This objective is a priority that I believe businesses across the United Kingdom and across Scotland will share. A single UK position in relation to our future relationship with the EU is vital to protecting the UK's interests as a whole.

For Scotland, exports to the rest of the UK are worth four times as much as those to the EU. This Government are determined to promote Scotland's future, including through the extra £800 million of capital funding through Barnett consequentials, as a result of the autumn statement. If that funding is used properly by the Scottish Government, it will make a real difference to productivity, jobs and growth, so that the Scottish economy can perform even more strongly in the future.

I note that the hon. Member for Glenrothes and some of his hon. Friends have touched on a role for the Scottish Government in the negotiations themselves. We have made no decisions yet about the format of the direct negotiations with the European Union. Of course, it will be for the Prime Minister to ensure that we negotiate the best possible future for the United Kingdom, and our Department is there to support her, representing the interests of all the UK's constituent parts. However, it is very clear that in each of the three devolution settlements, the conduct of international relations is a matter that is expressly reserved. In the Scotland settlement, "international relations...including relations with the European Union"

is a reserved matter. That does not diminish our commitment to engaging the Scottish Government. I say again that the JMC(EN) has an important and enduring role in overseeing these negotiations as they take place.

The hon. Gentleman also talked about Scotland's position on free movement and I know that in the past he has raised the issue of EU citizens living in the UK. Let me repeat what I have said many times on that: I want and the Government want to ensure the rights of EU citizens living in the UK. We need to do that through negotiation and through a reciprocal agreement that also secures the rights of UK citizens, including many Scottish citizens, living in the European Union. It is absolutely vital that we do that at the earliest possible opportunity, and I hope that we will be able to bring news on that front early in the negotiation process after article 50.

Although it is a priority to do that, obviously it must be done through negotiations. Doing otherwise would risk adversely affecting our negotiating position and hence the position of British citizens, including many from Scotland, who have chosen to build a life with their families in other countries.

This is a very important issue and an important debate, and I welcome the discussion that we have had today. The hon. Gentleman is clear that Scotland's voice will be heard in this process and so am I. We have established good processes for engaging with the Scottish Government and other devolved Administrations through the JMC forums. As we have seen today, Scottish MPs are playing a full and active part in the parliamentary scrutiny that is ongoing in this United Kingdom House of Commons. As the hon. Member for East Antrim (Sammy Wilson) pointed out, MPs from across the United Kingdom have that opportunity and are taking it.

We are ensuring that channels exist for official-level discussions on the detail and seeking to build a common evidence base. We stand ready to talk to the Scottish Government at any time. I know that we have heard much talk of plans lately in this House, as per the debate last week, and we will set out more of the detail for the UK plan ahead of the notification of article 50 before the end of March 2017.

We will leave the EU as one United Kingdom, but in doing so it is vital that Scotland's interests are understood and that the voices of the people, businesses and other groups in Scotland are heard.

Question put and agreed to.

Greater Manchester Spatial Framework

4.43 pm

William Wragg (Hazel Grove) (Con): I beg to move,

That this House has considered the Greater Manchester spatial framework.

It is a pleasure to serve under your chairmanship, Mr Howarth, and it is also a pleasure to be joined by colleagues from both sides of the House for this debate. The cross-party interest in this matter demonstrates the real concerns about the spatial framework that exist among residents right across Greater Manchester. I wish to highlight some of those concerns and draw them to the Minister's attention today.

The Greater Manchester spatial framework is the product of the Greater Manchester combined authority. It represents the authority's plans for the management of land for housing, commercial and industrial use for the next 20 years. The framework is currently in draft form and subject to a consultation; I gently remind colleagues and all interested parties that the consultation is open until 23 December.

Mr David Nuttall (Bury North) (Con): I am grateful to my hon. Friend for giving way so early in his speech. I wonder whether he has had the same concerns expressed to him that I have had expressed to me about the fact that the consultation period has been so short and that the consultation has had so little publicity.

William Wragg: I have picked up on that concern and doubtless other right hon. and hon. Members will have heard similar concerns, so I thank my hon. Friend for that intervention.

I want to make it clear from the outset that I am not against building and development per se, nor am I against the concept of the framework itself; on the contrary.

Simon Danczuk (Rochdale) (Ind): The hon. Member is supportive of house-building. How many houses does he think should be built in his constituency?

William Wragg: If the hon. Gentleman waits with bated breath, he will have the answer, later in my speech.

As I say, I am not against development per se and I think that a cross-regional approach for strategic housing allocation across Greater Manchester is to be welcomed. Of course we need to provide new developments to fill the housing shortage, but it must be done in a way that is sensitive to both the local environment and the wishes of local communities. Also, it should be provided only where there is a genuine need and where the infrastructure exists to support such developments.

Chris Green (Bolton West) (Con): A vital part of the infrastructure that must be taken into account is public transport, such as railways. Should not any new housing developments be located on existing public transport routes?

William Wragg: My hon. Friend makes a very sensible point. If he, too, waits until later in my speech, I will refer to what he has just said in detail.

Andrew Gwynne (Denton and Reddish) (Lab): Before he moves on, will the hon. Gentleman give way?

William Wragg: I will happily give way to the hon. Gentleman, my neighbour.

Andrew Gwynne: I am very grateful to the hon. Gentleman, but is he concerned, as I am, that there does not appear to be any joined-up thinking between different parts of the combined authority? We are currently in a consultation on the spatial framework, which is identifying whole tracts of land for future development, yet we have just finished a consultation on the Greater Manchester transport strategy 2040, under the guise of Transport for Greater Manchester, which bears no relationship to the spatial framework?

William Wragg: The hon. Gentleman makes a very important point about the need for greater "joined-up thinking", a phrase that is perhaps over-used but rarely put into practice.

It is in this spirit—of building where there is genuine need—that I wish to raise some specific concerns about the methodology behind the framework. The draft framework proposes that 227,200 net additional dwellings will be needed by 2035 to home a projected population increase of almost 300,000 people. It also apportions this house-building target across the 10 Greater Manchester councils, and in the case of Stockport, the allotted target is 19,300 new homes.

I have concerns about how these figures have been arrived at. To estimate the population growth, the spatial framework considered information from the Office for National Statistics, the Department for Communities and Local Government, an economic forecasting model, the Experian credit-referencing agency and independent business consultants. In 2014, the combined authority produced a 165-page document, outlining and consulting on its methodology for calculating future housing needs. Dozens of tables and graphs later, we arrive at the magic prediction of 294,800 extra people by 2035, which translates into that figure of 227,200 new dwellings that I gave before.

Forecasting is a very difficult and complex task, and it is always subject to a degree of uncertainty. However, taking just the most recent three forecasts from the ONS—from 2008, 2010 and 2012—there is a variance of almost 200,000 people between the highest and lowest estimates for the population of Greater Manchester by 2032. This means that the framework's magic number is two thirds within the margin of error of the three most recent ONS forecasts, and that is without even cross-examining the four other sources.

It is also curious to observe that 10 large housing developers all claimed that the authority's objectively assessed need figure was too low, whereas the Campaign to Protect Rural England claimed it was "excessively high". Faced with such wild variance in the estimates of population growth, it is difficult to have faith in the combined authority's arithmetic. One wonders whether the projected need goes beyond the true need.

Kate Green (Stretford and Urmston) (Lab): I congratulate the hon. Gentleman on securing this debate. My constituents are also concerned that an absolute number is meaningless if it does not take account of the mix of

[Kate Green]

housing need, which must be matched to the population. They have particularly expressed concern about the need for family homes and affordable homes. Does he agree?

William Wragg: I agree with the hon. Lady, who raises an important point.

My second major area of concern about the draft framework is the proposal to release green-belt land for housing development. It proposes to build on 4,900 hectares of Greater Manchester's green belt, representing a net loss of just over 8%. Locally, Stockport is set to lose some 9% of its green belt. Some 8,000 homes will be built on green belt in the constituency of my hon. Friend the Member for Cheadle (Mary Robinson), whereas in my constituency permission will be given to build a further 4,000 homes on fields around the village of High Lane, essentially doubling the village's size. Those housing developments have been proposed with little regard for the burden of increased traffic on the road network or the increased pressure on public services, as my hon. Friend the Member for Bolton West (Chris Green) said.

Barbara Keeley (Worsley and Eccles South) (Lab): Is the hon. Gentleman concerned, as I am—he sounds like he is—about the release of green-belt land? We understand from national guidance that green-belt land should be released in only the most exceptional or very special circumstances. In fact, I had a quick look at the planning practice guidance, which says:

“Unmet housing need...is unlikely to outweigh the harm to the Green Belt and other harm to constitute the ‘very special circumstances’ justifying...development on...the Green Belt.”

Does he agree?

William Wragg: The hon. Lady's point is entirely correct. My concern is that the combined authority's housing target will become an exceptional circumstance, as it appears to think.

Graham Stringer (Blackley and Broughton) (Lab): Will the hon. Gentleman give way?

William Wragg: How can I resist?

Graham Stringer: The hon. Gentleman is being very generous. On the allocation of green-belt land for housing, does he agree that the figure is dependent on an assessment of the pipeline of brownfield sites, which has always been underestimated?

William Wragg: The hon. Gentleman is entirely correct. Again, he alludes to something that I will address in my remarks. He is spot on.

If the homes in Stockport are realised, they will account for only two thirds of Stockport's overall target, so I fear this is likely to be the thin end of the wedge. Last night, my hon. Friends the Members for Cheadle and for Bury North (Mr Nuttall) presented petitions on behalf of thousands of our constituents who oppose the massive-scale development on the green belt and who want to prioritise building on brownfield land.

The voices not only from my constituency but from neighbouring constituencies, as evidenced by the attendance in Westminster Hall this afternoon, show a clear concern that the green belt should be protected. Green belt is easily the best loved and understood British planning policy, and it is hugely valued. It has been a long-standing commitment of Governments of all colours that redevelopment and reuse of land in urban areas—so-called brownfield sites—should take priority over greenfield sites, and rightly so for a number of reasons. First, it protects the countryside and provides the benefits of green spaces and access to nature and recreation.

On regeneration, we need to get people living in town centres again. Our cities are thriving, but medium and large towns are being neglected. Such depopulation leads to further decline and creates a vicious cycle, as I fear has been witnessed in Stockport. However, Manchester, to its credit, has made great strides. The green belt encourages the regeneration of our towns and the best use of our land.

Liz McInnes (Heywood and Middleton) (Lab): The green belt also prevents urban sprawl. My constituents in the towns of Heywood and Middleton are extremely concerned about the erosion of the green belt, to the extent that they are worried that, eventually, the two towns will cease to exist, becoming something like Heyton or Midwood.

William Wragg: The hon. Lady possesses great powers of foresight, because my next paragraph is on green belt being a vital barrier to urban sprawl. In the case of Heywood and Middleton, the green belt is an important barrier between the two communities.

As a vital barrier to urban sprawl, the green belt encourages us to build upwards not outwards, to live nearer our places of work and not to commute or congest. Our local roads, infrastructure and transport capacity already struggle with existing demands. The proposals for massive developments in semi-rural areas will only make matters worse.

By contrast, developing vacant brownfield sites that have previously been used for other purposes is a more sensible approach to house building. Such sites are closer to urban centres, retain the countryside, boost regeneration and ease transport pressure yet, before many brownfield sites have been properly utilised, the framework seeks to release green-belt land that, once gone, can never be gotten back. Although building on greenfield sites is sometimes necessary, the release of green-belt land now, and on the scale proposed, is a huge disincentive to the proper use and regeneration of brownfield sites.

Most of our housing is now provided by volume house builders, which are essential to housing provision, but it is worth considering how they operate. Their business model favours large new greenfield developments. If we make sites on green belt available, the volume house builders will develop those sites first and will make the case that sites in our towns are unsuitable or, indeed, unprofitable. Once they have developed on the green-belt releases, they will come back for more before they even look at urban land. Therefore, the opportunity for real regeneration in Stockport and other Greater Manchester towns will be lost for a generation.

Andrew Gwynne: The hon. Gentleman is making an important point about the value of the green belt to people living in Stockport and Tameside. He will know that much of our green belt is also recreational space for those two boroughs. Is he concerned, as I am, that some of the sites that have been identified in the spatial framework are within the Tame valley? One site is at Hyde Hall farm in Denton, and there is also a large industrial proposal on the edge of Denton in his constituency. That is wrong, is it not?

William Wragg: It is wrong, and I know the hon. Gentleman had a battle on his hands with the threatened encroachment on Reddish Vale country park.

What will we do to ensure that brownfield developments are prioritised, that our towns are regenerated first and that green-belt land is released only when it is the last option? First, we need an accurate estimate of the amount of urban land available. According to the combined authority's own figures, Greater Manchester has at least 1,000 hectares of undeveloped brownfield land that has not been earmarked for use. Taken together, the sites have enough space to build at least 55,000 homes—that is a very conservative estimate—which is almost a quarter of the entire Greater Manchester target, as set out in the framework. This is merely a pilot exercise, and I am confident that more sites can be found, as the hon. Member for Blackley and Broughton (Graham Stringer) mentioned. However, releasing green-belt land now would totally undermine the incentive for such developments.

Secondly, Greater Manchester combined authority needs to address the familiar issues that prevent development of urban land, such as split ownership, land banking, unrealistic expectations of land value, access, contamination and others.

Thirdly, to make housing in urban areas attractive to new owners and tenants, we need to make town centres places where people want to live, with pleasant, safe surroundings and the right facilities, amenities, public services, schools and healthcare. Those aims could perhaps be achieved by creating a development corporation or similar body with responsibility for regenerating Greater Manchester and with a remit to recycle land and to create fit places to live. That need not cost much, but it would create the proper planning that would stop Greater Manchester sprawling out unsustainably in all directions.

I have three questions for the Minister. Does he agree about the need to protect the green belt and to prioritise the redevelopment of brownfield land as an alternative? Does he agree that green-belt sites should be used only as a very last resort when all brownfield sites have been exhausted? Does he share my ideas for prioritising brownfield development, and what other steps are the Government taking to encourage it? Does he think that Greater Manchester combined authority is justified in its housing target and its desire to release green-belt land in the immediate future?

As I said at the outset, I and the thousands who signed local petitions are not against house building, but we believe in brownfield sites. Sites that have been developed previously should be prioritised for building homes, which not only protects the countryside but focuses development where regeneration is needed and where the necessary infrastructure already exists. The strength of local opinion is clear to see, and it is clear to

see in the turnout of colleagues from Greater Manchester in Westminster Hall this afternoon. I thank all those who have supported the campaign.

4.59 pm

Simon Danczuk (Rochdale) (Ind): It is a pleasure to serve under your chairmanship, Mr Howarth. I thank the hon. Member for Hazel Grove (William Wragg) for securing this important debate. It is right that the Greater Manchester spatial framework be properly scrutinised, as any development will have a lasting effect on our conurbation. Likewise, it is perfectly understandable that many of us have been raising concerns about specific developments and potential developments in our constituencies.

We also have a duty to think about the prosperity of our region and the country as a whole. We need to take into account the views of businesses as well as residents. We need to think about not only those who voted us into office last year, but the young people in our constituencies who, in 10 to 15 years' time, will be looking for a home in which to live. I therefore want to focus on the bigger picture of what the spatial framework means for the future of Greater Manchester. For me, it is about unleashing opportunities. Our city region is world-renowned for its cultural and sporting dynamism, entrepreneurial spirit and innovation in science and technology. We are a thriving city region, and to sustain that, we need to be able to grow, so that we can attract business, tourists, workers and students, and we need to ensure that Greater Manchester can provide enough homes for future generations to move into and start their own family. The Greater Manchester spatial framework aims to achieve exactly that. It also seeks to address some of the big challenges that this country faces.

We politicians constantly bang on about the housing crisis, and we all agree that to solve that problem, more houses must be built. The spatial framework will help build the houses we desperately need. We also constantly talk about the need to rebalance the economy and address the north-south divide. The spatial framework will go some way to tackling that inequality, so I for one welcome the plan. However, I am not giving it a blank cheque. New homes must be affordable for first-time buyers and people needing to rent at all levels of the market.

Barbara Keeley: I recently had a quick look at the homes that are going up in my constituency on patches of land. The lowest price across the range of new homes was £225,000 in Little Hulton, and the highest was £550,000 in Boothstown. The difficulty is that the homes that go up are aspirational four and five-bedroom homes. They are not affordable.

Simon Danczuk: I appreciate the hon. Lady's intervention. I completely agree: there needs to be diversity and a mix of accommodation created. The plan has to take that into account, but the plan is designed specifically for new development and is only in draft form. As I pointed out, I do not give the plan a blank cheque; it has to match the needs of every section of our communities.

As the hon. Member for Hazel Grove made clear, infrastructure must be provided with new development. It cannot be an afterthought; that is a particularly important point. I am talking about infrastructure in

[Simon Danczuk]

the broadest sense of the word—about schools, not just roads. I understand other Members' concerns about the green belt and the need to prevent urban sprawl. While I do not dispute that access to green open spaces is important to people's quality of life, surely it is equally, if not more, important to people's wellbeing to have a roof over their head and a job—things that this plan provides.

Kate Green: Will the hon. Gentleman give way?

Simon Danczuk: I will just make a little progress.

I am fortunate that Rochdale has many green and open spaces, the vast majority of which will not be affected by the proposals. In fact, the plan promises to create alternative green-belt land in Rochdale, which will go some way to compensating for what is lost. Additionally, many of the development sites in Rochdale will be brownfield sites, using up wasteland and former industrial areas, so it is not as though the proposal has set out to target green-belt land without considering other options first.

Finally, we need to consider the bigger picture. We need to welcome the opportunities provided in the spatial framework—the jobs, the homes and a real plan to tackle national challenges and boost productivity in the north-west. No scheme will be perfect. While we scrutinise and improve the draft proposals, we must also show a degree of pragmatism and, indeed, political leadership.

Mr George Howarth (in the Chair): Before I call the next speaker, I should point out, for the avoidance of doubt, that because of the earlier Division, which caused the sitting to be suspended for 15 minutes, we will conclude at 5.45 pm.

5.4 pm

Mary Robinson (Cheadle) (Con): It is a great pleasure to serve under your chairmanship, Mr Howarth, and to see Members from right across Greater Manchester and on the Opposition and Government Benches here to debate this important issue. I am grateful to my hon. Friend the Member for Hazel Grove (William Wragg) for securing the debate.

I am conscious of time, so I will get straight to what the debate is about. I think we are in agreement that we need a good local plan for the area that provides the housing and infrastructure that we need, but this is not it. The plan lacks vision and has no real foresight or ambition for the future development of Cheadle. While I accept that there is a need for more housing across the country, that should never be achieved through the indiscriminate development of our green belt. Instead, as others have said, we should regenerate our brownfield sites—and there are brownfield sites to be regenerated in our areas.

I have campaigned to protect areas of Cheadle from inappropriate development, and last night I was pleased to join my hon. Friends the Members for Hazel Grove and for Bury North (Mr Nuttall) in presenting my petition against the plans to the House. It collected more than 2,600 signatures, which was quite an achievement. I was overwhelmed by the thousands of constituents who have been in touch with me on the issue. The strength of feeling shows that local people do not want

their future development to look like the draft plans. People care about their local community and want to see urban areas regenerated. They love their open and rural spaces, and recognise their value for physical and mental health and wellbeing.

In my constituency, that strength of concern is most evident in the activities of local neighbourhood groups, such as Woodford Neighbourhood Forum, which was set up in October 2013. Since then, members and residents have raised funds and spent thousands of hours working on their local plan. Getting a local plan together is no mean feat. Over the past three years, they have put together more than 340 pages of material, and I am concerned to ensure that their voices are listened to.

There is an urgent need to identify all suitable brownfield sites, including ones in and around Stockport and in urban areas across the Greater Manchester city region, where communities would benefit from the additional investment generated by regeneration projects. The Campaign to Protect Rural England has identified that brownfield sites in the UK have the potential to deliver 1 million houses. As my hon. Friend the Member for Hazel Grove described, it has been assessed that it is necessary for Stockport to have 19,300 of those houses. It shocks me to say that it is expected, hoped or proposed that more than 8,000 will be built on the green belt in Cheadle. Should the plans go ahead, they will not only devastate the countryside, but place unprecedented pressure on our local infrastructure and undermine our communities. I am a member of the Select Committee on Communities and Local Government.

Andrew Gwynne: Actually, the situation is worse than the hon. Lady describes, because for perfectly good reasons, all 10 local councils want to use the plan as an opportunity to increase their council tax base. Therefore, it will predominantly be executive homes that are developed. Is the real risk not that we end up crashing the housing market in Greater Manchester because we have an over-supply of the wrong kind of homes?

Mary Robinson: I absolutely agree. The hon. Gentleman makes a fundamental point. Indeed, it is expressly in the plan that the area around Cheadle—particularly Woodford—will be allocated for high-end, low-volume housing, and the expectation is that funds will come to Stockport Council. That is exactly it. Of course, the hon. Member for Rochdale (Simon Danczuk) will not necessarily get the housing that he needs there if developers choose to build on our green belt.

Simon Danczuk: The truth is that if we do not have a plan, we will get the housing that the developers choose to give us.

Mary Robinson: Absolutely. I started my speech by saying that we must have a plan—we all acknowledge that—and that it has to be the right plan for our areas and for Greater Manchester. It is great that we all have that common theme in mind.

The Campaign for Better Transport has spoken about the necessity of commuter hubs and the challenges for housing allocations that are more than a 15-minute walk from rail and tram stations, yet the draft plan mentions no provision for new railway stations or transport infrastructure.

Chris Green: Do my hon. Friend's constituents have the same fears as mine, who think that we will definitely get the houses in the housing proposals, but are less certain about getting the other infrastructure developments? Will we get health, school and transport infrastructure to go along with the houses? We will get the houses first, but the other things may or may not follow.

Mary Robinson: Absolutely. That uncertainty adds to our feeling about the plan. The framework notes that significantly improved public transport is a prerequisite for the site off the A34. However, the walking distance between Woodford and Bramhall and Poynton railway stations is certainly a lot more than 15 minutes, even for the most ardent trekker.

Kate Green: The hon. Lady makes an important point about transport links. Does she share my surprise that transport operators—both bus and train operators—told me that they have no knowledge of the details of the proposed spatial strategy and that they have no plans to adapt their forward planning to take account of what might be in the strategy?

Mary Robinson: That is an excellent point well made. That is lacking in the plan. When it comes to the northern powerhouse and what we want to do in Greater Manchester, it is essential that we get those transport links right. That needs to be considered.

Finally, I make a plea to the Minister to listen to local voices. It is important that people's voices are heard in this consultation and through the other representations that they make. Local people have already formed themselves into groups, such as the Woodford Neighbourhood Forum, to plan and shape their neighbourhoods.

5.12 pm

Yvonne Fovargue (Makerfield) (Lab): It is a pleasure to serve under your chairmanship, Mr Howarth. I congratulate the hon. Member for Hazel Grove (William Wragg) on securing this debate on a subject that will affect all our constituents in Greater Manchester. I am sure that we all subscribe to the aspirations set out in the draft framework to enhance economic performance, improve the environment and provide additional homes and jobs for the future. However, linking the green-belt review to the plan has not facilitated plan development; it has simply led to a feeding frenzy among developers, who have identified the easy pickings: the green-belt sites.

Particularly for the outer boroughs, the plan needs to be considered in conjunction with other neighbouring authorities and their aspirations. It has not been demonstrated that the duty to co-operate has been met. Indeed, St Helens Council, which adjoins my constituency, has plans to remove the green belt for three large logistics parks, which would cause considerable problems for the road network, merge distinct townships—Ashton-in-Makerfield does not want to merge with St Helens, which is in a different borough—and cause complete urban sprawl. West Lancashire Borough Council is considering hubs, and Warrington has already got a large area covered in warehousing adjacent to the M62. Will the Minister ensure that the duty to co-operate is fully enforced and that the sustainability of these developments is considered holistically, not just through a single plan?

Barbara Keeley: Is my hon. Friend concerned, as I am, about the impact that these houses could have on the gridlock on our roads? The recently completed north-west quadrant study, which the Minister can perhaps study, shows that the motorway and road network near my constituency has 15 of the 100 worst-performing motorway sections in the country for journeys completed on time. Our journey times are four and a half times longer than the mile a minute they are supposed to be, we have one of the poorest safety records in the country on our local roads and motorways, and almost all the motorways near my constituency are in the top 20% worst performing, in terms of casualties. The real killer, if I can put it that way, is air pollution and air quality problems, which are dreadful in Salford—much worse than the national average.

Mr George Howarth (in the Chair): Order. Before the hon. Member for Makerfield (Yvonne Fovargue) continues, I have been very tolerant of lengthy interventions. Some Members have had the equivalent of a speech in interventions during this debate. Interventions need to be a bit more focused.

Yvonne Fovargue: I agree about the gridlock. Some of the developments that I am talking about involve heavy goods vehicles, so there will be thousands more movements of HGVs on our already gridlocked roads. That adds to the air quality problem.

Mr Graham Brady (Altrincham and Sale West) (Con): The hon. Lady makes an important point. Does she accept that there are those of us whose constituencies already have to accommodate considerable additional development adjacent to them? There are many new developments going on at Airport City, which is very close to my boundary. That is a continuing process.

Yvonne Fovargue: I accept that. We need to look not just within but outside Greater Manchester. Many hon. Members have mentioned the removal of the green belt. In my constituency, green belt status has been removed around junctions 25 and 26 of the M6. As we have heard, removing green belt status requires exceptional circumstances. In 2013, the independent inspector deemed that the local authority's request to remove half the area it is now proposing to remove around junction 25 was not exceptional, so it was refused, yet a mere three years later, the M6 South of Wigan Action Group, which did sterling work with me in opposing the plan, is in exactly the same position as it was. We are again opposing the plan together.

Lisa Nandy (Wigan) (Lab): A week ago, my hon. Friend and I held a meeting in Kitt Green in my constituency, which borders hers. The sight of hundreds of people queuing on a dark, cold night to get into a church hall to make their views heard was deeply moving. Does my hon. Friend agree that the strength of feeling expressed in that hall simply cannot be ignored by local authorities and the Minister?

Yvonne Fovargue: I agree. I am moving quickly on to junction 26. I ask the Minister: how can we be in the same position three years on? What weight will be given to the inspector's decisions throughout this process?

[Yvonne Fovargue]

Let me move on to the infrastructure. Junction 25 is a one-way junction. In the plan for transport, there is an aspiration to have a two-way junction, but it is said that it could take 40 years. Until then, there will be thousands more HGV movements on already gridlocked roads in an area that, as my hon. Friend the Member for Worsley and Eccles South (Barbara Keeley) said, already fails air quality standards. That does not appear to meet any definition of sustainable development. It does not increase the attractiveness of the area, and it certainly does not improve the air quality. Equally, as my hon. Friend mentioned, the land at junction 26—the Bell—has infrastructure issues. It is accepted that development will be difficult unless there are major upgrades to the road system, including a new slip road. I think the phrase “cart before the horse” was used at the public meeting that we called, which attracted nearly 200 residents.

Let me move on to how those residents can make their voices heard by the leaders of their local authorities. Usually, it is via their councillors and in discussion at council meetings. However, there is some doubt about whether these plans need to be approved by local councils, whether they should be taken at cabinet level at each local authority, or whether it is solely the prerogative of the leader of each local authority to approve the plans at a meeting of the combined authorities. Can the Minister clarify that? How does a local councillor, elected by their constituents, stand up and represent their views if they are denied a forum in which to speak? Is there not a democratic deficit in that?

No one is against jobs and growth, but the plans have to demonstrate that the growth is sustainable. As for the warehousing development in my area, this is an area with a net loss of graduates and people who need high-quality jobs. We need the right jobs in the right place. We have to balance quality of life and the attractiveness of the environment.

I will bowdlerise an Ogden Nash poem—I am going back to my youth—to express what I feel about this: I think that I will never see a warehouse attractive as a tree. The green belt gives us green fields, trees, relief from urban sprawl and better air quality. It is the green lung of our urban areas. It increases the attractiveness of an area, which encourages people to come to it. An ambitious plan for Greater Manchester, which will be seen as a trailblazer on this issue, should not take the easy option and reduce green-belt land. It should look for innovative and exciting ways of promoting the use of brownfield sites to improve the environment for those coming into the borough and for those who already live there.

5.20 pm

Mr David Nuttall (Bury North) (Con): It is a pleasure to have you taking charge of this debate, Mr Howarth. I congratulate my hon. Friend the Member for Hazel Grove (William Wragg) on securing the debate and for the very sensible and valid points he made in his opening speech. There can be no doubt that the spatial framework produced by the Greater Manchester combined authority has caused enormous consternation across my Bury North constituency. It is probably one of the biggest issues that I have come across in the last 10 or 12 years.

It clearly makes sense for any local authority or group of local authorities to have a plan, to review that plan and to determine how many houses might be needed for the next few years. I think we could all agree on that. Like my hon. Friend the Member for Hazel Grove, I have my doubts about how robust the figures used in the framework are, with immigration over the past few years—I am not making a political point; this is just a fact—running at more than 300,000 a year, which even the latest figures show.

Simon Danczuk: The hon. Gentleman will be aware that he belongs to a party that has been in government for a considerable time and that said it would dramatically reduce the number of immigrants coming into the country. There has been a complete failure by his Government to do that.

Mr Nuttall: I do not want to be diverted on to a debate about immigration when we are discussing housing, but the two things are connected. More can be done and I have argued that point many times in the Chamber. One thing has fundamentally changed since those figures were drawn up and that is the referendum we had in June. That will enable this country to have more control over its borders as far as immigration from the European Union is concerned. That is a fact. We can debate lots of other things, but that will happen, and I wonder to what extent that has been reflected in the numbers.

The biggest concern of most of the hundreds, if not thousands, of people who have contacted me about the plans is the erosion of the green belt. My view is that the green belt is there for a purpose. It was put there to protect the land from development.

Before I came to this place, I was involved in the legal profession. We acted for one or two house builders, so I know how they operate. I can tell the House this: given the choice between developing a nice, flat, green field and having to sort out a brownfield site, they are going to choose the greenfield site every single time. The plan is like manna from heaven for developers. They were asked to put in bids and to give expressions of interest. Obviously, they came round Greater Manchester and thought, “This is fantastic! We’ll have that site, we’ll have that one, we’ll have that one and I wouldn’t mind building a few houses there!” In my own patch, for example, Bury’s green belt is threatened around Elton reservoir, with nearly 3,500 new homes planned, and between Walshaw and Tottington, where another 1,250 homes are planned. Some 100 homes are planned in Holcombe Brook and they are nibbling at the green belt around Gin Hall for an industrial estate.

I appreciate that I do not have time to go into detail about all those sites, but I want to place on record a point about infrastructure, which has been mentioned by a number of hon. Members today. We do not have to speculate on what will happen; we just need to look at the history. My constituency has had house building galore over the past few years. We can see what happens. House building goes ahead without any of the necessary infrastructure in place, without the necessary road improvements and without schools. On the site at Walshaw, the spatial framework says:

“Elton High School is within easy reach of the site. The school is currently subject to a Government-funded rebuilding programme that will provide good quality opportunities for secondary education in the vicinity of the site”.

It is not “will”—it has already happened. It is open and the school is there. The point is that the school is full. There is no point saying that it is going to provide extra places for all the thousands of new homes that are going to be built. That is just one example of how the spatial framework does not take account of reality.

I agree that brownfield sites should be developed before greenfield sites, but I can be as sure as anything that if this plan sees the light of day, the developers will all want to put pressure straightaway on building on the greenfield sites and the brownfield sites will still be brownfield sites in 20 years’ time. They still will not have been developed.

Finally, perhaps—I do not know what time you want to start the wind-ups, Mr Howarth?

Mr George Howarth (in the Chair): At 5.30 pm, but the hon. Gentleman should not feel that he is required to take up all the intervening time.

Mr Nuttall: I am conscious of that. In my constituency, which has been very badly affected by flooding, the drainage and sewers are of significant importance and that may be the case in other constituencies as well. Everyone can agree that some of that is directly related to the house building that has gone on. I have spoken to representatives from United Utilities, who have said, “Look, all these houses were built here and we are just suddenly expected to have to try and provide extra drainage for them.” We know from history—we do not have to speculate—what will go on.

Wildlife habitats will be lost and I have had a lot of representations about that. The point about air quality was mentioned by the hon. Member for Makerfield (Yvonne Fovargue) as well as by other hon. Members. We already have gridlock virtually every night in Bury town centre. If there are thousands more cars on the streets arising from these housing developments, the air quality will only deteriorate further.

I hope that the brief discussion we have had here this afternoon will give pause for reflection. We accept that there has got to be new housing, but the powers that be in Greater Manchester should look again at the numbers and what they are doing to devastate the green belt and say, “We are not going to do any of that until we have built on these brownfield sites.” When we have done that, let us bring the plan back and have a proper consultation over a few months and let the public look at it. I would be grateful if the Minister in his summing up gave an undertaking that he will do what he can to ensure that the voices of our constituents are heard right across the Department for Communities and Local Government.

5.29 pm

Dr Roberta Blackman-Woods (City of Durham) (Lab): It is a pleasure to serve under your chairmanship again, Mr Howarth I congratulate the hon. Member for Hazel Grove (William Wragg) on securing the debate. Members in all parts of the Chamber have spoken passionately for their areas, and we have clearly been discussing a huge local issue.

The Opposition do not have a particular problem with the concept of a spatial framework. Setting out a plan to deliver new homes and jobs up to 2035 is important, in particular to identify new infrastructure

that will underpin such development—providing that happens, of course. The framework is also useful to sit alongside local plans, but it is not clear to me how those are being collected. On the consultation, there seem to be some issues to do with the timeframe and local views being taken on board.

The idea of the spatial framework therefore is good, but I am not absolutely convinced that in its current mode it is fit for purpose. Four areas seem to have been identified this afternoon: the inadequate evidence base for the green-belt proposals, and too much reliance on the green belt in the framework plan; the lack of protection for green space in the plan; the democratic deficit, given that we are not sure who will make the decisions about the plan; and the lack of ambition and imagination in relation to the area’s needs. I will deal briefly with those four points.

The national planning policy framework makes it clear:

“Green Belt boundaries should only be altered in exceptional circumstances, through the preparation or review of the Local Plan.”

Interestingly, the consultation on the Greater Manchester spatial framework stated:

“It is concluded that we have to consider Green Belt release to meet this need and that exceptional circumstances exist to amend the existing Green Belt boundaries, as set out in the background evidence papers”,

but the study to which that refers actually makes no comment at all on whether green-belt land should be released. There therefore seems to be a complete lack of an evidence base to enable councils to build on the green belt. Furthermore, they have not demonstrated clearly that brownfield development will not be enough, and that needs to be done in some detail, because the Government now require a brownfield register to be put together. We simply have not seen that, and it has certainly not been subject to enough scrutiny.

On green space, it would be helpful for all Members present to talk to their communities about designating under the NPPF any sites of real value to the local community. A green space designation gives a degree of protection. That needs to happen.

The councils together also need to address the issue of the democratic deficit. It is wrong for people to think that planning is done to them and that their voices are not heard. We should have a spatial framework that starts with a neighbourhood plan, listens to what local communities want and relates that to the local plan and then to a spatial plan. I hope that once my right hon. Friend the Member for Leigh (Andy Burnham) is elected Mayor, he will look at how to put together a better spatial framework that will enable local communities to plan for the future, because that is what they want. They want enough housing and jobs, and a good built and natural environment for people to live in.

William Wragg: For the record, may I point out that there is an excellent Conservative candidate for the mayoral election next year, Sean Anstee?

Dr Blackman-Woods: Will the Conservative candidate have good ideas about planning? That remains to be seen.

I suggest to the Minister—

Simon Danczuk: Will the hon. Lady give way?

Dr Blackman-Woods: I am afraid I cannot give way, because I am in my last minute. I am terribly sorry.

It is important for the Minister to talk to the combined authority about how it can put together a spatial framework that better reflects what local people want and so that a system is in place to enable all aspects of the planning system to connect. We can then get the homes, jobs and infrastructure that we need, so that the area can develop.

5.34 pm

The Parliamentary Under-Secretary of State for Communities and Local Government (Andrew Percy): I begin with an apology. This is my second appearance in Westminster Hall this week, and on neither occasion have I come to respond on my own area of policy. I can only assume that that is because I am doing such a good job that no one has felt the need to hold me accountable for it yet. However, I apologise today on behalf of the Minister for Housing and Planning, who is in the main Chamber for the important debate on homelessness.

Mr George Howarth (in the Chair): Order. The Minister should be aware that lack of knowledge never seems to impede anyone in this House.

Andrew Percy: As we are about to prove, Mr Howarth.

I was also tempted simply to hand the debate over to the various candidates standing for the mayoralty, so that they could offer up their vision of the plan. Shortly, thanks to the devolution deal negotiated with the Manchester authorities, the spatial framework will land on the combined authority and the new Mayor's desk, whoever he or she is.

Mr Graham Brady: I will not press the Minister too much on detail, but will he be clear that the Greater Manchester spatial framework is a matter for local determination and that the Government in no way seek to force on Greater Manchester certain figures for housing development or the removal of green belt?

Andrew Percy: Absolutely. The housing figures are generated by the local authorities. I cannot comment on their validity or the merits of the Greater Manchester numbers because of the obvious proprietary reasons, which I will say more about in a moment. The figures are locally determined and are not provided by central Government.

I congratulate my hon. Friend the Member for Hazel Grove (William Wragg) on securing the debate and on representing his constituents today with skill and passion. I have listened carefully to the concerns about potential green-belt loss, brownfield development and the capacity of local roads and infrastructure generally to cope. I will respond to as many of the points made as possible in the time available.

I cannot comment on the Greater Manchester spatial framework in detail because of the proprietary reasons to which I just referred. It will be subject to examination by independent inspectors appointed by the Secretary of State. My quasi-judicial role in the planning system means that I may have to intervene at later points on matters relating to the plan. I am therefore unable to comment in any greater detail, other than to say that my hon. Friend the Member for Hazel Grove painted a

familiar picture of the difficult choices that have to be made by local areas to secure economic growth and to tackle the historical under-delivery of homes, including affordable homes.

I will briefly clarify what it takes for a local authority to plan for growth. The context is important. The process begins with the local authority understanding the disparate needs and aspirations of local people and gathering a detailed evidence base—again, to respond to my hon. Friend's point, this is bottom up, from local authority level—to determine the needs of its area. That has to be balanced, of course, with the views of residents, who, as many hon. Members rightly said, should be at the centre of the planning system, and with Government policy, MPs' views, environmental constraints and external pressures from developers.

The plan then has to identify objectively what development is needed for employment, economic growth, housing and infrastructure, to come up with strategic options and, of course, to engage local people again in deciding where that development should go. I reiterate that this is a very democratic process, and rightly so. Local people need to be at the heart of it.

The dates for the current consultation have already been referred to, but there has been a series of public consultations on the spatial framework draft plan. The consultation document was published on 31 October, and the consultation will end on 23 December. A final draft of the plan is expected in 2017.

Lisa Nandy: The picture that the Minister paints is very different from my experience and that of many of my colleagues and my constituents. Most of my constituents had never heard anything about the plan before I wrote to tell them about it. Even the name—Greater Manchester spatial framework—is deliberately off-putting to people. It is incredibly difficult for the public to get into these documents, understand what is proposed and make their voices heard. It would be very welcome if the Minister acknowledged those difficulties and put his support behind the public having a real say in the matter.

Andrew Percy: I served for 10 years as a local councillor, and I cannot pretend that agreeing our joint local plans or strategic planning policies necessarily excited the electorate or was the talk of the Dog and Duck on a weekend, but the public are certainly interested in the delivery of more homes, industrial development and all the rest of it. This process is managed locally, not by central Government, so the hon. Lady will need to speak to her local authorities about how they have advertised and consulted the public; it is not a matter for me to determine.

Andy Burnham (Leigh) (Lab): Will the Minister give way?

Andrew Percy: I have literally five minutes, but I will give way to the right hon. Gentleman as long as he is very quick.

Andy Burnham: One of the problems that our constituents will have with this plan is about how the road network will cope, because it feels like it is already at saturation point. The north-west of England desperately needs significant investment in rail infrastructure. Does the

Minister for the northern powerhouse agree that high-quality west-east rail across the north of England is a higher investment priority than Crossrail 2 in London?

Andrew Percy: I am not going to get into the divisive argument about whether what happens in London should happen elsewhere. This country should be capable of delivering proper rail networks for both London and the north of England.

All parties have a responsibility for the decades of under-investment in the north of England, particularly in east-west connectivity. We are putting £2.8 billion into the current franchises for improvements and £13 billion into transport improvements across the north over this Parliament. We have, of course, created Transport for the North, which will come forward next year with strategic rail investment proposals for the entire north. That is something we have never seen before, and it will have the basis and nature of what happens in London with Transport for London. The northern powerhouse rail and High Speed 3 proposals, which are being developed at the moment, are of course part of that. That work will be completed next year, and I hope that Transport for the North will come forward with strong proposals for rail investment, because infrastructure is really important.

I have only three or four minutes left, and I want to respond clearly to a couple of points that my hon. Friend the Member for Hazel Grove made about brownfield sites. We have been clear that we are seeking to prioritise brownfield sites for development. We have reaffirmed our commitment to 90% of suitable brownfield sites having planning permission for new homes by 2020. We have taken action such as widening permitted development rights to help give new life to thousands of under-used buildings. We are ensuring that the new homes bonus continues to reward councils when long-empty homes are brought back into use. We are accelerating the disposal of surplus public sector brownfield land for development, and we have put an additional £1.2 billion into enabling starter homes to be created on brownfield sites.

Importantly, we will create a brownfield register, which will provide up-to-date, publicly available information

about brownfield land that is suitable for development, so the public will be able to see what land is designated as brownfield in an area and whether it has been developed. We have also introduced permission in principle, a new route to planning permission that will give up-front certainty that the fundamental principles are acceptable before developers need to get into costly technical matters.

My hon. Friend asked whether we should have a more rigid brownfield-first policy. We must be careful, because not all brownfield sites can be developed, due to environmental and pollution concerns and all the rest of it, but we are clear that brownfield sites should be prioritised. That is why the percentage of new residential addresses—that includes conversions, some of them under the rules changes I mentioned before—created on brownfield sites was 61% last year, up from 58% in 2014-15. We are quite rightly trying to prioritise brownfield sites.

My hon. Friend the Member for Cheadle (Mary Robinson) and the hon. Member for Makerfield (Yvonne Fovargue) raised infrastructure, and the hon. Member for Worsley and Eccles South (Barbara Keeley) mentioned road safety. Yesterday, we devolved some functions to Greater Manchester through statutory instrument, and one of those was road safety promotion. The combined authority and the Mayor will be able to exercise that new power.

We must match infrastructure to development—there is no doubt about that. That is why we announced in the autumn statement a £2.3 billion housing and infrastructure fund to do that. Over the last decade or so, we have all been victims of developments in our local areas that have not necessarily come with the most appropriate infrastructure, so we are absolutely clear about the issue.

In my final five or 10 seconds, I reiterate that the plan can go ahead only if it enjoys the unanimous support of every council that sits on the combined authority. It really is in the hands of local people.

5.45 pm

Motion lapsed, and sitting adjourned without Question put (Standing Order No. 10(14)).

Written Statements

Wednesday 14 December 2016

BUSINESS, ENERGY AND INDUSTRIAL STRATEGY

Energy Council

The Parliamentary Under-Secretary of State for Business, Energy and Industrial Strategy (Jesse Norman): The Energy Council, chaired by the Slovak presidency, took place in Brussels on 5 December. I represented the UK at the Council on 5 December.

The meeting began with a political debate on the options for regional co-operation, solidarity and transparency for the gas security of supply regulation. The aim of the presidency was to find compromises and get political guidance from member states.

On regional co-operation, there was a broad split with no clear majority for either option put forward by the presidency. A majority of member states supported a risk-based approach, while others wanted the clarity and certainty provided by the fixed region approach. On solidarity, most member states supported some flexibility but others wanted some detail laid down in the regulation in order for arrangements to be consistent across the Union. On transparency of contracts, most member states agreed on the need for strengthened exchange of information. On the basis of the discussion, the presidency developed a compromise set of conclusions which gave more flexibility to member states on solidarity, more transparency on contracts and agreement to pursue a risk-based approach to regional co-operation but with greater clarity on the composition of regions. These conclusions were consistent with the UK position and were agreed by all member states. Adoption of these conclusions sets the path towards a general approach, which will form the basis for negotiating a final agreement with the European Parliament.

Vice-President Šefcovic (energy union) introduced the Commission's clean energy package, which was published on 30 November. He highlighted the energy union governance framework, and a need for reliable, transparent and long-term monitoring that streamlined reporting as well as the need to support the 2014 and 2015 European Council conclusions. Commissioner Cañete (climate action and energy) then provided a high-level overview of each of the main elements of the package, which together were intended to ensure that the EU stayed ahead in the clean energy transition and in mobilising the Paris agreement. An informal exchange of views on the package took place over lunch. We are considering how best to work with the Commission and other member states during the forthcoming negotiations to improve the proposals in the package.

The Council then held an exchange of views on the external dimensions of EU energy policy. There was general support for the progress that the EU had made in relation to its relationship with third countries on energy policy. Some member states stressed the importance of the work with Ukraine, and that it should remain a priority. Others stated that diversification of supply sources and routes for energy into Europe was critical.

The Council received an update from the presidency on progress in negotiation of the energy efficiency labelling directive and the decision on inter-governmental agreements.

The Commission presented recent developments in the field of external energy relations, which included the Paris agreement entering into force and the recent signature of the memorandum of understanding with Ukraine.

Finally, the Maltese delegation presented its priorities for its presidency. These fell into three areas: completing files already under discussion; creating momentum on the clean energy package, with informal and formal Council meetings focused on this agenda; and EU-Mediterranean co-operation.

[HCWS354]

Renewable Heat Incentive

The Minister for Climate Change and Industry (Mr Nick Hurd): Today my noble Friend the Minister of State for Energy and Intellectual Property has made the following statement:

In March 2016, the Government set out their proposals to reform the renewable heat incentive (RHI) scheme in the consultation "The Renewable Heat Incentive: A reformed and refocused scheme". The consultation ran from 3 March to 27 April 2016 and received 370 responses from individuals, businesses, trade bodies and other organisations. I am pleased to announce that the Government response to the consultation has been published today.

Heat accounts for almost half of UK energy use and a third of UK carbon emissions. Decarbonising how we use heat in our homes, businesses and buildings is therefore an essential part of how we transition to a low-carbon economy. It can also in time help to make heating homes and other buildings more efficient and affordable.

In November 2015, the Government renewed their commitment to the transition to a low-carbon economy by confirming a continued budget for the RHI out to 2020-21. By confirming the available budget and setting out a number of reforms for how the scheme will operate, the Government intend to provide the level of certainty needed for consumers and industry to invest in renewable heating and for the market to transition towards being sustainable without Government support in future.

It is vital that the scheme delivers value for money for taxpayers and supports the development of technologies that will be important for the long term. That is why we will be reforming the scheme to ensure it:

- Focuses on long-term decarbonisation: promoting the deployment of the right technologies for the right uses, while ensuring the RHI contributes to both our decarbonisation targets and to the UK's renewable energy target.

- Offers better value for money and protects consumers: improving how costs are controlled, giving consumers more confidence in the performance of particular technologies and addressing potential loopholes in the scheme.

- Supports supply chain growth and challenges the market to deliver: driving cost reductions and innovation to help build growing markets that provide quality to consumers and are sustainable without Government support in future.

[HCWS353]

HOME DEPARTMENT

Chair of the Advisory Council on the Misuse of Drugs

The Secretary of State for the Home Department (Amber Rudd): I am pleased to announce that Dr Owen Bowden-Jones has been appointed to the ACMD both as a member and as its new chair. This appointment is

for a three year term, beginning on 1 January 2017. Dr Bowden-Jones is an experienced clinician who provides assessment and treatment for people experiencing harms from emerging problem drugs.

The ACMD was established under the Misuse of Drugs Act 1971 and provides advice to Government on issues related to the harms of drugs. It also has a statutory role under the Psychoactive Substances Act 2016. Dr Bowden-Jones will replace Professor Les Iversen, whose term ends at the end of this year.

I would like to take this opportunity to thank Professor Iversen for his dedication to chairing the ACMD over the past seven years.

[HCWS352]

FOREIGN AND COMMONWEALTH OFFICE

North Korea

The Parliamentary Under-Secretary of State for Foreign and Commonwealth Affairs (Alok Sharma): I would like to update the House on recent developments regarding the Democratic People's Republic of Korea, the international response and what actions the Government are taking.

The Government remain deeply concerned by North Korea's continued development of its nuclear and ballistic missile programmes. This year we have seen two nuclear tests from North Korea, and an unprecedented number of ballistic missile launches. These actions have been accompanied by threatening rhetoric, and the continued prioritisation of the weapons programme over the well-being and needs of the North Korean people.

On 14 September, I informed the House that the UN Security Council had agreed that North Korea's fifth nuclear test on 9 September was a clear violation of existing Security Council resolutions, and that there would be a robust response.

On 30 November, the UN Security Council adopted Security Council resolution 2321, a package of new, stronger measures to deter and challenge North Korea's

nuclear and ballistic missile programmes. This resolution builds on the provisions of UN Security Council resolutions 1718, 1874, 2087, 2094 and 2270.

Significant measures in the new resolution are designed to constrain and disrupt the DPRK's nuclear intentions. The new cap on coal exports, with a UN oversight mechanism, will directly affect the DPRK's ability to raise foreign currency for their nuclear and ballistic missile programmes. This is estimated to reduce DPRK foreign trade income by \$700 million, and when combined with a metals export ban, will cut DPRK trade income by a quarter.

The resolution tightens existing measures, and enhances controls on technology imports, on shipping, and on banking, as well as demonstrating a new resolve to disrupt any abuse of diplomatic privileges. This will send a strong signal as well as have important practical effects. This text, in addition to the UN Third Committee resolution on DPRK human rights adopted on 15 November, makes clear the explicit link between the DPRK's proliferation choices and their shameful treatment of their own people. The United Kingdom has worked closely with P5 partners throughout the development of UNSCR 2321, and will be at the forefront of the discussion amongst EU member states as we transpose the UNSCR swiftly into EU law.

Both I and my right hon. Friend the Secretary of State for Foreign and Commonwealth Affairs have spoken with counterparts regarding the increasingly belligerent and dangerous behaviour of the DPRK. The threat posed by the DPRK's programmes to both regional and international security will continue to be at the forefront of our work.

As the United Kingdom has done on many occasions, we continue to urge the Democratic People's Republic of Korea to return to credible and authentic multilateral talks on its nuclear programme. We ask it to abide by its obligations under the Nuclear Non-Proliferation Treaty, and to permit full access by the International Atomic Energy Agency.

[HCWS355]

Petitions

Wednesday 14 December 2016

PRESENTED PETITION

Petition presented to the House but not read on the Floor

Implementation of the 1995 and 2011 Pension Acts

The petition of residents of Erewash,

Declares that as a result of the way in which the 1995 Pension Act and the 2011 Pension Act were implemented, women born in the 1950s (on or after 6 April 1951) have unfairly borne the burden of the increase to the State Pension Age; further that hundreds of thousands of women have had significant changes imposed on them with little or no personal notice; further that implementation took place faster than promised; further that this gave no time to make alternative pension plans; and further that retirement plans have been shattered with devastating consequences.

The petitioners therefore request that the House of Commons urges the Government to make fair transitional arrangements for all women born in the 1950s (on or after 6 April 1951) who have unfairly borne the burden of the increase to the State Pension Age.

And the petitioners remain, etc. . .]

[P002000]

OBSERVATIONS

HEALTH

New national stroke strategy

The petition of residents of the UK,

Declares that there is a need for a new national strategy for stroke; further that a new strategy will ensure that stroke survivors and their carers receive the support they need; further that it will drive improvements in hospital care; further that it will drive the roll out of a new treatment, thrombectomy; and further that a new strategy will save lives.

The petitioners therefore request that the House of Commons urges the Government to commit to writing a new national stroke strategy.

And the petitioners remain, etc.—[Presented by Mr Nigel Evans , *Official Report*, 14 September 2016; Vol. 614, c. 8P.]

[P001708]

Observations from the Parliamentary Under-Secretary of State for Health (David Mowat):

Decisions on whether the stroke strategy should be renewed are a matter for NHS England. As NHS England has moved away from disease specific strategies towards guidance that is more cross cutting and because the stroke strategy remains valid and implementation of it continues, NHS England has no current plans to renew it. Action is being taken to ensure the progress made on stroke continues. Initiatives include;

ongoing work in virtually all parts of the country to organise acute stroke care to ensure that all stroke patients, regardless of where they live or what time of the day or week they have their stroke, have access to high quality specialist care;

publication of the Cardiovascular Disease (CVD) Outcomes Strategy in 2013, which includes many stroke specific strategic ambitions;

NHS England has established a CVD collaborative to bring together relevant stakeholders in the field of CVD and provide a forum where relevant work being undertaken in this area and potential new initiatives can be discussed and responsibilities for action determined;

NHS England's National Clinical Director (NCD) for stroke is working with Clinical Networks, Urgent and Emergency Care Networks, Clinical Commissioning Groups (CCGs) and Sustainability and Transformation Plan areas on how stroke care is best delivered to local communities;

services for the management of transient ischaemic attack (TIA) are changing in many areas to meet the new standard that all TIA patients should be seen and assessed within 24 hours, not just high risk patients. CCGs are being encouraged to increase the geographical coverage of early supported discharge services;

thrombectomy for stroke is to be considered for new funding through specialised commissioning;

NHS England continues to fund the Sentinel Stroke National Audit Programme which records information on the processes of care and outcomes both for the acute hospital phase and the subsequent care in the community up to 6 months after the stroke; and

Public Health England will be running another Act FAST campaign early in 2017 to raise awareness of the signs and symptoms of stroke.

Prevention of stroke and other cardiovascular diseases is also a priority for NHS England, particularly reducing the very high prevalence of CVD in patients with mental health illness. The NHS Diabetes Prevention Programme will also have an impact on reducing the burden of stroke. Over 20% of stroke admissions have diabetes as one of the causative factors.

WORK AND PENSIONS

Implementation of the 1995 and 2011 Pension Acts

The petition of residents of Caerphilly County Borough,

Declares that as a result of the way in which the 1995 Pension Act and the 2011 Pension Act were implemented, women born in the 1950s (on or after 6 April 1951) have unfairly borne the burden of the increase to the State Pension Age; further that hundreds of thousands of women have had significant changes imposed on them with little or no personal notice; further that implementation took place faster than promised; further that this gave no time to make alternative pension plans; and further that retirement plans have been shattered with devastating consequences.

The petitioners therefore request that the House of Commons urges the Government to make fair transitional arrangements for all women born in the 1950s (on or after 6 April 1951) who have unfairly borne the burden of the increase to the State Pension Age.

And the petitioners remain, etc.—[Presented by Wayne David , *Official Report*, 7 December 2016; Vol. 618, c. 2p.]

[P001990]

Petitions in the same terms were also presented by the hon. Member for Worsley and Eccles South (Barbara Keeley) [P001988]; the hon. Member for York Outer (Julian Sturdy) [P001989]; and the hon. Member for North East Fife (Stephen Gethins) [P001991].

Observations from the Secretary of State for Work and Pensions:

The pension system, along with the whole welfare system, needs to change to reflect the reality of today. In recent decades we are living longer, and we are able to work for longer as we become healthier.

The equalisation and acceleration of State Pension age for both men and women was necessary to ensure the system's sustainability in light of increasing life expectancy and increasing pressure on public resources, and the package now in place is balanced and affordable.

The changes to the State Pension age began with the gradual equalisation of State Pension age at 65 for both men and women, which was first set out in the Pensions Act 1995. This was necessary to meet the UK's obligations under EU law to eliminate gender inequalities in social security provision.

The increase of the State Pension age to 66 was set out in the Pensions Act 2007 and due to increasing life expectancy the Pensions Act 2011 accelerated this process to allow for a rise to 66 by 2020 for both genders and provided for the equalisation of the State Pension age to 65 by November 2018.

During the 2011 Pensions Act the Government made a concession which slowed down the increase of the state pension age for women so no one would face an increase of more than 18 months compared to the increase as part of the Pensions Act 1995. Transitional arrangements at a cost of £1.1 billion were made in order to lessen the impact of these changes for those worst affected, and for 81% of these women the increase will be no more than 12 months. This concession benefited almost a quarter of a million women who would otherwise have experienced delays of up to two years.

Reversing the 1995 Act would be unaffordable—costing a minimum estimate of £77 billion. Without equalisation, and in 2010, women would spend on average 41% of their lives in retirement with a State Pension age of 60.

These changes were fully debated and voted on in 2011 when legislation was before Parliament, and all those affected by increases in State Pension age by the 2011 Act were written to in the period between January 2012 and November 2013.

The Department for Work and Pensions provided a range of additional information in order for all individuals to find out their State Pension age and the conditions of their benefits.

Since April 2000, the Department has provided more than 14 million personalised State Pension estimates to people who requested them either online, via telephone or post, and encourages people to request these State Pension estimates as part of ongoing communications.

In addition, employment maximises people's opportunities to build up savings, helps to maintain social networks, and is beneficial to health provided the employment takes into account the person's broader circumstances. For most people work is beneficial not only because it provides an income, but also because it also gives individuals greater control over their own lives, and independent analysis by the Institute for Fiscal Studies has shown that the rise in women's State Pension age since 2010 has been accompanied by increases in employment rates for the women affected.

For those who struggle to find employment and where people need it, there is a safety net in place through the welfare system.

Supporting individuals aged 50 years and over to remain in the labour market and tackling the barriers to them doing so is a key priority for this Government. By the mid-2030s the number of individuals aged 50 and over will represent over half of the UK adult population and employers increasingly need to employ and retain the skills and experience of older workers. To support these individuals the Default Retirement Age was abolished, so individuals can retire when it is right for them, and the right to request flexible working was extended.

This Government are deeply committed to ensuring that employers are aware of the wealth of skills and experience that older workers bring to the workplace, and on 4 October the Government announced the appointment of the Business in the Community Age at Work leadership team led by Andy Briggs, CEO of Aviva UK and Ireland Life, as Business Champion for Older Workers. Mr Briggs and this team of employers will spearhead the Government's work to support employers to retain, retrain, and recruit older workers.

Jobcentre Plus Work Coaches have the flexibility to offer all claimants, including older people, a comprehensive menu of help which includes skills provision and job search support. Work Coaches undertake extensive training before taking up the post, and build up a wide range of skills and in-depth labour market knowledge, and additional training modules are available for Work Coaches when they deal with older claimants to support them more effectively and in understanding the challenges older claimants face.

Older Claimant Champions were introduced, in April 2015, in the seven Jobcentre Plus Regional Groups to tackle the barriers faced by older claimants in getting back to work. Older Claimant Champions work with Jobcentre Work Coaches—and other staff—to emphasise the importance of supporting older claimants, share best practice and challenge out of date perceptions to support this group of people.

Where there are health conditions or disabilities, the Department has published the Work, Health and Disability Green Paper which looks at ways of better joining up the health, welfare and employment systems to support those seeking work as well as those in work. A Carers in Employment pilot has been established across nine Local Authorities to explore how businesses can give employees with caring responsibilities more help, for example promoting flexible working patterns and setting up carers surgeries to help carers manage their caring responsibilities alongside their paid work.

In addition to increasing employment prospects for women above the age of 60, this Government have introduced the New State Pension. The system in place for people who reached their State Pension age before 6 April 2016 was extremely complex and the new State Pension brings greater clarity by helping people to understand their State Pension more easily. It is also much more generous for many women who have been historically worse off under the old system. On average, women reaching State Pension age last year get a higher state pension over their lifetimes than women who reached State Pension age at any point before them, even when the acceleration of State Pension age is taken

into account. And, by 2030, over 3 million women stand to gain an average of £550 extra per year as a result of these changes.

The New State Pension works hand in hand with Automatic Enrolment, enabling many more people to save in a workplace pension. And, combined with reviews of the State Pension age, these measures are designed to

form the main elements of a sustainable basis of retirement income in the decades to come.

The Government have already made transitional arrangements for those most affected by changes to their State Pension age and introducing further concessions cannot be justified given the imperative to focus public resources on helping those most in need.

Ministerial Corrections

Wednesday 14 December 2016

DEFENCE

Armed Forces: Equipment

The following is an extract from Questions to the Secretary of State for Defence on 12 December 2016.

Edward Argar (Charnwood) (Con): Will my hon. Friend the Minister reassure me that we will continue to provide our armed forces with the best possible equipment and that, where appropriate and where that standard is met, that will be equipment developed and manufactured in the UK?

Harriett Baldwin: My hon. Friend is right that we need to focus on the best equipment and getting the right capability for our armed forces. We will also always seek the best value for money for the taxpayer, but we will seek to get that UK content as strong as possible. The F-35 is an example. Fifteen per cent. of each of the 3,000 planes in the global programme are made at **Warton** in the north-west, and the UK has been selected as the global hub for a large number of elements for the maintenance, repair, overhaul and upgrade of those fantastic aircraft.— [*Official Report, 12 December 2016, Vol. 618, c. 495.*]

Letter of correction from Harriett Baldwin:

An error has been identified in the response I gave to my hon. Friend the Member for Charnwood (Edward Argar) during Questions to the Secretary of State for Defence.

The correct response should have been:

Harriett Baldwin: My hon. Friend is right that we need to focus on the best equipment and getting the right capability for our armed forces. We will also always seek the best value for money for the taxpayer, but we will seek to get that UK content as strong as

possible. The F-35 is an example. Fifteen per cent. of each of the 3,000 planes in the global programme are made at **Samlesbury** in the north-west, and the UK has been selected as the global hub for a large number of elements for the maintenance, repair, overhaul and upgrade of those fantastic aircraft.

BUSINESS, ENERGY AND INDUSTRIAL STRATEGY

Tidal Lagoons and UK Energy Strategy

The following is an extract from the response to the hon. Member for Strangford (Jim Shannon) during the Westminster Hall debate on tidal lagoons and UK energy strategy by the Under-Secretary of State for Business, Energy and Industrial Strategy, the hon. Member for Hereford and South Herefordshire (Jesse Norman) on 6 December 2016. The answer given was as follows:

Jesse Norman: I am sorry to have given up time for that intervention, because I was coming to that point. SeaGen, as the hon. Gentleman recognises, was a research test bed, and it is being decommissioned now. It received a £10 million grant from the Department, and those conclusions are being carefully assessed. It is a project in which there has already been public investment.

[*Official Report, 6 December 2016, Vol. 618, c. 47WH.*]

Letter of correction from Jesse Norman:

An error has been identified in a response I gave to the hon. Member for Strangford (Jim Shannon) during the Westminster Hall debate on tidal lagoons and UK energy strategy.

The correct response should have been:

Jesse Norman: I am sorry to have given up time for that intervention, because I was coming to that point. SeaGen, as the hon. Gentleman recognises, was a research test bed, and it is being decommissioned now. It received a **£5.2 million** grant from the Department, and those conclusions are being carefully assessed. It is a project in which there has already been public investment.

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