

**Wednesday
22 March 2017**

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**HOUSE OF COMMONS
OFFICIAL REPORT**

**PARLIAMENTARY
DEBATES**

(HANSARD)

Wednesday 22 March 2017

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

MIDDLE LEVEL BILL

Second Reading opposed and deferred until Wednesday 29 March at Four o'clock (Standing Order No. 20).

Oral Answers to Questions

CABINET OFFICE AND THE CHANCELLOR OF THE DUCHY OF LANCASTER

The Minister for the Cabinet Office was asked—

Cyber-security

1. **Stephen Timms** (East Ham) (Lab): What recent assessment his Department has made of the effect of the government transformation strategy 2017 to 2020 on cyber-security. [909379]

The Minister for the Cabinet Office and Paymaster General (Ben Gummer): Cyber-attacks are growing more frequent, sophisticated and damaging. The government transformation strategy will ensure that government protects all its services and products from cybercrime, and will ensure that all systems are designed with cyber-security and appropriate privacy safeguards in place.

Stephen Timms: I am grateful to the Minister for that answer. Can he reassure us that as the transformation strategy, for very good reasons, puts more and more of our personal data—on our taxes, on our health and so on—online, none of those data will be at risk of ending up in the wrong hands?

Ben Gummer: I am very grateful to the right hon. Gentleman for making that point. Central to what we are doing is protecting not only the information that government requires to be kept confidential, but, as importantly, the information that citizens require to be kept confidential. That is partly why gov.uk Verify has been designed so that it protects citizens' data in the inquires that they make of government.

Michael Fabricant (Lichfield) (Con): Last night, I had a very pleasant evening, in Blacks Club, with Dr Helen Stokes-Lampard, the chairman of the Royal College of General Practitioners, who is my own personal GP from Lichfield. She was telling me that NHS data on patients will now be held on the cloud—and this system will work, of course, because individual programmes will access it. But how secure will the cloud be?

Ben Gummer: My hon. Friend has doctors in high places. All I would say to him is that specific inquiries about NHS digital services should be directed to the Health Secretary, but I shall ensure that my hon. Friend receives a proper reply from him. As for the Government's general strategy, our purpose is to make sure that we have the most secure government information systems anywhere in the world. That is what lies behind the government transformation strategy and the Government's cyber-strategy, too.

Graham Jones (Hyndburn) (Lab): Is the Government's strategy on big data not the wrong way round? It is concentrating on big organisations having a central repository of data over people, whereas this should be about an empowering state where individuals have control over their own data—they should not have them held by big organisations.

Ben Gummer: The Government are seeking to achieve precisely the latter of those things, which is why gov.uk Verify has been built as it has. It is very important that citizens have complete faith in the data held by government and feel able to interrogate data in the way that is open to them. We are not quite where I would like to be on this yet, but as we design digital services in the future I want to arrive at precisely the point the hon. Gentleman indicates.

Bob Blackman (Harrow East) (Con): Will the Minister update the House on the action he is taking to ensure that businesses are aware of their responsibilities on cyber-security, particularly those businesses that trade with government, so that businesses are safe and government is made safe?

Ben Gummer: I am grateful to my hon. Friend for raising this important matter. I direct businesses to look at the cyber essentials pack on the National Cyber Security Centre website, which details the essentials of what businesses can do to protect themselves. The NCSC's purpose is to ensure that businesses that work with government adhere to the same high standards of cyber-security that the Government expect of themselves.

Domestic Abuse Victims: Voting

2. **Karl McCartney** (Lincoln) (Con): What steps he is taking to help victims of domestic abuse exercise their right to vote. [909380]

5. **Nusrat Ghani** (Wealden) (Con): What steps he is taking to help victims of domestic abuse exercise their right to vote. [909383]

6. **James Berry** (Kingston and Surbiton) (Con): What steps he is taking to help victims of domestic abuse exercise their right to vote. [909384]

The Parliamentary Secretary, Cabinet Office (Chris Skidmore): I published a policy statement on 3 March proposing reforms to anonymous registration and seeking feedback from interested parties by 26 May. I want to reflect the experiences of domestic abuse survivors so that they can more easily exercise their right to vote. This will help to ensure that we have a democracy that works for everyone.

Karl McCartney: I thank my hon. Friend for that answer and welcome any moves towards making it easier for both men and women who have suffered domestic abuse to register to vote. Will he outline further what changes he is making, and confirm that the names and addresses of those men and women who are registering anonymously will not be on the electoral register?

Chris Skidmore: I can confirm to my hon. Friend that names and addresses do not appear on the electoral register as a result of the application to register anonymously. The Government are proposing to make it easier for an applicant to demonstrate that their safety is at risk by expanding the type of documentary evidence required and the people who can attest to this, and as part of the consultation process we are looking at every point of contact that the survivors of domestic abuse come across to make sure that they exercise their right to vote.

Nusrat Ghani: I warmly welcome the Minister's efforts to make it easier for victims of domestic abuse to register to vote, and to have the all-important right to have their say and be heard, which has been raised in my surgeries by Wealden constituents who have survived domestic abuse. One part of the Government's plan is to increase the number of attestors by lowering the seniority required of them in the police and social services, and possibly by expanding the number of professions they come from. Will training or guidelines be provided to help the new attestors when they are called on to adjudicate in a specific case?

Chris Skidmore: The Cabinet Office will be working with the Electoral Commission and representative bodies to provide the relevant guidance that will be required.

James Berry: I commend the Government on the work they have done with Women's Aid and other organisations. Will my hon. Friend assure me that this work will continue to ensure that the victims of all types of domestic abuse are heard at the ballot box?

Chris Skidmore: I have worked closely on this issue with domestic abuse charities over the past six months, including Women's Aid, to explore what can be done to improve the anonymous registration process. I look forward to continuing this work with Women's Aid and other domestic abuse charities.

Thangam Debbonaire (Bristol West) (Lab): For 26 years before I was a Member of Parliament, I worked in the field of domestic abuse. Will the Minister make sure that he considers the extent to which domestic abuse perpetrators will make efforts to track down their victims, often for many months and years after the relationship has ended?

Chris Skidmore: I thank the hon. Lady for her contribution to the field of domestic violence work. She is absolutely right that someone is a survivor of domestic abuse not just for two or five years, but for the rest of their life. When we give people the right to vote, we must ensure that they and their names and addresses are protected. We will carry forward that work as part of the consultation process, and given her expertise, I welcome any contribution that she would like to make.

Nick Smith (Blaenau Gwent) (Lab): It is great that the Government are showing bureaucratic flexibility to help domestic abuse victims to vote, but such flexibility should be put into all the Government's voter registration efforts. Will they build "register to vote" links into all their online service application pages?

Chris Skidmore: During the past couple of years, we have introduced the ability to register to vote online. It has been highly successful, with 24 million people taking the opportunity to register to vote online. As part of our democratic engagement strategy, which I will publish in the summer, I am keen to look at digital democracy and where it can work, and to see what we can do with other Departments to ensure that we have such points of contact and that we base democratic registration around individual users. I will be taking forward exactly what the hon. Gentleman mentioned.

Mr Gregory Campbell (East Londonderry) (DUP): Will the Minister ensure that the utmost application of secrecy will be adhered to for victims of domestic abuse who are severely traumatised and have found it difficult to apply for either postal or proxy votes.

Chris Skidmore: The hon. Gentleman is absolutely right. We need to ensure that we learn from the experience of domestic abuse survivors. We must look at that particular journey and ensure that the registration process, when we have it, works for women who need extra protection. We must also look at refuge managers to ensure that we provide the support that they will need.

Jon Trickett (Hemsworth) (Lab): It is obviously welcome that the Government are seeking to protect the voting rights of domestic violence survivors by making anonymity easier—by the way, the announcement of a one-off cash injection for specialist refuges is also welcome, although much more is needed. However, people cannot easily vote if they have no fixed abode. The truth is that Women's Aid estimates that one in six of all specialist refuges have closed since 2010, and, tragically, over 150 women plus 100 children per day are unable to find a specialist refuge. Will the Minister ensure that the inter-ministerial group now addresses the twin central questions: providing sustainable funding for refuges and ensuring comprehensive refuge provision in every part of the country?

Chris Skidmore: The hon. Gentleman is right to say that we have increased funding for women's refuges. The Prime Minister has set out very clearly that she wishes to make domestic violence one of her personal priorities, and a review is ongoing. When it comes to registration, let me be clear: this issue was raised with me, through Women's Aid, by a lady called Mehala Osborne. She is a survivor of domestic abuse, and she has fought bravely by putting her name out in the public domain to campaign for other women. There are potentially 12,000 women who, by virtue of their circumstances, cannot take the step of registering to vote, and we are determined to give them their voice so that they are heard.

Voter Registration

3. **Owen Thompson (Midlothian) (SNP):** If he will make it his policy to include in national insurance notification letters to 15 and 16-year-olds information on being able to register to vote from the age of 16.

[909381]

4. **Mrs Sharon Hodgson** (Washington and Sunderland West) (Lab): What assessment he has made of the potential merits of promoting voter registration in national insurance notification letters. [909382]

The Parliamentary Secretary, Cabinet Office (Chris Skidmore): Although this matter falls within the responsibility of Her Majesty's Revenue and Customs, I am pleased to confirm that the Cabinet Office and HMRC officials are working together to identify how best to promote electoral registration further in relation to national insurance numbers, including notification letters.

Owen Thompson: Clearly, any steps to improve voter registration have to be welcomed, but does the Minister agree that a far more efficient and cost-effective way to do so would be simply to introduce a system of automatic voter registration?

Chris Skidmore: The Government have been clear in their determination to ensure that we have individual electoral registration. Voting is not just a right; it is a responsibility. I am delighted that the Electoral Commission said in a report published last year that the number of 16-year-olds registering to vote increased by 17.7%.

Mr Speaker: Mrs Sharon Hodgson. Not here.

Tommy Sheppard (Edinburgh East) (SNP): The national insurance registration process is one way to increase electoral registration and therefore democratic participation, but there are others, including education, auto-enrolment—as my hon. Friend the Member for Midlothian (Owen Thompson) suggested—and, of course, online voting. When previously I pressed the Cabinet Office on this matter, it said there would be a plan in the spring to widen democratic participation. Spring is here. Where is the plan?

Chris Skidmore: Indeed, spring has sprung, and my commitment to ensuring that we have a democratic engagement plan is still maintained and in place. We will publish that plan shortly, in due course. We are committed to ensuring that we have a democracy that works for everyone, and that includes young people as well.

Cat Smith (Lancaster and Fleetwood) (Lab): We welcome the Government's commitment to look at promoting voter registration on national insurance letters. We know how important it is to make sure that young people and students are registered to vote—they are often the people missing from the electoral roll. Will the Government commit to supporting the amendment from the other place to the Higher Education and Research Bill? It would allow universities to auto-enrol students on campuses.

Chris Skidmore: I met Baroness Royall yesterday to discuss her amendment. I have been working over several months with universities, the Cabinet Office funded the University of Sheffield pilot that looked at this enrolment process with £10,000, and we are looking at other universities that are beginning to introduce it. It is right that we have a democracy that works for everyone and that we make it easier for electoral registration staff and universities to work together. We are determined to look closely at this process.

Government Efficiency Savings

7. **Geoffrey Clifton-Brown** (The Cotswolds) (Con): What steps he is taking to support Government Departments in delivering efficiency savings. [909385]

The Minister for the Cabinet Office and Paymaster General (Ben Gummer): The Government are conducting an efficiency review to deliver savings and embed an efficiency culture into government. The Chief Secretary and I are leading the review together. Cabinet Office functions provide support, expertise and assurance, helping Departments to work together to cut waste and inefficiency.

Geoffrey Clifton-Brown: What progress is being made with the single departmental delivery plans across every Government Department? How will they align cost savings and Government policy initiatives more closely to deliver our manifesto?

Ben Gummer: The House, especially those interested in plans, will be pleased to know that this is the first time in the history of Government plans that we have done a second iteration of a plan—that is an exciting point. We are aligning the plans with the efficiency review, which means that, amazingly, we are going to plan government with money at the same time.

Chris Evans (Islwyn) (Lab/Co-op): The electrification of the railway from Paddington to Swansea has an overspend of £1.2 billion. The Minister knows that it is not an isolated case, with a number of infrastructure projects overspending. What is the Department doing to ensure, before the Government sign contracts, that the targets are not over-optimistic?

Ben Gummer: The hon. Gentleman makes a serious point. The Infrastructure and Projects Authority was set up to assess infrastructure projects rigorously, which is why we have been able to reduce the number of overspends he correctly identifies. The complex transactions unit in my Department also assesses transactions before they happen to make sure that we are protecting the Government. I hope the big projects that are coming down the line are going to be framed even better than others have been in the past few years.

Government Transparency

8. **David Mackintosh** (Northampton South) (Con): What steps his Department is taking to make government more transparent. [909386]

The Minister for the Cabinet Office and Paymaster General (Ben Gummer): The UK is recognised as a world leader in transparency, and the Government are committed to being the most transparent in the world. We have published an unprecedented amount of data—more than 35,000 datasets, including data about the workings of government.

David Mackintosh: Will my right hon. Friend outline how the Government are being informed by international best practice to meet their manifesto commitment to be the most transparent Government in the world?

Ben Gummer: We must learn from each other, which is why we are members of the Open Government Partnership, which this country helped to set up. I have been to the OGP conference to learn from others, and we will continue to learn in that way, including from the OECD, the G20 and the International Aid Transparency Initiative.

Melanie Onn (Great Grimsby) (Lab): Does the Minister believe that transparency should begin at home? If he does, can he please explain where the response is to my letter of 19 December, which is addressed to his Department and to the director-general of his Department's propriety and ethics team, because I have yet to receive it?

Ben Gummer: I profoundly apologise to the hon. Lady if we have not responded in time. It is very important to me that we respond courteously and quickly to Members, and I shall chase up the matter immediately and make sure that she gets a proper response.

15. [909393] **Wendy Morton** (Aldridge-Brownhills) (Con): I welcome the Government's steps to increase transparency and look forward to the final stages of my own private Member's Bill, which aims to extend public access to local audit documents in local authorities. Does my right hon. Friend agree that increasing transparency at all levels of government—local and national—is a crucial step forward towards increasing trust?

Ben Gummer: It is worth remembering that it was Margaret Thatcher who made it possible for local councils to conduct their hearings in public, which is something that we now take for granted. That is why we need to continue this if we are to reinforce the relationship between citizens and the public bodies that serve them.

Alan Brown (Kilmarnock and Loudoun) (SNP): I asked the Secretary of State for Scotland how many meetings he has had with the Chancellor of the Exchequer to discuss the Ayrshire growth deal. His answer was that he has had lots of meetings in general, but that the details of ministerial discussions are not routinely disclosed. Does the Minister agree that the lack of transparency in his answer is a disgrace?

Ben Gummer: It sounds entirely transparent to me. The Secretary of State is on the Bench. He has heard the question and no doubt he will want to be caught afterwards to discuss it further. I know that he has almost daily discussions with the Chancellor about the interests of Scotland, which is why he was able to secure an additional £350 million for Scotland in the Budget. That shows the advantages of being in this Union of the United Kingdom.

Electoral Registration: Funding

9. **Catherine McKinnell** (Newcastle upon Tyne North) (Lab): What his policy is on the funding of electoral registration services. [909387]

The Parliamentary Secretary, Cabinet Office (Chris Skidmore): The Cabinet Office committed to the funding of additional costs of individual electoral registration for the remainder of the Parliament. Local authorities

maintain their previous statutory responsibilities to maximise the completeness of the registers and are responsible for the funding of the costs of the household canvas.

Catherine McKinnell: Research carried out after the EU referendum by Newcastle University's Dr Alistair Clark on behalf of the Electoral Commission said:

"Alarming, concerns about levels of funding were raised with nearly half of local authorities claiming that they have insufficient funds to maintain the electoral register."

Does the Minister not find that statement deeply worrying for our democracy, and, if so, what are the Government doing about it?

Chris Skidmore: The Government have committed to fund local authorities to cover the additional costs of IER. In 2016-17, those costs came to £21 million, and a further £49.5 million is committed to the end of this Parliament. In particular, Newcastle City Council received £145,000 for 2016-17 to fund its delivery of IER and the register.

Voter Registration: Proof of Identity

10. **Julie Elliott** (Sunderland Central) (Lab): What assessment he has made of the potential merits of allowing alternative forms of proof of identity for voter registration. [909388]

The Parliamentary Secretary, Cabinet Office (Chris Skidmore): Where an applicant's identity cannot be verified in the first instance, an exceptions process allows for a number of alternative forms of identification to be used to support that application. Finally, an attestation can support an applicant if they are able to provide any of the documentation required.

Julie Elliott: Last year, it was reported that only 25% of people knew their national insurance number, which is one of the key identifiers. What assessment has the Minister made of the impact that that will have on voter registration?

Chris Skidmore: When it comes to the voter registration process, I am delighted that the Electoral Commission reported last week that we now have a record 47.3 million people on the register. Our democracy is more engaged than ever before. We have had 24 million applications online using the national insurance number, but, as I have said, there are alternatives for those who do not have national insurance numbers, including the attestation process, which works very effectively.

Topical Questions

T1. [909394] **Gordon Marsden** (Blackpool South) (Lab): If he will make a statement on his departmental responsibilities.

The Minister for the Cabinet Office and Paymaster General (Ben Gummer): The Cabinet Office is the centre of government. The Department is responsible for the constitution, for supporting the design and delivery of Government policy and for helping government to deliver the finest public services through more efficient working and attracting and developing the finest public servants.

Gordon Marsden: The House of Lords has amended the Higher Education and Research Bill to ensure that HE institutions give their students the option to go on the electoral register. What will the Minister do to assist that process as statistics suggest that only 13% of students are registered at present? It would save both them and councils money.

The Parliamentary Secretary, Cabinet Office (Chris Skidmore): As I stated in an earlier answer, I met Baroness Royall to discuss her amendment. I am committed to ensuring that more students are able to register easily, which will save money for electoral registration officers. I am working on looking at this process. The Cabinet Office funded the pilot in Sheffield in the first place, and we are determined to ensure that we carry on this work.

T2. [909395] **Andrew Stephenson** (Pendle) (Con): What steps is the Cabinet Office taking to combat fraud against Government?

Chris Skidmore: The Cabinet Office has set up a centre of expertise that is working with public bodies to understand the overall problem, agree and monitor aspirations for a reduction of fraud, and put in place standards for organisations. As a result of that work, we had the benefit of savings of £733 million for 2015-16.

Andrew Gwynne (Denton and Reddish) (Lab): The ministerial code clearly states that former Ministers require advice from the Advisory Committee on Business Appointments prior to announcing any new business appointments. ACOBA is unable to report on its advice retrospectively after a new post has been made public. Can the Minister explain why he gave different advice to the House during his response to the urgent question on Monday? Was it just a mistake, or have the rules conveniently been changed in the space of a week?

Ben Gummer: The hon. Gentleman has made his point very clear. ACOBA is coming to its determination and it will consider all the evidence in the round. It is important that it does so without my prejudicing its decision by passing comment.

Mr Speaker: Order. There is excessive noise, which is rather discordant and very unseemly. Let us have a bit of order for Mrs Sheryll Murray.

T5. [909398] **Mrs Sheryll Murray** (South East Cornwall) (Con): Does my right hon. Friend agree that local authorities should strive to be as efficient as possible? To that end, perhaps he can assist the Lib Dem/Independent-led Cornwall council in prioritising the interests of residents rather than political vanity projects.

Ben Gummer: I am very concerned that the Liberal Democrats in Cornwall are not seeking to use the One Public Estate programme, which is set up precisely so they can save public money and direct it to the frontline. That is where they should be directing their efforts.

Mr Speaker: Fortunately for the right hon. Gentleman, he is not responsible for the Liberal Democrats—either in Cornwall or anywhere else.

T3. [909396] **Nick Smith** (Blaenau Gwent) (Lab): What is the Minister's assessment of the results of the British attitudes survey, which shows that only one in four people trust the Government's use of statistics?

Ben Gummer: I am as concerned as the hon. Gentleman will be. That is why we need to make sure that the independence of our statistics machine, to which other countries look for advice, is shown to the public to be the best in the world. That is what it is.

T7. [909400] **Seema Kennedy** (South Ribble) (Con): Will my right hon. Friend update the House on the progress made on the race disparity audit?

Ben Gummer: We have made considerable progress. According to our original timetable, we will be able to release the results of the first part later this year. That will be a moment of reckoning for this country, as we face up to the serious challenges still ahead of us in making sure that everyone has an equal opportunity, no matter what their colour or background.

T4. [909397] **Alan Brown** (Kilmarnock and Loudoun) (SNP): Some £200,000 of election spending misreported or omitted from returns; an unwillingness to co-operate with the Electoral Commission; a £70,000 fine that the Tories can just shrug off because of their wealthy donors: does the Minister agree that there needs to be a greater punishment for political parties that break the election spending rules?

Chris Skidmore: It is clear that on that issue the Electoral Commission has taken action against parties across the political divide. It is right, going forward, that we look at incremental ways in which we can reform party funding, but our elections are the most transparent in our democracy. They ensure the publication of spending and it is right that that should take place.

Mr Speaker: Order. There is far too much noise. The voice of Corby must be heard. I call Tom Pursglove.

T8. [909401] **Tom Pursglove** (Corby) (Con): What steps is the Minister's Department taking to maximise opportunities for UK industry through cross-Government procurement? Does he have any early sense of how the new procurement guidelines are bedding down?

Ben Gummer: My hon. Friend is right to point out that it was this Government who introduced new guidance to make sure that we could support the UK steel industry wherever possible. That has been well received by the industry, and I hope to be able to write to my hon. Friend quite shortly with the results of where we have got so far.

Mr Speaker: Order. So must the voice of Middlesbrough South and East Cleveland.

Tom Blenkinsop (Middlesbrough South and East Cleveland) (Lab): Will the Minister for Digital and Culture recuse himself from decisions on Government media policy, given his close relationship to the new editor of the London *Evening Standard*?

Ben Gummer: My right hon. Friend the Minister is a decent and honourable man, and he will make his own decision about his ministerial responsibilities. It is wrong to impugn his motives in the House, if I may say so.

Andrew Bingham (High Peak) (Con): Does the Minister intend to expand the One Public Estate initiative? It not only rationalises our public buildings for financial reasons, but gives us the opportunity to create better and more streamlined services for our residents.

Ben Gummer: My hon. Friend has it in one: not only does this initiative allow us to save costs so that we can direct money to the frontline, but it means that public services are far simpler for our citizens to deal with, because they are located in one place.

PRIME MINISTER

The Prime Minister was asked—

Engagements

Q1. [909402] **John Mann (Bassetlaw) (Lab):** If she will list her official engagements for Wednesday 22 March.

The Prime Minister (Mrs Theresa May): I would like to express my condolences to the family and colleagues of the former Deputy First Minister of Northern Ireland, Martin McGuinness. Of course, we do not condone or justify the path he took in the earlier part of his life, and we should never forget that, or the victims of terrorism. However, as my noble Friend Lord Trimble set out yesterday, he played an indispensable role in bringing the republican movement away from violence to peaceful and democratic means and to building a better Northern Ireland.

This morning, I had meetings with ministerial colleagues and others. In addition to my duties in this House, I shall have further such meetings later today.

John Mann: The Prime Minister says that there is more money for the national health service, more nurses and more doctors, yet Bassetlaw breastcare unit has been cut back and Bassetlaw children's ward has been closed overnight. Something, clearly, does not add up. Therefore, the mothers of the most seriously ill children, who use the children's ward the most frequently, and I offer to work with the Prime Minister to solve this problem. Is her door at No. 10 open to us?

The Prime Minister: If we look at what has happened in the hon. Gentleman's area, we see that his NHS Bassetlaw clinical commissioning group is receiving a cash increase, and that the Doncaster and Bassetlaw Hospitals NHS Foundation Trust has 80 more doctors and nearly 30 more nurses. He talks of listening to the voice of local people in relation to health services in the local area, but that is exactly what the sustainability and transformation plans are about—hearing from local people and local clinicians, and putting together the health provisions that ensure they meet local needs.

Q2. [909403] **Lucy Allan (Telford) (Con):** Telford is a story of transformation and progress. From the ironmasters of the first industrial revolution through to a new revolution in high-tech manufacturing at Telford's T54 today, it has helped to build Britain. As the Government

deliver on the democratic will of the British people and trigger article 50, will my right hon. Friend tell us how Telford will prosper from Brexit and from her plan for Britain?

The Prime Minister: As I have said before, the referendum result was not just about membership of the EU; it was a vote to change the way that this country works, and who it works for, forever, to make Britain a country that works for everyone, not just the privileged few. That is why the plan for Britain is a plan to get the right deal for Britain abroad, but also to build a stronger, fairer Britain for ordinary working families here at home, like those in Telford. I am pleased that we have already provided £17 million of funding to The Marches local enterprise partnership to improve local infrastructure in Telford. This Government are putting those resources in, and our plan for Britain will deliver that stronger, fairer economy and a more united and more outward-looking country than ever before.

Jeremy Corbyn (Islington North) (Lab): I start by echoing the words of the Prime Minister concerning Martin McGuinness, the former Deputy First Minister of Northern Ireland. He died this week, and our thoughts go to his family, his wife Bernie and the wider community. Martin played an immeasurable role in bringing about peace in Northern Ireland, and it is that peace that we all want to see endure for all time for all people in Northern Ireland.

This Government are cutting the schools budget by 6.5% by 2020, and today we learn that the proposed national funding formula will leave 1,000 schools across England facing additional cuts of a further 7% beyond 2020. Can the Prime Minister explain to parents why cutting capital gains tax, cutting inheritance tax, cutting corporation tax and cutting the bank levy are all more important than our children's future?

The Prime Minister: This Government are committed to ensuring that all our children get the education that is right for them and that all our children have a good school place. That is what the Government's plans for education will provide. That is building on a fine record of the past six and a half—nearly seven—years of Conservatives in government, when we have seen 1.8 million more children in good or outstanding schools. We have protected the schools budget. The national funding formula is under consultation, and obviously there will be a number of views. The consultation closes today and the Department for Education will respond to it in due course.

Jeremy Corbyn: The manifesto on which the Prime Minister fought the last election promised:

“Under a future Conservative Government, the amount of money following your child into school will be protected.”

No wonder even the editor of the London *Evening Standard* is up in arms about this. The cut to school funding equates to the loss of two teachers across all primary schools and six teachers across all secondary schools. So is the Prime Minister advocating larger class sizes, a shorter school day, or unqualified teachers? Which is it?

The Prime Minister: We have, as I said, protected the schools budget. We now see more teachers in our schools and more teachers with first-class degrees in our schools.

As I say, we see 1.8 million more children in good or outstanding schools. That is a result of this Government's policies of diversity in education: free schools, academies, comprehensives, faith schools, university schools, grammar schools. We believe in diversity in education and choice for parents; the right hon. Gentleman believes in a one-size-fits-all, take-it-or-leave-it model.

Jeremy Corbyn: The Prime Minister was clearly elected on a pledge not to cut school funding, yet that is exactly what is happening. Maybe she could listen to headteachers in West Sussex who say they believe that savings will come from

“staffing reductions, further increased class sizes, withdrawal of counselling and pastoral services, modified school hours, reduction in books, IT and equipment.”

I have a heartfelt letter from a primary school teacher by the name of Eileen. Eileen is one of our many hard-working teachers who cares for her kids, and she wrote to me to say:

“Teachers are purchasing items such as pens, pencils, glue sticks and paper out of their own pockets. Fundraising events have quadrupled, as funds are so low that parents are having to make donations to purchase books! This is disgraceful.”

Does the Prime Minister agree with Eileen?

The Prime Minister: We are seeing record levels of funding going into our schools. We have protected the schools budget; we have protected the pupil premium. But what matters for parents is the quality of education—

Hon. Members: What about Eileen?

Mr Speaker: Order. People should not keep yelling out, “What about Eileen?” The Prime Minister is giving her response to the Leader of the Opposition, including the references to Eileen.

The Prime Minister: What matters for all of us who are concerned about education in this country is that we ensure that the quality of education that is provided for our children enables them to get on in life and have a better future. That is what this Government are about. It is about ensuring that in this country you get on on the basis of merit, not privilege; it is about ensuring that every child—[*Interruption*—every child across this country has the opportunity of a good school place. That is what we have been delivering for the past seven years, and it is what we will deliver into the future—and every single policy that has delivered better education for children has been opposed by the right hon. Gentleman.

Jeremy Corbyn: Maybe the Prime Minister could have a word with her friend the hon. Member for The Cotswolds (Geoffrey Clifton-Brown), who said this week:

“Under this new formula, all my large primaries and all of my secondaries will actually see a cash cut in their budgets.”

In the Budget, the Government found no more money for the schools budget, but they did find £320 million for the Prime Minister's special grammar schools vanity project. There is no money for Eileen's school, but £320 million for divisive grammar schools. What kind of priority is that?

The Prime Minister: First of all, what we have done in relation to the funding formula is to address an issue that Labour ignored for all its time in government.

Across this House there has generally been, for many years, an accepted view that the current formula for school funding is not fair. I was saying this—I was calling for a better funding formula—more than 15 years ago when I was the shadow Education Secretary. We have put forward a proposal, and we are consulting on it. The consultation closes today, and we will respond to that consultation.

The right hon. Gentleman talks about the sort of system we want in schools. Yes, we want diversity, and we want different sorts of schools. We have put money into new school places. But I say to him that his shadow Home Secretary sent her child to a private school; his shadow Attorney General sent her child to a private school; he sent his child to a grammar school; and he went to a grammar school himself. Typical Labour—take the advantage and pull up the ladder behind you.

Hon. Members: More!

Jeremy Corbyn: I want a decent, fair opportunity for every child in every school. I want a staircase for all, not a ladder for the few. The Prime Minister has not been very good at convincing the former Secretary of State for Education, the right hon. Member for Loughborough (Nicky Morgan), who wrote last week:

“All the evidence is clear that grammar schools damage social mobility.”

What evidence has the Prime Minister got that the former Secretary of State is wrong in that?

The Prime Minister: The evidence is that for the poorest children, the attainment gap in a selective school is virtually zero. That tells us the quality of the education that they are getting. What I want is a diverse education system where there are genuine opportunities for all to have the education that is right for them. That is why in the Budget, as well as dealing with the issue of new school places, we have put extra money into technical education for young people for whom technical education is right. The right hon. Gentleman says that he wants opportunities for all children, and he says that he wants good school places for all children. He should jolly well support the policies that we are putting forward.

Jeremy Corbyn: It is not just the former Education Secretary; the Chair of the Education Committee also says that grammar schools

“do little to help social mobility”

and are an “unnecessary distraction”. The Prime Minister and her Government are betraying a generation of young people by cutting the funding for every child. Children will have fewer teachers, larger classes and fewer subjects to choose from, and all the Prime Minister can do is to focus on her grammar school vanity project, which can only ever benefit a few children. Is the Prime Minister content for the generation in our schools today to see their schools decline, their subject choices diminish and their life chances held back by decisions of her Government?

The Prime Minister: Protected school funding, more teachers in our schools, more teachers with first-class degrees in our schools, more children in good or outstanding schools—it is not a vanity project to want every child in this country to have a good school place. That is how they will get on in life, and that is what this party will deliver. But this shows that there is a difference between

the right hon. Gentleman and me. Earlier this week, he recorded a video calling for unity. He called for Labour to

“think of our people first. Think of our movement first. Think of the party first.”

That is the difference between him and me: Labour puts the party first; we put the country first.

Q4. [909405] **Charlie Elphicke** (Dover) (Con): For centuries, Prime Ministers have taken a close personal interest in the effectiveness of Dover and the channel ports as gateways to and guardians of the kingdom, so may I ask my right hon. Friend to take a close interest in making sure that Kent ports are ready for Brexit on day one, and not just in terms of customs, but with the M20 lorry park on schedule, and the A2 upgrade and the lower Thames crossing being taken forward? Mr Speaker, will you join me and the Prime Minister in wishing Dame Vera Lynn a happy 100th birthday this week and thanking her for her service to the white cliffs and to the nation?

Mr Speaker: I am extremely grateful to the hon. Gentleman, but I did do that a couple of days ago.

The Prime Minister: I did not have that opportunity a couple of days ago, so I am happy to join my hon. Friend in wishing Dame Vera Lynn a very happy 100th birthday this week. It is right that we recognise the service that she gave to this country, as many others did.

My hon. Friend raises the important issue of transport links in Kent, which I have discussed with him and other Kent MPs on a number of occasions. In addition to the M20 lorry park, I assure him that the Department for Transport is fully committed to delivering a long-term solution as quickly as possible. It is currently considering the findings of the lower Thames crossing consultation, and Highways England will be doing more detailed work on the A2. The Home Office will be looking very closely at what measures need to be in place for Brexit for those coming across the border into Dover.

Angus Robertson (Moray) (SNP): May I begin by extending condolences, as the Prime Minister and the leader of the Labour party have done, to the family, friends and colleagues of the former Deputy First Minister of Northern Ireland, Martin McGuinness? We pay tribute to his contribution towards peace, while never forgetting the terrible human price during the troubles.

Last year, the Prime Minister promised that she would secure a UK-wide agreement between the Governments of Scotland, Wales and Northern Ireland, and her Government, before triggering article 50 on Brexit. Since then she has delayed, she has blocked, she has been intransigent and she has lectured—surprise, surprise; she has no agreement. There is no agreement. Will those be her negotiating tactics with the European Union?

The Prime Minister: Over the past few months, every effort has been put in, at various ministerial and official levels, to work with all the devolved Administrations to identify their particular concerns and interests, and to ensure that we are able to take those into account throughout the negotiating process. Discussions will continue in the future. What we want to ensure is that

we get the best possible deal when we leave the European Union for all the people of the United Kingdom, including the people of Scotland, because at heart we are one people.

Angus Robertson: Viewers will note that the Prime Minister totally glossed over the fact that she has reached no agreement with the devolved Governments of the United Kingdom. The Prime Minister says that she wants article 50 negotiations to lead to a deal and people to know the outcome of that deal before it is approved. Will she confirm that in the period for an agreement, the House of Commons will have a choice, the House of Lords will have a choice, the European Parliament will have a choice and 27 member states of the European Union will have a choice? If it is right for all of them to have a choice about Scotland's future, why should the people of Scotland not have a choice about their own future?

The Prime Minister: This is not a question about whether the people of Scotland should have a choice about the future—[HON. MEMBERS: “Yes, it is.”] The people of Scotland exercised their right to self-determination and voted in 2014 to remain a part of the United Kingdom. The people of the United Kingdom voted last year to leave the European Union. We are respecting both those votes; the right hon. Gentleman is respecting neither of them.

Q6. [909407] **Sir Julian Brazier** (Canterbury) (Con): With her strong commitment to defence, does my right hon. Friend agree that we must stem the outflow from our shrinking forces? I urge her to reconsider the policy that she inherited of encouraging service families to get on to the housing ladder on the one hand, while on the other hand increasingly focusing the Army in areas where there is no affordable housing, and then applying the new landlord tax arrangements to buy for let.

The Prime Minister: I recognise the passion with which my hon. Friend always raises issues about the armed forces. He raises an important point, but I can assure him that we are fully committed to our goal of an 82,000-strong Army by 2020. On his specific point about service accommodation, we want to ensure that people have a greater choice in where they live by using private accommodation and meeting their aspirations for home ownership. That is why we set up the £200 million forces Help to Buy scheme and continue to support subsidised housing for service personnel—the pot of money will not be cut. The Ministry of Defence is working with the Treasury on the issues my hon. Friend raises, and I am sure that they will keep him updated.

Q3. [909404] **Mr Angus Brendan MacNeil** (Na h-Eileanan an Iar) (SNP): The United Kingdom of Great Britain and Northern Ireland will be 95 years old in December. In that UK, Scottish economic growth is a quarter of that of independent Iceland and a third of that of independent Ireland. Given that the Prime Minister supports Irish independence and the benefits that that has brought to Ireland's economy and population, why does she oppose it for Scotland? Will she show Scotland the respect that the EU showed the UK in regard to a referendum?

The Prime Minister: If the hon. Gentleman is looking at issues around economic growth—he cited figures on growth—he should pay attention to the most important market for Scotland: the market of the United Kingdom. That is why Scotland should remain part of it.

Q9. [909410] **Simon Hoare** (North Dorset) (Con): Last week, with cross-party support, my hon. Friend the Member for Chippenham (Michelle Donelan) and I set up the all-party group on Lyme disease. This debilitating disease is a growing problem across the country, including in my constituency, yet awareness of it among the public and GPs is incredibly low. Will my right hon. Friend ensure that her Government do all they can to raise the profile of the disease and to resolve the problems surrounding both diagnosis and treatment?

The Prime Minister: My hon. Friend raises an important point, and I commend him and my hon. Friend the Member for Chippenham (Michelle Donelan) for the attention that the House is now giving to the issue. He is right that we need to raise awareness, but we also need to ensure that early diagnosis and treatment is available, because that is the best way of limiting the complications from this particular disease. The Department of Health is already taking steps. Clinical guidelines are being updated and enhanced by the National Institute for Health and Care Excellence, and NHS England has undertaken robust reviews on diagnosis, testing and treatment. However, there is more that we can do, so Public Health England is holding regular medical training days and conducting outreach across the medical community to raise awareness and ensure that that early diagnosis is in place.

Q5. [909406] **Alex Cunningham** (Stockton North) (Lab): During yesterday's Adjournment debate, the Minister of State, Department of Health, the hon. Member for Ludlow (Mr Dunne), said that the issue in hand was above his pay grade. On the basis that the Prime Minister has the top pay grade, can she give us a clue about when we will see the long-awaited and very late tobacco control plan?

The Prime Minister: I can assure the hon. Gentleman that we are working on the tobacco control plan and that one will be issued in due course.

Q11. [909412] **John Stevenson** (Carlisle) (Con): A substantial number of Ministers took the opportunity to visit Cumbria recently and saw for themselves not only its beauty, but its industrial strengths and potential. If the Government's industrial strategy is to succeed, places such as Cumbria need to be part of that success. Will the Prime Minister ensure that Cumbria gets the infrastructure investment that it requires to ensure that it really does fulfil its potential?

The Prime Minister: My ministerial colleagues and I were delighted to be able to take the opportunity to visit the beautiful county of Cumbria, and we are even happier now that Cumbria has another strong voice in the form of my hon. Friend the Member for Copeland (Trudy Harrison), a Conservative MP.

My hon. Friend the Member for Carlisle (John Stevenson) is right: Cumbria and the north-west have huge industrial potential. That is why we are getting on

with delivering our investment plans throughout the country, including the north-west. Let me give the House some figures: £556 million has been allocated from the local growth fund to boost local productivity; and the north is getting £147 million to tackle congestion and improve local transport. However, it is our plan for Britain that will deliver that stronger, fairer economy and those higher-paid, higher-skilled jobs for people throughout the country.

Q7. [909408] **Lilian Greenwood** (Nottingham South) (Lab): The Prime Minister is in denial. Today's report from the Institute for Fiscal Studies confirms that schools are already facing

"the largest cut in school spending per pupil over a 4 year period since at least the early 1980s",

and that, as a result of her new national formula, funding is being diverted from schools with very high levels of deprivation. Every single school in my constituency will lose an average of £584 per pupil. Has the Prime Minister failed at maths, or failed to read her own manifesto?

The Prime Minister: I responded to that point earlier, but let me just reiterate what I said. Across the House, for many years, there has been a general acceptance that the current funding formula for schools is unfair, and that is why this Government are seeking a fairer formula. A consultation exercise is taking place, and the Department for Education will respond to it in due course. We are grasping this issue, whereas Labour did nothing for 13 years.

Q12. [909413] **Sir Edward Leigh** (Gainsborough) (Con): Can my right hon. Friend confirm that, following the forthcoming debate on the restoration and renewal of Parliament, all Members, including Ministers, will have a completely free vote on what is a House matter? Does she understand that many of us believe that in these times of austerity, we should not be frontloading billions of pounds of expenditure on ourselves at the expense of schools and hospitals, but should carry on the work and stay in what is the iconic image of the nation?

The Prime Minister: The Palace of Westminster is world-renowned. It is a very important part of our national heritage, and it belongs to the United Kingdom. Of course, we also have a responsibility to our constituents to preserve this place as the home of our democracy. It will be for Parliament to make the final decision, but I assure my hon. Friend that, as this will be a House matter, there will be a free vote.

Q8. [909409] **Chris Evans** (Islwyn) (Lab/Co-op): Air and road pollution, brought about mainly by diesel engines, causes 40,000 early deaths in this country, while also causing severe lung diseases such as bronchitis and asthma among young people and children. Hafodyrynys Road in Crumlin, which is in my constituency, is the most polluted road in the United Kingdom outside London. It is an absolute disgrace. Most of the pollution is caused by heavy goods vehicles such as lorries and trucks, which travel along the road spewing out noxious gases on to residents. Will the Prime Minister commit herself to ensuring that hauliers will start using newer

diesel engines, cleaner technology and cleaner energy, so that everyone, including young people, can enjoy a better quality of life, especially on Hafodyrynys Road?

The Prime Minister: The hon. Gentleman speaks up well for his constituents. We all recognise the problems relating to air quality. The Government will present further proposals, but some changes have already taken place. We have invested in green transport initiatives, and plans to introduce clean zones around the country will help to tackle the problem. In fact, we have been at the forefront of action in Europe in dealing with some aspects of it. However, I accept that there is more to be done, and, as I have said, we will present further proposals in due course.

Q13. [909415] **Huw Merriman** (Bexhill and Battle) (Con): The compensation paid by Network Rail to train operators for delays far exceeds the amounts that the passengers who experience the delays are claiming because the ticket refund process can be cumbersome. Will the Prime Minister insist that train operators ring fence that money, and spend it on automated smart ticketing so that customers can tap on and tap off their train, and receive money in their bank accounts for the delays that they have been caused?

The Prime Minister: My hon. Friend raises an important point, which I know is a source of much frustration to many rail passengers. I thank him and others for the way in which they have spoken up on behalf of passengers, especially those using lines such as Thameslink and Southern. The best way to ensure that the operators do not profit from unclaimed compensation is for passengers to claim the compensation that they are entitled to. The Department for Transport is looking at how we can ensure that we publicise compensation schemes and make claims easier. We are rolling out improved Delay Repay compensation to allow passengers to claim after a delay of just 15 minutes. The Department is continuing to look at this issue, and I am sure it will pick up the points that my hon. Friend has raised.

Q10. [909411] **Pete Wishart** (Perth and North Perthshire) (SNP): Last week the Electoral Commission imposed on the Conservative party its largest ever fine for breaking crucial election rules. What did the Prime Minister, her Cabinet and her aides know about any of this activity, and who was responsible for designing and signing off all this? Does she agree that this was at best wilful negligence and at worst pure electoral fraud?

The Prime Minister: The hon. Gentleman asks me to respond to something that is a party matter, but I can assure him that the Conservative party did campaign in 2015 across the country for the return of a Conservative Government, and we should be clear that such campaigning would be part of the party's national return, not candidates' local return, as the Electoral Commission itself has said. The party accepted in April 2016 that it had made an administrative error on its national spending. It brought that to the attention of the Electoral Commission in order to amend its national return. As I have said, national electoral spending is a question for the national party, not individual Members. The Electoral Commission

has looked into these issues, as it has with issues for the Liberal Democrats and the Labour party. It has issued fines to all three parties, and those fines will be paid.

Mr Ranil Jayawardena (North East Hampshire) (Con): The International Trade Committee has been taking evidence about exports from chambers of commerce this morning. Given the Prime Minister's commitment to a global Britain, does she agree that we can maintain good relations with our European friends as we leave the European Union and also build on our long-standing relationships with our Commonwealth friends across the world to trade our way to greater prosperity?

The Prime Minister: One of the four pillars of our plan for Britain is a global Britain—that more outward-looking Britain. My hon. Friend is right that this is not just a question of ensuring that we get the right relationship with Europe when we leave the EU. We do want to continue to have a partnership—to be able to trade freely across Europe, and for companies in EU member states to trade with us—but we also want to enhance and improve our arrangements for trade with other parts of the world, including members of the Commonwealth.

Q14. [909416] **Siobhain McDonagh** (Mitcham and Morden) (Lab): Last week, through no fault of her own, Amy and her young daughter became homeless. After months of looking for a flat, she finally went to Merton Council, which told her that it could only offer her temporary accommodation in Birmingham, 140 miles away from her job, her daughter's school, and the friends and family who make it possible for her to be a working single mum. May I ask the Prime Minister how it can be right that in one of the richest cities in the world, where Russian oligarchs and Chinese banks own scores of properties and leave them empty, a London-born working family like Amy's have not a room to live in?

The Prime Minister: The issue of housing in the London Borough of Merton is one that the hon. Lady and I worked on many years ago when we were on the borough's housing committee together. I recognise that she has raised a concern about a particular constituent. Obviously I will not comment on that individual case, but I will say is that it is important that, overall, the Government are dealing with the issue of homelessness. We are ensuring that we are building more homes and giving more support to people to get into their own homes, but this will take time as we make sure that those properties are available and that we maintain our record of providing housing support across all types of housing in this country.

Nicky Morgan (Loughborough) (Con): As the Prime Minister has already said, it must be right that the same pupils with the same characteristics should attract the same amount of money. The unfairness in the system was not challenged for 13 years under Labour. Yes, there might need to be changes to the current draft formula, but I hope that she will commit to fulfilling our manifesto promise to make school funding fairer. I think she would agree that if the Labour Government had carried on in office, their spending plans would

have led to what has happened in Greece and Spain, where not just hundreds but tens of thousands of teachers have had to be fired.

The Prime Minister: My right hon. Friend is right. As I said earlier, the issue of the funding formula for schools was ducked for too long—it was certainly ducked by the last Labour Government. We have started to address it: we have been looking at the formula, and we have brought forward a proposal. We will look at the consultation responses and respond in due course. She is also absolutely right about the Labour party. Its education policies would mean fewer opportunities in schools, and its economic policy would mean less funding for schools.

Jonathan Edwards (Carmarthen East and Dinefwr) (PC): Last week, the Prime Minister's Government confirmed that there had been no assessment of the economic impact of a failure to strike a trade deal with the EU before Brexit. Is it not the case that, in triggering article 50 next week, she is the modern-day equivalent of Lord Cardigan, the military commander responsible for the charge of the Light Brigade? We all know how that ended.

The Prime Minister: In triggering article 50 next week, what I am doing is responding to the wishes of the British people.

Kevin Hollinrake (Thirsk and Malton) (Con): Does the Prime Minister agree that we urgently need to find a solution to the impact of the national living wage on sleeping shifts in the care sector? This, together with the policy of Her Majesty's Revenue and Customs of insisting on the payment of six years' back pay, plus penalties, could have a devastating impact on this vitally important sector.

The Prime Minister: My hon. Friend raises an important point. Through the national living wage, we are giving Britain a pay rise and making sure that pay is fair in all sectors, including social care. On his specific point, we are looking at that issue carefully, including in the context of funding pressures on social care. We are working to ensure that enforcement protects low-paid workers in a fair and proportionate manner. As my right hon. Friend the Chancellor announced in the Budget, £2 billion of extra money is going into the social care sector, but the specific issue that my hon. Friend raises is being carefully looked at by the Treasury.

Rosie Cooper (West Lancashire) (Lab): Despite austerity, shocking pay increases were awarded to the board of the Liverpool clinical commissioning group, with a lay deputy chair now being paid more than £100,000 following

a 43% increase. Will the Prime Minister agree to investigate the failures of governance within the CCG and the lack of scrutiny within the wider Liverpool health economy, and ensure that no mergers take place while those matters are being investigated?

The Prime Minister: I understand that my right hon. Friend the Health Secretary has asked NHS England to investigate the remuneration of non-executive directors at Liverpool CCG, and I am sure that he will keep the hon. Lady updated. We want to make the NHS even more efficient so that every possible penny can be spent on frontline patient care, and I am pleased to say that we are seeing results. The financial position has improved by £1.3 billion compared with this time last year, with 44 fewer trusts in deficit. As I say, NHS England is investigating the issue that the hon. Lady has raised.

Mrs Anne-Marie Trevelyan (Berwick-upon-Tweed) (Con): The Prime Minister will be aware that the Jo Cox Commission on Loneliness is calling us all to action to highlight and tackle loneliness. In Northumberland, Forward Assist, a small charity of which I am a patron, is taking up this challenge, working with female military veterans who are suffering from severe isolation issues. Will the Prime Minister meet me and some of those extraordinary women to learn about how our Government can help to avoid this outcome in the future?

The Prime Minister: I commend the work that is being done by Forward Assist in my hon. Friend's constituency. It sounds like a valuable project that is doing important work. The Secretary of State for Defence will be happy to meet her.

Jack Dromey (Birmingham, Erdington) (Lab): The Schools Minister has been good enough to agree to meet Erdington headteachers tomorrow. The constituency is rich in talent, but it is one of the poorest in the country. Some 96% of Birmingham's schools will lose a total of £20 million under the Government's fair funding formula, yet Surrey gains £17 million, Suffolk gains £10 million, and Windsor and Maidenhead gains £300,000. How can that possibly be fair?

The Prime Minister: I note that the Schools Minister will be meeting the hon. Gentleman and headteachers to discuss the issue. The fair funding formula is about trying to ensure that the unfair funding that has existed up until now is actually dealt with. There are some very, very stark differences. There are schools in London, for example, that get almost twice the funding of those in other parts of the country. We need to ensure that we address the unfairness in the funding formula but, as I said earlier, there is a consultation exercise and the Department for Education will respond in due course.

Aviation Security

12.41 pm

Mr Gavin Shuker (Luton South) (Lab/Co-op) (*Urgent Question*): To ask the Secretary of State for Transport if he will make a statement on recent changes to aviation security.

The Secretary of State for Transport (Chris Grayling): The safety and security of the travelling public will always be our paramount concern, and this Government will not hesitate in putting in place any measures that we believe are necessary, effective and proportionate. That why we took the decision yesterday to step up some of our aviation security measures in response to potential threats, as set out in a written statement yesterday afternoon.

The new measures will be applied to all inbound direct flights to the United Kingdom from Turkey, Lebanon, Jordan, Egypt, Tunisia and Saudi Arabia. We have explained the decision at all levels with our partners in the region. We have also spoken to European partners with significant interests in aviation, such as Germany and France, and partners elsewhere whose travellers and carriers may be affected. The House will be aware that the United States Government made a similar announcement shortly before ours regarding flights to the United States, and we have been in close contact with them to fully understand their position. While the UK has some of the most robust aviation security measures in the world, we can never be complacent. That is why we continue to work in conjunction with our international partners and the wider aviation industry to keep security under constant review and to ensure that new measures are introduced in a way that keeps the level of disruption that they may cause to passengers to a minimum.

Passengers boarding flights to the UK from the countries I have listed will not be allowed to take any phones, laptops or tablets larger than a normal-sized mobile phone. We have specified the maximum dimensions to assist both airlines and passengers: a length of 16 cm, a width of 9.3 cm, and a depth of 1.5 cm. Passengers are advised to take some simple steps at check-in to prepare by placing personal electronic devices into their hold luggage before going through central security. Normal cabin baggage restrictions will continue to apply. Passengers should check online with their airline or airport for further information. My Department is working round the clock with the industry to ensure that passengers get the information they need when and where they need it. While we will do everything we can to minimise the disruption to people's journeys and we understand the frustration that may be caused, our top priority will always be to ensure that public safety is maintained.

These new measures are concerned with flights into the United Kingdom. The UK is not advising against flying to and from the affected countries, and those with imminent travel plans should contact their airline for further information—the Foreign and Commonwealth Office also publishes travel advice on its website. UK airports have been informed, and my officials have asked them to consider standing up their own contingency arrangements, should they be needed.

The whole House will recognise that we face a constantly evolving threat from terrorism and must respond accordingly to ensure the protection of the public against

those who would do us harm. The changes we are making to our security measures are an important part of that process, and I assure the House that we will continue to work closely with airlines, airports and the wider travel industry over the coming weeks to ensure that passengers know what is expected of them. I ask for passengers' patience as the new measures bed in.

I will continue to keep the House updated on developments.

Mr Shuker: This is a major change to our aviation security regulations and carries serious potential for delay and confusion for UK passengers.

First, will the Secretary of State explain why the UK and US bans were announced within hours of one another yet provide for different countries, different airlines and, in effect, different devices? The United Arab Emirates, Qatar, Kuwait and Morocco, for example, are all affected by the US ban but are not included in the UK ban. No US operator is affected, but six British airlines are. Size restrictions on electronic items differ between the two.

The Washington Post reports that US officials have been discussing new restrictions for more than a fortnight. When exactly did Ministers first learn of those potential changes? Does the Secretary of State agree that, to avoid passenger confusion and delay, efforts should be made to harmonise the bans? And for what specific reasons did he exclude fewer countries than the US?

Secondly, passengers presently booked to fly from one of the affected airports are unclear about what the ban will mean for them in practice. For the increasing number of passengers who fly on "hand baggage only" fares, what procedures have been put in place proactively to communicate changes before they turn up at security queues at a busy airport? Will UK passengers have to buy luggage in order to carry their electronic devices? What discussions has the Secretary of State had with insurers, who do not routinely cover electronics carried in the hold, and what assessment has he made of the security of affected airports against theft and damage to devices?

Thirdly, efficacy. Have the restrictions been introduced in response to a specific threat that differs in nature from the al-Shabaab attack on an aircraft out of Mogadishu, which took place more than a year ago and did not result in the loss of the aircraft? Have checks on such items been stepped up, in addition to changes to their placement on aircraft? And what evidence does the Secretary of State have that placing potentially problematic items in the hold is safer than placing them in the cabin, especially as potentially explosive devices, such as lithium-ion batteries, have been banned from hold luggage?

Aviation security is rightly under constant review. Can the Secretary of State assure us that all has been done to ensure that these regulations are effective, consistent and put the passenger first?

Chris Grayling: First, on aviation security, let me make it clear that we respond to the evolving threat we face from terrorists. There are some things that we make public, and there are others that we do not. I will not give the hon. Gentleman full details of the background to the decision, which we took in response to an evolving

threat—he would not expect me to do that. Suffice it to say to the House that we have taken these steps for good reason.

On the difference between the approaches of the United Kingdom and the United States; the approach of the United States is a matter for them. As would be expected, we have considered all the evolving information before us to reach a decision about what we believe is in the interest of the United Kingdom and the protection of our citizens.

The hon. Gentleman asked why the measure does not affect US operators, and the answer is that they do not currently fly to the affected destinations; other airlines do. We have applied our change to the requirements to all airlines, both UK and non-UK, that fly the affected routes. On the question of timing, we keep the matter under constant review and have done so for some time. We have taken this decision because we believe it is the right one to take against the background of the evolving threat.

The hon. Gentleman asked about people travelling with hand baggage only. That is very much a matter for the airlines to resolve. We have been in detailed discussions with them in recent days, and they are now preparing to implement this new change. It will be for individual airlines to establish exactly how to handle passengers who are booked on hand baggage-only tickets. I will write today to the Association of British Insurers to ask it to be mindful of this issue. The hon. Gentleman made an important point about the risk of theft, and we will ask the insurance industry to be careful to be mindful of and realistic about this. We have taken this decision in a way that we believe is necessary to protect the safety of UK passengers, but the hon. Gentleman will forgive me and understand if I say that the background to every decision of this kind that we take is inevitably based on matters that we cannot automatically put into the public arena.

Sir Hugo Swire (East Devon) (Con): I have just returned from a Conservative Middle East Council trip to Egypt, where we were able to see the devastating effect to the local economy in Sharm el-Sheikh of the continuing ban on flights to that region. We also met the President and heard first-hand from the Egyptians their concerns that they are being singled out in some way; that may be the reaction of other allies who are being named today. Will my right hon. Friend commit to discussing with other Ministers a diplomatic offensive to go to these countries to explain to them why these actions are being taken and that they are not being singled out? Will he also liaise with the Secretary of State for International Development to provide some extra assistance to the airports in these countries? The change will cause further disruption to travellers, and some airports simply do not have the capacity to introduce a new security measure.

Chris Grayling: I can give my right hon. Friend a categorical assurance that we are already in dialogue with the countries and that we will take great care to ensure that we do everything we can to help at the other end, in their airports. We already co-operate closely. To be absolutely clear, this is not a question of singling out countries; we would never embark on such a process. The decisions are taken purely and simply on the basis

of what we believe the risks are and where we believe we need to take steps to protect United Kingdom citizens. It is no more and no less than that.

Richard Burden (Birmingham, Northfield) (Lab): Safety must, of course, be the top priority, but there really are still too many loose ends. Do the Government have evidence that the security risk to flights from the countries listed by the Secretary of State is greater than the risk from flights from other countries? If not, why are flights from these countries alone being targeted for action? Why have the UK and the USA apparently reached different conclusions—I assume, from the same intelligence—about the countries from which in-cabin electronics present the greatest risk, or are the differences between the two lists about something other than intelligence?

If the presence of electronics on aircraft flying from the countries listed is the security threat Ministers believe it to be, why are there no restrictions on electronics in the hold baggage from those countries? What thought has been given to people carrying electronics on board who change planes in countries not affected by the measures? What liaison has there been with the countries listed, with countries not listed and with airlines, all of whose confidence and co-operation will be crucial to the effectiveness or otherwise of the measures? What action is the Secretary of State taking to ensure that passengers get the clearest information possible about what they are and are not allowed to take on board to ensure that delays to journeys are minimised?

As I said at the outset, safety has to be our top priority, but there really are too many loose ends. If there really are clear security grounds for the restrictions, the Secretary of State has to be clearer about what those grounds are, otherwise the UK and US Governments will remain open to the suspicion that they are unreasonably singling out particular countries in the middle east and north Africa, rather than properly thinking through which precautions can actually keep flights safe from terrorism, wherever the aircraft fly from.

Chris Grayling: I take a little bit of issue with that last point. The Labour party was in power for 13 years, and the hon. Gentleman's Front-Bench predecessors well understood that there are things that we cannot set out in public that lie behind the decisions we take in the interests of passengers. That has not changed throughout all the years in which each of our parties has been in office. I understand his desire for information, but the reality is that there is an evolving security threat to aircraft, and we take decisions as and when we believe it is necessary to do so to protect our citizens. I am very clear that this is nothing to do with singling out countries or destinations. The decisions we take are based purely and simply on an evolving security threat, and on what we believe is the right way to protect United Kingdom citizens. The United States Administration will take decisions about how they believe they should best protect their citizens. We do not always have to take exactly the same decisions on behalf of both our countries. We have done what we think is right for the United Kingdom.

The hon. Gentleman raised a couple of other points, including transfer passengers. The rules will apply to transfer passengers. As is normally the case now, transfer passengers will go through a further central security

[Chris Grayling]

check and will be subject to the same at-gate checks. If they have a laptop, tablet, or large or oversized phone with them, it will be placed in the aircraft's hold. The individual airlines are working, with our support, on providing the best possible information to passengers, as will the Foreign Office and various Government agencies that can play a role, but our first and foremost priority in response to an evolving security threat is to ensure that we provide the best possible protection for our citizens.

Sir Desmond Swayne (New Forest West) (Con): Why are they safer in the hold?

Chris Grayling: I hate to be disingenuous to my right hon. Friend by repeating answers but, as I said, I cannot discuss the detail of that evolving security threat. We have taken what we believe is the right decision in the interests of protecting our citizens.

Drew Hendry (Inverness, Nairn, Badenoch and Strathspey) (SNP): We cannot second-guess the security intelligence that the Government have received. The safety and security of our citizens are the primary concerns of the Scottish National party and the Scottish Government, who will work closely with the UK Government to ensure that appropriate and proportionate measures are in place. First, I ask the Secretary of State what discussions have taken place with Scottish Government Ministers, and did those discussions include a commitment to keep them and Transport Scotland up to date with developing events? Secondly, will some kind of mitigation or compensation be put in place for those who may face extra charges as a result of having booked flights with just hand baggage previously? Finally, what additional resources, if required, will be made available to UK airports to take forward the measures?

Chris Grayling: On the latter point, the impact on UK airports is not immediate because the new rules do not apply to UK airports, but we have asked UK airports to think ahead practically in case matters change in the future. The aviation Minister and officials were in contact with the Scottish Government yesterday. I believe that the Scottish Minister and the aviation Minister have yet to be able to fix a time to speak, but intend to do so today. We will keep the Scottish Government informed. With regards to people who have booked hand baggage only and who may be affected, we have been in discussions with the airlines and we hope, believe and expect that they will work a system that ensures people are not worse off as a result of the changes.

Henry Smith (Crawley) (Con): I commend my right hon. Friend for ensuring the paramount importance of our national security and the safety of British citizens travelling. As Gatwick airport is in my constituency, I am also grateful to him for talking with the airport authorities and tour operators in my area. May I seek assurances that he will continue to keep them involved as this evolving situation develops?

Chris Grayling: I can give my hon. Friend that absolute guarantee. We are talking extensively to the whole industry. It is very much my hope that we will not end up having

to take further steps, but we need to be constantly mindful of the evolving security threat. The security and safety of British passengers will always be absolutely at the top of our priority list.

Mrs Louise Ellman (Liverpool, Riverside) (Lab/Co-op): I am reassured that security is paramount, and it must remain so, but will the Secretary of State please clarify exactly how passengers will know which arrangements they have to make for individual journeys? Is he still looking at the situation in overseas airports where it is known that there are security concerns?

Chris Grayling: We have a widespread effort to make sure we provide protection to our citizens, both in the UK and in other countries. We do extensive security liaison work with other countries, including in the region affected. I am very grateful to all the countries we work with for the co-operation and support they provide us with in this important work. It is in all our interests that we continue to maintain aviation and tourist flows and to provide the economic benefits to all parties that good aviation brings. We will do everything we can to work with those partners to make sure we have as safe an aviation sector as we can.

John Stevenson (Carlisle) (Con): We all accept that circumstances change and threats will change over time. Is there a time limit to these changes? Is there a specific date when they will be reviewed?

Chris Grayling: On time limits, the change will be implemented from now by the airlines; they are being asked to have the changes in place within a very short period. Clearly, they will have a job to do, as we will, to communicate to people who are returning and will be affected by this. The airlines are very seized of the need to do that well. We all hope that these are temporary measures, but we will keep this under review and we will keep them in place for as long as they are necessary to secure the safety of our passengers.

Tom Brake (Carshalton and Wallington) (LD): I accept that the Secretary of State may not be able to answer these two questions, but why does this measure apply only to direct flights? Are other countries under active consideration in terms of being added to the list?

Chris Grayling: All I can say in response is that we keep these issues under constant review. We believe the decisions we have taken this week are the right ones in the face of the evolving terrorist threat.

Mims Davies (Eastleigh) (Con): I thank the Secretary of State for his update. Many of my constituents work at National Air Traffic Services and my constituency is host to Southampton airport. How will the communications start in respect of journeys from regional airports?

Chris Grayling: It will be very much the responsibility of the airlines to explain this, and we will provide them with whatever support we can. I extend my thanks to all those people in the UK airlines, and indeed in international airlines, with whom my Department has been working in the past few days. They have been enormously helpful and co-operative on what is a difficult change for them, and we should all be grateful to them.

Derek Twigg (Halton) (Lab): May I ask the Secretary of State about flights from this country? Is he confident that if a terrorist were to try to get a laptop or an iPad on to a plane here, that would be detected, and that there is no chance of their getting it through our security?

Chris Grayling: Our airports and our security industry are among the best—if not the best—in the world. We should be proud of how well our airports are protected. The decisions we take are based, and those we take in the future will be based, on our assessment of what is necessary at any time. Our judgment is that the changes we are making today are what is necessary at this moment in time, given the evolving threat.

Craig Whittaker (Calder Valley) (Con): My right hon. Friend is absolutely right when he says that security must be the Government's top priority, and this is something I am sure people will feel comfortable with in the long run. He mentioned minimising disruption and frustration for passengers. What discussions has he had with Home Office counterparts at Border Force to minimise disruption, given that only five of Gatwick's many scanners working were working on Monday?

Chris Grayling: It is disappointing if there has been a temporary problem at the airport, but my recent experience of travelling through Gatwick has been that it is generally pretty good and so something must have gone wrong on that day. I know that all our airports and those in the Border Agency will endeavour to work with the airlines to try to make sure that any steps we take to address security issues are undertaken in a way that minimises to the maximum possible extent the impact on passengers.

Keith Vaz (Leicester East) (Lab): The Secretary of State is absolutely right to take whatever measures are necessary to protect the public from the threat of terrorism. Further to the question put by the right hon. Member for East Devon (Sir Hugo Swire) on Egypt, the Secretary of State mentioned Tunisia, which has already been suffering because of the travel ban, and this measure will be an added burden on those travelling from Tunisia. If the Tunisian authorities ask the Government for assistance with the initiation of new scanner equipment, would we be willing to help them provide that kind of equipment?

Chris Grayling: I am grateful to the right hon. Gentleman for his supportive comments. First, we already provide extensive support and will continue to do so. The Under-Secretary of State for Foreign and Commonwealth Affairs, my hon. Friend the Member for Bournemouth East (Mr Ellwood) is due to be visiting Tunisia in a couple of weeks' time. We are already in contact with the Tunisians and with the Egyptians, and we will do what we can to help them, both with this issue and with related issues. None the less, we will always still put the safety of our citizens first.

Richard Benyon (Newbury) (Con): Further to the point raised by my right hon. Friend the Member for East Devon (Sir Hugo Swire), about 100,000 people are employed in the tourist industry in Sharm el-Sheikh and they could lose their jobs if the flight ban continues. Does my right hon. Friend the Secretary of State consult other people I see sitting on the Treasury Bench to

ensure that the impact that that degree of unemployment could have, including on the wider supply chain jobs and in leading to further radicalisation of people in South Sinai, is considered?

Chris Grayling: We have extensive conversations with the Egyptians and we have kept the situation in Sharm el-Sheikh under constant monitoring. My right hon. and hon. Friends in the Foreign and Commonwealth Office and in the Home Office have regular contacts and discussions about these issues, as does my Department. Fundamentally, although I would love to see us resume flights to Sharm el-Sheikh at the earliest opportunity, we can do so only at a point where we are confident about the security and safety of our own people. I have no doubt that as soon as we have that confidence we will want to try to resume those flights.

Lilian Greenwood (Nottingham South) (Lab): The Government are of course right to act swiftly in response to intelligence regarding terror threats, but a number of important questions remain. As the right hon. Member for Carshalton and Wallington (Tom Brake) noted, some passengers from the countries listed will change planes in third countries. What discussions has the Secretary of State had with his counterparts in other countries about the implementation of these restrictions for transfer passengers?

Chris Grayling: As of yesterday, when we took the decision, we had already had contacts at both ambassadorial and ministerial level in some places with our counterparts in other countries. They will each take their own decisions about what is necessary, but we are clear about what is right for our citizens. Those countries elsewhere in Europe and in the world will now be contemplating what the best steps are in terms of their own citizens.

James Berry (Kingston and Surbiton) (Con): As this is an evolving threat, will my right hon. Friend confirm that countries and airports could be added or removed from the list that the Government have published, should the British intelligence services so recommend?

Chris Grayling: Obviously, we will keep this and other security issues in relation to our aviation sector under review. We will take whatever steps are necessary to provide that protection. As I say, I hope that this new set of measures will prove to be temporary, but first and foremost our focus will be on the security and safety of our passengers. Therefore, that will be the deciding factor in what we do in the future.

Gavin Newlands (Paisley and Renfrewshire North) (SNP): The United States ban will be enforced by 7 am on Saturday, following 96 hours' notice. The Secretary of State said that airlines here would implement this ban over a short period of time. Has he given airlines in the UK an indication of a firm deadline by which he expect full implementation of the UK ban?

Chris Grayling: We are expecting this to be implemented in the same timeframe.

Kevin Foster (Torbay) (Con): I am sure that the Secretary of State would agree that on such a day the message should also be about reassuring people that

[Kevin Foster]

threats are reacted to and passengers should not be panicking about these types of announcements. Will he outline what steps will be taken to reassure passengers as well as inform them of the work the Government are doing?

Chris Grayling: Let me make it clear again to the House today: we are not saying to people that they should not travel to these countries. We are not saying that they should cancel their flights. We are not saying that they should cancel their holidays. We want aviation to continue as normal and we are simply taking additional security measures to make sure that that aviation is safe for those people who travel. There is absolutely no change to Foreign Office travel advice and no change to our advice to people about where, how and when they should travel; this is purely about making sure that when they do travel they are safe.

Ian Murray (Edinburgh South) (Lab): The Secretary of State said that anyone who travels on a hand baggage-only ticket would not be charged or out of pocket, and that he would be encouraging the airlines, which would be responsible, to take the right course of action. Will he consider doing something further to make sure that nobody is charged for putting hand baggage in the hold?

Chris Grayling: We are in discussion with the airlines about this. But this measure is not about an inability to take hand baggage into the cabin. If someone arrives at the gate with one of these items in their bag, it will be put in the hold. This is not about saying that people cannot have hand baggage, although some people may choose to put all their hand baggage into the hold; it is simply about the device itself.

Charlotte Leslie (Bristol North West) (Con): I am not seeking any information from the Secretary of State on the nature of the intelligence, but I am concerned about the implications of the ban on diplomatic relationships with valuable allies. I, too, have returned from Egypt, and if such security relationships are jeopardised, that will jeopardise the longer-term wider security of UK citizens.

Chris Grayling: That is precisely why these are difficult issues, and we will do everything we can to strengthen our partnerships with those nations. We are sending a very clear message that we are not saying to people, "As a result of this change, stop flying on those routes," but saying, "You should probably have more confidence about flying on those routes, because the measures we are putting in place today should protect your safety, rather than have the opposite effect."

Robert Flello (Stoke-on-Trent South) (Lab): I commend my hon. Friend the Member for Luton South (Mr Shuker) for asking this urgent question. We are approaching Easter, a time when many families, with many nervous flyers among them, will be taking flights. What reassurance can be given to families taking flights from other destinations—not the ones listed—that the terrorists will not just think that as they can no longer fly and use

their laptops in an appalling and offensive way on these flights, they will go to another country that does not have a ban?

Chris Grayling: The reassurance I would give to those people is that we put in place such safety measures when we believe they are the right thing to do to protect their safety. We think this is the right way to address the issues that we have been considering, but I would say to people travelling from elsewhere that if we had had the same concerns, we would have acted more broadly. We have acted in the way that we think reflects the evolving terrorist threat. I hope that people generally will travel at Easter as normal, and those travelling on these routes can do so knowing that we have put in place additional safety measures to protect them.

Tom Pursglove (Corby) (Con): Ministers are absolutely right to be uncompromising when it comes to passenger safety, but what consultation was carried out with the airlines before the regulations were made?

Chris Grayling: We have been in regular contact with the airlines in recent days, and we have talked to them about the implications of the change. I last had conversations with a number of the airlines yesterday afternoon, as did the aviation Minister, so we have been in regular contact with them.

Jim Shannon (Strangford) (DUP): I thank the Secretary of State very much for his statement. As everyone has said, security is paramount, and the measures are important and welcome. He has named six countries, but he will know that it is easy to move from country to country and that it may therefore be possible to bypass the new security systems. What consideration has been given to adding other countries to that list right away?

Chris Grayling: There are a range of ways in which we protect the security of passengers on flights to the United Kingdom. This is one part of a broader strategy that we have had in place for many years to provide such protection. We make changes when we judge them necessary in the face of the evolving threat, and we will of course continue to monitor the situation and make any further changes dictated by that evolving threat.

Alan Brown (Kilmarnock and Loudoun) (SNP): By default, the Government are saying that they do not trust the security arrangements that these countries have in place at their airports, and we are actually putting an extra onus on the airlines. What checks will the Government do to make sure that the new arrangements are successful and that people cannot actually still get electronic devices into the cabins of aeroplanes?

Chris Grayling: Let me absolutely clear: this new announcement is not a vote of no confidence in the security measures in any other country. The decision was specifically taken in response to an evolving security threat, and I do not want it to be seen as a thumbs down to the security arrangements available in any of the countries affected.

Stewart Malcolm McDonald (Glasgow South) (SNP): I will keep you on my Christmas card list for now, Mr Speaker.

I of course commend the Secretary of State for acting on the security information he has been given. However, I have been contacted by a constituent, Dr Ahmed Khan, who has previously experienced some unpleasant behaviour at airports when he has been travelling. Will the Secretary of State give an assurance to my constituent and other Muslim people around the UK, who may feel that this is another attack on their liberties at airports, that it is not such an attack and that they will be treated properly and with dignity as they travel through UK airports?

Chris Grayling: Let me also be clear about this point: in recent years, we have seen a whole range of horrendous terrorist events in which Christians, Muslims, Hindus, people of no faith and many others have died side by side. Our job is to protect every single citizen of the United Kingdom whatever their faith, and this is about protecting every single citizen of the United Kingdom whatever their faith.

Point of Order

1.15 pm

Alan Brown (Kilmarnock and Loudoun) (SNP): On a point of order, Mr Speaker. I previously pointed out to the Leader of the House in business questions that both the Liberal Democrats and Labour have been fined for their conduct in the 2015 election. I drew attention to the fact that the Tories were also under investigation and that the Electoral Commission has expressed concerns that the capped fine limit means that fines are no longer a suitable deterrent. Basically, the Leader of the House was almost dismissive with a “how dare he raise that” response, and he stated that

“for Members of the Scottish National party to give lectures about good practice during election campaigning is a bit rich.”—*[Official Report, 19 January 2017; Vol. 619, c. 1088.]*

That implied that the SNP was possibly implicated as well. Now that the Tories have been fined a record £70,000, how can I make sure the record is correct: the SNP was the only major party not fined at the election, and our record number of MPs was returned without any financial shenanigans? How do I make the Leader of the House consider it worthwhile to make an apology?

Mr Speaker: I am grateful to the hon. Gentleman for his point of order and for his characteristic courtesy in giving me advance notice of his intention to raise it. What I would say to the hon. Gentleman is as follows: first, he has found his own salvation by putting what he regards as the facts of the matter on the record, where they will permanently reside, doubtless to the great delight of the hon. Gentleman and possibly of other people in Kilmarnock and Loudoun; and, secondly, when the hon. Gentleman asks what can be done to procure an apology from the Leader of the House, I fear that that may be a case of optimism triumphing over reality. I was in the Chamber at the time, and the Leader of the House is of course responsible for what he says, but I think the Leader of the House offered a robust response in the course of what might have been thought a knockabout exchange. I have always thought that the hon. Member for Kilmarnock and Loudoun (Alan Brown) was quite a steely fellow himself, but if I am in any sense mistaken on that front, may I commend to him the benefits of acquiring at least one of the characteristics of the rhinoceros? I am referring not of course to aesthetic beauty, but to notable resilience. We will leave it there for now.

If there are no further points of order, at any rate for now, we come to the presentation of a Bill. *[Interruption.]* Order. I am sure hon. Members are awaiting with anticipation and a degree of excitement the presentation of a Bill in the name of the right hon. Member for Leicester East (Keith Vaz).

BILL PRESENTED

VIOLENT CRIME (SENTENCES) BILL

Presentation and First Reading (Standing Order No. 57)

Keith Vaz presented a Bill to increase the minimum custodial sentence on conviction for possession of a knife or other offensive weapon for an offender aged 18 years or over and to increase the minimum period of detention and training order for a person aged 16 or 17;

to set a minimum custodial sentence on conviction for an offender in possession of a knife or other weapon and intending to commit any offence or having such a weapon available to use in committing murder; and for connected purposes.

Bill read the First time; to be read a Second time on Friday 12 May, and to be printed (Bill 160).

Terms of Withdrawal from the European Union (Referendum)

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

1.18 pm

Tim Farron (Westmorland and Lonsdale) (LD): I beg to move,

That leave be given to bring in a Bill to make provision for the holding of a referendum in the United Kingdom and Gibraltar on the proposed terms for the United Kingdom to leave the European Union; and for connected purposes.

On 23 June 2016, a narrow majority voted for the UK to leave the European Union. I deeply regret that outcome, but I am a democrat, and I accept it. However, a week from today, the divorce proceedings will begin, and the country now faces a greater period of uncertainty than most of us have ever experienced. One thing is for certain: democracy did not end at 10 pm on 23 June last year.

Not long ago, the Secretary of State for Exiting the European Union himself made the case very eloquently for what is now the proposal of the Liberal Democrats and others. He referred to a first “mandate referendum” and a second “decision referendum”, and said:

“The aim of this strategy is to give the British people the final say, but it is also to massively reinforce the legitimacy and negotiating power of the British negotiating team.”

I could not agree with him more; it is a great shame that he does not agree with himself anymore.

Last week, in rejecting a second referendum on independence for Scotland, the Prime Minister said:

“I think it wouldn’t be fair to the people of Scotland because they’re being asked to make a crucial decision without all the necessary information—without knowing what the future partnership would be, or what the alternative of an independent Scotland would look like.”

She is now asking the people of the United Kingdom as a whole to proceed to forge a relationship with the rest of Europe, and, indeed, the world, on exactly that basis—on the basis of a decision taken last June

“without all the necessary information—without knowing what the future partnership would be”.

The Secretary of State’s original case stands: we started this process last June with democracy, so we must end it with democracy, too. I accept that we have had our “mandate referendum”, in which the British people voted to leave, but voting for departure is not the same as voting for a destination. The Government should now give the British people a “decision referendum”, to be held when the EU negotiation is concluded, so that the British people have all the necessary information and know what our future partnership will be, because it is the people who are sovereign in this country. The people can and must have their say over what comes next, and this Bill would enshrine in law their right to do so.

Last week, when debating even the right of Parliament to have the final say on the Brexit deal, the Government displayed ludicrous inconsistency and double standards. The Brexiteers asked us to “take back control”, yet the first thing they do is undermine the principle of democratic accountability in our Parliament by refusing even to allow a meaningful vote in this House. The detail, or

even the general nature, of the deal that the Government may reach with the European Union is currently completely unknown—a mystery to us and to them—yet the British people are now told that they must simply shrug and accept any old deal, irrespective of its content or quality. When the deal is done, it will be signed off by someone. The only question is, who? Will it be the politicians, or will it be the people?

My party believes that the deal should be signed off by the people. No plans, no instructions, no prospectus and no vision were offered to voters by the leave campaign. With respect, I did not agree with the case for Scottish independence put forward by the right hon. Member for Gordon (Alex Salmond) in 2014. But, credit where credit is due: there was a 670-page prospectus of what Scotland outside the United Kingdom would look like. The leavers did not present the British people with such a prospectus; all they gave us was a lie on the side of a bus—hardly comparable. The pro-independence campaign in Scotland presented the Scottish people with not just the option of departure but the option of destination. Of course, the Scottish people voted against both the departure and the destination, but had the result gone the other way, there would have been no need to hold a people's vote on the final deal on independence from the United Kingdom.

I still believe it is absolutely impossible for the Government to negotiate a better deal with Europe than the one we currently have as a member of the European Union. Nevertheless, the negotiations will happen and a deal will be reached. Surely the only right and logical step to take is to allow the people to decide whether it is the right deal for them, their families, their jobs and their country.

No one knows what the final deal will look like, but we do know that the Prime Minister has already given up on the United Kingdom's membership of the single market, without even putting up a fight. In January, after months of saying that Brexit means Brexit, she finally came clean: Brexit means jumping out of the single market—the world's biggest marketplace—with all the consequences that will have for people's jobs and our economy. The Prime Minister is entitled to make that choice, but let us be absolutely clear: it is a choice. That is one of the reasons I was so astounded that the right hon. Member for Islington North (Jeremy Corbyn) and many in his party—although not all, of course—made the decision to vote with the Government on article 50. This House did not vote to enact the will of the people; this House voted, if we are to be generous, to interpret the will of the people.

Just like the Conservative party in its 2015 manifesto, I passionately believe that ending our membership of the world's biggest free market will do untold damage to this country. It is vital for our economy, which is why my party and others refuse to stop making the case that the deal must include membership of the single market. The Prime Minister had the choice to pursue a form of Brexit that united our country, reflected the closeness of the vote and sought to heal the divisions between leave and remain. She could have fought to keep us in the single market, if she wanted to; she has chosen not to. She is pulling us out before the negotiations have even

begun. Yes, the British people chose Brexit, narrowly, but nobody voted for the severance, irrelevance and decline that an unforced exit from the single market will bring. It is this Conservative Government who have chosen this Brexit.

The referendum vote does not give the Government a mandate for absolute severance from Europe. For 40 years now, the anti-European crowd have been saying words to the effect of, "Well, in 1975 I voted to be in the common market; I didn't vote to be in the European Union." Now, we turn that completely on its head, because in June people narrowly voted to leave the European Union, but no one voted to leave the Common Market—they simply were not asked. Nor did they vote to place a question mark over the status of their friends, neighbours and loved ones who happened to be born in another part of the European Union. The inaction of the Government and their unwillingness to guarantee the rights of millions of EU citizens living here is shameful; it is absolutely contrary to the British values of openness and tolerance to refuse to do so.

With this Bill, I am seeking to reinforce and strengthen the will of the people—to allow them to exercise their democratic right and duties by giving them a choice about what we and our children will have to live with for generations to come. They would be able either to accept the deal the Government achieve, or to say "Thanks, but no thanks" and opt to remain in the European Union. The gate has been opened and the direction is set, but the only way to achieve democracy and closure for both leave and remain voters is for there to be a vote at the end. If the Prime Minister is so confident that what she is planning to do is what people voted for, why not give them a vote on the final deal? What is she scared of? What started with democracy cannot end with a stitch up. The deal must not be merely rubber-stamped by politicians: it must be agreed by the people.

Question put and agreed to.

Ordered,

That Tim Farron, Mr Nick Clegg, Tom Brake, Mr Alistair Carmichael, Norman Lamb, Greg Mulholland, Sarah Olney, Mr Mark Williams, Heidi Alexander, Geraint Davies, Caroline Lucas and Jonathan Edwards present the Bill.

Tim Farron accordingly presented the Bill.

Bill read the First time; to be read a Second time on Friday 12 May, and to be printed (Bill 161).

PENSION SCHEMES BILL [LORDS] (PROGRAMME) (NO. 2)

Ordered,

That the Order of 30 January 2017 (Pension Schemes Bill [Lords] (Programme)) be varied as follows:

(1) Paragraphs (4) and (5) of the Order shall be omitted.

(2) Proceedings on Consideration and any proceedings in legislative grand committee shall (so far as not previously concluded) be brought to a conclusion two hours after the commencement of proceedings on the Motion for this Order.

(3) Proceedings on Third Reading shall (so far as not previously concluded) be brought to a conclusion three hours after the commencement of proceedings on the Motion for this Order.—
(*Christopher Pincher.*)

Pension Schemes Bill [Lords]

Consideration of Bill, as amended in the Public Bill Committee.

New Clause 1

FUNDER OF THE LAST RESORT

“Notwithstanding the provisions of section 8, the Secretary of State shall make provision for a funder of last resort, to manage any cases where the Master Trust has insufficient resources to meet the cost of complying with subsection (3)(b) of that section.”—(*Alex Cunningham.*)

This new clause ensures that the Secretary of State will make provisions for a last resort if a Master Trust were to face difficulty.

Brought up, and read the First time.

1.29 pm

Alex Cunningham (Stockton North) (Lab): I beg to move, That the clause be read a Second time.

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

New clause 2—*Member trustees*—

“(1) By a date to be set by the Secretary of State in regulations, approved Master Trust Schemes must ensure that at least a third of the trustees of the scheme are Member Trustees.

(2) Member Trustees must be individuals who are—

- (a) members of the Master Trust scheme; and
- (b) not members of senior management of a company that is enrolled in the Master Trust scheme.

(3) Member Trustees must be appointed by a process in which—

- (a) any member of the scheme who meets the condition in subsection (2) is to apply to be a Member Trustee,
- (b) all the active members of the scheme, or an organisation which adequately represents the active members, are eligible to participate in the selection of the Member Trustees, and
- (c) all the deferred members of the scheme, or an organisation which adequately represents the deferred members, are eligible to participate in the selection of the Member Trustees.

(4) Member Trustees should be given sufficient time off by their employer to fulfil their duties.

(5) For the purpose of this clause “senior management”, in relation to an organisation, means the persons who play significant roles in—

- (a) the making of decisions about how the whole or a substantial part of its activities are to be managed or organised, or
- (b) the actual managing or organising of the whole or a substantial part of those activities.”

This new clause requires Master Trusts to make provision for some form of member representation within Master Trusts.

New clause 3—*Member representation and engagement*—

“One year on from the registration of Master Trusts by the Pensions Regulator, the Government will fully review member trustee representation, member engagement and annual member meetings.”

This new clause requires the Government to set up a review into member representation and engagement within Master Trusts.

New clause 4—*Requirement to hold an Annual Member Meeting*—

“(1) The trustees of an authorised Master Trust scheme must hold an annual meeting open to all members of the scheme.

(2) The Master Trust must take all reasonable steps to make the meeting accessible to all members, this includes making arrangements for—

- (a) scheme members to observe the meeting remotely, and
- (b) scheme members to submit questions to trust members remotely.”

This new clause requires Master Trusts to hold an Annual Member Meeting, and sets out ways to ensure members are properly given the opportunity to be involved.

New clause 5—*Excluded groups*—

“(1) The Secretary of State must, before the end of the period of 12 months from the day on which this Act receives Royal Assent, establish a review of participation in Master Trust schemes.

(2) The review must consider what steps can be taken to increase the participation in Master Trust schemes by the following groups—

- (a) carers,
- (b) self-employed,
- (c) workers with multiple employees, and
- (d) workers with annual earnings below £10,000.

(3) One of the options considered by the review to improve participation must be changes to the terms of auto-enrolment.”

This new clause enshrines the requirement on the Government to do something specific for currently excluded groups.

New clause 6—*Exit fees*—

“(1) The Secretary of State may by regulations restrict or set limits to exit fees paid by members of a Master Trust scheme.

(2) For the purposes of section (1) “members” includes past and current, active and deferred members.”

This new clause makes provision for the Secretary of State to restrict exit fees paid by Master Trust schemes’ members.

New clause 7—*Asset protection for unincorporated businesses*—

“The Secretary of State must, by regulations, make provision to amend section 75 of the Pensions Act 1995 in order to protect unincorporated businesses who are at risk of losing their personal assets including their homes.”

New clause 8—*Review of actuarial mechanisms for valuing pension scheme liabilities*—

“Within six calendar months from the day on which this Act comes into force, the Secretary of State must conduct a review of the actuarial mechanisms used to value pension scheme liabilities under section 75 of the Pensions Act 1995.”

New clause 9—*Non-associated multi-employer schemes: orphan debt*—

“The Secretary of State must, by regulations, exclude from the calculation in section 75 of the Pensions Act 1995 the orphan debt in any non-associated multi-employer scheme.”

Amendment 5, in clause 8, page 5, line 41, after “scheme” insert “or scheme funder”.

The financial sustainability of the scheme funder must be taken into account when assessing a Master Trust scheme’s financial sustainability.

Amendment 6, in clause 11, page 8, line 1, leave out subsection (b) and insert—

- “(b) either the only activities carried out by the body corporate or partnership are activities that relate directly to the Master Trust scheme, or if the body corporate or partnership carries out activities other than those defined as “restricted activities.””

This amendment allows for exceptions to the requirement that a scheme funder must only carry out activities directly relating to the Master Trust scheme for which it is a scheme funder.

Amendment 1, page 8, line 13, at end insert—

“() A minimum requirement of annual reporting of administration, fund management costs and transaction costs for each asset class, drawdown product and for active and passive asset management strategies.”

This amendment would introduce annual reporting and inclusion of transaction costs requirements for Master Trusts.

Amendment 7, in clause 10, page 7, line 23, at end insert—

“(6A) The Secretary of State may by regulations define “restricted activities” and these regulations must set out activities that a scheme funder cannot engage in to minimise risk of losses or liabilities which might deplete or divert its financial resources.”

This amendment makes provision for the Secretary of State to define “restricted activities” by regulation, including a list of specific activities restricted in order to minimise risk of loss by Master Trust scheme funders.

Amendment 2, in clause 22, page 16, line 28, after “employers” insert “and scheme members”.

This amendment ensures that scheme members are told of triggering events as well as employers.

Amendment 4, in clause 31, page 23, line 16, leave out paragraph (d).

This amendment removes the part that allows Master Trusts to halt making payments to pensioners in the event of a pause order.

Amendment 3, page 23, line 27, at end insert—

“(f) directive that employers will retain both their own and employee contributions pending resolution of the pause order.”

This amendment requires employers to hold onto employee and employer contributions during a pause order.

Amendment 8, page 23, line 27, at end insert—

“(f) a direction that further contributions or payments to be paid towards the scheme by or on behalf of any employers or members (or any specified employers or members) are collected and held in a separate fund until the conclusion of the pause order;”

This amendment provides the Pensions Regulator with an alternative to stopping payments to the schemes under subsection 5(b) of a pause order.

Amendment 9, page 23, line 39, at end insert—

“(7A) The Secretary of State may by regulations set conditions on the terms of a separate fund used for purposes under section 5(f).”

This amendment is consequential to amendment 8.

Alex Cunningham: Generally speaking, this is a good Bill, and it goes a long way to properly regulating master trusts and looking after the interests of the pension scheme members. Sadly, it does not address the WASPI issue, which we raised on Second Reading and in Committee, as it has been ruled out of scope of the Bill. However, I am pleased to report that Stockton Borough Council backed the WASPI women. Tory councillors abstained on the vote, so clearly they are not very happy with the Government either.

There are a number of aspects of the Bill that could still be improved and that could better protect and inform scheme members. Sadly, after the Commons Committee stage, it was clear that we had failed to convince the Government of that, but having reviewed the Minister’s arguments we still believe that a number of issues need to be covered on Report this afternoon.

New clause 1 returns to the issue of a funder of last resort for master trusts. Contrary to the written statement from the Under-Secretary of State for Pensions, which we received on Monday, the removal of this clause is significant, and I was surprised that he felt that it was not. This new clause looks to ensure that, in the event of a master trust failing, there is a funder of last resort—somebody in place who guarantees that scheme members are not left out of pocket through no fault of their own. This would, in effect, act as a final underpinning of the promises that have been made to scheme members, giving them recourse to a legally established funding organisation committed to making good on scheme member dues. When this was debated in Committee, the Minister refused to back this most sensible of additions to the regulations of the Bill, arguing that it would place an unnecessary additional burden, that the new regulatory regime was sufficient to make the risk of collapse absolutely minimal, that existing master trusts would pick up any scheme members affected by their master trust failing, and that the Government were consulting the industry on the creation of a panel of white knights, who would commit to stepping in to ensure that all scheme members are protected.

I am glad that we have the Minister on record saying that there is no chance of a master trust going bust under the regulatory regime that this Bill creates. It is clearly a gamble that he is willing to take. Opposition Members are not prepared to gamble with people’s pension savings. In order to best protect scheme members, we need the strongest possible regulatory environment in place. Unlike the Minister, we are not content to leave things to chance.

We have support from the industry itself for these proposals. For example, the chair of the Standard Life master trust has called on the Government to be the funder of last resort, because

“their policy foul-ups have allowed the proliferation of unsustainable Master Trusts.”

It is interesting that the Minister plans for a panel of white knights. Does that suggest that he does accept that there is a chance that a master trust might slip through his regulatory regime and leave scheme members unprotected? If he does, why not go the whole way and put the proper guarantees in the Bill? There is simply no guarantee that another trust will choose to pick up one that is failing. Why would it? What obligation does it have and why would it be in its interests to do so? Yes, there have been a few pragmatic actions in this area, but nothing is guaranteed.

We all know that the pensions industry and the financial services industry have seen plenty of failures. Perhaps the Minister can tell us what happens if a large master trust fails and the data are in a mess and take months to cleanse before getting members transferred to a new scheme. We cannot simply hope that another trust will just pick that up. Instead, we must intervene now to ensure a proper back-up plan. The Government must prepare for the worst-case scenario, and nothing I have seen so far convinces me that Ministers are doing so.

We need a funder of last resort because we must be able to predict what could happen, even if there is only the slightest chance of it happening, and ensure that we have a plan of protection in place. I ask again: why will the Minister not provide people all over this country

[Alex Cunningham]

with a 100% assurance that the Bill without this provision is enough to protect members. If he is to ignore our sensible new clause, he must guarantee that no master trust will be in a situation in which it has failed and has insufficient resources to meet costs. In the absence of greater clarity, it is essential that this new clause is in the Bill.

I now turn to new clause 2 and the issue of member-nominated trustees for master trusts. I remind the House that all the investment risk lies with the member and not the sponsor or the provider of the scheme, and they should therefore have representation at decision-making levels of the scheme. The Pensions Act 1995 introduced the requirement for company pension schemes to have member-nominated trustees. If the scheme's sole trustee is a company, including the employer rather than individuals, scheme members will have the right to nominate directors of that company—member-nominated directors. The Pensions Act 2004 enshrined the right to have at least one third scheme member trustees of a trust-based scheme. The Pensions Regulator is clear that master trusts are covered by this legislation, which is why some already have member-nominated trustees. What the regulator offers in explanation is that there are exemptions that can be taken by master trust, giving the reasoning that having a pool of members greater than a single employer-based scheme poses problems of choice. We find that an inadequate reason for exemption. The greater the number of members, surely the bigger the pool of choice.

We do not agree that independent trustees can adequately represent the fiduciary interests of members if they have no stake in the investment process. What is more, they are paid and chosen by the master trust. This exemption seems like a convenient way of denying the right to representation by those who do have a material interest in the performance of the master trust. We have returned today with an amendment that seeks to give scheme members the law to which they should be automatically entitled. In these circumstances, my references to MNTs apply equally to MNDs.

The Association of Member Nominated Trustees is adamant that master trusts must be obliged to have member representation on their boards. However, it is no surprise that a master trust is lobbying against that. Such companies are mostly profit-making entities. However, it is in their own best interests that they have scheme member representation to win the confidence of the scheme members. The role of the MNT and the trustee boards is sometimes underplayed or undervalued. The Association of Member Nominated Trustees said:

“Members are particularly comforted by having an MNT presence for their scheme. It helps them to feel reassured their retirement interests are truly being met and understood most importantly, but also that they aren't being ripped off in excessive costs and charges.”

They are the only ones who have no personal interest or gain; their only interests are those of the member. ShareAction also agrees that savers should be able to subject decisions made on their behalf to a healthy degree of scrutiny and challenge.

Ensuring effective governance for pension schemes remains a challenge. Although trust-based schemes benefit from a clear governing body in the form of the trustees,

there is a clear absence of member-nominated trustees in the majority of master trusts. However, although some companies choose to operate a trust-based defined contribution scheme, most new auto-enrolled members will not find themselves saving into one. Instead, the vast majority of people will find themselves saving into a master trust or a group personal pension arrangement. In those schemes, member representation on governance boards is far more rare. At this point, I wish to refer back to the concerns that the Pensions Regulator made about master trust governance. In January 2013, said:

“We have identified a number of characteristics that, if present, may prevent these schemes from delivering good outcomes. These are: conflicts of interest as a result of the relationship between the provider and trustees; decision-making powers vested with the provider rather than trustees; a lack of independent oversight in some master trusts – unlike traditional occupational DC schemes, member and employer representatives are unlikely to be involved in important decision-making processes”.

Yes, the Bill may go some way to addressing these concerns, but it does not go far enough. We can build greater trust in the system; increase diversity and bring a range of different perspectives and experiences; and highlight areas that are of interest to members. Once again, we find no real impediment to this amendment. The law requiring master trusts to have scheme member trustees applies and exemption does exist, but that need not be required and should, in our view, be overridden.

Continuing with the theme of engaging with members, I will now address new clause 3. It requires that, one year on from the incorporation and registration of master trusts by the Pensions Regulator, the Government will fully review member-trustee representation, member engagement and annual general meetings for members.

The purpose of the new clause is to ensure that there is a review of the new master trust governance and member engagement processes. Pensions Regulator guidance stressed the importance of understanding and engaging with members to define objectives for the scheme and setting an appropriate strategy—for example, the TPR code of practice 13 on governance and administration of occupational trust-based schemes providing money purchase benefits.

TPR has stacks of advice on these issues for master trusts to follow, but we want a commitment from the Government that they will ensure that master trusts are operating in the interests of members and that the potential of a conflict of interest—in other words, the profit motive—does not get in the way. We need to make sure that there is an opportunity for experienced eyes to take a good look at the system a year after its creation. If there are risks, they must be accounted for. One way to do that is to form a Government inspection of the system.

I turn to new clause 4, which requires master trusts to hold an annual member meeting and sets out ways to ensure that members are properly given the opportunity to be involved. It is now common practice for pension funds to hold a meeting with members on an annual basis. Good member communications, provided at the right time and in an accessible format, are vital if members are to engage and make decisions that lead to good outcomes in retirement. In the Committee debate, the Minister suggested:

“Documents relating to the governance of a scheme, such as the trustees' annual report, the chair's statement and the statement

of investment principles, have to be provided on request.”—[*Official Report*, Pension Schemes Public Bill Committee; 9 February 2017 c. 118.]

Having to request information about what one is paying for is the wrong way round. Let us not forget that many master trusts are profit making, so members should be given information as a matter of routine and not by request.

An annual meeting for members ensures that trustees and administrators can be made human and accountable rather than being at some distant, bureaucratic and faceless place. Trustee boards should regularly review member communications and, when deciding on the format of communications, take account of innovations and technology that may be available to them and appropriate to their members. That would allow the more engaged members to hear a presentation from trustees and senior executives about how the scheme has managed their retirement assets over the previous year and what plans the scheme has to deliver strategy and manage risk into the future on behalf of members.

Pensions Regulator guidance accompanying its new DC code highlights AMMs as one way in which multi-employer schemes can stay close to members. Through the new clause, master trusts would be brought into line with normal practice in the corporate sector and among the growing number of pension schemes.

I want to return at new clause 5 to the issue of groups currently excluded from master trust saving—specifically carers, the self-employed, those working multiple jobs and people on low incomes. As it stands, the Bill does not expand the successful auto-enrolment policy: that could have made a real difference to a number of groups who, the evidence suggests, are not saving adequately for their retirement. The Minister and I debated this issue in Committee, so I shall return to the issue only briefly.

As I recognised then, the Government have announced a review relating to the operation of auto-enrolment into master trust savings. Currently, however, the scope of that review is too broad, with few specifics set out to keep the Government to their word. The evidence speaks for itself: too many people are not putting enough away to guarantee the secure and dignified retirement that the Labour party has always worked to provide and continues to strive towards today.

Some 37% of female workers, 33% of workers with a disability and 28% of black and minority ethnic workers are not eligible for master trust savings through auto-enrolment, according to the latest DWP statistics. In Committee, the Minister suggested that gender equality was not an issue under auto-enrolment savings; I suspect that he may have been referring to the participation rate among eligible employees, which is fairly equal between genders. The statistics that I have cited, however, relate to those not eligible, and I believe women are over-represented. Perhaps the Minister can look again at the issue and write if he has evidence to the contrary.

On the specific groups, I would like to press the Minister on the issue of carers, who, as we know, make such a vital contribution to our society, public services and economy. In Committee, the Minister suggested that he would like carers to be included under the Government’s review of auto-enrolment, but accepted that they are not currently specified. May I push him to

commit explicitly to including carers under the terms of the review now? I am sure that it would be of great comfort to our carers if they knew that their situation was being looked at specifically by the Government.

1.45 pm

I turn to the self-employed, about whom the Government have recently had a lot to say—although I note that they have gone quiet about them in the past week. I wonder why. I was, however, pleased to hear the Minister confirm that self-employed people are included in his review. Similarly, it is good that those with multiple jobs are being included. I was interested in the Minister’s point in Committee that those earning more than £6,000 could access master trust savings and would be provided with the same support from their employer and tax incentives. Will the Minister perhaps write to me or address the House today clarifying the policy on this point? What are the Government doing to ensure that all eligible people are aware of this particular right under the law?

Those on low incomes will need to be addressed. I hope that the Government will go further than merely freezing the trigger threshold, as appears to be their current approach, and lower it to ensure that many more people are included in master trust saving.

I met representatives of Royal London last week and they asked why every pound earned is not taken into account for employee and employer contributions. Will the Minister also add that issue to his review? Share Action has also contacted me about auto-enrolment, saying

“that many employees are saving at the minimum level and show little interest of emotional connection to their workplace pension fund, and therefore we believe the second phase of auto-enrolment needs to be focused on governance, choice and communication, getting people personally engaged with their pension savings”.

Does the Minister agree?

Given the Minister’s responses on the expansion of eligibility for auto-enrolment, I fail to see why the Government would not accept the new clause. Should the Minister be committed to enfranchising these excluded groups into master trust savings? Why not make that intention clear in the Bill today?

I now turn to amendment 1, which applies not only to the Bill but to the whole industry: it is about transparency. Opening the Second Reading debate on the Bill, the Secretary of State said:

“Transparency is a key area. Hidden costs and charges often erode savers’ pensions. We are committed to giving members sight of all the costs that affect their pension savings.”—[*Official Report*, 30 January 2017; Vol. 620, c. 756.]

On that, the Secretary of State and I agree. I am pleased that he has put on the public record the fact that costs erode savers’ pensions. That is the line within the 2015 Dutch central bank report, which said:

“Investment costs are an important determinant of pension fund performance. High investment costs can significantly impact beneficiaries’ wealth and consumption, as they reduce the net rate of return on investments and subsequently raise the costs of providing pensions.”

Despite the Secretary of State’s statement and that of the Dutch central bank, the Government have resisted any attempt to do something about the situation, always promising that something will or may be done, but never doing very much.

The Government hide behind the issue of complexity, but they have already negotiated with the Investment Association the tools to deal with that. The only area of

pension funds that is ready to be analysed is those used by the local government pension scheme. The cost data are due to be collected this year by the scheme advisory board and endorsed by the Minister to ensure that they are delivering best value for sponsors and members alike.

The architecture to get, analyse and present the data is the same process of discussion with a view to being built and will form a platform from which other projects, including the value for money analysis needed for all workplace pensions, and that can be delivered. I believe that the Minister is a fan of this work, too, so I would hope that he and his Government would recognise that the easiest and most efficient way of ensuring that data for master trusts are collected is to adopt the LGPS-Investment Association cost template. That, after all, has been sanctioned by the Department for Communities and Local Government and the data points agreed with the Investment Association members, who in the main will be the same suppliers of asset management to the LGPS and master trusts.

The amendment's purpose is to lay down the reporting obligations of master trusts. At the moment, they will report only on administration and asset management fees. All that the amendment requires is the additional reporting of the implicit costs, which could be found by using the LGPS template. The only obstruction to this process is the Government. The situation is contradictory: why have this arrangement in one section of our pension system and not in another? The Government are holding back scheme members from getting the best value. Employers, master trusts and independent governance committees cannot deliver under the current arrangements. There is nothing simpler than setting out a requirement for the reporting of explicit and implicit costs; it is the will to introduce the process that is the problem.

Members must be able to discern the impact of trading on their funds. In Committee, the Minister said:

“the bit of the FCA review that the hon. Members for Stockton North and for Ross, Skye and Lochaber mentioned in fact makes the point not that active fund managers have more costs, but that over a period of time there is not much difference in returns.”—[*Official Report, Pension Schemes Public Bill Committee, 7 February 2017; c. 55.*]

However, the FCA actually reported that it was comparing

“the net return on a £20,000 investment over 20 years to show the impact of charges. Assuming, for illustrative purposes, that both funds earn the same return before charges (the average FTSE all share growth), an investor in a typical low cost passive fund would earn £9,455 more on a £20,000 investment”—

an improvement of 24.8%—

“than an investor in a typical active fund, and this number could rise to £14,439”—

an increase of 44.4%—

“once transaction costs have been taken into account.”

The FCA's evidence is clear: investing in a low-cost passive fund delivers more return than investing in an active fund. That is why it is so important to change the reporting requirements of master trusts. We can look to the Netherlands experience: it is a requirement that all Dutch pension funds report on administration, fund management and transactions. The Society of Pension Professionals agrees with us that

“the key is to make sure that the information given to consumers is sufficient to empower them, and provide customers with simple and objective comparisons to enable them to choose the best products and providers”.

The amendment would help the Government, master trusts and, most importantly, scheme members to match the best model in practice reporting.

Amendment 2 would also increase transparency and ensure that members are properly informed—in this case, if a triggering event affecting their pension is in place. In Committee, the Minister replied to the amendment with the assumption that members are passive recipients of the process. He said:

“Remember, many members do not take an active decision to join; they join through their employer. They are not actively engaged in the scheme; their employer is the conduit”.—[*Official Report, Pension Schemes Public Bill Committee, 7 February 2017; c. 63.*]

Such a paternalistic approach does our citizens a disservice. The Government reject all attempts to reform the Bill to make it more member-focused. That approach labels members as passive recipients, not engaged participants. The Government's policy is to place responsibility on the individual to take care of their pension provision, yet they seem to be standing in the way of members being given the information and representation that would allow them to make informed decisions. Why is the Government's policy so contradictory?

The member's pension pot is theirs, not the employers, so they should, by rights, have natural justice and be informed. In the amendment, we simply seek to ensure that the information on triggering events flows through the communication chain when those events happen, and if and when they are resolved. If members found out only at second hand that such an event had happened—an event that affected their hard-earned cash—that would be bound to result in lower levels of trust. How would hon. Members feel if no one told them there was an issue over their pension pot? This is a simple chain of events; if the information can go to employers, it should go to members too, and there is no good reason for that not to happen in this electronic age.

I would now like to turn to amendment 4, on pause orders, which are also very much about responsibilities to pension scheme members. A pause order is put in place by the Pensions Regulator if it is satisfied that making an order will help the trustees to carry out their implementation strategy or if there is an immediate risk to the interests of scheme members or to the scheme's assets.

In Committee, Labour Members submitted an amendment on pause orders, because we felt there was nothing to protect pensioners in the event of a master trust being paused. I gave the example of a hypothetical but potentially very real elderly woman who relied on her pension from a master trust and who had little income without it. A pause order can last up to six months, and the master trust can opt not to pay out pensions—that is potentially six months during which elderly and vulnerable people would have to find alternative means to survive. That is not acceptable.

I also referred to the likely circumstance where our elderly woman has not even been informed of the pause order because there seems to be no requirement for anybody to inform her. I put a question to the Minister

on this matter in Committee, due to the lack of clarity. I was grateful for his reply, in which he said that existing legislation ensures that the regulator will notify any person who is to be directly affected by regulatory actions exercised through the regulator's statutory internal procedures. I hope he will clarify today exactly when a scheme member would be informed in those circumstances.

It is appalling that pensioners are being denied access to their own pension money in such circumstances. I have been assured that members' pots are protected in this situation, even in the event of a pause order. If that is the case, why would master trusts be unable to continue making payments to pensioners, who may be vulnerable and reliant on a regular payment from their pension pot? It is bizarre that the Government are so calm about the potential repercussions on the vulnerable if payments are stopped.

The Minister has also said that the stopping of payments would happen only in the rarest of circumstances. I hope he will take this opportunity to tell the House what those circumstances could be, and that he will provide scheme members with the assurance that they would not lose out during a pause order. Labour would go further by amending the clause and insisting that pensioners were still able to receive their payments.

I have submitted a completely new amendment 3 because I am concerned that the pausing of payments into the scheme under a pause order is fundamentally against what auto-enrolment sought to achieve. As it stands, the Bill would mean that if a pause order had been put on a master trust, the trust would no longer receive contributions from the employer or employee.

I note there is a similar amendment from the SNP, and I believe we are trying to achieve the same things. *[Interruption.]* I do not think I am trying to achieve the same things at the moment, as SNP Members are chatting among themselves, but I can assure them that we are trying to achieve the same things on pause orders.

While I agree that the master trusts will be in no fit state to continue taking contributions, I do not agree that, as a result, members will simply get their contributions back into their pay packet and employers will be let off making their contributions. Our amendment would ensure that, despite the pause orders being in place, the contributions made by the employee and the employer would not be lost. That is particularly important for low earners, when a potential six-month pause order could see them lose out on important and vital contributions. At this point, the Minister may be thinking that a pause order is unlikely to last six months, but it can.

Our amendment proposes that, in the event of a pause order, the employer will retain the contributions they would have made, and the contributions the employee would have made, until the pause order is lifted. It may be argued that the contributions the employee would retain could be saved by the individuals themselves, but the pot would still be without the pension contributions from the employer. Why, through no fault of their own, should the employee lose those contributions to their pension? Does the Minister agree that workers should not lose out on employer contributions during a pause order? I am concerned that if we do not put measures in

place to actively protect people, even with the smallest chance that something might go wrong, we will have failed them.

In conclusion, I am concerned that a lack of transparency in the scheme is a problem, and that that problem lies with insurance companies and master trusts. I am concerned about the low paid; the person with multiple jobs; women; people under 22; carers; and the self-employed, who have not been looked after by this Bill. I am concerned that the Government have removed the funder of last resort clause, which the Labour Lords succeeded in putting into the Bill. These are all issues that, I assure the Minister, we will continue to debate. However, for now, I look forward to his response to the new clauses and amendments I have highlighted.

Ian Blackford (Ross, Skye and Lochaber) (SNP): I rise to speak to new clauses 6 to 9 and amendments 5 to 9. I am disappointed that new clauses 10 and 11 were not selected for debate.

2 pm

There is much in this Bill that I would commend. It rightly introduces regulation for master trusts and will help to shape confidence in pension savings, particularly for auto-enrolment. In Committee we sought to work constructively with the Government to bring forward new clauses and amendments to enhance the Bill as well as to deal with other shortcomings in the pensions landscape appropriate to the Bill. The Minister knows that my approach to the landscape of pensions and savings is to work constructively where we can to encourage consumer participation. Although there is much else in the field of pensions that I would like to see enhanced and on which greater clarity should be delivered, I congratulate the Government, and particularly the Minister, on bringing forward this Bill.

The Bill builds consumer protection for master trusts and is an important step forward in enhancing the appeal of auto-enrolment. We will be reviewing auto-enrolment later this year, but it is important that we the opportunity of this proposed legislation to make sure that we have the appropriate regulatory steps in place. I urge that when we review auto-enrolment we look positively at how we can substantially take it forward for part-time workers who have been excluded—many with multiple jobs, particularly women, as well as the self-employed—charting a way forward that builds pensions entitlement, hopefully in a way that builds consensus, and perhaps avoiding the screeching U-turn that we saw from the Minister's colleague, the Chancellor of the Exchequer, in recent days.

This is a serious subject, and this Bill should be seen as part of a wider debate as to how we increase pension savings, building trust in the pensions savings industry. I was struck to read in the Government's Green Paper on defined-benefits schemes published last month that the average DB scheme payment is as little as £7,000 per annum. We also have a research paper from Met Life this week highlighting income challenges threatening pension freedom, as well as a paper from the Centre for Policy Studies that raises, among other issues, challenges around drawdown.

It is clear that collectively there is more to do to encourage trust and confidence in pension savings—in particular, that all are encouraged to save at an appropriate

level to secure dignity in retirement. On that basis, SNP Members will work constructively with the Government on this agenda. In the meantime, the Bill is a welcome step forward. I hope in that spirit of engaging positively the Minister will give careful consideration to the new clauses and amendments that my hon. Friend the Member for Paisley and Renfrewshire South (Mhairi Black) and I have tabled. They should be seen as seeking to improve the Bill; they are not in any way, shape or form wrecking amendments.

New clause 6 makes provision for the Secretary of State to restrict exit fees paid by master trust scheme members. It is not clear to us why master trust members should have to pay any exit charges. It is welcome that the Government are placing a 1% cap on exit fees for current members, with no exit fee for new members, but why the threat of exit fees for existing members? Large fees have been charged on exit on the past, and it is clear that we need to protect savers. I asked the Minister to confirm at earlier stages that there would be no exit fee for an individual leaving a master trust. He responded that when a master trust was closing it could not levy a charge, but I would appreciate it if we could make it explicit in all cases that fees should not be levied.

New clause 7 would require the Secretary of State, by regulations, to make provision to amend section 75 of the Pensions Act 1995 in order to protect unincorporated businesses that are at risk of losing their personal assets, including their homes. New clause 8 would require, within six calendar months from the day on which this Act comes into force, that the Secretary of State must conduct a review of the actuarial mechanisms used to value pension scheme liabilities under section 75 of the Pensions Act 1995. New clause 9 would compel the Secretary of State to, by regulations, exclude from the calculation in section 75 of the Pensions Act 1995 the orphan debt in any non-associated multi-employer scheme.

These new clauses would help to deal with the current issue facing plumbers in Scotland. Plumbing Pensions (UK) Ltd was established in 1975 to provide pensions for the plumbing and heating industry UK-wide. The scheme is managed by a group of trustee directors appointed from nominees of the Association of Plumbing and Heating Contractors in England and Wales, the Scottish and Northern Ireland Plumbing Employers Federation, and Unite the union. The scheme has over 36,000 members and assets in excess of £1.5 billion. Under section 75 of the Pensions Act 1995, employers can in certain circumstances become liable for what is known as a section 75 employer debt. The debt is calculated on a “buy-out” basis, which tests whether there would be sufficient assets in the scheme to secure all the members’ benefits by buying annuity contracts from an insurance company. Legislation specifies that a section 75 employer debt becomes payable when the employer either becomes insolvent, winds up, changes its legal status, or ceases to have any active members in the scheme. While we must be mindful that the purpose of these rules is to protect pension benefits, the way in which they are currently framed creates problems for some stakeholders. We are sympathetic to the concerns raised by SNIPEF.

Mhairi Black (Paisley and Renfrewshire South) (SNP): Does my hon. Friend agree that it is because of such examples as he has touched on of unincorporated businesses

at risk of losing personal assets that it is so pertinent that the Government bring forward the solution right now rather than wait for the opportunity to pass?

Ian Blackford: I am grateful to my hon. Friend, who is absolutely right. These are complex issues. That is why we make the suggestion that we are willing to work with the Government on this. We have to find a solution to this because at the end of the day ordinary people who have done the right thing could now be faced with losing their house, and that cannot be right. This issue has to be resolved.

There are a number of options for the UK Government to consider but each one has complications for the pension schemes, employers and scheme members. We urge the Government to weigh up the interests of employers with the need to protect benefits for pension scheme members. The former Pensions Minister in the other place, Baroness Altmann, indicated that she would look closely at how a solution could be reached to this complex issue. We need the same assurances from the Minister that he will work to find a solution for the industry and use this Bill to bring forward a solution.

SNIPEF’s four objectives are to achieve an amendment to section 75 debt legislation, as its main concern is for those involved in the unincorporated businesses that my hon. Friend mentioned who are at risk of losing their personal assets including their homes. It wants the Government to conduct a review of the actuarial methods used to value pension scheme liabilities, as it believes that the calculation of section 75 employer debt on a full annuity buyout basis is inappropriate and detrimental to non-associated multi-employer schemes given current economic conditions. It argues that orphan debt in any non-associated multi-employer scheme should be excluded from the calculation of section 75 employer debt. It suggests that provided the scheme is deemed to be prudently funded, the PPF acts as guarantor of last resort for orphan liabilities. It also believes that any changes in legislation should apply retrospectively to all employers from 2005. It would be helpful to get the Government’s view on this request. SNIPEF recently met the Minister, and it has advised SNP MPs that he confirmed that the objectives may have been incorporated within the Green Paper. We are now interested to hear the Government’s view as to whether they have identified a solution.

I want briefly to make passing reference to my two new clauses that have not been selected for debate, and signal my disappointment about that. New clause 10 would require the Secretary of State to identify support for women affected by the changes to the timetable for state pension age equalisation. We are disappointed that a pensions Bill has not been brought forward to deal with the pressing injustices within the pensions system.

Mhairi Black: Does my hon. Friend agree that by missing this opportunity the Government are wilfully ignoring it, much like they are ignoring the WASPI women themselves?

Mr Deputy Speaker (Mr Lindsay Hoyle): Order. We do not discuss new clauses that have not been selected. We have to deal with what is before us and that is the

new clauses on the selection list. I know that the hon. Gentleman wants to stay in order by dealing with those, not those that have been omitted.

Ian Blackford: Thank you, Mr Deputy Speaker; I am happy to receive the guidance that you have given me. I simply wanted to put on record that we had missed the opportunity to debate the measures today. I know that we will have the opportunity to raise these two issues again, so I will skip on without making any further reference to them.

The SNP believes that we need to look holistically at the problems inherent in the system and build on opportunities such as auto-enrolment. Only by giving pensions thoughtful consideration can the Tories get this right. With alarm bells ringing about the injustices facing the WASPI women, and concerns that we could see another hike in the state pension age, even the idea that the Government are contemplating reviewing the triple lock post 2020 is deeply troubling. If I may say so, we know that only by delivering an independent Scotland can the SNP deliver dignity in retirement.

I turn to amendment 5, which would mean that the financial sustainability of the scheme funder had to be taken into account when assessing the financial sustainability of a master trust scheme. The Association of British Insurers has told us that insurance companies already hold a very significant amount of capital under the European regulatory framework for insurance, solvency II. In our view it would not be reasonable, nor is it necessary, for insurers to be required to hold separate or additional capital on top of that to meet their new obligations as master trust providers under the Bill. We would like to hear assurances from the Government that insurers will be exempt if they already adhere to FCA and PRA regulatory and financial sustainability requirements.

Amendment 6 allows for exceptions to the requirement that a scheme funder must only carry out activities directly relating to the master trust scheme for which it is a scheme funder. Amendment 7 makes provision for the Secretary of State to define “restricted activities” by regulation, including a list of specific activities restricted to minimise the risk of loss by master trust scheme funders. Through these amendments, we acknowledge that there may be circumstances in which the scheme funder requirements in the bill should not apply. The amendments state that the requirements need not apply to firms whose activities are already restricted by virtue of existing regulation.

The ABI has said that, in particular, the Prudential Regulation Authority rules mean that insurance activities of the scheme funder that are not directly related to the master trust scheme are transparent and do not threaten the solvency or sustainability of the master trust. The ABI says:

“This is a sensible and pragmatic approach”.

It would be useful to understand what additional requirements will need to be met for firms to be exempt from the scheme funder requirements. It would also be helpful to gain an assurance that the Government are committed to working with the industry throughout the development and consultation process for the regulations.

Amendments 8 and 9 provide the Pensions Regulator with an alternative to stopping payments to the schemes under section 5(b) of a pause order. Amendment 9 is consequential on amendment 8. The Bill creates a new power enabling the Pensions Regulator to make a pause

order requiring certain activities to be paused once a trust has experienced a triggering event. That includes accepting new members, making payments, accepting contributions and discharging benefits. The TUC is concerned about the impact of a pause order on a member’s savings because there are no mechanisms in place to allow ongoing contributions to be collected and held on behalf of a saver. We contend that it is unacceptable for a member to be penalised, and in effect to lose wages in the form of employer contributions, because of events out of their control. The Society of Pension Professionals has said that it will be necessary to ensure that the period of effect of a pause order cannot start before the trustees actually receive notification of the pause order. That would mean that any contravention could occur only after the trustees are were receipt of the order. Without this, they argue the trustees could be in breach of a pause order, through no fault of their own, if a direction is not complied with during the period between the date on which the regulator makes the order and the date on which the regulator notifies the trustees of it—for example, if new members joined the scheme in that period contrary to a direction under clause 32(5)(a).

The Government should clarify whether they intend to take action to protect savers now, as we are disappointed that our amendments were defeated at earlier stages. I look forward to hearing the Minister respond. We have sought to work constructively with the Government to enhance the Bill, which we broadly welcome. We affirm our position of wishing to work with the Government where we can to create an environment in which workers can have faith and trust in pension savings.

We should all desire to develop a landscape in which pension saving is encouraged, allowing us to ensure that all our pensioners—from both their own provision and the state pension—have dignity and security in retirement. The Bill helps us along that road, as far as the regulation of master trusts is concerned. There is more to do to enhance auto-enrolment, and I look forward to working with the Government to take steps to include those who are currently excluded from pension savings, particularly the self-employed and many part time workers, especially women.

In closing, although I welcome the Bill, I reflect on the fact that it was necessary for me to put down a prayer last night on frozen pensions after the Government again brought forward a statutory instrument to freeze the pensions of hundreds of thousands of British pensioners who are being denied their full rights. In pushing the measure through, the Government have denied Members of this House the right to debate the matter. I encourage all hon. and right hon. Members to sign early-day motion 1097. I hope that if we can, as I believe we can, demonstrate broad cross-party support against this measure, the Government will have the grace to bring forward a debate on this matter before recess. This early-day motion has already been signed by Members from six parties, including the Government party. I encourage them to listen to us on this matter, as part of proceedings on the Bill.

2.15 pm

The Parliamentary Under-Secretary of State for Pensions (Richard Harrington): I thank the hon. Member for Stockton North (Alex Cunningham), from Her Majesty’s loyal Opposition, and the SNP spokesman, the hon.

[Richard Harrington]

Member for Ross, Skye and Lochaber (Ian Blackford), for their amendments. I hope that everyone who has followed the debate in this House and in Committee will agree that the Government's attitude has not simply been to oppose all amendments for the sake of it. I give hon. Members my word that everything has been considered. It is the Government's job to consider the lobbying from the sorts of organisations that the hon. Member for Stockton North mentioned. I have met representatives of most of them, as I am sure the hon. Member for Ross, Skye and Lochaber has done. It is the Government's job to weigh up everything and make a decision.

I am really quite disappointed by the fact that today, we are almost exclusively revisiting the amendments we debated in Committee. My arguments remain unchanged, although that does not mean that I am going to sit down and ignore the contributions of the previous speakers.

Alex Cunningham: Feel free to do so.

Richard Harrington: I do not think that that would be the correct thing to do. I intend to go through the amendments in detail and answer some of the questions that have been asked in good faith; I will try to answer them in the same spirit.

New clause 1, tabled by the hon. Member for Stockton North, is about the scheme funder of last resort. It has been discussed in the other place and extensively in Committee, and my officials and I have given it a lot of consideration. It would principally require the Secretary of State to establish a funder of last resort to meet the costs associated with the transfer of members out of a master trust should a triggering event occur. On the surface, the argument seems compelling. I met Baroness Drake and others in the other House before the Bill came to this House. I considered the proposal with a very open mind, and I thought that it was the most significant of all the points that were made. I want to place on record the fact that the contributions from noble Lords, across parties, have been very useful. I pay tribute to Baroness Drake, with whom I have discussed this several times. There are honourable disagreements, however, in which neither position is ridiculous. In the end, Government have to decide. That is why I cannot give the Opposition the comfort for which they ask.

The whole purpose of the regime introduced by the Bill is to mitigate the very risk about which the hon. Member for Stockton North is concerned. He is right to be concerned about it. Various clichés have been used at various points in proceedings on the Bill, usually involving nuts, sledgehammers and other such things. I would prefer to say that it is a question of being proportionate, or not being disproportionate. I think that that sums it up.

Before a master trust is authorised, the Pensions Regulator has to be convinced it has sufficient funds to meet the cost of a triggering event. Remember, Mr Deputy Speaker—I am sure you do, as you remember everything—that this does not involve pensioners' money, but the scheme or organisation running the fund. The Pensions Regulator must ensure that the organisers of the trust have sufficient funds to meet the cost of a triggering event. Should it fail, it will have the money to transfer out to another scheme. The regulator will monitor the situation on an ongoing basis to ensure the funds remain available.

Currently, the market is responding well to deal with existing master trusts that wish to exit before authorisation. The threat of the regulation in the Bill is making smaller master trusts consider whether they wish to part of this new regulated world. Several master trusts have already left the market in an orderly fashion. The regulator is confident that currently there are none that could not afford to transfer out members. That is very important and I hope the hon. Member for Stockton North will take that into consideration when deciding whether to press the new clause to a Division.

We are working with the regulator on non-legislative measures to address concerns about potential liabilities of trustees and receiving schemes that might arise if the record of a master trust in wind-up is poor. Hon. Members should be aware that we have a system of regulation precisely to ensure this does not happen. I view in a different way a survey I believe the hon. Gentleman mentioned in Committee from Pension Professional, which found that 50% of those surveyed did not want a scheme of last resort, as opposed to 31% who said they did. He mentioned Standard Life's view. I accept that it is the view of industry players that they would much rather the Government step in and deal with it—that is natural; if I were in their position I would too—but we have spoken to institutions and people involved in auto-enrolment, master trusts and so on, and my clear impression is that plenty of players would bite their hand off for any schemes they could get hold of. From their point of view, taking on members involves very little cost because they are already set up and running the schemes. They seem desperate to take on these schemes.

Alex Cunningham: The Minister is taking great comfort from existing measures, but there is still no 100% guarantee that there will be somebody to pick up the costs in the event of a trust failure. We could see a new trust go through the authorisation process but still fail through bad management, mismanagement, fraud or whatever. Who will pick up the pieces in that situation?

Richard Harrington: We have to deal with the reality of the situation; that is not happening. Yes, anything could happen. We all know in life that things happen. Parliament deals with things that happen that no one expects. As the Minister with responsibility for pensions, I am convinced that in the view of the industry, the regulator and the types of institutions that would willingly take on failing master trusts, there is no need for the Secretary of State to have in his desk-drawer armoury the money or the weapons to deal with it. This is a problem that really does not exist.

The hon. Gentleman says it is all left to chance. Well, it is not left to chance. We have a finite number of master trusts that exist now thanks to the support of the Government and the Opposition for the Bill, which I hope will be enacted as quickly as possible—I think everybody wants that—so it is a finite problem. I am not an accountant, but it is not a contingent liability that could happen in years to come. Hopefully, within two years a clear regulatory system will be in place and the regulator has made very clear what trusts exist. We have taken quite a lot of care to ensure that this will not happen. I feel that the measures suggested in the new clause are totally disproportionate to the problem. For those reasons, I urge the hon. Gentleman to withdraw it, although I do not believe he will. [Interruption.] I am

pleased to see that at least I have served to amuse Opposition Front Benchers.

New clauses 2, 3 and 4 stand in the name of the hon. Member for Stockton North and relate to member engagement. In Committee, in earlier debates and in conversations both on and off the record and in general to everyone who is concerned, I have made it clear, as hon. Members would expect me to do, that member engagement is important and that members should be encouraged to develop a strong sense of ownership in their pension savings. However, I remain of the view that the new clauses are unnecessary. I know that the hon. Gentleman is expecting me to say that, because we have discussed these points before.

My main rebuttal would be to remind the hon. Gentleman that the majority of master trusts are subject to the rules on trustees and the regulations of governance. Those regulations require that the schemes must have at least three trustees, and the majority have to be independent to provide services to the scheme. I agree that there must be an open and transparent appointment process for recruiting independent trustees, but current arrangements ensure that members have access to appropriate information to make decisions about their pension scheme. Those include a mandatory annual benefit statement; for most members, a statutory money purchase illustration, which gives them a projection of their pension in retirement. The hon. Gentleman says it should not be done on request, but it is available—that includes the trustees' annual report, the chair's statement and the statement of investment principles. The Pensions Regulator publishes guidance for trustees on communicating effectively and transparently with members.

I remind Members that all trustees have fiduciary duties and other legal requirements. Some master trusts are developing innovative ways of engaging with their members without the need for over-prescriptive statutory requirements, many of which—I say this respectfully—are of a different era, including holding general meetings that mean that people are expected to travel all over the country and everything like that.

I wish to discuss quickly the points made about the auto-enrolment review. In summary, the purpose of the review is precisely to discuss the points raised by the hon. Member for Stockton North. We are looking extensively at including self-employed people and people on lower incomes. He mentioned carers, so I should point out that all carers who are employed are now treated exactly the same as other people who are employed. If they fit the criteria, they will not be. I would not exclude looking at everything else, but the review is far broader than is required under the law.

The hon. Member for Ross, Skye and Lochaber tabled new clause 6, and wants to introduce a power to regulate so that exit charges can be capped. As I have said, the power already exists, because we intend to use schedule 18 to the Pensions Act 2014, as amended by clause 41 of the Bill, alongside existing powers, to make regulations to cap or ban early exit charges in occupational schemes, including master trusts. Existing members of occupational schemes who are eligible for pension freedoms will have charges capped at a maximum of 1%. It is not fair to exclude all charges, because there are costs involved in exit.

New clauses 7, 8 and 9, which were introduced as eloquently as ever by the hon. Member for Ross, Skye and Lochaber, are designed to make changes to the

provisions in the Pension Act 2014 that address the issue of employer debt in defined-benefit schemes. As he said, I have met representatives of the plumbers UK scheme, stakeholders generally, employers and employees. Let me make it clear that the issues are raised in the Green Paper on security and sustainability in our defined benefit pension schemes, and there is a roundtable of representatives from the relevant schemes precisely to look at what changes to legislation might be needed.

It is a complex and technical problem, but there is no perfect solution, because each involves one of three parties taking responsibility for the debt: working members, retired ones and the PPS. Each has its own problems, but I give the hon. Member for Ross, Skye and Lochaber my word on this, and I congratulate him and his party colleagues on the work they have done on this issue. There is no need for fears; we will make progress. I trust that the hon. Gentleman will therefore not press the new clauses.

We dealt in Committee with the minimum requirement for annual reporting on administration and so forth, but we shall have to agree to disagree on this. We are committed to making regulations requiring information on charges and transactions costs to be provided to Members and to be published in the course of this Parliament. We will consult this year on the publication and disclosure of such information to members. We are consulting only on how rather than if we will require disclosure. I read the Financial Conduct Authority's asset management markets study, and I sometimes think that the hon. Member for Stockton North and I are probably the only people who have read it in full detail. I fully commend it, as I have told the FCA, and we fully intend to take action on this matter. In short, the Government already possess the necessary primary powers and are well on the way to achieving the hon. Gentleman's stated purpose, so I urge him to withdraw the amendment.

Amendments tabled by the hon. Member for Ross, Skye and Lochaber deal with scheme funder requirements. I listened carefully to what he said. He adds to the requirement in clause 8 for the master trust scheme to have sufficient financial resources for the scheme funder, but that is not required because the regulator's assessment already has to take into account matters to be specified in regulations, which will include insolvency risk, the enforceability of any funding commitment and whether the scheme funder is subject to any prudential capital requirements. I do not believe that we need to expand the range of activities beyond that. Amendments 6 and 7 would expand the range of activities that a scheme funder can undertake by allowing it to carry out any activities apart from those that are restricted. The Government amendments tabled in Committee mean that the scheme funder is no longer restricted solely to activities relating to the master trust. I remind the hon. Gentleman—he has mentioned the Association of British Insurers—that the ABI

“welcome the cross-party consensus of the need to address the issue and the common-sense approach the Government has taken to reflect its concerns”.

In short, these amendments are not needed, so I very much urge the hon. Gentleman not to press them.

Amendment 2 would require the trustees to notify scheme members that a triggering event has occurred and of other information to be set out in regulations. I am sure you are aware, Mr Deputy Speaker, that a triggering event is a change in circumstances that poses

[Richard Harrington]

a risk to the scheme. I accept the importance of informing members well ahead of anything that directly impacts on them. Trustees can inform members at the point of the triggering event, if they judge that this is appropriate. The Bill already requires that if the scheme does proceed to wind up, it must inform members. I feel that the amendment is well-meaning but inappropriate. It could be costly and it could frighten members for no reason, because the system of requiring them to be informed later in the process is already in place. Once again, I ask the hon. Member for Stockton North not to the amendment.

I do the same with respect to pause orders, which were mentioned by both the hon. Member press, for Stockton North and for Ross, Skye and Lochaber—it seems that I have mastered the name of that constituency by Report, which goes beyond the call of duty. The amendments would require the contributions that cannot be paid into a master trust in the interim period to be held by the employer in some sort of special account. Here I am talking about the amendments tabled by the hon. Member for Ross, Skye and Lochaber—and I said that in one sentence.

Amendment 4 tabled by the hon. Member for Stockton North removes the provision to halt payments to members from a scheme during a pause order. Let me make it clear that the Government's position is that employees should retain the contributions made during a period, and receive a refund from their employer if those contributions have already been deducted but cannot be paid over to the scheme. We have been clear and everyone agrees that this is a rare and time-limited situation, which has a low risk of occurring, yet quite a big burden would go with it.

Alex Cunningham: On payments made during a pause order, I was referring to payments from the pension. I was talking about the payment of pensions, not the refund of contributions to the employee.

Richard Harrington: I thank you for that clarification. No, I do not thank you, Mr Deputy Speaker; I thank the hon. Member for Stockton North. The trustees can decide—they have to decide—when they wish to notify members of the pause order; it is not like it does not exist. I remind the hon. Gentleman that the Pensions Regulator can direct the trustees to notify the members at any time if they deem it necessary. That is a really important point. The power is already there; it is not as if it is going away.

With all that said, I hope that I have considered the amendments carefully. I hope that I have made effective arguments and that the hon. Member for Stockton North will not press his amendments.

I am satisfied that the Bill has been improved by amendments made in Committee—largely, I would like to say, in response to Opposition arguments. Once the Bill becomes an Act, I believe it will provide effective protection for the millions now saving in master trusts, largely as a result of the success of automatic enrolment. I hope that this House will be content to leave it unamended today.

*Question put, That the clause be read a Second time.
The House proceeded to a Division.*

Mr Deputy Speaker (Mr Lindsay Hoyle): Order. I am now going to suspend the sitting. The House is now suspended, but please wait here.

2.44 pm

Sitting suspended.

3.19 pm

On resuming—

The Leader of the House of Commons (Mr David Lidington): It is clear that the advice from the police to the Director of Security is still that the Chamber should remain in lockdown. As most colleagues will realise, a number of right hon. and hon. Members are in other parts of the estate or are off the estate and, for obvious reasons, are unable to be present for business. There have been conversations through the usual channels. I hope the House would agree that, in the current circumstances, it would not be right to continue with today's business.

Discussions between the usual channels will take place to ensure that the business that has been interrupted can be rescheduled for another mutually convenient date. Mr Deputy Speaker, I know that you will want to keep the House, although we remain locked down, informed of any news that comes through from the security authorities.

In view of what I sense to be the mood of the House and the situation in which we find ourselves, I will now move the adjournment.

*Resolved, That this House do now adjourn.—
(Mr Lidington.)*

3.21 pm

House adjourned.

ADDENDUM

[The following remarks were made for the information of the House during its suspension.]

Mr Deputy Speaker (Mr Lindsay Hoyle): We remain under suspension, but I call on the Leader of the House to make a statement.

The Leader of the House of Commons (Mr David Lidington): Colleagues will have appreciated that events have been moving rapidly, and I want to emphasise that the knowledge I have that is definite is so far very limited. What I am able to say to the House is that there has been a serious incident within the Estate. It seems that a police officer has been stabbed and that the alleged assailant was shot by armed police, and an air ambulance is currently attending the scene to remove the casualties. There are also reports of further violent incidents in the vicinity of the Palace of Westminster, but I hope that colleagues on both sides of the House will appreciate that it would be wrong of me to go into further details until we have confirmation from the police and the House security authorities about what is going on.

I shall endeavour to do the very best I can, both at the Dispatch Box and by communicating with my opposite numbers in other political parties, to ensure that Members are kept aware of what is happening, but at the moment the very clear advice from the police and the director of security in the House is that we should remain under

suspension and that the Chamber should remain in lockdown until we receive advice that it is safe to go back to normal procedures.

Mr Deputy Speaker: I am not going to enter into debate at this stage. I just wanted to make sure that people were informed as to why we are in here and in lockdown.

Valerie Vaz (Walsall South) (Lab): May I just thank you for that, Mr Deputy Speaker, and thank the Leader

of the House for his statement? Our thoughts and prayers are with the police officer. I thank the police, all the security services and all the staff for looking after us so well.

Mr Lidington: I am grateful to the hon. Lady. I think that those sentiments will be shared without reservation in all parts of the House.

Mr Deputy Speaker: We remain suspended until further notice.

Westminster Hall

Wednesday 22 March 2017

[MR DAVID NUTTALL *in the Chair*]

Iran's Influence in the Middle East

9.30 am

Dr Matthew Offord (Hendon) (Con): I get to move,

That this House has considered Iran's influence in the Middle East.

I believe that Iran is a leading sponsor of state terrorism, providing financial and material support to extremist Islamist terrorist groups across the middle east, including Hamas, Hezbollah and the insurgency in Afghanistan and Iraq. Iran actively sponsors international terror groups committed to the destruction of Israel, which act as proxies for the Islamic Republic. I place on record that the people of Iran are a fine collective, with a remarkable history in the region. However, the modern-day Iran, ruled by the mullahs, is a theocratic regime, based on the principle of rule of law by Islamic jurists.

Since the election of President Rouhani in 2013, Iran's relations with the international community have slowly improved, but its domestic human rights abuses, nuclear programme and support for international terrorism continue unchecked. Although Iran's president runs the economy and influences day-to-day decisions, Supreme Leader Ayatollah Ali Khamenei has the final say on most major issues, including national security and Iran's nuclear programme. The country works not only with foreign states in promoting its ideological agenda, but also with proxies such as Hamas, Hezbollah and Daesh.

First, I will discuss Syria. Iran views it as a valuable line of communication into Lebanon to support the militant Iranian proxy organisation, Hezbollah.

Mr John Spellar (Warley) (Lab): As the hon. Gentleman moves on to the specifics, may I take him back to the general? Is it not the fact that being a vicious dictatorship at home, like so many such states in history, makes the state a menace to its neighbours as well? I hope that the hon. Gentleman will look first at the destabilisation in the middle east, but also at the incredible repression that is happening and whether we can do more to support the opposition to this vile regime.

Dr Offord: I am going to focus purely on the influence within the region. If other hon. Members wish to concern themselves with conditions in Iran itself, that will be very welcome.

John Howell (Henley) (Con): To pick up on the previous intervention, something that links Iran's international and the domestic activities is that it has passed a new counter-terrorism law to try to clean up the country. At least, that is what it claims—but it does not include Hezbollah and Hamas. Does my hon. Friend agree that that is the most worrying sign of all?

Dr Offord: That certainly is a worrying sign. As I will go on to explain, those organisations are some of the recipients of significant amounts of resources that come from the Iranian regime.

Graham Jones (Hyndburn) (Lab): This is a really important debate. Following on from the intervention by my right hon. Friend the Member for Warley (Mr Spellar), would the hon. Gentleman also include Pyongyang and Yemen on his list of Iranian spheres of influence?

Dr Offord: I will do; if I can get to my speech, I hope I will be able to elucidate some comments about the places that the hon. Gentleman mentions.

The Iranian leadership has cited Syria as being Iran's 35th province, with President Assad's Alawite minority-led regime being a crucial buffer between the influence of Saudi Arabia and the United States, so it can be of no surprise to any of us that Iran has chosen to involve itself in the conflict in Syria.

The response of the Syrian regime to the Arab spring was a brutal one. Since 2011, thousands of civilians and armed militia have been killed by Government forces in Syria. Such action has prompted many Syrian army officers to join the opposition movement and form the Free Syrian Army. With the armed resistance increasing and looking ever more likely to topple the Assad regime, the clerical regime in Iran began deploying its military capability in the country. The senior commander of the Rasoulallah division of the Islamic Revolutionary Guard Corps, Hossein Hamadani, was dispatched to Syria. That man was responsible for operations in the Iran-Iraq war, as well as for suppressing the 2009 uprising in Iran. He decided that the forces sent by Iran to Syria were primarily to be at command level, as evidenced by the capture of 48 IRGC commanders two months later. That meant that infantry were needed, and the creation of Daesh occurred as a result.

Former US Secretary of State John Kerry is on the record as saying:

"ISIS was created by Assad releasing 1,500 prisoners from jail and Maliki releasing 1,000 people in Iraq who were put together as a force of terror types."

Dr Daniel Poulter (Central Suffolk and North Ipswich) (Con): My hon. Friend has brought forward an important and timely subject for consideration today. He mentions the US—does he agree that many of us were disappointed with the Iran nuclear deal? It dealt with Iran's nuclear capacity, but there was a missed opportunity to tackle some of the state-sponsored terrorism and other underlying causes of instability in the middle east. That is something that we will look to America to do now with a new President.

Dr Offord: I hope to come on to that point, but I completely agree with my hon. Friend's assertion. I believe that the Iranian nuclear deal was a missed opportunity. Not only did it not address issues surrounding terrorism, it also failed to consider human rights in Iran—something that is very important not only to myself and other hon. Members, but also to many of my constituents, some of whom are in the Public Gallery today.

The Iranian regime made use of its experience in suppression and control by working with the Syrian regime to achieve two objectives. The first was called the infiltration project, which was designed to instil division and dissent in the opposition; the second was the knapsack project, which was designed to bring about armed clashes between the groups and the tribes.

[Dr Offord]

Although the IRGC's Quds force remains the primary extraterritorial fighting force, and the primary force in Syria, IRGC ground forces, as well as those of the regular Iranian army, have also been employed in the conflict. In addition to those troops, more than 70,000 non-Iranian and Iranian forces have been deployed by the IRGC to fight in Syria. According to IRGC reports, that exceeds the 50,000 Syrian forces. That activity required money that became available at the right time—as my hon. Friend the Member for Central Suffolk and North Ipswich (Dr Poulter) said, through the nuclear deal.

One of my principal concerns about the Iranian nuclear deal was that it unfroze huge resources that allowed terror to be funded in the middle east region. It appears that that is what is occurring. Over the last five years, Tehran has budgeted about \$100 billion for the conflict, under cover from Khamenei's office. That money has been spent on the purchase of military weaponry and on Syria's own military expenses—\$1 billion is spent solely on the salaries of the forces affiliated with the IRGC, including military forces, militias and Shi'ite networks.

Turning to another area of conflict in the middle east, we can also see the influence of Iran in Yemen.

Graham Jones: The hon. Gentleman may have noticed that in January—I think it was on 17 January—the UN panel of experts reported an update on Yemen. One of the sections in that report is entitled the

“large-scale supply of weapons from the Islamic Republic of Iran to Yemen”.

Does the hon. Gentleman not think that Iran is now taking a larger and increasingly influential role in Yemen and affecting that conflict?

Dr Offord: I certainly agree with the hon. Gentleman, and I hope to go on to give some examples of where weaponry has gone into Yemen and how it is being used against allied forces—both the UK and the US.

Iran operates a complex network of weapon-smuggling routes throughout the region in defiance of four Security Council resolutions, which are resolutions 1737, 1747, 1803 and 1835. In October 2016, Reuters reported that Iran had significantly increased weapons transfers to the Houthis, the militia fighting the Saudi-backed Government in Yemen. US and western officials said that, based on intelligence they had seen, the frequency of arms transfers on known overland smuggling routes had increased notably.

According to sources, the transfers have included short-range missiles and small arms as well as anti-ship missiles, explosives, money and personnel. Much of the smuggling activity has been through Oman, which neighbours Yemen.

The US navy disclosed in April 2016 that it had confiscated an Iranian weapons cache headed to the Houthis in Yemen from a small fishing craft in the Arabian sea, seizing 1,500 Kalashnikov rifles, 200 rocket-propelled grenade launchers and 21 .50-caliber machine guns. That was the fourth such seizure by the US navy in the region since September 2015. US officials have

said that they are looking into whether components of missiles used in attempted strikes by the Houthis against a US warship and a United Arab Emirates vessel might have benefited from Iranian parts or originated in Iran. General Joseph Votel, the commander of the US military command centre, said he suspected an Iranian role in arming the Houthis, and noted that Iran was one of the possible suppliers of the type of shore-based missile technology seen in Yemen.

David Simpson (Upper Bann) (DUP): Does the hon. Gentleman agree that there seems to have been a reluctance over the years from countries right across the world to deal with the core issue of Iran? Surely it is time we dealt with it, given that 28,000 to 30,000 people have died through terrorism.

Dr Offord: I have a constituent who has spoken to me about this issue, and his view of the middle east in general is that, as a result of the Iraq conflict, Governments are loth to enter into any more conflicts. The Iranian regime can get away with its activities simply because the allied and US forces chose the wrong target.

According to the Washington Institute for Near East Policy, Iranian and Hezbollah leaders have been spotted in Yemen advising the Houthi troops and are likely to be responsible for training the Houthis to use the type of sophisticated guided missiles fired at the US navy. Like Yemen, Lebanon is being used as a proxy sparring ground by Iran and Saudi Arabia. The long leadership vacuum came to an end last autumn when the Parliament elected former general Michel Aoun as the country's new President. The shortness of time prevents me from discussing political matters, so I will restrict my comments to military ones.

Mr Spellar: Before the hon. Gentleman moves away from Yemen, given all that he has correctly outlined, is it not extraordinary that that the Government are even considering ceasing supplies to countries in the Saudi-led and United Nations-endorsed and backed coalition, which is trying to repel the Iranian-backed Houthi rebellion? Such action would be not only detrimental to stability in that region but absolutely devastating for the British aerospace and defence industry.

Dr Offord: I certainly have some sympathy with that view, but it is beyond my pay grade to discuss what the British Government do. I will leave that to the Minister. I am acutely aware of the consequences of the Houthis taking control in Yemen and the impact it would have on the region. I look forward to what the Minister has to say about that, particularly bearing in mind the views of other Members, who have said, particularly in the Chamber, that they do not support the Saudi Arabian Government's position.

Iran supports not only Governments but other regimes, and it focuses its attention on non-state terrorist groups. Evidence has revealed that it has financed and equipped forces that have claimed the lives of UK special forces, including the Taliban in Afghanistan and al-Qaeda in Iraq. Senior Afghan general Brigadier General Mohiyadeen Ghori, commander of the 205th Corps stationed in Helmand, said in 2007 that Iran was funding insurgents in Garmsir district of Helmand, where several British soldiers died in heavy fighting.

British special forces in Afghanistan intercepted an Iranian shipment of rockets to the Taliban in March 2011. It included 48 122 mm rockets, which sources described as “substantial weapons”, with a range of more than 12 miles—double the range of the usual Taliban weapons. One thousand rounds of ammunition were also found in the convoy. Technical and intelligence examination involving British specialists revealed that the rockets had been manufactured recently and doctored to look as if they came from a third party, but they were proved to be of Iranian origin. Markings had been removed from most of the rockets, and they had a green fuse plug, supposedly unique to Iranian-made rockets. Our then Foreign Secretary, William Hague, said that they were

“weapons clearly intended to provide the Taliban with the capability to kill Afghan and ISAF”

—international security assistance force—

“soldiers from significant range...The detailed technical analysis, together with the circumstances of the seizure, leave us in no doubt that the weaponry recovered came from Iran.”

In March 2010, Afghan border officials reported that a wide range of material made in Iran, including mortars, plastic explosives, propaganda materials and mobile phones, was ending up in the hands of Taliban insurgents. The US accused Iran in 2007 of supplying arms to Taliban insurgents after armour-piercing bombs were found in a vehicle in the western Afghan province of Farah. Iran has historically provided weapons, training and funding to other groups, including Hamas and other Palestinian terrorist groups, such as Palestinian Islamic Jihad and the Popular Front for the Liberation of Palestine—General Command. Hamas is the Sunni Islamist organisation that is control of the Gaza strip. The UK designates its military wing, the Izz al-Din al-Qassam Brigades, as a terrorist organisation. The US, the EU, Australia, Canada, Jordan and Israel proscribe the entirety of the organisation—a move I have repeatedly asked the Government to make, and I do so again today. Hamas is a key terrorist proxy for Iran, and actively arms those groups via extensive smuggling routes throughout Africa and the middle east.

Diplomatic sources have informed Reuters that Iran gives Hamas a \$250 million annual subsidy. Despite disagreements over Syria causing damage to the relationship, Iran continues to provide that funding. Hamas has publicly thanked Iran for the material and financial support. Mahmoud al-Zahar, Hamas’s co-founder, said:

“We have a right to take money and weapons from Iran. They give it to us for the sake of God, no conditions attached, and I am a witness to that.”

All that activity is possible because of the resources that have become available to the Iranian regime following the unfreezing of assets when the joint comprehensive plan of action was agreed. The lifting of sections released an estimated \$100 billion and empowered Iran’s hard-liners to fund their regional hegemonic ambitions. There appear to be no mechanisms in place to stop the released funds from reaching Hamas, Hezbollah, the Houthis and President Assad. Just a fraction of the \$100 billion of sanction relief would be enough to triple the annual budget of terrorist organisations such as Hezbollah, Hamas and Islamic Jihad.

My view of the Iranian regime is shared by many others. In February 2007, President Trump’s Administration imposed sanctions on Iran following a ballistic missile test. President Trump tweeted:

“Iran is playing with fire—they don’t appreciate how ‘kind’ President Obama was to them. Not me!”

Mr Gregory Campbell (East Londonderry) (DUP): I congratulate the hon. Gentleman on securing the debate. He mentioned the US Administration and the newly elected President Trump, but does he agree that we need to maximise security co-operation and share evidence and information between the US and the UK and right into Europe to try to prevent the travesty that he has outlined in relation to Iran?

Dr Offord: Once again, I agree with that point of view, but it is not for me to explain to the hon. Gentleman how that co-operation should occur; it is for the Government, who I believe are actively looking at such co-operation and seeking to keep our country safe.

John Smith, the acting sanctions chief of the US Treasury Department, said:

“Iran’s continued support for terrorism and development of its ballistic missile programme poses a threat to the region, to our partners worldwide and to the United States.”

In January, our Prime Minister affirmed the UK’s priority to

“reduce Iran’s malign influence in the Middle East”.

In an address to the Republican party conference in the United States, the Prime Minister said that the UK will “support our allies in the Gulf States to push back against Iran’s aggressive efforts to build an arc of influence from Tehran through to the Mediterranean.”

She assured members of the Gulf Co-operation Council in December 2016 that she is

“clear-eyed about the threat that Iran poses to the Gulf and the wider Middle East”.

She emphasised that

“we must also work together to push back against Iran’s aggressive regional actions, whether in Lebanon, Iraq, Yemen, Syria or in the Gulf itself.”

In February, the Middle East Minister, who is here today, said:

“The Government remains concerned about Iran’s destabilising activity in the region; we continue to encourage Iran to work constructively with its neighbours to resolve conflicts and promote stability.”

Also in February, Saudi Arabia’s Foreign Minister, Adel al-Jubeir, told delegates at the Munich security conference that Iran is the primary sponsor of international terror and the biggest threat to stability in the middle east. He said:

“Iran remains the single main sponsor of terrorism in the world. It’s determined to upend the order in the Middle East...until and unless Iran changes its behaviour it would be very difficult to deal with a country like this.”

He said that

“Iran is the only one in the Middle East that hasn’t been targeted by Islamic State and al-Qaeda,”

implying that there is a relationship between the regime and terror groups. He also said that the Iranians took advantage of the good will of the other nations that had negotiated the nuclear deal in 2015. He said that

“they stepped up the tempo of their mischief”

[Dr Offord]

while the negotiations were taking place and continue to do so today. When the Israeli and Saudi Arabian Governments agree on something, I believe that the world should listen. The two countries are not renowned for agreeing on many things, but on Iran they certainly do.

There is no doubt about the malign role being played by the Iranian regime in the middle east. The failure of Barack Obama to take decisive action has emboldened the clerics. Now, this morning, is the time for us to renew our alliances and our interests with the US and others in the middle east to curtail that serpent.

Mr David Nuttall (in the Chair): As Members can clearly see, the debate is well subscribed, so with immediate effect, I am imposing a four-minute limit on speeches.

9.50 am

Joan Ryan (Enfield North) (Lab): Thank you, Mr Nuttall; I am pleased to be called to speak. I congratulate the hon. Member for Hendon (Dr Offord) on securing such an important debate.

Whatever the merits of the nuclear deal concluded two years ago this summer, it has done nothing to satisfy Iran's appetite to establish regional hegemony in the middle east. That is unsurprising. One of the great flaws of European and US efforts has been a willingness to overlook Iran's destabilising influence, its support for terrorism and its appalling human rights record. Little demonstrates Iran's pernicious influence more clearly than its role in the Syrian civil war.

Through unstinting support for the Assad regime and Hezbollah, Iran bears much responsibility for the humanitarian catastrophe and loss of civilian life that has unfolded since 2011, the likes of which we have not seen in more than 70 years. Iran's actions in Syria—what Dennis Ross has rightly described as its

“preference for sectarian policies...and politics”—

fuelled the rise of IS. Whatever the eventual fate of Daesh, Iran's behaviour will continue to stoke violent Sunni movements and jihadism throughout the region.

Iran's apparent belief that international norms do not apply to it extends far beyond its nuclear ambitions and its actions in Syria. Iran continues to defy Security Council resolutions on conventional arms restrictions and ballistic missiles, testing missiles on a number of occasions since the implementation of the nuclear deal, most recently earlier this month. It has increased its support for the Taliban and it backed the Houthi effort to overthrow Yemen's internationally recognised Government, helping to provoke another vicious civil war in the region. Through its proxies in Hezbollah, Iran seeks to destabilise Lebanon politically to fulfil its long-held aspiration to turn the country into a client state.

Iran's game plan is clear. First, it is working to further its dominance by establishing a land corridor to the Mediterranean, one that cuts a swathe through Iraq, along the Syria-Turkey border, south to Homs and north again to the port of Latakia. Secondly, through Hezbollah, Iran aims to establish a second front in southern Syria with which to threaten Israel. In recent days Israel has been forced to take action against a number of targets near the Lebanon-Syria border.

Iran's intentions towards Israel are utterly malign and unchanging. A decade ago Mahmoud Ahmadinejad described it as a “disgraceful blot” that should be “wiped off the face of the earth”.

His supposedly reformist successor, Hassan Rouhani, called it

“a wound on the body of the Islamic world”

that “should be removed.” The Supreme Leader, Ayatollah Ali Khamenei, vowed that Israel would not live to see the end of “these 25 years”. Such repeated threats to annihilate a fellow member of the United Nations again show Iran's refusal to live by the rules that govern international relations.

Those are not merely idle threats. Only last week, one of the deputy heads of the Iranian revolutionary guard boasted that it had established underground rocket factories in Lebanon that are under the full control of Hezbollah. Days before, Iran's Defence Minister said that Hezbollah is now capable of producing rockets that can hit any part of Israel. Hezbollah is already estimated to have between 100,000 and 120,000 rockets hidden among the civilian population of southern Lebanon.

Iran's belligerence and expansionism is not simply a threat to our friends in the region, but a direct threat to Europe. Europe should therefore stand up for itself and stand by Israel. It should ensure that the international repudiation of Iran's repeated threats against Israel is unequivocal.

9.54 am

Mrs Theresa Villiers (Chipping Barnet) (Con): I congratulate my hon. Friend the Member for Hendon (Dr Offord) on his speech, which painted a terrifying picture of the activities of Iran in the middle east, so this is a timely debate. I would also like to mention my entry in the register of interests concerning a recent visit to Israel and the west bank. On that visit, almost everyone our group met commented on the real alarm felt in Israel about Iran's increasingly assertive regional ambitions. As the debate has shown, that anxiety is by no means confined to one country; Iran and its proxies are now heavily involved in conflicts in Syria, Iraq and Yemen.

I agree with my hon. Friend that Iran is now the world's leading state sponsor of terrorism, providing financial and material support to extremist Islamist terrorist groups throughout the middle east, including Hezbollah, Hamas and insurgent groups in Afghanistan and Iraq. The Iranian Government also enjoy a long-standing relationship with al-Qaeda, to which they provide travel assistance and, to some degree, safe haven—a number of AQ leaders are believed to be living in Iran. The country continues to be blacklisted by the Financial Action Task Force, the global body charged with preventing money laundering and terror finance.

We have heard this morning that Hezbollah boasts of the funding it receives from Iran. It is believed to have amassed a stock of about 150,000 rockets, including hundreds of long-range Iranian-made missiles capable of striking civilian targets around the region. Clearly, too, Iran's notorious al-Quds force and the special forces unit of the Iranian revolutionary guard are playing a key role in assisting President Assad in Syria.

James Morris (Halesowen and Rowley Regis) (Con): My right hon. Friend is giving a powerful analysis of Iran's malign influence. Does she agree that part of the

opportunity presented to Iran arises from the catastrophic failure of western policy, particularly in Syria and in not addressing issues over the past decade? That failure has tipped the balance of power and allowed Iran and Russia to operate with impunity in the middle east.

Mrs Villiers: I certainly agree that part of the explanation for the situation is the failure of western policy in the middle east over recent years. Now people across the region are suffering the consequences.

Iran is thought to have about 10,000 operatives in Syria and to have spent several billion dollars supporting the Assad regime. Many throughout the middle east are suffering as a result of Iranian involvement in funding and arming hard-line and extremist groups, but the House should be in no doubt of the suffering that the Iranian Government inflict on their own people: the regime's human rights record is appalling, and it is a matter of serious regret that the Iran nuclear deal includes nothing at all on human rights.

Apparently, nearly 700 people were put to death by the Iranian regime in a single six-month period in 2015, which is equivalent to more than three every day. According to Human Rights Watch, Iran leads the world in executing children. It is believed that at least 73 juvenile offenders were executed between 2005 and 2015. Members of minority faiths such as the Baha'is have been subjected to arbitrary arrest, imprisonment and unjustified executions, and of course women in Iran face systemic discrimination by a legal system that views them as inferior to men.

Women are required by law to obey their husbands; they have no rights to divorce; if their husband divorces them, their children can be taken from them; and the Office of the Supreme Leader has even issued a statement forbidding women from riding bicycles in public. In April last year the Iranian Government deployed 7,000 so-called morality agents, whose task was to punish women for wearing the hijab incorrectly and for other activities deemed to be un-Islamic and unlawful.

Seema Kennedy (South Ribble) (Con): Will my right hon. Friend give way?

Mrs Villiers: I am slightly short of time, so I will not.

According to the National Council of Resistance of Iran, about 2,000 women a day are arrested for failing to comply with the compulsory dress code. In 2014 there was a spate of acid attacks against young Iranian women by people apparently motivated by what they viewed as an insufficiently rigorous approach to compliance with the rules on dress. The response of the regime was lacklustre, and those responsible have not been caught. Furthermore, the UN special rapporteur on Iran recently reported that women continue to be sentenced to death by stoning.

The nuclear deal means that our country's relationship with Iran is somewhat less acrimonious than it has been in the past, but we should never forget that its regime is deeply repressive and brutalises much of its population. Iran's pursuit of dominance in the region is a continuing source of instability and its support for terrorist groupings means that it is responsible for countless lives lost and families bereaved. I sincerely hope that one day the people of Iran will find a way to free themselves of the regime's grip.

10 am

Mrs Louise Ellman (Liverpool, Riverside) (Lab/Co-op): I, too, congratulate the hon. Member for Hendon (Dr Offord) on securing this important debate.

Iran has an appalling human rights record at home and is a dangerous promoter of international terrorism abroad. At home, dissent is not tolerated. Baha'is, Christians, Sunni Muslims and Sufis all face attack. Some 90 Baha'is, including seven national Baha'i leaders, are currently in prison for allegedly disturbing national security and committing so-called espionage. To mark International Women's Day, a very effective event was held in this House to discuss Iran's oppression of women.

Iran is intent on extending its influence across the region and beyond, to places such as Syria and Yemen, where it exacerbates conflict. Its funding of the terrorist groups Hamas and Hezbollah, together with its base in Syria, makes achieving peace in the region even more problematic. Indeed, Iran does not want peace; it wants to foment conflict indefinitely.

Under the mullahs, Iran has a long record of linked anti-Semitism and anti-Zionism. Last year, the supreme leader Ayatollah Khamenei posed a holocaust denying video on his official website, and at a military parade last September, a banner proclaimed: "Step by step we are nearing the destruction of Israel and the salvation of al-Quds." This very week, we heard from Iran a condemnation of so-called Zionist

"plots to destroy human community."

There is overwhelming evidence that Iran is an oppressive regime, both at home and abroad.

Joan Ryan: We talk a lot about Iran, but does my hon. Friend believe that action should be taken against Iranian actors—I am thinking of Mahan Air—that aid and abet the Islamic Republic's support for murder and terrorism? That airline is accused of ferrying fighters and weapons to Assad, and it flies in and out of Copenhagen, Paris and Milan.

Mrs Ellman: I agree. Indeed, the challenge of dealing with Iran is that, as well as taking direct action itself, it works through other organisations and groups. It is a wholly negative and destructive force. I hope that the Minister can tell us what action he is taking, as part of international forums and as a Minister of this country, to challenge Iran's activities and ensure that it continues to be seen internationally not as a friend but as a pariah.

10.3 am

Sir David Amess (Southend West) (Con): I congratulate my hon. Friend the Member for Hendon (Dr Offord) on securing this debate. It was well worth waiting two weeks to hear his splendid speech. I agree with every word he said. He made all the points that I wished to make, so I shall now speak for the sake of it.

This is a very well attended debate—there are representatives here from all political parties. I say to my hon. Friend the Minister, who is a splendid chap, that I have listened for years to the same tired Foreign Office line being trotted out. Governments come and go, but the line is always the same—it is always one of appeasement. Let us be frank—at the heart of this issue

[*Sir David Amess*]

is oil. It would be wonderful to hear from the Minister something positive about what the Government intend to do. I hope that he will also reflect on the so-called achievements of the former Labour Prime Minister as middle east peace envoy—I would really like to hear about that—and tell us how he thinks former President Obama, whom colleagues mentioned, and defeated presidential candidate Mrs Clinton handled the situation. My hon. Friend the Member for Central Suffolk and North Ipswich (Dr Poulter), who is not in his place, said that we hope for a different approach from the new President of America—although not through tweeting.

Iran's influence in the middle east is dreadful. I will not repeat all the points that colleagues have made, but killing and torturing people is absolutely disgraceful. The hon. Member for Liverpool, Riverside (Mrs Ellman) was absolutely spot on about the way Israel has been treated. Talking about wiping the state of Israel out of existence is absolutely disgraceful. I hope that the Minister will take seriously what Mrs Maryam Rajavi, the leader of the National Council of Resistance of Iran, said on 17 January 2017 about the Iranian regime.

Steve McCabe (Birmingham, Selly Oak) (Lab): I do not want to detain the hon. Gentleman, but is it not the case that we need to hear a change from the Government? They must give a clear signal that we are considering proscribing the revolutionary guards and that, as far as protecting our citizens, such as Nazanin Ratcliffe, is concerned, we will not negotiate but threaten sanctions unless Iran stops its illegal detention of innocent people.

Sir David Amess: The hon. Gentleman makes that point far better than I ever could, and I hope that the Minister, if we give him enough time, will comment on it.

I shall raise a constituency case. Mrs Ratcliffe, a charity worker accused of security offences, was detained while trying to leave Iran with her baby daughter after visiting relatives last year. She was accused of plotting to topple the Government in Tehran—an absolutely ridiculous claim—yet those charges were never made public. Her family denies that she broke any laws. Her two-year-old daughter has remained in Iran because the Government confiscated her passport, and in January this year a court in Iran rejected an appeal against the five-year prison sentence given to Mrs Ratcliffe. The regime does not recognise dual British and Iranian citizenship, meaning that she cannot be given consular assistance. I hope that the Minister will write to me about that case once his officials have looked at it.

It would be wonderful if we did not hear the same tired line of appeasement trotted out by the Foreign Office. At the heart of this is the Government's worry that we will lose oil supply. Given that all political parties are represented in the Chamber and I doubt that anyone will stand up and say, "The Iranian regime is absolutely wonderful," it would be good, at this extraordinary moment in the history of our country, to hear from the British Government that we intend to engage with like-minded countries and do something about the dreadful regime in Iran.

10.8 am

Jim Shannon (Strangford) (DUP): It is a pleasure to speak in this debate. I congratulate the hon. Member for Hendon (Dr Offord) on securing it and clearly setting the scene for us all.

The US Defense Secretary recently awarded Iran the title that no right thinking nation should wish to have—that of being

"the single biggest state sponsor of terrorism in the world".

That searing condemnation has been underlined by other world leaders. The Americans have taken steps to address this situation, and I urge the Minister to do the same.

The Minister knows about the deep respect that we all have for him and the time he takes to provide answers. We appreciate that, but I hope that he gauges the amount of angst among us as all at this time and that he will take further steps. Why has no action been taken? What has been the result of the decision to remove human rights aspects from negotiations and to lift sanctions from Iran? Iran is considered the world's leading state sponsor of terrorism and the world's No. 1 executioner per capita. It is the epicentre of terrorism, religious fundamentalism and regional meddling, and it is ruled by a religious dictatorship. It murders people because it can.

I remind the Minister of my stance—it is shared by the hon. Member for Hendon—on Iran's testing of ballistic missiles. In my opinion, that is not a step by Iran that is conducive with international sanctions and obligations. We know what I am referring to. The missile was built in Iran and it will be able to strike at ships in the Gulf delta, up to 180 miles away. Am I alone in my concern? I believe I am not. The Chamber is full of people who think likewise. The difference between the Americans and us at this moment is that we have said our eyes are open, but our hands, for some inexplicable reason, are tied. That is not the approach that any peacemaker should take. I say again to the Minister: at the very least, sanctions must be imposed upon the Iranians as an indicator of the fact that we in the House are aware of the situation and will oppose any further shows of strength that they deign to make.

The hon. Member for Liverpool, Riverside (Mrs Ellman) mentioned the persecution of Baha'is, which is rampant, as is the persecution of those of the Jewish faith. As to Christians, 193 were arrested in Iran in 2016. Yaser Mosibzadeh, Saheb Fadayee and Mohammad Reza Omidi were arrested on 13 May, along with their pastor, Yousef Nadarkhani, as they were celebrating communion. They have all been charged with acting against national security and have had two hearings, but a verdict is still pending. Yaser, Saheb and Mohammad Reza were also charged with consumption of alcohol for drinking wine at communion and sentenced on 10 September to receive 80 lashes each. Can you believe that? I had communion at church on Sunday, and other hon. Members probably did as well. Imagine that afterwards every one of the 150 people in my church was given 80 lashes for taking communion. That happens in Iran on a daily basis.

We have softened our approach in the past two years, but the Iranians' behaviour has been the opposite. They have flexed their muscles and tested the water—to find nothing of substance in opposition. I call, as the National Council of Resistance of Iran has done, for immediate eviction of the IRGC, to stop it sponsoring and spreading terrorism. Finally, I will quote Winston Churchill:

“One ought never to turn one’s back on a threatened danger and try to run away from it. If you do that, you will double the danger. But if you meet it promptly and without flinching you will reduce the danger by half.”

Let us learn from that and meet our international obligations with wisdom and strength.

10.12 am

Bob Blackman (Harrow East) (Con): It is a pleasure to serve under your chairmanship, Mr Nuttall, and to follow the hon. Member for Strangford (Jim Shannon). I congratulate my hon. Friend the Member for Hendon (Dr Offord) on securing the debate and on braving the Northern line to make sure that he got here.

I share my hon. Friend’s serious concerns about the destabilising effect of Iran on the middle east, and am delighted that there is concern in the United States; there has been for a long time. I am encouraged to hear that the new Trump Administration have initiated a review process whereby the Iranian Revolutionary Guard Corps could finally be listed as a foreign terrorist organisation. That is a welcome break from long-standing US and European policies that seemingly regarded the hard-line paramilitary organisation as a legitimate instrument of Iran’s national defence, despite the fact that it sponsors Hezbollah, Hamas and various other terrorist proxies throughout the middle east and across the world.

Prior to the change in approach, the State Department saw fit only to give a punitive designation to the special foreign operations wing of the IRGC, known as the Quds Force. Yet even that designation was somewhat anaemic, in that it saw fit to identify the Quds Force only as a “material supporter of terrorism”, and not as a fully-fledged terrorist entity. I argue that the IRGC as a whole unquestionably fits the legal criteria for designation as a terrorist organisation, given its proven involvement in terrorist attacks abroad.

If there were any question about the organisation’s terrorist intentions or capabilities, it should have been cleared up following new revelations about IRGC activities inside and outside Iran from the National Council of Resistance of Iran, which I am proud to support. Those new revelations added clarity to what most foreign policy analysts know about Iran’s theocratic regime: that it has spent years and resources on an effort to deepen sectarian divisions throughout the region. Clearly, widespread instability has resulted from those efforts, not the least aspect of which was the amplification of conditions leading to the rise of Islamic State. Not only did IRGC involvement contribute to the Syrian war; it saved Bashar al-Assad from the brink of being overthrown. It has attached religious significance to the intervention and encouraged the sectarian aspects of the conflict.

Similarly, ISIL’s success in Iraq came only after Tehran encouraged a purge of Sunnis under the Government of former Prime Minister Nouri al-Maliki. The resulting conflict in Iraq has allowed IRGC-backed Shi’ite groups to take on ever more extensive roles in the country’s military efforts and, by extension, in its political affairs as well.

Natalie McGarry (Glasgow East) (Ind): Does the hon. Gentleman agree that a huge concern for us all is the role of Iranian Shi’a militia in destabilising post-liberation Mosul in the vacuum after the removal of

Daesh, and in creating the conditions for Iranian-sponsored instability and sectarianism in Mosul and the surrounding area?

Bob Blackman: Clearly, that harmful aspect—the destabilising of the regime—amplifies the problems with what Iran does.

What I have been describing has diminished American and European influence and perpetuated today’s climate of division. It is undoubtedly harmful to our interests, and it benefits Tehran’s constitutionally mandated mission to extend the Islamic revolution beyond the borders of the Islamic Republic. It would be absurd to suggest that the IRGC’s proxies in Syria, Iraq and Yemen are not terrorist operatives in the same way as its proxies in Bahrain, Kuwait, and Nigeria are. Each of them is trained by similar means within the same Iranian network and serves the same foreign policy goals of the Islamic Republic, which are contrary to the interests of Europe, the UK and the United States.

The Obama Administration have rightly been criticised for appeasement, as has been mentioned. Despite the cherished nuclear agreement and associated side deals, there has been no sign, either that the human rights violations that routinely take place are being rectified, or of moderation in Iran’s anti-American and anti-western rhetoric or promotion of international terrorism. We should therefore understand that the theocracy ruling Iran will remain true to its hard-line roots, regardless of what we in this country, or beyond, attempt to do. There is little rational basis for further arguments in favour of conciliation and appeasement, especially given what the Prime Minister and the Trump Administration have said.

I want finally to ask the Minister whether he will follow the Trump Administration in reviewing policy, and proscribe the IRGC.

10.17 am

Seema Kennedy (South Ribble) (Con): It is a pleasure to serve under your chairmanship, Mr Nuttall. I congratulate my hon. Friend the Member for Hendon (Dr Offord) on obtaining such a timely debate, and managing to delay it so that it is now happening in the week of Nowruz. I wish everyone here a happy Persian new year.

I think that I am the only person taking part in the debate—although not the only person present in the Chamber—who has family members still living in Iran, and family members who have actually been in Evin prison. Iran is a massive country, five times the geographical size of Great Britain, with a population of 83 million. To understand its influence I think we have to look back in history. I have spoken in many debates on the middle east in the past two years, and we must always look back in history. As to its borders, from prehistory until the 18th and 19th centuries, when Russia and Britain began to contract the borders, the countries where Iran had influence were Turkey, Iraq, Russia, Afghanistan and India; it occupies the crossroads between the middle and near east.

The debate is about Iran’s influence, which, as is shown by the examples rightly given by right hon. and hon. Members, has been malign. However, to understand the Iranian psyche, it must be recognised that the country

[*Seema Kennedy*]

has been subjected to non-stop invasion by the Arabs, Mongols and Turks, then by Russia and England in the 19th century and the US in the 20th century. The Iranian character has endured. The language is the same as before, with an overlay of Arabic alphabet. Pre-Islamic culture, such as Nowruz, which we celebrate this week, has endured. It is the most important festival.

I am afraid to say that there is a feeling of superiority in Iran—that they are better than their neighbours. Hence the need for expansion. I am no apologist for the regime. My family's home and business were taken and my relatives are scattered to the winds, but we cannot ignore Iran. It is a huge national player. If right hon. and hon. Members are saying that we need to go to war with Iran, that is a subject for another debate. What I think is that, ever since I was a little girl, there has been no engagement from the United States and there has been very little engagement from Britain or other European members. What does Iran have? It is still a country where women have to wear the hijab—although I would argue that they have more rights than in some of our Arab allies—and it is still a country with very high rates of execution. That is due to a lack of engagement. We need positive engagement from Britain and other partners. That will be better for the people of Iran and better for us.

10.20 am

John Howell (Henley) (Con): I will not cover the points made by others about Iran's being a sponsor of state terrorism, although I may refer to that in a moment. I will pick up on a point that was made in passing by my right hon. Friend the Member for Chipping Barnet (Mrs Villiers) about the Financial Action Task Force. In June 2016, the plenary and working group of the Financial Action Task Force—I shall call it FATF to try to speed things up—announced it would keep Iran on its blacklist, citing concerns over the risk of financing terrorism that Iran showed.

FATF is an intergovernmental organisation that sets global standards to combat money laundering and the financing of terrorism. It warned of the threat that Iran posed to the international financial system and advised the business community to conduct special due diligence exercises when considering business relationships and transactions with Iran. That is something we should all bear in mind. FATF has now suspended mandatory counter-measures on Iran for a year, based on the promises that Tehran would take steps to address deficiencies and implement the action plan that it had set up with the organisation.

The big point is that Iran has declined to abandon its continued support for Hezbollah, Hamas and other terror organisations. Iran has claimed it is making progress, as I mentioned in an intervention, by passing a counter-terrorism law last year that, it claims, will enable it to comply with FATF standards and will

“send a message of goodwill”

to financial bodies worldwide over doing business with its banks. However, the terror organisations, Hamas and Hezbollah, are simply not subject to that law. Iran's central bank deputy for anti-money laundering affairs recently said that

“liberation organizations”—

which is what he calls Hezbollah and Hamas—

“are not subject to this law and the Supreme National Security Council decides who is a terrorist.”

Iran has given a familiar gesture to world organisations as to what it can do with FATF's statements, and we should resist that.

Let me comment a bit on terrorism and Hezbollah, because I think that is one of the most dangerous examples of Iranian influence. Hon. Members do not have to believe me on that; a top Iranian general told a Kuwaiti newspaper that Iran has established rocket factories in Lebanon that are under the full control of Hezbollah. That indicates, in microcosm, the importance of the debate, which I congratulate my hon. Friend the Member for Hendon (Dr Offord) on securing, and the importance of the subject we are discussing.

10.24 am

Mr David Burrowes (Enfield, Southgate) (Con): I congratulate my hon. Friend the Member for Hendon (Dr Offord) on clearly calling out Iran and its state-sponsored terrorism, its direct threat to Israel and its destabilisation of the wider region. We always say that debates are timely. Even if it was delayed, this one is indeed timely, not least, as my hon. Friend the Member for South Ribble (Seema Kennedy) said—I commend her remarks—because of the Nowruz celebrations this week.

Nowruz is a time of holiday and celebration for the great Iranian diaspora in my constituency and elsewhere. We can join in their celebrations, but we are showing our solidarity with the Iranian people today; that is what we are doing. We are on their side, particularly as we look to their constitution, which has a respect for diversity and freedom—not least freedom of belief of religion. That is the issue I will focus on; it has been mentioned before but I will talk about it again.

In this festival week, past Iranian Governments have traditionally granted pardons to prisoners of conscience, which is why I particularly want to call them out on current prisoners of conscience. When President Rouhani was elected, there was optimism and hope. There were good words, and we thought that this was a new chapter. However, those hopes have been dashed—not least for those prisoners of conscience who simply want to go about their day and manifest their faith.

My hon. Friend the Member for South Ribble referred to engagement. There has been engagement; it led to the comprehensive plan of action, which led to the opening of the British embassy, which led to international ties. However, that engagement has to be meaningful and conditional. The litmus test that we want is the condition of human rights—not least the fundamental human rights of freedom of belief. Last week, Mr Hadi Asgari and Mr Amin Naderi went on hunger strike to demand adequate medical care and attention. They had been detained for the crime of converting to Christianity, which, of course, is no crime.

These are not isolated cases, as the hon. Member for Strangford (Jim Shannon) said. I also refer to the recent case from 20 February in Urmia, when revolutionary guards intelligence detained Anousheh Reza-bakhsh and her son Soheil Zagarzadeh Sani, who refer to themselves as Veronika and Augustine. They were arrested in their home and had had no previous contact at all

with the authorities. They do not understand why they have been arrested. In fact, no one has had any further updates on their whereabouts and wellbeing since the date of their arrest. It is feared that they have been detained by the revolutionary guards intelligence, as happens in Urmia.

There are also others. Maryam Naghash Zargaran, a Christian convert, is serving a four-year sentence for the so-called charge of action against national security, simply for having a Christian faith. There is also Ebrahim Firouzi, a Christian convert who has been imprisoned since August 2013. The list goes on and on, and it is important that we speak out for those people with whom we act in solidarity today. There is a litany of human rights abuses, including multiple sessions of prolonged interrogation, coupled with physical and mental abuse and death threats.

In our engagement with Iran, is the Minister calling out those human rights abuses? During Nowruz, we are calling out to Iran to show that there is some good faith, which many have perhaps lost, that it will release those prisoners of conscience. That would give us at least some reassurance that Iran wants to pursue the proper freedoms and human rights that lead to proper engagement.

10.28 am

Caroline Ansell (Eastbourne) (Con): I congratulate my hon. Friend the Member for Hendon (Dr Offord) on securing this important debate. It is a privilege to take part in a debate in which my hon. Friend the Member for South Ribble (Seema Kennedy) brings such extraordinary insight and makes that important distinction between the people and their leaders.

Since the signing of the nuclear deal in July 2015, Iran's regional aggression has continued unabated, as has its deeply distressing human rights record so described by other hon. Members. It is reported that at least 14 ballistic missile launches have taken place, with each missile capable of delivering a nuclear warhead, yet apparently not technically in breach of the nuclear agreement. President Rouhani has warned that Iran is completely ready and able quickly to restore its nuclear programme if western powers do not keep to the terms of the deal, while Iran's supreme leader continues to call for Israel's destruction.

Should we not take heed of the concerns held by so many of Iran's neighbours? In March last year, the Arab League announced that it considers Hezbollah a terrorist organisation, just weeks after the Gulf Co-operation Council made the very same designation. Concerns were raised at the time of the nuclear deal, so perhaps there is no surprise now at these very concerning developments.

However, there is one welcome, unexpected side development. Iran's hegemonic influence in the middle east, allied to the threat of Daesh, has undoubtedly brought neighbouring countries closer together, perhaps most intriguingly leading to the alignment of interests between Israel and its Gulf neighbours. In recent months, unprecedented lines of communication have been opened with countries with which Israel shares no diplomatic ties, including some that refuse to recognise Israel's right to exist as a Jewish state but still recognise the importance of co-operation in the face of existential threat.

Reports emerged earlier this month that a US-organised summit took place between Israel, Jordan and Egypt. The parties discussed an Israeli-Palestinian peace process and a strategy to encourage the Palestinians to return to direct peace talks. As our Foreign Secretary said just last week, the Gulf Co-operation Council and Arab countries "hold the key" to the peace process. At a time when Israel faces greater threats than ever before on both its northern and southern borders, from Iranian proxies Hezbollah and Hamas, the support of its neighbours is paramount. Allies such as the UK and the United States must stand firmly by our friend Israel in these turbulent times and do all we can to continue to support and facilitate regional dialogue, which may finally counter Iran's influence in the middle east.

10.31 am

Patrick Grady (Glasgow North) (SNP): It is always a pleasure to serve under the chairmanship of a fellow member of the Procedure Committee, Mr Nuttall—that explains why everyone has been able to speak, in precisely the right amount of time. I congratulate the hon. Member for Hendon (Dr Offord) on finally bringing us all together for this debate.

I want to start by condemning unreservedly human rights abuses in Iran. I have constituents who have fled Iran and have raised serious concerns with me about the activities of the IRGC. What assessment has the Minister made of the serious allegations of human rights abuses that we have heard from a number of Members in this debate? I have also heard points about the supply of arms, especially to Yemen. Again, I condemn unreservedly the illegal trade and supply of arms. I hope that Members and the Government will condemn the sale and use of UK-manufactured arms in the Saudi-led operations in Yemen, as reported by Amnesty International and others.

I want to focus on the role of the nuclear deal—the joint comprehensive plan of action—that was agreed in July 2015. Global circumstances have changed quite considerably since that time, but the deal came with an eight-year implementation horizon, starting in January last year. It must, by definition, be able to withstand changes of regime within the signatory parties. As the title of this debate suggests, the agreement is crucial for security and stability in the wider region. We are therefore at something of a crossroads: the agreement can either be seen as a beacon of diplomatic achievement or it can be weakened and undermined, with all the consequences for both the country and the region that that implies.

That is why continued constructive dialogue will be essential for the successful implementation of the agreement. The Scottish National party urges the UK Government to contribute fully to that international effort, both in the UN Security Council and by supporting Federica Mogherini, the EU High Representative for foreign affairs and security policy, in her role as joint co-ordinator of the Joint Commission, both pre and post exiting the European Union.

The agreement means that diplomatic relations with Iran are still better than they have been for over a generation, so we must look for opportunities to determine whether Iran's regional influence—especially in Syria, Iraq, Afghanistan and Yemen—can be part of a negotiated resolution to the ongoing conflicts and humanitarian disasters in those areas.

[Patrick Grady]

The rhetoric towards Iran from the new Administration in the United States means that the responsibility of the UK, other EU Governments and the EU itself is greater than ever. Europe must take the lead in constructive engagement with all parties to preserve the nuclear agreement and to further stability across the region.

We have heard throughout the debate, from all Members who have spoken, about Iran's influence and its links with key actors in Syria, Iraq, Afghanistan and Yemen, including the Syrian and Iraqi Governments and Hezbollah. Military, intelligence and financial support is provided, but surely that indicates a need to maintain some kind of stability and continued diplomatic communication. If the nuclear deal can continue as the basis of relations, it ought to offer an example and prospect of similar diplomatic progress across the region. Equally, if relations break down, it risks spreading further instability across the region.

Presidential elections are due in Iran in May this year. President Rouhani, who of course is a graduate of Glasgow Caledonian University, is hoping for re-election. That would certainly provide some kind of continuity. We have also heard today about the rhetoric from the US Administration. I am not sure how productive ramping up rhetoric is. This is an important time for the UK to remain resolute, stick to the deal negotiated in 2015 and use its much-trumpeted relationship and influence with the US to encourage it to do likewise.

An important way for the regime to show some good faith is on prisoners of conscience, which a number of Members have raised, including the hon. Members for Enfield, Southgate (Mr Burrowes), for Liverpool, Riverside (Mrs Ellman) and for Strangford (Jim Shannon). We heard about the cases of UK citizens Nazanin Zaghari-Ratcliffe and Kamal Foroughi in a recent Westminster Hall debate. Both have done nothing wrong and are being held in worrying conditions with little communication with their families or the outside world. That is of considerable concern to all our constituents.

I, like many other Members, have received a lot of correspondence on those cases. I recently met with my local Amnesty International group, and I pay tribute to all those campaigning for their release. I also had the privilege of meeting Kamran Foroughi, Kamal's son, a couple of weeks ago. I pay particular tribute to him and his family and their determination to bring the man they call grandpa Kamal back home to see his granddaughters.

We are at something of a crossroads. The key point that the Minister has to address is how the UK will use its diplomatic influence in the region and with the United States, and what representations it continues to make regarding UK citizens detained in Iran.

10.36 am

Fabian Hamilton (Leeds North East) (Lab): I congratulate, as everybody else has, the hon. Member for Hendon (Dr Offord) on eventually securing this debate, despite the setbacks of two weeks ago that were totally outside his control. In this week of Nowruz, the Iranian new year, it is very appropriate to hold a debate such as this.

The hon. Gentleman talked about Iran being the chief sponsor of terror in the region—something that is well known and well documented. He also made the very important point that Iran regards Syria as its 13th province. The policies of the Iranian Government have certainly shown that to be the case. He also mentioned, rather importantly, the lifting of sanctions following the Iran nuclear deal, which he claimed has released \$100 billion to the Iranian Government—to be used, as he pointed out, largely for sponsoring some of the most appalling terror groups.

My right hon. Friend the Member for Enfield North (Joan Ryan), who has been very active on middle east issues, pointed out that the nuclear deal has done nothing to stop Iran's destabilising influence in the region, as the hon. Member for Hendon said. My right hon. Friend also drew our attention to the underground rocket factories that are under the control of Hezbollah in Lebanon. It remains to be seen what other Governments in the region will do about that, if indeed they can do anything at all.

My hon. Friend the Member for Liverpool, Riverside (Mrs Ellman), who has a reputation for being very forthright and involved in debates on the region, called Iran a dangerous promoter of terrorism overseas and of repression at home. We heard some months ago, in this very room, horrifying and hair-raising stories about the abuse of human rights in Iran, some of which have been mentioned today. The right hon. Member for Chipping Barnet (Mrs Villiers) drew our attention to them once again.

One of the most fascinating contributions this morning was from the hon. Member for South Ribble (Seema Kennedy), who drew our attention to her own family members who are still in Iran. She rightly said that we cannot ignore Iran. That is clear to all of us, and that is why this debate has been so well subscribed.

As we have heard, Iran is increasingly exerting its power in the middle east, taking advantage of the economically and politically destabilised post-Arab spring middle east. With the collapse of so many national Arab identities and the growth of sectarian identification, Iran has found a new role in the middle east as a regional superpower. As was mentioned, much of that stems from the Sunni-Shi'a rift in Islam—a historical rift going back centuries that is rearing its head with a vengeance today.

Iran is playing, I believe, a long-term game by investing in the region. It penetrates weaker systems in the region so as to make itself indispensable to many parties and, of course, as a means to project its own power. As we have heard, it invests not only in hard power but in soft power, such as by establishing cultural and religious centres and financially supporting groups in other middle eastern countries.

Iran has the largest majority Shi'a population in the region—indeed, in the world—and is a self-declared defender and supporter of Shi'a minorities in other middle eastern countries; it often criticises other countries for mistreating their Shi'a minorities. We have heard today that Iran supports Hezbollah—the Lebanese Shi'ite militia that is the most powerful military force in Lebanon. Iran also supports President Assad of Syria; it is his closest ally, of course. Iran has come to dominate so many nations in the region, especially those that I have

mentioned. As we heard, it is more clandestinely supporting the Shi'a Houthi rebels in Yemen, and it has criticised Bahrain for mistreating its own Shi'a population.

The hon. Member for Hendon mentioned something that baffled me slightly; I do not know about other hon. Members. That was Iran's support for ISIL or Daesh. I have not seen any evidence that suggests that Iran supports in any way the activities of Daesh, but if the hon. Member for Hendon has such evidence, I would be interested to see it.

Despite the sanctions, Iran is the second largest economy in the middle east and north Africa after Saudi Arabia. Its GDP in 2015 was \$393.7 billion, according to the World Bank. I am sure that, once the sanctions have been fully lifted, its economy will grow much faster. Judging by the last time I was there, which was nearly 10 years ago, it certainly needs a lot of investment in its major infrastructure, because that is sadly lacking.

As we have heard, Iran's political system is religious democracy—theocracy. It is a unique model in the world. I think the hon. Member for South Ribble said that its population is more than 80 million. According to World Bank statistics, the population was 78.8 million in 2015, but of course without a proper census, it is very hard to tell. According to the British Council in March 2016, Iran is a

“sophisticated, highly educated state...with a youthful population”.

The last statistic I saw was that two thirds of its population are under 35 years old. That is remarkable.

The United Kingdom, the United States and their allies in the Gulf Co-operation Council have stated that Iran engages in

“destabilising activities in the region”.

That is in the House of Common Library briefing paper of 2017. The Prime Minister stated on BBC radio in December that she was

“clear-eyed about the threat that Iran poses to the Gulf and the wider Middle East”.

The Gulf Co-operation Council views Iranian influence in the region as threatening and as a sign of Iran's desire for regional hegemony.

Let me discuss Iran after the nuclear deal. The joint comprehensive plan of action, which was signed in July 2015 and came into force in 2016, has been called by President Trump

“the worst deal ever negotiated”.

Iran is using the nuclear agreement to ease its international isolation and reassert itself as a regional power and a regional energy and trade hub. It has placed in storage two thirds of its centrifuges for the creation of nuclear fissile material and dispensed with 98% of its stockpile of low-enriched uranium. Those facts were upheld when I visited the International Atomic Energy Agency in Vienna last November. A huge percentage of its inspectors are still in Iran. It is consuming most of the agency's budget, Director General Amano told us at the time.

Jim Shannon: So far, the hon. Gentleman has not commented on this issue, but I am sure that he will do so shortly. Does he agree that every opportunity should be used to express solidarity with Christians and other religious groups being persecuted regularly and

systematically in Iran, and does he feel that the Minister should take every opportunity to bring the matter to the attention of the Iranian authorities?

Fabian Hamilton: The hon. Gentleman has a brilliant reputation in the House of Commons for standing up for the rights of persecuted Christians anywhere in the world. Of course I agree that we should always point out abuses of the human rights not only of Christians, but of the Baha'is, who have been mentioned. There is also still a small Jewish population in Iran, frightened that they might inadvertently mention the terrible word that is forbidden—Israel.

I will conclude, because we all want to hear from the Minister. Zvi Magen, of the Israeli Institute for National Security Studies, said just last year:

“The Israeli security establishment believes that the main threat Israel is facing in Syria is in fact Iran and its local proxies like Hezbollah”.

which are being funded by the Iranian state. Israel feels threatened by a Shi'a axis within its neighbours. In 2004, King Abdullah of Jordan warned of a rising Shi'a crescent in the region. I was in Jordan just in January, when I heard in detail the Jordanian Government's concerns about the rise of Iran.

Iran's revolutionary Government since 1979 is in so many ways a real tragedy for the people of Iran. It is a country of such wonderful people. I have been there myself. I have met its only, and absolutely splendid, Nobel laureate, Shirin Ebadi, an extraordinary woman who is struggling to make her voice heard against the regime's repression. Iran has made a huge contribution historically to human civilisation, human knowledge and culture, and Labour Members would love to see Iran do so again and see the Iranian people set free to once again take their rightful place in the world.

10.46 am

The Parliamentary Under-Secretary of State for Foreign and Commonwealth Affairs (Mr Tobias Ellwood): It is a pleasure to respond to this excellent, and frank and forthright, debate. On the way here, I was reading some of the headlines in the newspapers today as people, newspapers and the community judge the life of Martin McGuinness and the transition that he made from being a terrorist to the role that he played in our dealing with the terrorist movement and the problems that we faced in this country. That prompts the question that every Government must face. How do we deal with people in these difficult areas? Do we give them a chance, or are these things irreconcilable? Are they people we cannot do business with, so that we must go down a different avenue? That precedent is pertinent to this debate, because the nuclear deal has changed the environment; it is the prism through which we are looking at Iran for the moment. However, as the debate has illustrated, Iran continues to pursue actions that are not in line with what the international community would expect of a nation that we want to see be more responsible in a very important region.

Like others, I wish a very happy Nowruz to the large Iranian diaspora in this country and all those who recognise the Persian calendar. The profound speech by my hon. Friend the Member for South Ribble (Seema Kennedy) reflected the fact that, to understand Iran—or, indeed, any country in the world—and its relationship

[*Mr Tobias Ellwood*]

with us and its engagement in its region, we must understand its history. Iran's strategic position in the middle east and the huge influence that Iran—Persia—has had on the region for a long time is the context for some of the challenges that we face today. It remains a key regional player.

The way in which Iran chooses to use its influence, and the impact that it has on conflicts and tensions in the region and further afield, matters to all of us. We want to see Iran playing a more transparent and constructive role in regional affairs, especially in the face of shared threats, which have been mentioned, such as Daesh. However, I remain concerned that instead of using its influence to stabilise the region in a positive way, it is actually destabilising it and, indeed, threatening wider security. That needs to be addressed.

As usual in such debates, there is limited time for me to respond to everybody. As I customarily do, I will write to individuals with the answers to their questions. In addition to congratulating my hon. Friend the Member for Hendon (Dr Offord), I will do my best to respond to his specific points. He mentioned the situation in Syria, which is, of course, a concern to all of us—a multi-sided conflict exacerbated by the interventions of key regional and wider powers as well as non-state actors. There remains an absence of consensus; indeed, some agendas are diametrically opposed.

I am glad Syria was touched on in the debate, because I want to take this opportunity to say again that in our desire to help shape the world and be a force for good, we had an opportunity in August 2013 to stand up to the tyranny of Assad, and we blinked. We must learn from that as parliamentarians. Red lines were crossed, and President Obama also chose to step back from seeking to be more involved in determining a peaceful and long-term solution in Syria. The consequence if responsible countries step back is that others that are less responsible fill the vacuum. That is exactly what we have seen in Syria. It may be that this Parliament was haunted by events and our involvement in Iraq and Afghanistan, but this Parliament and Government will face large challenges in the future, and we need to remember that moment. That is why I take this opportunity to stress that point.

For an illustration of how irresponsible actors are affecting what is happening in Syria, we can look at the events in Aleppo. We believe that the revolutionary guard and Iranian-backed militias, with Russian military support, were instrumental in the Aleppo campaign and must take responsibility for the suffering caused there. We will continue to hold those responsible to account. The Foreign Secretary summoned the Iranian ambassador to the Foreign Office in December, to express in the strongest possible terms the UK's concerns about Iran's involvement in Aleppo, and to encourage Iran to work towards peace in Syria.

My hon. Friend and others mentioned the nuclear deal, which I touched on as being an important opportunity to re-engage with Iran. Iran's nuclear ambitions had serious implications for the region. Indeed, the Government believe that, had it acquired a nuclear weapon, that would have presented the single biggest threat to security in the region and posed a real global threat as well. We worked hard to deliver the joint comprehensive plan of

action, which was the result of more than a decade of dedicated diplomacy; we remain absolutely committed to the success of that deal and its robust implementation. It is a once-in-a-generation opportunity to re-engage with an important part of the middle east.

A great example of where Iran can re-engage with the wider community is the challenge of Yemen—the proxy influence on what is happening there has been mentioned. In the Arabian peninsula, Iran is stoking tensions with the Gulf Co-operation Council, and may be seeking to exacerbate the conflict in Yemen by giving support to the Houthis. When I visited Tehran earlier this year I made the point that this is a great opportunity for Iran to be part of the solution and not part of the problem—to engage with us in getting all parties back to the table so that we can end that civil war, particularly given the very real onslaught of famine in that country.

A lot of comments have been made about the UK's increased engagement with Iran. That is absolutely true—our embassy has reopened and there have been a number of visits, including my own. There has been parliamentary engagement and phone calls between the Prime Minister and the Foreign Secretary as well as bilaterals held in international forums. Many conversations are taking place behind the scenes; parliamentarians might want those to be more vocal, but I assure hon. Members that we do talk about the rights of minorities, the proxy influence, human rights and the death penalty, sanctions and missile procurement, and consular cases—I will write to my hon. Friend the Member for Southend West (Sir David Amess) in detail about the particular case he raised.

Oliver Dowden (Hertsmere) (Con): Mr Foroughi's son is a constituent of mine. Many Members have raised his case, and I thank them for doing so. There is near unanimity among Members of this House that Mr Foroughi's father should be released. Surely that would be a sign of Iran's engagement with the international community, particularly given that he has already served more than half his sentence, and so according to its own laws should be released.

Mr Ellwood: I commend my hon. Friend for the manner in which he supports his constituent. He knows that I have met the family on a number of occasions and raise this matter on a regular basis. He is absolutely right that we seek clemency from the Iranian Government to recognise that the length of sentence has already been fulfilled. We look forward, as a sign of good will between our two countries, to reuniting Mr Foroughi with his family.

Although we talk about individual aspects of Iranian activity, for me the core of this issue is the cold war that exists between the Sunni and Shi'ite worlds. That needs to be reconciled, and is something other GCC nations are also focused on. It is the backdrop against which a lot of other events take place, and it stands in the way of improving security in the region and prosperity as well. I have said before that those are now political banners that countries are using. There is no doctrinal difference between their theological approaches to the religion—they both believe in the absolute centrality of the Prophet Mohammed. There is a difference between them on who should be the first caliph—whether it be the father-in-law or the son-in-law—and there are turning points

that have caused a difference in opinion, such as the battle of Karbala or Shah Ismail, who basically created Persia in the form we see today with its culture, religion and language. Other than that the difference is simply political and historical, and there is no reason why there cannot be a reconciliation and an end to the cold war that we see. That needs to be pushed forward and encouraged. Britain would absolutely want to play a role in that, but it is for the region itself to recognise the benefits of moving forward from the divide between the Shi'ite and Sunni faiths.

I want to leave a minute or so for my hon. Friend the Member for Hendon to conclude, so I will just say that Iran has long been influential in the middle east and remains a key player. It now has the opportunity, particularly following the nuclear deal, to engage more closely with the international community and to play a more positive role in the region's future. Unfortunately its actions in Syria and elsewhere suggest that it is, for the moment at least, following a different path. The implications for the region and the world are very serious indeed, and that is why the Government believe that continued dialogue with Iran is vital. It is why I visited Tehran in January for discussions on a range of issues, as I mentioned, including international security. We will maintain pressure on Iran to meet its international obligations and to engage more constructively with its neighbours and the international community. Iran should use its considerable influence not to destabilise the region, but to stabilise it for the benefit of all. That is what the Government are working to achieve.

10.58 am

Dr Offord: I thank the Minister for his comments. Sometimes he unfairly comes into the line of fire of criticism from myself and some of my colleagues, but it

is certainly not him that we criticise—it is the issues that we discuss with him that we are critical of. I understand that his experience of terrorism is something that is not known to the rest of us; I deeply acknowledge that.

I thank everyone who has come to today's debate. I apologise for my absence on a previous occasion, but I am grateful for the number of people who have come along. I am particularly grateful to you, Mr Nuttall, for advising me to give people enough opportunity to speak. I assure you that I could have spoken for longer, but I am grateful to have heard other people's experiences. I also want to apologise to constituents of mine who are here today for some of my pronunciations.

Most of all, I thank the right hon. Member for Enfield North (Joan Ryan), who spoke about Israel; my right hon. Friend the Member for Chipping Barnet (Mrs Villiers), who spoke about human rights in Iran; the hon. Member for Liverpool, Riverside (Mrs Ellman), who spoke about human rights; my hon. Friend the Member for Southend West (Sir David Amess), who spoke about US influence; the hon. Member for Strangford (Jim Shannon), who shared his concerns and spoke about human rights; my hon. Friend the Member for Harrow East (Bob Blackman), who spoke about the relationship with the US; my hon. Friend the Member for Henley (John Howell), who spoke about terrorist funding; my hon. Friend the Member for Enfield, Southgate (Mr Burrowes), who not only suggested that I have this debate in the week of Nowruz but spoke about Christians in the country; and the hon. Members for Glasgow North (Patrick Grady) and for Leeds North East (Fabian Hamilton). Finally, I thank my hon. Friend the Member for South Ribble (Seema Kennedy) for all that she said; I certainly take it to heart and hope that one day she and myself can go to Iran.

Motion lapsed (Standing Order No. 10(6)).

Heathrow Airport Expansion: Elmbridge

11 am

Mr Dominic Raab (Esher and Walton) (Con): I beg to move,

That this House has considered the effect of Heathrow airport expansion on Elmbridge.

It is a pleasure to serve under your chairmanship, Mr Nuttall, and I am grateful that the Minister has taken the time to be here. This issue is very important for my local constituency, with the publication last month of the Government's draft national policy statement on Heathrow. I will take this opportunity to speak about the impact of the proposed airport expansion on my constituency.

I should say at the outset that I live under one of the flightpaths, so I appreciate at first hand the issues that raises. Constituents who live in neighbourhoods in certain parts of the constituency particularly feel the impact, especially those in Molesey and parts of Walton-on-Thames. It is true that the impact is felt variably in different parts of the constituency. Residents in those communities are especially concerned about the current operations in and out of Heathrow and, naturally, the implications that a third runway might have on their quality of life. I will set out some of those concerns, and I would be grateful if the Minister addressed as many of them as possible. However, given the number of questions I have and the time available, I gently and respectfully suggest that he takes the opportunity to follow up the debate with a letter, if he feels unable to address any points of detail today. I hope that is a reasonable request.

I support the expansion of Heathrow airport in principle because I recognise its importance for the future competitiveness of the UK economy. Ideally, I would have preferred both Heathrow and Gatwick to be expanded, partly because of the economic case, but also to spread some of the impact. Nevertheless, I recognise that the economic case for expanding Heathrow is strong, both nationally and locally. Heathrow airport directly employs 1,000 residents in Elmbridge. An expanded Heathrow would not only guarantee those jobs, but create more local employment opportunities. It is welcome that, as part of the expansion plans, Heathrow has promised to create 5,000 new apprenticeships around the airport, which will create additional skilled employment opportunities for the communities that will benefit from that.

The Airports Commission estimated that the third runway expansion will create 77,000 jobs in the local area by 2030. In that local context, will the Minister set out what private and public sector measures he anticipates will be taken to improve transport links to support the increased footfall through Heathrow? Will he explain how local road and rail infrastructure will be reinforced to cope with the estimated additional capacity? Surrey and Elmbridge, in particular, are already under strain and we need to know in advance how we will deal with any additional congestion.

Beyond the local economic benefits, the longer-term boost to the UK economy and our international competitiveness that will accompany expansion is also highly persuasive. The Airports Commission estimated that the third runway will deliver a £61 billion boost to the British economy. In particular, it will increase

connections to the fastest-growing markets in the world, improve our domestic connectivity and greatly expand our capacity for international trade. That is vital for our future prosperity, so expanding Heathrow offers the clearest signals that Britain is open for business, open to the world and, as the Prime Minister vowed, intent on becoming a global leader in free trade.

That is the economic good news, but I also hope that if expansion is delivered properly and carefully—with all the assiduous care that the Minister is well regarded and reputed for—it can also improve the wellbeing of Elmbridge residents, particularly those of us who have to live with the constant noise overhead. On a personal note, as a constituency MP I have been contacted by hundreds upon hundreds of concerned residents. I have hosted a range of public meetings, particularly in Molesey, where there is enormous frustration and concern. I should say that that goes beyond the understandable irritation of middle-class residents who prize a peaceful suburban life.

Let me give an illustration of what that can mean—this example is particularly troubling. At one surgery a constituent came to me whose sleep is so disrupted that he suffers from anxiety attacks, and who eventually even lost his job. We are not talking about dealing with tolerable levels of noise—levels that people can or should reasonably be expected to endure. Many are fearful, not just based on current practice, of what expansion will bring.

James Berry (Kingston and Surbiton) (Con): I share a constituency border with my hon. Friend. He will know that there is not a flightpath on the border, but residents are disturbed by stacking. Does he understand the concerns felt by people at the other end of my constituency—in Kingston and New Malden—about the prospect of a whole new flightpath, where there is not one already, and the disturbance that will cause?

Mr Raab: As ever, my hon. Friend is a doughty champion for his constituents. The stacking issue is very important. I raised it in the Chamber on 2 February and, as he will know, the Transport Secretary gave me a clear set of assurances; I will ask a few questions about the detail of that later. As ever, my hon. Friend is absolutely bang on point. For me, the important thing is that those affected know what they can reasonably expect once a third runway is open for business. That will not only provide residents with a reasonable level of expectation, but mean that they know how to hold Heathrow and the Government to account for the assurances that are being offered, particularly on noise and air quality.

When the draft policy statement was published on 2 February, the Transport Secretary reassured me in the Chamber that there would be binding limits on noise and air quality, independent verification of both, a change of policy away from concentrated flightpaths and changes to the current stacking of flights, which my hon. Friend the Member for Kingston and Surbiton (James Berry) mentioned. Those high-level assurances were warmly received by my constituents and by the communities as a whole, so I thank the Minister and the Secretary of State for those. My critical task now, as the constituency MP, is to follow up those high-level assurances and nail down what the specifics will mean in practice and what the tangible impact will be for people living in

Elmbridge. That is why I secured this debate. Although we might not get all the answers today, I hope that the Minister will consider this to be the start of a fruitful dialogue over the months ahead.

As a condition for expansion, we have the Government's commitment to enforce new and legally binding noise targets on Heathrow. The Government also propose the creation of an independent body to monitor noise levels. I sought that in previous correspondence with the Ministers, so it is very welcome. It helps to build confidence that those high-level assurances will materialise at a more tangible level.

The independent commission on civil aviation noise—ICCAN—will be set up within the Civil Aviation Authority. That should allow it to become operational quickly and enable it to benefit from the expertise of its parent institution. The creation of the body can help reassure my residents, who have had their trust in the airport rather dented by the 2014 flightpath trials and Heathrow's inability to monitor accurately the volume or trajectory of local flights. I say that notwithstanding my intense engagement with Heathrow at a very high level and its desire to get this right for the local community. However, I suspect that this has clearly not worked to the satisfaction of Heathrow, and certainly not to that of my constituents, so we need to take that forward.

ICCAN's credibility will be critical to achieving its objective of holding the airport to account on aircraft noise. I am also reassured that one of its key principles is to help to build up community engagement and understanding. However, it would be useful to get greater clarity and detail on the legally binding noise performance targets. A legally binding noise envelope would be better still, so I urge Transport Ministers to consider that approach, which could allow a reduction in stipulated noise levels over time. What statutory role will ICCAN have in monitoring noise levels, and what penalties will it be able to impose on the airport if noise targets are not met? My constituents will expect an effective verification mechanism in which ICCAN is more than just an advisory body and in which it has teeth to ensure compliance.

I must also raise the plans for future flightpaths around the expanded airport. There is a clear opportunity to shift away from the rather arbitrary and unfair current policy of concentrated flightpaths and towards a policy of dispersal over a wider geographical area. I have looked at this issue, thought about it and talked to my community about it, and I always come back to the conclusion that it is wrong for a small but significant minority of residents to bear so disproportionately the brunt of flights overhead. The case for a more equitable dispersal is overwhelming.

The Government are committed to lowering the overall noise impact, so we should see a reduction of it in Elmbridge. In fact, the Airports Commission concluded that by 2030 fewer people would be affected by noise than at present, because the greater flexibility that additional airport capacity will permit in aircraft operations should allow better management of overall noise impacts. I ask the Minister when he will commit to a policy of dispersal and what that will mean for Elmbridge residents in practical terms.

When I raised noise levels with the Transport Secretary in the Chamber on 2 February, he indicated that the forthcoming changes to the stacking arrangements south-west of London for Heathrow would improve the experience

for my local residents. That was a hugely welcome and important positive assurance to take back to my constituents. I would be grateful if the Minister gave us further details on what those changes will be—or, at least, when we will know what they will be—and how they will reduce noise levels for my constituents.

I would like to move beyond noise levels to the important issue of air quality. I am assured by the Civil Aviation Authority that an increase in flights would have no direct impact on air quality in Elmbridge. That is welcome news, but how will that assurance be achieved? What limits on air quality will be put in place to deliver it and how will they be independently verified?

There are also concerns about the indirect effects of the expansion and the third runway on air quality. In particular, the increase in road traffic caused by a growth in the number of passengers travelling to and from the airport risks a negative impact on local air pollution. I note that Heathrow has committed to ensuring that there is no increase in road usage related to the airport and the expansion, and to expanding public transport to mitigate the extra road use. That will be important for reducing the airport's carbon footprint and ensuring that our existing road network is not put under undue strain from an even greater volume of traffic, as I mentioned earlier.

However, it is vital that there is proper independent verification of that rather high-level and, if I may say so, abstract commitment. Unless the Government have a better means of achieving that—I am open-minded about the means—I suggest, as one possibility, that the Environment Agency be mandated and resourced to monitor the full environmental impact of the expanded airport, including from the additional volume of traffic in surrounding areas such as mine.

James Berry: My hon. Friend is making an excellent speech on behalf of his constituents. Does he agree that the likelihood of a family of four with all their bags using public transport instead of a family car or taxi is minimal, unless there is a massive increase in the quality of public transport in both our constituencies?

Mr Raab: My hon. Friend makes a powerful point in his habitually eloquent and convincing way. If the commitment is to be met, there will need to be a step change in investment in the means of getting people out of their cars. We both live in our constituencies and we know what the traffic is like, particularly around peak times and rush hour. If the commitment is not met, I fear that traffic will come to a standstill. We have to avoid that. That high-level commitment has been made, and I am interested to know what the means of achieving it will be.

As I said, I would like to see the Environment Agency or another body mandated to monitor the full environmental impact of the airport, and not just from the extra flights overhead, but from the additional congestion. That is an aspect of the Heathrow air quality debate that I do not think has been fully addressed in the draft national policy statement. I would be grateful if the Minister at least sought to address it today and if he assured my residents that Heathrow will be held to its promise that expansion will lead to no increase in local road traffic.

[Mr Raab]

The assurances that I seek today, or something equivalent, are sorely needed for the people and communities living in the vicinity of Heathrow. I am certainly not trying to stop or scupper the expansion; I want to work with Heathrow. I pay tribute to its director of external affairs, Nigel Milton, who has been absolutely terrific at engaging. I welcome the positive assurances that I have had from the Transport Secretary and other Ministers. The assurances that I seek on behalf of my community are reasonable and proportionate, and they will be necessary if we are to carry local communities with us as we proceed with this major and vital infrastructure project. With that in mind, I must say that it is regrettable that the Government's local consultations will not include a public meeting in my constituency, given the problems that we had with the flightpath trials in 2014. I respectfully but firmly urge the Minister to take that point away and to think about the impression created in communities such as mine that already feel that their concerns have not been properly taken on board.

In summary, before I can credibly vote for the expansion of Heathrow, which I am well disposed to do because I support it as a matter of principle, I need to be able to give my constituents a more detailed and concrete reassurance, based on the Government's proposed mitigation package, that the roads in Elmbridge will not be clogged up; that noise levels will be limited and independently monitored; that we will move towards dispersal of flightpaths and overhaul the current stacking arrangements or find equivalent means to reduce residents' experience of the disproportionate noise levels currently felt in places such as Molesey and Walton; and that local air quality will not deteriorate as a result of the extra flights or the extra vehicles that may grace our roads, because there will be prescribed and independently monitored limits to ensure that that does not happen. Those are reasonable, common-sense assurances that I seek on behalf of reasonable constituents with common sense who have constructively expressed their reservations and concerns. The sooner the Government can provide the detail that I seek, the sooner we can provide the answers to my constituents in Elmbridge and give them the reassurances that they need to get behind the expansion of Heathrow airport.

11.18 am

The Parliamentary Under-Secretary of State for Transport (Andrew Jones): I congratulate my hon. Friend the Member for Esher and Walton (Mr Raab) on securing this important debate. I must immediately apologise, because I am covering for my right hon. Friend the Minister of State, Department for Transport. He would have responded to this debate, because it is in his policy area, but he is opening a factory in the west midlands. This is a bit of an away fixture for me, but I will be able to answer some of the questions raised by my hon. Friend, and I can guarantee that I will take them all back to the Department and make sure that he gets the fullest answers that we can provide. All his questions were entirely appropriate for a Member standing up for his constituents.

My hon. Friend asked whether this could be the start of a fruitful dialogue. I can confirm that indeed it can. This debate is certainly timely, because on 2 February

my right hon. Friend the Transport Secretary laid before Parliament a draft airports NPS—national policy statement—under the Planning Act 2008 and published an accompanying consultation. The draft NPS sets out the framework against which an application for a development consent order will be judged in respect of a north-west runway at Heathrow airport. Right now we are in that important period of public consultation and parliamentary scrutiny. Before I address the specific issues raised by my hon. Friend, I want to remind the House of the process in which the debate sits.

On 25 October 2016, the Transport Secretary set out in his statement the Government's preference for a new north-west runway at Heathrow airport. Some of the key points he made do bear repeating. The need for additional capacity is clear and paramount, and that has driven the entire process. A north-west runway at Heathrow airport would provide economic and employment benefits, delivering tens of thousands of additional local jobs by 2030, including, as my hon. Friend the Member for Esher and Walton said, in the area of Elmbridge. It would also provide new global connections and better connections for domestic customers, new capacity for freight imports and exports, and reduce fares for passengers.

The benefits of the scheme would be felt by businesses and passengers throughout the UK. Therefore, while we are dealing with an issue that is acutely local for my hon. Friend and of great importance for the south-east of the United Kingdom, it has relevance for the entire United Kingdom. For example, my constituency is at least 220 miles from my hon. Friend's, but its chamber of commerce came out in support of the application, recognising its impact for the UK as a whole. There is a further point: in our post-Brexit world, a new north-west runway sends out a clear message that Britain is open for business.

The publication of the draft NPS was a significant milestone. It sets out the case for additional capacity as well as the reasons why a north-west runway at Heathrow has been selected as the Government's preferred scheme. It specifies the requirements that the promoter will need to meet in order to gain development consent. Those include important requirements on air quality, noise, carbon and community compensation.

Last month, we also published an appraisal of sustainability for the draft NPS, which assesses the potential economic, social and environmental impacts of the proposed policy in the draft NPS. It incorporated a habitats regulations assessment, equalities assessment, and health impact assessment, and it includes analysis of the reasonable alternatives to the preferred scheme: the Heathrow extended northern runway and the Gatwick second runway.

In the light of the issues we have been discussing, it is important to note that, in parallel to the draft NPS consultation, we are also consulting on UK airspace policy, which impacts on the entire country. The airspace proposal aims to strike a balance between unlocking the economic and social benefits of modernising airspace and addressing the local impacts of aviation, which is a hard balance to achieve. People around an airport are split because the economic opportunity benefits are significant in employment provided, but there can also be an impact on quality of life. In particular, in the

consultation there is the creation of an independent commission on civil aviation noise, which is required to help to build trust in how noise is taken into account when airspace decisions are made. The policy principles set out in the airspace policy consultation will inform decisions taken later in the planning process for a north-west runway at Heathrow, including how local communities can have their say on airspace matters and how their impacts are taken into account.

The Planning Act 2008 places a requirement on the Transport Secretary to consult appropriately on a draft NPS and publicise it. There has been a significant number of events. My hon. Friend's point about a consultation in Elmbridge was well made and has been noted. There have been 20 local and 12 national information events, which have provided an opportunity for residents and people who are affected to contribute their opinions. We have had 1.5 million leaflets delivered to households and businesses in the areas, and there has also been advertising on radio, digital and social media channels and print media.

Scrutiny is taking place outside the House, and scrutiny is taking place within the House, too. At the same time as the consultation period, a period of parliamentary scrutiny has commenced, which will end at the start of summer recess 2017. Members will be aware that the Select Committee on Transport has been nominated to provide formal scrutiny of the draft NPS. To assist Members of both Houses, there will be a draft NPS parliamentary information event on 3 May. Following consultation and parliamentary scrutiny, we expect to lay a final airports NPS before Parliament for debate and a vote in the House by winter 2017-18. If the House approves the airports NPS, the Transport Secretary will decide whether to designate it. If the NPS is designated, the airport promoter can then submit its application for a development consent order. That is the process we will go through.

I will address some of the points raised by my hon. Friend. I have got and will take back the message about Elmbridge. At least one event was arranged in each local authority area that either borders the airport or falls within an indicative 54dB noise contour as assessed by the Airports Commission. Those were the criteria used for selecting where events took place, but I have received his message and will take that further for him.

Noise is a big factor, and my hon. Friend raised that powerfully on a couple of occasions. We recognise that aircraft noise is a significant concern for communities close to airports or under flightpaths. That is why the draft NPS requires an applicant for development consent to demonstrate that measures will be in place to take effective action to address the noise impacts of the scheme. Such measures have to be finalised through the planning process, or the exercise of statutory powers, and are subject to public consultation. The draft NPS does not exclude such measures as a 6.5 hour ban on

scheduled night flights, but the whole point about noise was well made and I will ensure that my hon. Friend receives detailed answers to his specific questions.

Night flights are when noise is at its most acute. The Government understand that point and recognise that they are perhaps the least acceptable form of aircraft noise. We have recently consulted on the restrictions for a new night flights regime, which will begin in October. Our proposals seek to ensure that the benefits of night flights are appropriately balanced with the impacts that they have on local communities. The phrase my hon. Friend used was "equitable dispersal". I have noted that and will take that back and follow through on that.

One of the proposals we are making is to maintain the current movement limits at Heathrow and then reduce the amount of noise the airport will be allowed to make. We are currently analysing the consultation responses and will announce a decision later this year. Again, the draft NPS sets out the Government's expectation for a 6.5 hour ban on scheduled night flights at an expanded Heathrow.

Access points have to be a consideration. That was raised by both my hon. Friend and my hon. Friend the Member for Kingston and Surbiton (James Berry). It is clearly a major concern. As part of the proposals for Heathrow, we are looking at how to improve public transport access to the airport. The proposed Southern rail access scheme has the potential to greatly improve access to Heathrow airport from Surrey and Hampshire and from the South West Trains network. That could include, for example, direct trains to Heathrow from Weybridge or Woking. Although that scheme is still at an early stage of development, we are looking at options to maximise the benefits for both airport and non-airport users. It is clearly appropriate that access to Heathrow airport is a key part of all of the decision making because of the impact on quality of life from traffic and the impact on air quality.

It is fair to note that the Government are putting significant emphasis on improving the emissions from our vehicle fleet. Air quality is shooting up the political agenda, which is a very positive thing. In this Parliament we are committing £600 million to encourage the use of, for example, electric vehicles. That is a positive agenda, which is at its most acute where we see interventions that will increase traffic.

I congratulate my hon. Friend the Member for Esher and Walton again on securing the debate. It is the start of dialogue. The consultation to which I have referred closes on 25 May. There is a drop-in event on 3 May, which is taking place in the House of Commons terrace pavilion between 1.30 pm and 4 pm. The Transport Secretary is attending and will address the consultation at 1.30 pm. I am sure it will attract a lot of interest, but I hope to see my hon. Friend at that event.

Question put and agreed to.

11.30 am

Sitting suspended.

Universal Credit

[ANDREW ROSINDELL *in the Chair*]

2.30 pm

Catherine McKinnell (Newcastle upon Tyne North) (Lab): I beg to move,

That this House has considered the roll-out of universal credit.

It is a pleasure to serve under your chairmanship this afternoon, Mr Rosindell, not least because I have been trying to secure a debate on this issue for several weeks, if not months, due to the sheer volume of universal credit-related problems that have been raised with me by constituents. It is no surprise that there is much interest in this issue from parliamentary colleagues; I thank all of them for coming along to the debate.

Before I expose these issues in more detail, I thought it would be helpful to set out some of the context of today's debate. As all hon. Members are aware, universal credit is a new benefit that is being introduced to replace the means-tested social security benefits and tax credits for working-age individuals and families, including working tax credit, child tax credit, income-based jobseeker's allowance, income support, income-related employment and support allowance, and housing benefit.

By using real-time information on claimants' circumstances, the aim of universal credit, which I am sure the Minister will also set out, according to the Library's very helpful briefing note for this debate,

"is to simplify and streamline the benefits system for claimants and administrators, to improve work incentives, to tackle poverty among low income families, and to reduce the scope for fraud and error."

Following years of repeated delays and false starts, the infamous reset in 2013 after the Major Projects Authority told the Government to go back to the drawing board, and concerns expressed by the National Audit Office that delivery of universal credit has been beset by "weak management, ineffective control and poor governance", this new benefit is now very gradually and very painfully being rolled out across the country.

Indeed, as the Library briefing note also highlights, since the 2013 reset the Department for Work and Pensions has been developing and rolling out universal credit using a twin-track approach. The briefing note states:

"This involves rolling out Universal Credit using IT systems developed prior to the 2013 reset (the 'Live Service') while, simultaneously, DWP develops the Digital Service (now known as the 'Full Service') from which Universal Credit will eventually be operated."

I hope that everyone is still following me.

As the Library briefing note states, this means that since spring 2016,

"Universal Credit is now available in all Jobcentres across Great Britain, but in most areas is only available for new claims from people with relatively simple circumstances...single unemployed people (or people with very low earnings) satisfying the 'gateway conditions'".

In a small but increasing number of areas that have full service universal credit, all new eligible claimants will receive universal credit, as will existing claimants of legacy benefits who report a change in their circumstances,

which results in them being naturally migrated to universal credit. Just to clarify, I am using the DWP's own terminology here.

Following the reshaping of the next phase of universal credit's roll-out, which was announced in a written statement on 20 July last year, the Secretary of State for Work and Pensions confirmed that the DWP would continue the roll-out of full service universal credit to

"five jobcentres a month to June 2017, expanding to 30 in July 2017. Following a break over the summer the Department will scale up to 55 jobcentres per month between October and December 2017. From February 2018 this will increase to 65 per month, finishing with the final 57 jobcentres in September 2018."

As a consequence, universal credit should be available across the country to all new claimants and existing claimants with changed circumstances by September 2018. The final stage of the roll-out of universal credit, the managed migration of existing benefit claimants with no change in their circumstances, will commence in July 2019, to be completed by March 2022—some five years later than the original target.

Mr Gregory Campbell (East Londonderry) (DUP): I congratulate the hon. Lady on securing this debate. Does she agree that part of the problem appears to be that the Government and the Department did not take sufficient account of the complexity of the needs of many of the claimants initially? That seems to be why the problem has escalated far beyond what we thought it was even three or four years ago.

Catherine McKinnell: The hon. Gentleman raises an important point and one that I will go on to make in some detail. The Government were warned that it would not be straightforward.

I mentioned the timetable because it is very complicated. Everyone would like confirmation from the Minister when he responds to the debate about how it now fits alongside the proposals that the Department for Work and Pensions published in January to close an estimated one in 10 jobcentres and to merge or co-locate others. It is clear that the roll-out of universal credit is a hugely complex task and that hard-working jobcentre staff are being placed in an incredibly challenging situation. The Library briefing note states that it involves

"not simply the creation of a new benefit but development of entirely new administrative systems to support it. This includes development of the Digital Service, the online IT system via which claimants and DWP will manage awards, and training staff to administer a new conditionality and sanctions regime that imposes requirements on in-work as well as out-of-work claimants."

Because universal credit requires a broader span of people to look for work than is the case with legacy benefits, for example by including those in receipt of housing benefit or child tax credit and the partners of universal credit claimants, there has been a marked effect on the claimant count in areas that have full service universal credit. There was a 25.5% increase in the claimant count in full service areas in the year to January 2017, compared with an increase of 0.1% across the UK as a whole.

There are numerous concerns about the impact of universal credit on existing claimants, particularly families with disabled children whose caring responsibilities prevent

them from working. The charity Contact a Family estimates that such families could be up to £1,600 a year worse off after being transferred to universal credit.

Andrew Rosindell (in the Chair): There is a Division, so we will return in 15 minutes.

2.37 pm

Sitting suspended.

3.21 pm

Sitting adjourned without Question put (Standing Order No. 10(14) in accordance with security advice.

Written Statements

Wednesday 22 March 2017

HOME DEPARTMENT

Vulnerable Persons Resettlement Schemes

The Secretary of State for the Home Department (Amber Rudd): Currently those arriving through the Syrian vulnerable persons resettlement scheme (VPRS) and the vulnerable children's resettlement scheme (VCRS) are granted humanitarian protection and five years' limited leave to remain. This entitles individuals to broadly the same benefits as British citizens. When the Syrian VPRS was launched in March 2014, it was decided that it was the most appropriate form of leave to grant for a number of reasons, including the processes in place at the time and the need to upscale quickly to respond to the urgent humanitarian situation.

At the beginning of the scheme, granting humanitarian protection allowed us to quickly assist and resettle the most vulnerable. As we have previously said, we have kept the policy under active review. We have listened to those who have raised concerns about the consequences, for those we resettle to the UK, of granting humanitarian protection rather than refugee leave. We have also taken the time to work through the policy and practical implementation issues in detail.

The decision to grant humanitarian protection was the right one at that time. However, while humanitarian protection recognises the need an individual has for international protection, it does not carry the same entitlements as refugee status, in particular, access to particular benefits, swifter access to student support for higher education and the same travel documents as those granted refugee status. Furthermore, we recognise that this policy is at odds with what happens to those Syrians who claim asylum in the UK and who are granted refugee status.

We think it is right to change the policy and now is the right time to make this change. Therefore, with effect from 1 July 2017, we will be granting those admitted under the VPRS and the VCRS refugee status and five years' limited leave. Those who have been resettled under these programmes before this date will be given the opportunity to make a request to change their status from humanitarian protection to refugee status. We will publish more information on how individuals can do this in due course.

We can be proud of the contribution the UK is making to support refugees and we believe that this policy change better reflects the situation of those being

resettled to the UK and the additional entitlements attached to refugee status will help these vulnerable people make the best start to their life in the UK.

[HCWS551]

JUSTICE

Prison Update

The Lord Chancellor and Secretary of State for Justice (Elizabeth Truss): Social reform is at the heart of this Government's programme. In November 2016 I set out plans for the most far-reaching reform of our prisons in a generation in my White Paper on Prison Safety and Reform. Last month I introduced the Prison and Courts Bill, which will transform the lives of offenders and put victims at the heart of the justice system, helping to create a safer and better society.

As well as putting in place robust measures to improve safety and performance, and a dedicated staff recruitment and development programme, I am investing £1.3 billion in a modern, fit-for-purpose prison estate.

Today I can confirm that I will launch planning applications for a further four potential sites for prisons to be built in England and Wales: one new site in Yorkshire adjacent to HMP Full Sutton, one at Port Talbot, South Wales, and two further sites involving redevelopment of the existing prisons at HMP & YOI Rochester, and HMP & YOI Hindley. Final decisions on the new prisons will be subject to planning approvals, as well as value for money and affordability.

In addition, I can inform the House that construction has now begun on a new houseblock at HMP Stocken.

Following the commitments I made in the White Paper, I can also confirm that outline planning applications have been made to redevelop the sites at the former HMP Wellingborough and HMP & YOI Glen Parva.

In creating a modern prison estate, old and inefficient prisons will be closed and replaced by the new accommodation. A programme of valuation work will now begin to help inform further decisions about the estate. Announcements on prison closures will be made later in the year.

This progress underlines the Government's commitment to reform the prison estate. If planning permission for the new sites is granted, together these measures would create thousands of modern, fit for purpose prison places, enabling us to close many of the old and overcrowded places standing in the way of real reform.

[HCWS550]

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Written Answers to Questions [The written answers can now be found at <http://www.parliament.uk/writtenanswers>]
