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**HOUSE OF COMMONS
OFFICIAL REPORT**

**PARLIAMENTARY
DEBATES**

(HANSARD)

Tuesday 25 April 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

NEW SOUTHGATE CEMETERY BILL [*LORDS*]

Third Reading opposed and deferred until Tuesday 2 May (Standing Order No. 20).

FAVERSHAM OYSTER FISHERY COMPANY BILL [*LORDS*]

Bill read the Third time and passed, with an amendment.

CITY OF LONDON CORPORATION (OPEN SPACES)

Bill, as amended, considered.

Bill to be read the Third time on Wednesday 22 May.

11.35 am

Mr Speaker: Today, 25 April 2017, marks the 200th anniversary of the first printing of the daily Votes and Proceedings and an Order Paper setting out the business of the House. This followed an initiative by my predecessor in the Chair, Speaker Abbot. Members have relied ever since on these papers. This is a good moment for us to thank all those responsible in the House service for their preparation and distribution ever since, and for their unfailing appearance, rain or shine, printed or digital.

Oral Answers to Questions

JUSTICE

The Secretary of State was asked—

Domestic Violence: Legal Aid

1. **Andrew Stephenson** (Pendle) (Con): What progress the Government have made on their review of legal aid domestic violence evidence requirements. [909794]

10. **Mr Alan Mak** (Havant) (Con): What progress the Government have made on their review of legal aid domestic violence evidence requirements. [909803]

The Minister for Courts and Justice (Sir Oliver Heald): Following our completion of the review we announced our intention to make changes by secondary legislation that would make it easier for victims of domestic violence to access legal aid. These changes include removing the time limit on all forms of evidence and accepting evidence from domestic violence support organisations.

Andrew Stephenson: I thank my right hon. and learned Friend for that answer. I appreciate that he might not be able to go into detail just yet, but can he offer a commitment to the victims of domestic violence of his continued support for them in the justice system in the next Parliament, if a Conservative Government are returned?

Sir Oliver Heald: I can certainly do that, and I can also point to the recent changes made in courts to help victims of domestic violence to give evidence, such as the video links that we have introduced, and the provision for recorded evidence and cross-examination which is about to be rolled out. It is also important to say that the House generally supported the end to cross-examination by perpetrators.

Mr Mak: I thank the Minister for his answer and welcome the announcement. Will he join me in commending the Southern Domestic Abuse Service, a Havant-based charity that helps victims of domestic violence report to the police, and ensure that he continues working with such charities to make sure that the evidential guidelines are consistent with the sensitivity of this issue?

Sir Oliver Heald: I am happy to pay tribute to organisations that help victims of domestic violence on their work, and I know from talking to my hon. Friend, who is a strong advocate for them, that that service in Havant is excellent—so, yes, I agree with him.

Yasmin Qureshi (Bolton South East) (Lab): The Ministry of Justice committed to reviewing the domestic violence evidence requirements for legal aid. That was a clear admission that the scheme was not working and was not fair. Since the passing of the Legal Aid, Sentencing and Punishment of Offenders Act 2012, the family courts have become more adversarial. Should the Minister not admit that the withdrawal of legal aid for so many family cases has caused real unfairness to families?

Sir Oliver Heald: As the hon. Lady will remember, we promised at the time that there would be a review of LASPO and the legal aid provisions, and we have announced the timetable for that review, which has been welcomed, but I agree that we should have a process of constant improvement in helping the victims of domestic violence.

Ben Howlett (Bath) (Con): The Government have made huge progress in tackling domestic violence both at home and overseas. However, my surgeries are often filled with people who are suffering or have suffered from domestic violence and who are stuck in the family courts system. They are receiving legal aid, but the situation has caused distress. I know the Minister has personally looked into these issues, but will he meet me, hopefully after 8 June, to discuss them further?

Sir Oliver Heald: I would never take the electorate for granted, but if I am here, I will meet my hon. Friend.

Novel Psychoactive Substances

2. **Ian C. Lucas** (Wrexham) (Lab): If she will review the effectiveness of legislation relating to novel psychoactive substances. [909795]

The Parliamentary Under-Secretary of State for Justice (Mr Sam Gyimah): This is a matter for the Home Office. The Psychoactive Substances Act 2016 requires the legislation to be reviewed within 30 months, so the review of that Act will happen in late 2018.

Ian C. Lucas: Wrexham, like many other towns up and down the country, is being blighted by the impact of so-called Spice. I received a letter this month from the Home Office that directly contradicts a letter from the Minister on the question of whether the possession of Spice is an offence. The confusion is causing real enforcement problems for police officers, who have already had their numbers cut by this Government. Will the Minister take this matter more seriously and act urgently to confront this really serious problem?

Mr Gyimah: I agree with the hon. Gentleman that it is a serious problem and, as I have said before, it is also a problem in our prisons. Possession of Spice in a custodial setting is an offence and is subject to imprisonment. If the hon. Gentleman could forward me his letter from the Home Office, I will look into this in more detail and get back to him.

Sir Julian Brazier (Canterbury) (Con): May I say how much I welcome the 2016 Act, having lost two young men to what used to be called legal highs? The extra powers that it provides and the rigorous application of the law to rapidly changing chemicals are extremely welcome.

Mr Gyimah: I thank my hon. Friend for his question. I should also like to emphasise that the possession of Spice has been subject to further controls, and that that includes making it illegal.

Lucy Powell (Manchester Central) (Lab/Co-op): As the Minister will be aware, the use of Spice and its impact on our communities are now reaching epidemic levels. This is particularly hitting city centres such as Manchester and other towns and cities across the country. What discussions is he having with colleagues in other Departments to get a proper handle on this issue and to crack down on it? It is putting intolerable pressure on our public services.

Mr Gyimah: The hon. Lady makes an important point. Spice is a blight on our communities as well as in our prisons, where it fuels the disorder and violence that we see there. We take this extremely seriously and I am working with my colleagues in the Home Office to deal with the issue not only in the custodial system but in the community.

Mr Philip Hollobone (Kettering) (Con): Banning psychoactive substances is one thing, but physically keeping them out of our prisons is quite another. Will the Minister tell the House what active measures he is taking to prevent these substances from getting inside our jails?

Mr Gyimah: My hon. Friend is right. We are determined to keep these drugs out of our jails, and that is why we have trained 300 dogs to detect them. We have also introduced a new drug test for psychoactive substances, and the UK is the first jurisdiction in the world to

do that. The testing has been rolled out, although we cannot comment on its impact because it started only last year. However, we know from the evidence that drug testing has a deterrent effect on use and possession.

Gavin Robinson (Belfast East) (DUP): With four suspected drug-related deaths in one weekend at the start of this month in Belfast and the coroner reporting that the number of such deaths has doubled in the past two years, this is an important issue that affects cities right across the United Kingdom. Will the Minister confirm that his review in 2018 will also draw on the experience of the implementation of the Act in Northern Ireland, Scotland and Wales in order to get the full picture of how well the legislation has been operating?

Mr Gyimah: As I have said, the review will be carried out by the Home Office, but I am sure that the hon. Gentleman's question has been noted and will be reflected in the review.

Extremism in Prisons

3. **Mrs Cheryl Gillan (Chesham and Amersham) (Con):** What steps she is taking to tackle extremism in prisons. [909796]

14. **Rehman Chishti (Gillingham and Rainham) (Con):** What steps she is taking to tackle extremism in prisons. [909807]

The Parliamentary Under-Secretary of State for Justice (Mr Sam Gyimah): Extremism in prisons is something we take very seriously. The Department has set up a new directorate to oversee all aspects of our work on extremism and terrorism. We have also created a new joint unit encompassing the Prison Service, the national probation service and the Home Office, with enhanced resources to deliver our extremism strategy.

Mrs Gillan: Extremism in prisons means that vulnerable people, such as those with mental health problems or those on the autistic spectrum, could be at great risk in those closed environments. Will the Minister tell me what work the Government are doing to protect people from extremism within the prison system and what reasonable adjustments are being made to help those particularly vulnerable people?

Mr Gyimah: My right hon. Friend, as chair of the all-party parliamentary group on autism, understands the particular vulnerabilities of such people within the prison system. Prison staff take extra care in monitoring and understanding the threats to vulnerable people such as those with autism, and robustly intervene where there are any threats, including of extremism and radicalisation.

Rehman Chishti: There has been an issue with some religious converts being drawn into extremist ideology and going on to carry out terrorist acts without knowing the true values or teachings of those religions. What specific steps are being taken to address that, and what extra support is being given to religious faith representatives to ensure that we tackle this evil issue?

Mr Gyimah: My hon. Friend, the chair of the all-party parliamentary group on communities engagement, makes a vital point. We have to be clear that conversion to a religion, including Islam, does not necessarily mean radicalisation but, where conversion happens in the prison estate, people are encouraged to go on education courses. There is also support for imams to make sure that people do not get drawn to the poisonous ideology that often seeks to prey on vulnerable individuals.

Mr David Hanson (Delyn) (Lab): Ian Acheson, who reviewed this matter for the Government, told the Select Committee on Justice only last year:

“I do not have confidence that the National Offender Management Service...has the capability or, indeed, if I may be frank, the will to implement some of the recommendations that I have made.”

Does the Minister feel that his changes are not just recommendations but that there is capacity to deliver them?

Mr Gyimah: Absolutely. As I said right at the start, we have a new directorate within Her Majesty's Prison and Probation Service and a new team across the Home Office and the Prison Service, with new funding to tackle that and to roll out our anti-extremism strategy. The right hon. Gentleman, who is a member of the Justice Committee, will also be aware that just last week we announced the separation centres that Ian Acheson recommended in his review and that will remove the most poisonous individuals from the main population of our prisons.

Keith Vaz (Leicester East) (Lab): About 1,000 individuals have been identified as extremist or as vulnerable to extremism, so the creation of those separation units is welcome. However, the key is monitoring people when they come out of prison. Can the Minister reassure us that that will happen?

Mr Gyimah: To be precise, there are actually about 700 people of concern. Of those 700, about 180 are in prison or on remand for terrorism-related offences. The right hon. Gentleman is absolutely right about what happens when people come into the community. The multi-agency protection arrangements with law enforcement mean that those people are subject to strict licence conditions, and if they breach those licence conditions, they can and do end up in jail. The police are obviously part of that.

I take this opportunity to thank the police, especially those who protect us here as we go about our daily jobs.

Nigel Huddleston (Mid Worcestershire) (Con): Are the Government planning to provide any specific training for prison officers to help to identify those inmates with extremist tendencies?

Mr Gyimah: Prison officers play a vital role in combating extremism in our prisons, given the contact and proximity they have with prisoners. Just last December we rolled out a new extensive training programme for all our prison officers to enable them to identify that threat and to help to deal with it.

Jim Shannon (Strangford) (DUP): Northern Ireland Ministers have had to deal with extremism in prisons over the years, with the segregation of loyalist and

republican prisoners being an example. Has the Minister had any opportunity to discuss those matters with the relevant Minister in Northern Ireland in order to learn from what we have learned in Northern Ireland to help him to do his job across the UK?

Mr Gyimah: We have looked very carefully at the lessons from Northern Ireland in setting up the separation centres that we announced last week. There are significant differences between what is happening in England and what happens in Northern Ireland. No prisoner will default to a separation centre. Ending up in a separation centre will be the result of a prisoner's behaviour behind bars, and they will be selected by a panel that has been told about their behaviour. The panel will decide where those prisoners go in the prison system, so there are appropriate safeguards in place.

Yasmin Qureshi (Bolton South East) (Lab): These units will affect only a small section of the prison population, but the rising lack of safety in our prisons is itself a potential breeding ground for extremism. Has the Secretary of State considered the extent to which that environment of violence has contributed to extremism?

Mr Gyimah: The hon. Lady is right; the separation centres will hold 28 prisoners, and our evidence suggests that that is sufficient. We have a broader strategy to deal with extremism in our prisons, which includes support to imams, looking at religious texts and a range of education programmes to deal with the challenge of extremism in our prisons.

Yasmin Qureshi: It is understood that the prisoners designated for these separation units will be able to appeal against that decision, and their places in the units will be reviewed every three months. Given the Court of Appeal's recent decision that denying legal aid to many prisoners is unlawful, will these individuals have access to publicly funded legal advice?

Mr Gyimah: We are considering the result of that Court of Appeal case, and the Government will make their position known on it. As part of due process in prisons, if an individual is selected to go into a separation centre, it is of course right that the panel tells them why they have been selected and allows them to make representations.

Leaving the EU: Justice System

4. **Gavin Newlands (Paisley and Renfrewshire North) (SNP):** What assessment she has made of the effect on the justice system of the UK leaving the EU. [909797]

The Lord Chancellor and Secretary of State for Justice (Elizabeth Truss): The Government are clear that they want a smooth and orderly exit from the EU. Legal certainty is fundamental to that, as is laid out in the great repeal Bill White Paper. We will bring an end to the jurisdiction of the European Court of Justice so that our courts will be the ultimate arbiters of our laws.

Gavin Newlands: The recognition of enforcement of judgments across the EU has benefited millions of citizens. Does the Justice Secretary agree with the Law Society of Scotland that if we leave the EU with no deal

and return to pre-EU mechanisms, the likely outcome is that the weakest and the poorest in society will suffer, as the processes become costlier?

Elizabeth Truss: I completely agree with the hon. Gentleman that having mutual enforceability of judgments and civil judicial co-operation is very important, which is why we have made it a priority in the Brexit negotiations.

Robert Neill (Bromley and Chislehurst) (Con): May I commend to the Secretary of State and to the House the Justice Committee's report on the implications of leaving the European Union for the justice system, which was published last month? In particular, on the basis of overwhelming evidence, we stressed the importance, first, of continuing co-operation in criminal justice matters, including information sharing, the recognition of judgments and having proper transitional arrangements, so that commercial and civil justice sectors have certainty going forward.

Elizabeth Truss: My hon. Friend is absolutely right about that, and I would add to that list by saying that family law co-operation is also extremely important. We are working very closely with the legal profession, a working group is looking at working with industry across Europe, and, as I have said, this is a key priority as part of our Brexit negotiations.

Mr Barry Sheerman (Huddersfield) (Lab/Co-op): Does the Secretary of State share my concern that leaving the EU will weaken our power on extradition? She will know that I have been dealing with a case of someone who fled to Pakistan after killing 11 members of a family, and we have been working across Europe to try to bring this man back. He is now in prison in Pakistan. Will our getting out of the European Union hamper extradition in the future?

Elizabeth Truss: We are working very closely with the Home Office on criminal justice co-operation, and we want to secure a good deal, but it is important that we all get behind what the British people voted for and get a secure deal with the European Union.

11. [909804] **Sir Edward Leigh** (Gainsborough) (Con): Brexit will, in a new, deregulated environment, provide a great opportunity for legal services, but what plans do the Government have to support our legal services abroad after Brexit?

Elizabeth Truss: My hon. Friend is absolutely right; four of the 10 top global legal firms are based here in the UK. We have huge opportunities to promote English law and Scots law, and we are working on a global Britain legal summit to bring together leading figures in the industry to promote what we do overseas.

Louise Haigh (Sheffield, Heeley) (Lab): My Bulgarian constituent murdered his wife by stabbing her to death 25 times in broad daylight. The Home Office has finally agreed to have him deported. Will the Secretary of State assure me that he will serve his full sentence in Bulgaria, both pre and post-Brexit?

Elizabeth Truss: It is important that that individual is brought to justice. That is part of how we organise our prisoner transfer agreements and it will be part of our Brexit discussions.

Mr David Nuttall (Bury North) (Con): Does my right hon friend agree that we cannot remain part of the European single market because that would inevitably mean that the European Court of Justice would retain jurisdiction over us? That is exactly not what the British people voted for.

Elizabeth Truss: My hon. Friend is absolutely right that we are leaving the jurisdiction of the European Court of Justice. The ultimate arbiters of our laws will be our own courts here in the UK. That is incompatible with being in the single market.

Prison Staffing

5. **Sir Simon Burns** (Chelmsford) (Con): What assessment she has made of the effect of increasing the number of prison staff on the (a) safety of prison officers and (b) capacity of prison staff to spend more time directly engaging with and supervising prisoners. [909798]

12. **Victoria Prentis** (Banbury) (Con): What assessment she has made of the effect of increasing the number of prison staff on the (a) safety of prison officers and (b) capacity of prison staff to spend more time directly engaging with and supervising prisoners. [909805]

13. **Craig Williams** (Cardiff North) (Con): What assessment she has made of the effect of increasing the number of prison staff on the (a) safety of prison officers and (b) capacity of prison staff to spend more time directly engaging with and supervising prisoners. [909806]

The Lord Chancellor and Secretary of State for Justice (**Elizabeth Truss**): I pay tribute to my right hon. Friend the Member for Chelmsford (Sir Simon Burns), whose 30 years in the House have been a joy to behold—although I have been here for only seven of them. We recently visited Chelmsford prison together, and I saw at first hand his commitment not only to his constituents but to the cause of improving prisons in this country. Chelmsford prison is one of the 10 prisons we selected for the early recruitment of prison officers. We said that 400 prison officers would be recruited by the end of March. I can confirm that they are now in training or in post in those prisons, including Chelmsford.

Sir Simon Burns: I thank my right hon. Friend for the extremely kind and generous comments at the beginning of her answer. I welcome the fact that, following the recognition that more staff are needed at Chelmsford prison, new staff are now being trained up. Does she know when those staff are likely to come on stream, to ensure that we have proper staffing levels and the proper protection for prison officers?

Elizabeth Truss: The training period for a prison officer is 10 weeks, so we will see them come on stream very shortly. Since November, 43 job offers have been made to new prison officers at Chelmsford. Following our visit to Chelmsford prison, we announced a rise in starting salaries for prison officers there, so they will now be paid a minimum of £26,500.

Victoria Prentis: Prison officers have to be both tough and humane; it is a difficult path and a difficult job to do. What plans does the Secretary of State have to increase the professionalism of the people who do that job? That may in turn help with their retention.

Elizabeth Truss: First, may I say what a fantastic group of professionals we have in our country's prison officers? I want to make sure there is good career progression right through from entry into the Prison Service to becoming a governor, and good training—we are launching a new apprenticeship scheme for prison officers to make sure people have the right skills all the way through.

Craig Williams: The Unlocked scheme is being rolled out. When will the graduates start?

Elizabeth Truss: The Unlocked scheme is like Teach First for the Prison Service. We have had an incredible number of applications to join it. The final assessment was held on 1 April and we are now able to offer places to 60 candidates, who will start their training on 18 July. It is a really important scheme for not only bringing top graduates into our prisons but exposing employers to the fantastic work that goes on there.

Kate Green (Stretford and Urmston) (Lab): Of course we all welcome the recruitment of new prison officers, but does the Secretary of State not agree that the problems in our prisons stem from the mistaken actions of her Government in cutting 6,000 prison officers in the first place?

Elizabeth Truss: I have been very clear that we need to recruit more prison officers. It has been my No. 1 priority in this job. We are on track to achieve the 2,500 officers. We have faced a number of challenges across our prison estate, and we have already talked about psychoactive substances, drones and mobile phones. I am clear that we need the prison officers in place. When we have achieved the 2,500 officers, we will be able to ensure that each one has a caseload of six prisoners whom they will look after, and that will help us to turn those lives around.

Mr Gregory Campbell (East Londonderry) (DUP): I have been pressing for a number of years for a new-build prison in Magilligan in my constituency. Hopefully, that will take place in the next year or two. Will the Secretary of State undertake to ensure that any future Government will closely liaise so that prisoner supervision, whether in prisons in Northern Ireland or in England, is replicated to achieve best practice to ensure the best possible outcomes?

Elizabeth Truss: I absolutely agree with the hon. Gentleman. We need to learn from each other to make sure that our prisons do the best possible job. Of course they are there to punish offenders, but they also must turn lives around and reduce reoffending rates.

Danny Kinahan (South Antrim) (UUP): What assessment has been made of the high levels of turnover of prison staff and the negative consequences that that has on the management of prisons in Northern Ireland? I know

that the matter is devolved. There are extremely low pay rates, low prospects and nothing to encourage people to work in the Prison Service.

Elizabeth Truss: In prisons in England and Wales, 80% of our staff have been with us for more than five years. However, I want us to retain and train up those experienced members of staff. We are creating 2,000 new grade 4 posts at a salary of £30,000 to make sure that we retain those experienced prison officers who are so vital to running our prisons well.

Mrs Flick Drummond (Portsmouth South) (Con): Will the Secretary of State clarify whether there are any plans to increase the numbers of staff providing education and training to prisoners, because that will help prisoners' employment prospects and stop them reoffending?

Elizabeth Truss: We are making sure that governors decide how education will work in their prisons. We will set standards. We will see how fast prisoners progress in English and maths and whether they are getting the vocational work skills they need to get a job. I was recently in HMP Onley and saw the fantastic work being done by Halfords, getting those people into employment. Ultimately, the governor will have control of the education budget. Governors can decide how best to spend it and how to get the best results.

Cammell Laird

6. **Ms Angela Eagle (Wallasey) (Lab):** What plans the Government have to publish a response to the findings of the European Parliament's Committee on Petitions in December 2014 relating to a petition on the treatment of Cammell Laird strikers in 1984. [909799]

8. **Jim McMahon (Oldham West and Royton) (Lab):** For what reasons the Government have not responded to the findings of the European Parliament's Committee on Petitions in December 2014 relating to the treatment of Cammell Laird strikers in 1984. [909801]

16. **Pat Glass (North West Durham) (Lab):** For what reasons the Government have not responded to the findings of the European Parliament's Committee on Petitions in December 2014 relating to the treatment of Cammell Laird strikers in 1984. [909809]

The Parliamentary Under-Secretary of State for Justice (Dr Phillip Lee): I believe the question refers to petition number 1961/2013 by Edward Marnell, on behalf of Cammell Laird strikers, on unjust treatment of Cammell Laird strikers. I welcome the questions and recognise the hard work and dedication of the hon. Members involved in this. Industrial relations and how they were historically dealt with are not a matter for the Ministry of Justice, and as such it would be inappropriate for me to comment. A conviction and/or sentence can be challenged by way of appeal. Once the appeal route has been exhausted it is possible to apply to the Criminal Cases Review Commission.

Ms Angela Eagle: In 1984, workers at Cammell Laird's shipyard took official strike action over job losses just as the Thatcher Government were trying to privatise British shipbuilders. They were dismissed, jailed in a

category A prison for 30 days, and lost their redundancy and pension rights. The Minister has tried to give us a technical answer today, but will he now undertake to release all the documents relating to the decision to prosecute and to the severity of the sentence so that this clear miscarriage of justice can finally be put right?

Dr Lee: I thank the hon. Lady for her question. Of course I am sympathetic to the case and to the individuals affected by it, but as I said, the Criminal Cases Review Commission has the power to review and investigate possible miscarriages of justice in England and Wales and Northern Ireland. Where there is a real possibility that the conviction or sentence will not be upheld, the commission can refer the case to the appropriate court, which will treat the referral as a new appeal.

Jim McMahon: Ten Cammell Laird workers and one apprentice have died since those events without the answers to why the decisions were taken to imprison them and who took those decisions. Surely it is now time to listen to calls from family members and the GMB trade union to do the right thing by having a proper inquiry and publishing the information that the Government have access to. What is there to hide?

Dr Lee: This is clearly a difficult case for the people concerned. As I said, when a conviction is subsequently quashed, compensation can be sought by an application to the miscarriages of justice applications service. I am not in a position to comment on whether a future Government should engage in an inquiry, but I assure the hon. Gentleman that I will look at this case further if I am returned to this role after the election.

Pat Glass: This is the last time that I will speak in this House. Therefore, I was keen that it should be a really important question. This was something I championed when I was the shadow Europe Minister, and I was delighted when the European Union joined the GMB and the Cammell Laird workers in demanding the release of Government evidence and papers. This is about papers that the Government hold. I hope the Minister will respect the fact that this is my last time speaking in the House by giving me a proper answer, not the fob-off that we have had so far. Will he commit to releasing the papers that the Government hold and putting an end to one of the most shameful episodes in British industrial relations?

Dr Lee: The hon. Lady has represented a beautiful part of the country, in which I have some family roots. I am sure that the Prime Minister, as a former candidate in that constituency, would agree with me about that. This case is clearly emotive, judging by the responses on the Opposition Benches. As I have said, I will look at the situation once again if I am returned to this position after the election. I will not make any commitments this side of an election, but I fully recognise the sensitivity of the case, its emotive nature and the individual people involved.

Richard Burgon (Leeds East) (Lab): GMB union research points towards state interference in the Cammell Laird industrial dispute, yet the picture remains incomplete because of withheld documents, as we have heard. That era of Conservative government is becoming defined by

suspicion of institutional interference and state wrongdoing. We know the names: Hillsborough, Orgreave and Cammell Laird. If that interference is extended to the prosecution of those trade unionists, do they not have the right to know?

Dr Lee: I do not share such a jaundiced view of the Conservative Government of the 1980s. As I have said repeatedly, I will look at this case again once we are outside of purdah and once we are returned. I hope and expect a Conservative Government to be returned in a few weeks' time, and I promise to look at this case again in detail then.

Mr Speaker: As this is the last week of questions, I am especially keen to try to get through the Order Paper. I appeal to colleagues to help each other to achieve that objective.

Reoffending

7. **Bob Blackman** (Harrow East) (Con): What steps she is taking to reduce reoffending rates. [909800]

The Lord Chancellor and Secretary of State for Justice (Elizabeth Truss): Of course, prisons should be places of punishment, but they also need to be places of safety and reform. Around half the people who leave prison reoffend within a year. We know that getting offenders off drugs, dealing with their mental health and housing issues, improving family ties and getting them into work are all critical to reducing reoffending. That is why we are giving governors power over all those issues.

Bob Blackman: Hopefully, my private Member's Bill will become the Homelessness Reduction Act on Thursday. Under the Act, prison governors will have a duty to provide prisoners with homes and prepare them for life outside prison so that they do not reoffend. What communication and training have been given to prison governors in preparation for that Act becoming law?

Elizabeth Truss: First, I commend my hon. Friend on his fantastic Bill. We have recently written to governors about their new powers over areas such as preparing prisoners for release, education and employment. Housing is one issue covered in that communication.

HMP Lewes

9. **Maria Caulfield** (Lewes) (Con): What improvements there have been at HMP Lewes since that prison was placed in special measures. [909802]

The Parliamentary Under-Secretary of State for Justice (Mr Sam Gyimah): A new governor was appointed in January 2017 and is developing an action plan in response to the issues in Lewes prison.

Maria Caulfield: I thank the Minister for his reply. Could he set out how the Government's prison reform will help HMP Lewes—particularly prisoners who are trying to stop reoffending, and the prison officers, who do a difficult job?

Mr Gyimah: A key part of our reform programme is adding 2,500 staff to our Prison Service. As far as HMP Lewes is concerned, we have made 24 job offers for additional prison officers since November. Starting pay

at HMP Lewes is now £26,500, and along with more prison officers, that will enable the prison to support and challenge prisoners to turn their lives around.

Andrew Selous (South West Bedfordshire) (Con): Prisoners in Lewes, as elsewhere, will reoffend less if they get sustainable work. Many private sector employers are rising to the challenge of providing ex-offenders with work. Will the Minister give us an update on what is happening across the wider public sector so that it can lead by example?

Mr Speaker: Notably in the area of Lewes.

Mr Gyimah: Employment in prisons, but also preparing prisoners for employment on release, is vital if we are to stop reoffending. The New Futures Network, which my right hon. Friend the Secretary of State has launched, will work with a range of organisations, including public sector organisations, to help to create employment opportunities for prisoners.

Leaving the EU: Human Rights

15. **Carol Monaghan** (Glasgow North West) (SNP): If the Government will take steps to ensure that any provisions proposing changes to human rights protection in UK law which result from the UK leaving the EU are laid before Parliament for scrutiny. [909808]

The Minister for Courts and Justice (Sir Oliver Heald): The answer is yes.

Carol Monaghan: Amnesty International, Liberty and other human rights groups have raised the issue of diminished human rights protection as a result of the great repeal Bill and the Government's plans to correct the statute book through secondary legislation. Will the Minister provide more detail on the extent of these correction powers and whether the changes will include human rights protections?

Sir Oliver Heald: As the hon. Lady will know, I cannot make any announcements today because of purdah, but what I can say is that, as I explained in giving evidence to two Select Committees, it is not our intention to have any gaps in our human rights protections.

Sir Desmond Swayne (New Forest West) (Con): Why is it reasonable to expect our justices to be any less creative than European ones?

Sir Oliver Heald: We do want a British jurisprudence, and that is what we will have following Brexit. Human rights were not invented with the Human Rights Act; this country has been a leading pioneer in human rights since its first gasps of breath as a nation, so there is no reason for us to think that we will not continue to express our values.

Greg Mulholland (Leeds North West) (LD): Why are the Government continuing to confuse and, indeed, deceive people by suggesting that the European convention on human rights is anything to do with the EU? It was signed up to by nations that had just come together

after the most disastrous war in our history, and it was supported by Winston Churchill. Why can the Minister not support it?

Sir Oliver Heald: I have always tried to uphold the vision expressed by Sir Winston Churchill in his great speech at the Place Kléber, when he spoke up for the need for human rights across Europe, and, of course, he did not mean the EU.

European Convention on Human Rights

17. **Patrick Grady** (Glasgow North) (SNP): What the Government's policy is on the UK remaining party to the European convention on human rights. [909810]

The Minister for Courts and Justice (Sir Oliver Heald): We are in favour.

Patrick Grady: The European convention on human rights guarantees the right to free and fair elections to the legislature, but the vast majority of legislators in this country are unelected peers of the House of Lords. Have the Government ever taken legal advice on whether the existence of the House of Lords is compatible with protocol 1, article 3 of the ECHR?

Sir Oliver Heald: I spent about 18 months on the Joint Committee looking at reform of the House of Lords in the last Parliament, and we took legal advice on every possible issue. If the hon. Gentleman would like to read the proceedings, he will enjoy them.

Joanna Cherry (Edinburgh South West) (SNP) *rose*—

Mr Speaker: Order. Even though the hon. and learned Lady is a very distinguished lawyer, I shall still appeal to her for reasonable brevity.

Joanna Cherry: Earlier this month, when I met UN officials in New York to discuss human rights issues, they were appalled to hear that the British Prime Minister had said that at the next general election she would be campaigning to withdraw the United Kingdom from the European convention on human rights. Can I take what the Minister said previously as a guarantee that this abhorrent commitment to withdraw from the European convention on human rights will not be in the Tory party manifesto for 8 June?

Sir Oliver Heald: That was a good try, but I am afraid that I am not going to be launching the manifesto here at Justice questions. The hon. and learned Lady will have heard my earlier answer.

Joanna Cherry: Article 8 of the European convention on human rights guarantees the right to respect for family and private life. The Equality and Human Rights Commission has written to the Government saying that the controversial rape clause raises serious issues under article 8. Can we assume from the Government's insistence on proceeding with the rape clause that article 8 covers one of the rights guaranteed by the ECHR that they find inconvenient?

Sir Oliver Heald: The Government are committed to supporting victims of rape and domestic abuse. This approach is crucial to protect women who face very difficult circumstances, and that is what the Government have been doing through the reforms to which the hon.

and learned Lady refers. As part of these reforms, we have made sure that victims are able to use third sector professionals to endorse their claim while they receive support to help them to cope and recover. No Government have a better record on helping victims.

Child Arrangement Orders

19. **Suella Fernandes** (Fareham) (Con): What steps the Government are taking to ensure effective enforcement of child arrangement orders. [909813]

The Minister for Courts and Justice (Sir Oliver Heald):

The family court has powers to address a breach if someone has been wilfully obstructive. When a child's welfare requires it, the court can transfer the child's residence to the other party. This Government are keen that there should be effective action, and a Green Paper on family justice has already been announced.

Suella Fernandes: Unfortunately, enforcement is a serious problem in the courts because of the criminal threshold and a lack of an effective penalty. In some of the worst cases, the non-resident parent—usually but not always the father—can be cut out of the child's life. Does my right hon. and learned Friend agree that this issue needs to be addressed if we are to see equity in the family justice system?

Sir Oliver Heald: It is right that there should be a clear system to establish the facts about a breach, and it should then be possible to deal with the breach effectively. Of course I am unable to make any announcement today but, as I have indicated to my hon. Friend, a Green Paper on family justice has been announced for later in the year, and she and I have already had the opportunity to discuss some of her ideas.

Courts: Digital Technology

20. **Mark Menzies** (Fylde) (Con): What assessment she has made of the effect of increased use of digital technology in the courts system on the effective delivery of justice. [909814]

The Minister for Courts and Justice (Sir Oliver Heald):

We are investing over £1 billion to create a straightforward courts and tribunals system so that people can have confidence in using the system themselves or with the help of their excellent lawyers.

Mark Menzies: The current reliance on printed documents in civil courts burdens people with significant unnecessary costs, and the UK is lagging behind many countries, including Australia and even Turkey, in the use of innovation and technology in civil claims. Does my right hon. and learned Friend agree that we must speed up the process of digitising courts in England and Wales if we are to retain our place as a world-leading provider of legal services?

Sir Oliver Heald: My hon. Friend is absolutely right, and I do agree. We are making progress. We have equipped our criminal courts to work digitally, reducing reliance on paper bundles, and we are doing the same in the civil courts. So far we have saved, in one year, an enormous pile of paper. Devotees of these questions

will know that I measure this by the height of the Shard, and we have now saved 4.3 Shard-loads of paper.

Mr Speaker: Well done!

Prisons: Mental Health Provision

21. **Kelvin Hopkins** (Luton North) (Lab): What steps she is taking to review mental health provision in prisons. [909816]

The Parliamentary Under-Secretary of State for Justice (Dr Phillip Lee): Prisoners are more likely to have mental health problems than the broader population. We are looking at custody and community for improving the mental health offering. We are looking at a community protocol to be followed and enhancing custodial mental health services.

Kelvin Hopkins: There were 119 prison suicides in 2016—an increase of 32% on the previous year—and cases of self-harm were up by 19%, at more than 10,000. Does the Minister agree that these are appalling statistics? What are the Government going to do to address this human misery?

Dr Lee: Each and every one of those cases is a human tragedy, and I have looked at a large number of them in detail. Indeed, last week I was at HMP Downview, a women's prison at which a suicide took place. We are investing in better healthcare facilities at that prison, and I am also looking at access to secure accommodation across the country, because that might well be an issue.

Extremism in Prisons

22. **Mr Andrew Turner** (Isle of Wight) (Con): What steps she is taking to tackle religious radicalisation in prisons. [909817]

The Parliamentary Under-Secretary of State for Justice (Mr Sam Gyimah):

The Government introduced an amendment to prison rules last week meaning that prisoners can be placed in a separation centre if they are involved in planning terrorism or are considered to pose a risk to national security. Those who are spreading views that might encourage or influence others to commit terrorist crimes, or whose views are being used in a way that undermines good order and security in prisons, may also be placed in one of the centres.

Mr Turner: What is the Minister doing to ensure that prisoners with extremist beliefs do not oppress other prisoners for their faith?

Mr Gyimah: People in prison convert to religion for all sorts of reasons. As I have said, conversion does not mean radicalisation. It is important that prisons have a regime whereby people who convert are not exploited in any way. The separation centres are one way of removing dangerous people, but obviously education and the support of prison officers play a vital role.

Women's Centres

23. **Fiona Mactaggart** (Slough) (Lab): What assessment she has made of the effectiveness of women's centres in reducing reoffending; and if she will make a statement. [909818]

The Parliamentary Under-Secretary of State for Justice (Dr Phillip Lee): The data on women's centres are quite mixed. I am a strong advocate of the benefits of women's centres in the community. On reoffending rates, the figures are somewhat mixed across the county. We continue to look at the situation closely to find out exactly what works about those women's centres to reduce reoffending.

Fiona Mactaggart: But is it not a fact that most women in prison are extremely vulnerable and have been victims themselves, including of domestic abuse, addiction and mental health problems, and that women's centres actually deal with the whole problem? I was a Home Office Minister who helped to persuade Baroness Corston to produce her excellent report, and the reason why we did that was the number of women who were killing themselves in jail. The Government are planning new women's jails, but more women will murder themselves—we are at a record level. How is the Minister going to stop that happening without investing in women's centres?

Dr Lee: I thank the right hon. Lady for her question. I should have wished her the best of luck as she stands down at the election. She represents a town that I know very well, and I also know that she is a particularly popular Member of Parliament.

The building of the prisons should not be interpreted as increasing the number of places to lock women up in—that should be clear. On women's centres, I agree that women often have very complex problems, and that is a reason why I, for one, am trying to increase the number of women's centres in the country. As the right hon. Lady has rightly said, bringing everything under the same roof can really help those women to make the right turn in life, away from crime.

Topical Questions

T1. [909784] **Diana Johnson** (Kingston upon Hull North) (Lab): If she will make a statement on her departmental responsibilities.

The Lord Chancellor and Secretary of State for Justice (Elizabeth Truss): In November I committed that the Government would invest an additional £100 million annually to recruit 2,500 prison officers. I can confirm that our recruitment figures show that we are on track to deliver that. On 3 April we launched the new “You at your best” recruitment campaign to encourage more people to apply. We also launched the new Unlocked graduate programme, which is offering more than 60 places this year.

It is vital that we strengthen the frontline to turn our prisons into places of safety and reform, and to reduce unacceptable levels of violence. That is my No. 1 priority as Secretary of State. Of course that will take time—we will not fix our problems in weeks or months—but the figures show that we are making real progress.

Diana Johnson: With three former Secretaries of State, including the right hon. Member for Surrey Heath (Michael Gove) last year, taking the view that families in Hull deserve to find out what happened to their babies' ashes, why does the current Justice Secretary refuse to back those families' calls for an independent inquiry in Hull?

Elizabeth Truss: I am very sympathetic to the hon. Lady's concerns and I offer my sympathy to her constituents. We are supportive of local historical investigations, but we are not planning to order an historical inquiry in Hull or elsewhere. Hull has made significant improvements, including putting in place measures to improve practices and communication between the cremation authority, local funeral directors and NHS trusts.

T2. [909785] **Craig Tracey** (North Warwickshire) (Con): Following the important work done by the parents of my constituent Sean Morley, who was tragically killed in a hit-and-run incident in Bedworth, and the representations that I have made to the Secretary of State, will she confirm whether she intends to see through the progress that has been made towards much tougher sentences for dangerous drivers in the next Parliament, should the Conservatives be returned to government?

The Parliamentary Under-Secretary of State for Justice (Mr Sam Gyimah): If the Conservatives are returned to government we will, of course, look to see through these vital reforms.

Richard Burgon (Leeds East) (Lab): Yesterday the Leader of the Opposition confirmed that a Labour Government would launch inquiries into blacklisting and Orgreave; the current Government have blocked all such efforts. Successive Conservative Justice Secretaries have also refused to release papers concerning the Shrewsbury 24. As her final act, will the Justice Secretary do the decent thing, review that decision, and release the papers to give those men and their families a chance of justice?

Elizabeth Truss: I am sure that the hon. Gentleman understands that we are currently in purdah, so we are not able to make announcements at this point.

Richard Burgon: According to the legal commentator Joshua Rozenberg, this is the Secretary of State's very last Justice questions, so I will give her one last chance. In March, the Lord Chief Justice said that the Secretary of State was “completely and utterly wrong” to say that she could not speak up for the judiciary in the face of personal abuse. Will she finally admit that rather than doing her duty, she kowtowed to her friends in the press?

Elizabeth Truss: I am a great believer in a strong, independent judiciary, but another bulwark of our democracy is a free press, and I do not think that Ministers should be saying what it is and is not acceptable for the press to print.

T6. [909789] **Will Quince** (Colchester) (Con): Colchester is home to the Military Corrective Training Centre. If the Government are returned to power, will the Secretary

of State visit the MCTC with me to see its education work, in particular, and to find out what civilian prisons can learn from it?

Elizabeth Truss: I have heard great things about that facility in Colchester, and I would be delighted to come and visit my hon. Friend, perhaps in the next few weeks.

T3. [909786] **Ms Angela Eagle** (Wallasey) (Lab): When I was recently called to do jury service, I got the chance to experience at first hand the current state of our courts. The jury canteen had to close down because it malfunctioned, the ladies' toilets malfunctioned, the water machine malfunctioned and the computers malfunctioned, meaning that juries could not even be chosen. Despite the fantastic and very patient work of the employees of the court system, the whole thing was a mess, and it was in need of substantial financial investment. The Justice Secretary should not be proud of her record on this matter, so what is she going to do about it?

Elizabeth Truss: What we are doing about it is investing £1 billion in modernising our courts, bringing more cases online and improving the physical facilities, including all aspects of the way in which our courts operate. I launched a joint statement with the judiciary late last year about precisely that.

T8. [909791] **Suella Fernandes** (Fareham) (Con): I recently visited Dickson House, an approved premises in Fareham that provides support and accommodation to ex-offenders as they transition to life outside prison. Will the Minister join me in paying tribute to the team at Dickson House, and explain what more support is available to ensure that ex-offenders secure housing so that they do not fall into homelessness and, thereafter, criminality?

Mr Gyimah: I pay tribute to the work done by the staff at Dickson House and all who work in approved premises around the country—they do a great job. Accommodating ex-offenders when they leave approved premises is an important issue. We are working with the Department for Communities and Local Government and the Local Government Association on ways in which we can improve this, including by improving statutory guidance.

T4. [909787] **Anna Turley** (Redcar) (Lab/Co-op): My constituent, 29-year-old father Alex Everington, was the victim of a road crash that left him paralysed from the neck down. His dad Ian said:

“He can never take care of himself. He will never have a normal life...How do you explain this to a 10-year-old child?”

Ian Maughan was found guilty of causing serious injury by dangerous driving. He had taken cannabis before the crash, and he had 81 previous offences, including a catalogue of motoring offences. At the time of the crash, he had been banned for careless driving. He received a sentence of just three years and four months, despite having destroyed Alex's life. Will the Minister pledge to consider the effectiveness of driving bans and, crucially, to look again at the length of sentences for causing injury by dangerous driving?

Mr Gyimah: I firmly believe that the punishment must fit the crime. In the case of dangerous driving, there is a need for the law to be toughened up, which

was why we launched a consultation to achieve precisely that last year. Obviously a general election is coming up, but if a Conservative Government are elected, I am sure we will see through these vital reforms.

Caroline Ansell (Eastbourne) (Con): Section 33 of the Criminal Justice and Courts Act 2015 is landmark legislation that makes revenge porn a specific offence. In Eastbourne, we have just had a high-profile case in which a serial offender walked free with a caution. One of his victims was a minor, and to add further insult to injury, images posted with incitements are still online. What more can the Government do to make sure that this groundbreaking legislation really delivers justice?

The Minister for Courts and Justice (Sir Oliver Heald): My hon. Friend is known for the way in which she has highlighted in the House such incidents of criminality and really pressed the case for proper and effective punishment. In relation to this particular incident, the offence is relatively new, and the good news is that many people have come forward to report instances of disclosure during the short period since it came into force. There have been a number of prosecutions, with more than 60 convictions so far. It is early days, but I agree that the Crown Prosecution Service needs to treat these cases very seriously.

T5. [909788] **Kate Green** (Stretford and Urmston) (Lab): The Government undertook by this month to renegotiate transforming rehabilitation payment structures as a result of community rehabilitation companies experiencing significant difficulties with the contracts. For how many of the 21 community rehabilitation companies have new payment arrangements now been agreed and put in place?

Elizabeth Truss: We have been working on this issue very carefully, and we will announce the results in due course.

Robert Neill (Bromley and Chislehurst) (Con): I welcome my right hon. Friend's statement that a fresh Conservative Government would be committed to ongoing prison reform. Will she use an early reintroduction of the Prisons and Courts Bill as an opportunity to follow the evidence given to the Justice Committee about placing our excellent national preventive mechanism on a statutory basis to fit in with our international obligations?

Elizabeth Truss: I thank the Chairman of the Justice Committee for his question. I know how committed he is to prison reform, given the leadership that he and the Committee have shown. I have to tell him that our manifesto will be announced in due course, and the Prime Minister will be making such decisions.

T7. [909790] **Tom Elliott** (Fermanagh and South Tyrone) (UUP): This afternoon in Parliament, the families of four British soldiers murdered by the IRA in the Hyde Park bomb are launching their campaign to bring the chief suspect of the atrocity, John Downey, to justice and to ensure that no terrorist is ever allowed to act with impunity within the United Kingdom. Will the Secretary of State meet Members and peers who support the victims' campaign to consider the

Government making exceptional funding available to remedy a situation in which the victims have been denied justice for 35 years?

Sir Oliver Heald: May I say that our deepest sympathies remain with those affected by the dreadful Hyde Park bombings? Those terrible terrorist atrocities were really dreadful for the nation at the time. Decisions on legal aid in such cases are made through an independent process. A fresh determination was given by the Legal Aid Agency on 2 February, but my understanding is that there is a right of review and that the case is still ongoing with the agency. I therefore cannot comment further at this time, and a decision would have to be made before any meetings occurred.

Dr Matthew Offord (Hendon) (Con): My constituents very much welcome the Department's decision not to proceed with the change to probate fees because the increases would have fallen disproportionately on London and the south-east, given the cost of housing there. Will the Secretary of State confirm that the next Conservative Government will not again proceed on such a basis?

Elizabeth Truss *rose*—

Sir Oliver Heald: As the Secretary of State said a moment ago—I think she was about to say this again—I am afraid that we are not in a position to say what will be in the manifesto. However, I thank my hon. Friend for his comments, and we will obviously take full account of them.

T9. [909792] **Neil Coyle (Bermondsey and Old Southwark) (Lab):** I am helping families across Southwark who have been denied access to justice as a direct result of the coalition's legal aid cuts. Three years ago, the Children's Commissioner said that those cuts were undermining human rights. Was the former Liberal Democrat Justice Minister speaking for the Government when he promised a review and did he break that promise in not delivering it, or was his promise a cynical ploy to deflect attention from the damage his cuts were having on my community and the rest of the country?

Sir Oliver Heald: As the hon. Gentleman is aware, I know Simon Hughes well, having been his opponent in the 1987 general election. I think that I am still the president of Bermondsey Conservatives.

Ms Angela Eagle: The only member.

Sir Oliver Heald: No, I deny that I am the only member—we have quite a few.

The Government have announced the timetable for the review, which has been welcomed. It was odd that Simon Hughes called for a review when he was the Minister, but it was a Liberal Democrat press release, and we all know about those.

Mr Speaker: The Minister's presidential duties are evidently not very onerous.

Amanda Solloway (Derby North) (Con): Pictures have recently emerged of people on the streets of Derby city centre that reveal the shocking effect of Black Mamba and the zombie-like state the drug can induce. The police

in Derby have been very proactive in taking a stance on this matter, but can the Secretary of State assure me that everything is being done to tackle the availability and use of this type of drug?

Elizabeth Truss: I completely agree with my hon. Friend about the effect that such drugs have on people both outside and inside prison. One of our key priorities was to roll out testing, which we did by September, to detect such substances and eliminate their use in prison.

T10. [909793] **Mr Stephen Hepburn (Jarrow) (Lab):** Under this Government, poor people have had their legal aid cut by 40% and thousands upon thousands of people have been denied an employment tribunal because they cannot afford it. Are the Government proud to be on the side of the rich, the powerful and the bad bosses?

Sir Oliver Heald: It is, of course, a union campaign to talk about employment tribunal fees. Let us be clear that the number of people taking up cases about the workplace has increased, not gone down—it is up to 92,000. Those people are being helped by a free service from ACAS, which the Labour party used to support. Fewer cases are going to tribunal because of the work of ACAS.

Tom Pursglove (Corby) (Con): Exclusion zones are an important tool to protect victims, but for those living on a county boundary, an exclusion zone that just covers the county is not particularly helpful. Will the Minister undertake to look into that?

Mr Gyimah: My hon. Friend does great work on behalf of victims in his constituency. He raises an important point about the way in which exclusion zones, which are there to protect victims, are designed and operated. I am sure that that is something we will look at in great detail.

Peter Kyle (Hove) (Lab): Websites such as Craigslist are being used by corrupt individuals to advertise free accommodation in return for sex. Does the Secretary of State agree that that is currently happening within the law and that a review needs to take place so that the people who are exploiting extremely vulnerable young women in that way face the full force of the law?

Elizabeth Truss: I agree with the hon. Gentleman that this issue is concerning and I am very happy to look at it.

Mr Philip Hollobone (Kettering) (Con): How many foreign nationals do we have in our prisons, and what steps are being taken to send them back to prison in their own country, at the expense of their own Governments?

Mr Gyimah: We are taking active steps to ensure that every foreign national who should be deported from our prisons is deported. Since 2010, 33,000 foreign nationals have been deported from our prisons. In 2016-17, a record 5,810 were deported, and I am sure that that progress will continue.

Mr Dennis Skinner (Bolsover) (Lab): Would we not be more reliably informed about justice if we were not hearing from a Tory Minister whose friend the Prime Minister has called a snap election on 8 June, about a

fortnight before the Director of Public Prosecutions was due to adjudicate on 30 Tory MPs who are being investigated for election fraud at the last election?

Elizabeth Truss: The Prime Minister is absolutely right to call a general election. We need strong and stable leadership of this country, and we need to ensure that the Prime Minister has a mandate to deliver for Brexit and beyond.

Andrew Selous (South West Bedfordshire) (Con): The all-party group on preventing modern slavery, chaired in an excellent manner by the sadly departing right hon. Member for Slough (Fiona Mactaggart), heard from the parents of a young man who had been imprisoned for 15 years as a slave. The culprits were sent to prison for only two and a half years. Will the Justice Secretary agree to speak to the Sentencing Council about the severity of sentences for those who imprison our fellow citizens as slaves?

Elizabeth Truss: First, I echo my hon. Friend in paying tribute to the right hon. Member for Slough (Fiona Mactaggart) for her work on modern slavery. I also pay tribute to our Prime Minister, who has made huge strides in putting people away for these heinous crimes. We are doing more, and I am working closely with the Home Secretary to make sure that we crack down on this further.

Imran Hussain (Bradford East) (Lab): In correspondence with the Criminal Cases Review Commission over recent months, I have repeatedly asked it to release and review crucial evidence that is vital to the case of one of my constituents. However, the CCRC has been less than helpful. As the deadline for the evidence to be deleted approaches, my constituent's chances of justice could be killed for good. Will the Minister step in to ensure that the crucial evidence is released and reviewed so that justice can be done?

Sir Oliver Heald: If the hon. Gentleman writes to me, I will certainly look at that.

Thangam Debbonaire (Bristol West) (Lab): The dedicated governor and staff at HMP Bristol do a brilliant job, but right now they are struggling with inadequate staffing ratios, prisoner use of the dangerous drug Spice, and poorly delivered privatised maintenance contracts. When will the Government give the prison in my constituency the tools it needs to do the job?

Elizabeth Truss: I can tell the hon. Lady that when I visited HMP Bristol I found some fantastically dedicated prison officers who are doing excellent work. We are investing £100 million to recruit 2,500 officers across the country, and we are on track with that recruitment.

Alison Thewliss (Glasgow Central) (SNP): In order to make a claim under the rape clause, a woman has to sign a form stating:

"I believe the non-consensual exemption applies to my child".

Will the Government explain how that can possibly be in the best interests of the child and in respect of our duties under the UN convention on the rights of the child?

Sir Oliver Heald: The hon. Lady does not seem to understand that this is about supporting victims of rape and domestic abuse. This approach is crucial to protect women who are faced with very difficult circumstances—*[Interruption.]* I am answering. As part of these reforms, we have made sure that the victims are able to use third sector professionals to endorse their claim while they receive support to help them to cope and recover. No Government have done more to help victims.

Several hon. Members *rose*—

Mr Speaker: Order. May we please have two short, one-sentence questions? That is what topical questions is supposed to be about.

Ruth Cadbury (Brentford and Isleworth) (Lab): Will the Justice Secretary have it in her heart to look into the case of Charlie Gard, a very sick eight-month old baby boy with a rare mitochondrial depletion condition who is legally unable to leave Great Ormond Street hospital to receive treatment in the US that might just save his life? His family are constituents of mine and my hon. Friend the Member for Feltham and Heston (Seema Malhotra), and they have raised £1.25 million to get Charlie to the United States. This is a complex legal case, but if the Justice Secretary has any powers to intervene I plead with her to do the right thing.

Mr Speaker: I will say in the hon. Lady's defence that there were probably a number of semi-colons in there, but I accept that this is a very important matter.

The Parliamentary Under-Secretary of State for Justice (Dr Phillip Lee): This case is particularly emotive and has been in the media. As I understand it, clinicians at Great Ormond Street have made a judgment on this case. I think that that should be respected.

Greg Mulholland (Leeds North West) (LD): Knowing the huge cross-party support for better justice for victims of criminal driving, will the Minister today commit to bring in the legislation that has been promised before the end of this year if the Government are re-elected?

Elizabeth Truss: I understand that the hon. Gentleman has been campaigning on this issue for some time, but we cannot make commitments as we are in purdah.

Points of Order

12.44 pm

Sue Hayman (Workington) (Lab): On a point of order, Mr Speaker. I seek your advice and guidance regarding parliamentary protocol in the case of a Member writing to another Member's constituents as part of an election campaign. The hon. Member for Copeland (Trudy Harrison) has written, as a Member of Parliament, to postal voters in my constituency on Conservative-branded paper ahead of the Cumbria County Council elections asking them to vote for the Conservative candidates. I know of postal voters in her own constituency who have not received any such letter from her.

This is the second time since her election to this place only two months ago that the hon. Lady has campaigned for the Conservative party in my constituency using her status as an MP without informing me. I did not make a fuss the first time as she was new to the House. However, she is now fully aware that in the British parliamentary system one Member represents a single constituency and conventions have developed so that one Member's relations with her constituents are very much a preserve that other Members should not interfere with.

I have had complaints from constituents, some of whom are now confused about who their Member of Parliament is. My constituency office is receiving phone calls from constituents who think that this must mean that the boundary changes have gone through and that I might no longer be their representative. As far as I am concerned, this is unacceptable. Mr Speaker, I would be grateful for your comments and advice on this serious matter.

The Minister for Courts and Justice (Sir Oliver Heald)
rose—

Mr Speaker: I will allow the Minister to respond to that point of order now.

Sir Oliver Heald: Further to that point of order, Mr Speaker. Has it not always been the case that if a Member writes, on Conservative party notepaper, a political message to anyone, that is in order, and that it is only a problem if someone represents themselves as an MP for a particular constituency using our stationery?

Sue Hayman *rose—*

Mr Speaker: I will allow the hon. Lady to respond briefly.

Sue Hayman: Further to that point of order, Mr Speaker. To clarify, the letters were signed "Trudy Harrison, MP", and across the top it said "MP". She described herself as an MP. [*Interruption.*]

Mr Speaker: Order. We cannot and will not have a debate on the matter. The hon. Lady was courteous enough to give me advance notice of her intention to raise this point of order, for which I thank her, and I have attended both to the substance of what she has said and to the remarks of the Minister.

I must say to the hon. Lady that, disquieting though the experience might have been, and relatively irregularly though it might occur, it is not clear to me that the hon. Member for Copeland (Trudy Harrison) has broken any convention. It is certainly a convention to notify

another Member of an intention to visit his or her constituency in a political public capacity. It is also a very well established convention that a Member of Parliament should not purport to represent or offer to represent people who are not her or his constituents. [*Interruption.*] Order. Writing, however, in a campaigning context on party notepaper, though it might not happen very frequently, is not—and I have some experience of these matters—a demonstrable breach of a long-standing convention.

I say to the hon. Lady, whose concern I treat very seriously, that I appreciate that concern, but it seems to me that courtesies between Members of the House, which are important, are best arrived at and adhered to by informal discussions between colleagues. It is not desirable that they should ritually be attempted to be resolved by being raised on the Floor of the House with the Chair. That is to say, to be clear, that they are not matters of order but matters of informal agreement and understanding. It is much better if such understandings can be reached between neighbouring colleagues.

Clive Lewis (Norwich South) (Lab): On a point of order, Mr Speaker. You have often stated from the Chair that answers to written parliamentary questions from Back-Bench Members from all parts of the House should be answered in both a timely and a substantive manner by Ministers. On 24 March, I tabled a named day question to the Parliamentary Secretary, Cabinet Office, the hon. Member for Kingswood (Chris Skidmore), asking, very simply, how much the Government had spent on advertising in the *Evening Standard* in the last financial year. Three days later, I received a holding answer. Now, over a month later, I still have not received a substantive answer. I am concerned that the Government might now simply be winding down the clock, with the intention of not providing an answer before we prorogue. The public might also draw the conclusion that they have something embarrassing to hide that they do not want to reveal during an election campaign. Is there anything you can do from the Chair, Mr Speaker, to encourage Ministers to answer such questions substantively this week, so that both Members of the House and the public can know the truth?

Mr Speaker: I am grateful to the hon. Gentleman for giving me notice of his point of order. I do appreciate his concern. The content of Ministers' answers is, of course, not a matter for the Chair. That is a matter exclusively for the Minister giving the response. However, the hon. Gentleman references my repeated exhortation to Ministers to provide timely and substantive responses, an exhortation in which I am regularly joined by the Leader of the House. Many Ministers attach a premium to adhering to that principle and expectation. I agree that it is unsatisfactory if the Government are unable to give a substantive answer to a named day question tabled well before Prorogation. No doubt the concern articulated by the hon. Gentleman has been heard on the Treasury Bench. In so far as he further seeks my advice, it is encapsulated in one sentence: the hon. Gentleman should seek to speak to the Leader of the House, sooner rather than later.

Rob Marris (Wolverhampton South West) (Lab): Nice semi-colon, there.

Mr Speaker: No semi-colon was required. I was deploying a number of sentences to try to attend to the substance of colleagues' inquiries, but I am always grateful to the hon. Gentleman for his observations, even when they are proffered in a disorderly manner from a sedentary position.

Mr Richard Bacon (South Norfolk) (Con): On a point of order, Mr Speaker.

Mr Speaker: I call Richard Bacon, whom I congratulate warmly upon his choice of tie.

Mr Bacon: That is extremely kind of you, Mr Speaker. This is the tie of Anglia Farmers, one of the largest buying co-operatives in the agricultural sector in this country. I gave one to the last Prime Minister and the last Chancellor of the Exchequer, in the hope that they would wear one on the Treasury Bench, but they have not so far done so.

I was only going to ask whether the hon. Member for Wolverhampton South West (Rob Marris) agreed with me that the semi-colon is a very fine thing and that it should be used more often.

Mr Speaker: I agree; the hon. Gentleman is an authority on the matter and on a number of other matters relating to language and syntax.

Unauthorised Overdrafts (Cost of Credit)

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

12.52 pm

Rachel Reeves (Leeds West) (Lab): I beg to move,

That leave be given to bring in a Bill to require the Financial Conduct Authority to make rules restricting the cost of credit for unauthorised overdrafts on bank accounts in certain circumstances; and for connected purposes.

I want to begin by urging all parties to include in their election manifestos a commitment to capping charges on unauthorised overdrafts. Following the great work by my hon. Friend the Member for Walthamstow (Stella Creasy), huge progress has been made on the charges faced by people who access finance through payday loans, with the introduction of a cap. Mandated by the Financial Services (Banking Reform) Act 2013, the Financial Conduct Authority has introduced a cap set at £24 a month for anyone borrowing £100 for 30 days. Millions of people are struggling with spiralling debts and overdrafts. They deserve to be protected from excessive charges and rip-off practices that only make their situations worse. We have seen from the payday loan cap that this can be achieved. Legislation would allow the FCA to implement a cap without delay or the risk of the banks taking the matter to the courts.

Imagine, Mr Speaker, that you are £200 overdrawn. It is not great, but as you have an overdraft arrangement with your bank that allows you to go £200 overdrawn without incurring charges, it will not cost you anything except for the interest. Then, imagine that a direct debit goes through and puts you into your unarranged overdraft. Unless you can quickly pay money into your account during any grace period, you will quickly start to rack up charges. Going as little as 10p overdrawn can mean charges of £5 a day from high street banks.

Research published in February by Which? found that consumers needing to borrow as little as £100 could be charged up to seven times more, or £156, by some major high street banks than the Financial Conduct Authority allows payday loan companies to charge when lending the same amount over the same period. Because bank overdraft charges apply to monthly billing periods, not the number of days that money is borrowed for, consumers who need £100 could pay up to £180 in fees if they borrow over two calendar months from their high street bank in the form of an unauthorised overdraft. The same applies if they go just a few pence over the overdraft limit. These charges are totally disproportionate to the offence committed.

Last year banks made £1.2 billion from charges on unauthorised overdrafts, mostly from financially vulnerable customers. These are customers who banks should be helping, not pushing further into the red. These are customers who the Competition and Markets Authority has labelled in its report a "captive audience" for the banks and their "uncomfortably high" charges. The CMA has described unauthorised overdraft charges as "the biggest single problem in the personal banking market".

Action needs to be taken.

StepChange Debt Charity estimates that 1.7 million people in the UK are trapped in an overdraft cycle and consistently use overdrafts to meet essential and emergency

costs. Too many vulnerable customers who are already struggling regularly have to go into an overdraft or over an overdraft limit, which can exacerbate their financial difficulties. Many hard-working families live constantly on their overdrafts, and those in chronic financial difficulties face impossible choices between meeting the costs of essential bills and going further overdrawn or over their overdraft limit. As fees and interest build up over time, these families find it increasingly hard to get out of their debt.

Last year StepChange surveyed its clients with overdraft debt to explore their experiences of overdraft charges. It found that people with overdraft debt who contact the charity regularly go over their overdraft limit. Almost two thirds—62%—of the people StepChange helps with overdraft debt regularly exceed their overdraft limit as they struggle to make ends meet, and on average they did so in five of the past 12 months. These borrowers face average charges of £45 a month for slipping into unauthorised overdrafts, which adds up to a massive £225 a year of unauthorised overdraft charges, and for many the charges are much higher.

StepChange has told me of two cases of vulnerable customers being unfairly pushed into debt spirals by the decisions of banks. The first is of a 42-year-old man who racked up overdraft charges after losing his job. Interest on his overdraft and persistent charges for going over his limit meant that, on average, £80 a month was added to his debt. Over a year, his overdraft debt increased by more than £1,000 because of interest and unauthorised overdraft charges. The second case is of a 38-year-old woman who faced spiralling overdraft debt after getting divorced. The increased burden of managing financial commitments on her own meant that she slipped into an unplanned overdraft by just £90. That led to a cycle in which she was consistently in and out of an unauthorised overdraft, which increased to £1,000 due to interest and charges. Those people, like so many others, were already in difficulty and trying to manage their debt from day to day.

Overdrafts are among the most widely used credit products in the market and form part of a worrying trend in our economy. Our savings ratio as a nation is now at a record low of 3.3%. Our household debt-to-income ratio is at 145%, up 6% in the past year. Unsecured debt has grown by 10% in just 12 months. I am worried about the sustainability of our personal finances and about a consumer demand too heavily reliant on debt and personal borrowing. The Government need to do more to ensure that our economy is not built on the shallow foundations of debt and overdrafts, but instead on investment and secure, decently paid jobs. Rising debt is symptomatic of a wider problem in our economy, which is reflected in growth levels and rising inequality. We need an economy that works for the many and not just the few, and a banking system that does the same.

Last year the Competition and Markets Authority published a review, which disappointingly fell short of

proposing an independently set maximum cap on the charges on overdrafts, as we have with payday loans. Instead, the report said that banks will be required to set their own ceilings on their unauthorised overdraft charges, in the form of a monthly maximum charge. However, most banks already have that—it might be £5 a day or £90 a month. The problem is not that there is not a voluntary cap; the problem is that we need a lower cap, set by the regulators and not individually by the banks. The monthly maximum cap proposed by the CMA will do absolutely nothing to stop the deepening of a person's debt crisis. Banks should be passing on the low bank rate to their customers, not punishing them with disproportionate charges.

Competition in this section of the market in personal banking is weak, and in the past few years it has become weaker still as a result of the merger of many high street banks. The recent troubles at the Co-operative Bank, which has lower charges than many others, could reduce competition further. As the CMA's review found, heavy unauthorised overdraft users are the least likely to switch bank accounts. Given the substantial revenues that unauthorised overdrafts generate for the banks, there is little financial incentive for them to lower their charges. I do not want to deny the banks the right to charge for the services that they provide, but what I am calling for is some fairness and proportionality. There are simply no great offers among the high street banks for financially vulnerable customers; in fact, the exact opposite is the case.

Most of us regard banks as more reputable and fair than payday lenders, so it is a bitter irony that it is a better deal for some people who need short-term credit to go to payday lenders rather than their high street banks. Banks need to improve their behaviour, and I urge them to step in and protect their customers. After the CMA effectively passed the buck to the Financial Conduct Authority, the FCA made the welcome decision to include this issue in its ongoing—and welcome—review of high-cost short-term credit, which will report later this year, but in order to take action, the FCA would benefit from a mandate from Parliament.

I urge the Government to support the Bill and make those changes a reality, to help the customers who are being ripped off by their banks. This cannot continue.

Question put and agreed to.

Ordered,

That Rachel Reeves, Stella Creasy, Wes Streeting, Helen Goodman, John Mann, Yvonne Fovargue, Chris Evans, Gloria De Piero, Stephen Hammond, Chris Philp, Sir David Amess and George Kerevan present the Bill.

Rachel Reeves accordingly presented the Bill.

Bill read the First time; to be read a Second time on Friday 12 May and to be printed (Bill 172).

Finance (No. 2) Bill

Considered in Committee (Order, 24 April)

[MR LINDSAY HOYLE *in the Chair*]

Clause 1

INCOME TAX CHARGE FOR TAX YEAR 2017-18

Question proposed, That the clause stand part of the Bill.

The Chairman of Ways and Means (Mr Lindsay Hoyle): With this it will be convenient to discuss the following:

Clauses 2 to 6, 16 to 47, and 52 to 56 stand part.

Government amendments 13 to 29.

That schedule 3 be the Third schedule to the Bill.

Government amendments 30 to 56.

That schedules 4 to 15 be schedules to the Bill.

1.3 pm

The Financial Secretary to the Treasury (Jane Ellison): I will speak briefly, as we have a fair amount to get through this afternoon. Obviously, I shall attempt to address any points that are made during the debate.

The Bill is progressing on the basis of consensus and therefore, at the request of the Opposition, we are not proceeding with a number of clauses. However, there has been no policy change. These provisions will make a significant contribution to the public finances, and the Government will legislate for the remaining provisions at the earliest opportunity, at the start of the new Parliament. The Government remain committed to the digital future of the tax system, a principle widely accepted on both sides of the House. We recognise the need for the House to consider such measures properly, as called for by my right hon. Friend the Member for Chichester (Mr Tyrie) and his Treasury Committee. That is why we have decided to pursue those measures in a Finance Bill in the next Parliament, in the light of the pressures on time that currently apply.

Clauses 1 and 3 provide for the annual charging of income tax in the current financial year and maintain the basic, higher and additional rates at the current level. The annual charge legislated for in the Finance Bill is essential for its continued collection, and it will enable the funding of vital public services during the coming year. Maintaining these rates, while increasing the tax-free personal allowance and the point at which people pay the higher rate of tax, means that we are delivering on important manifesto commitments. On top of that, as of April this year, increases in the personal allowance since 2010 will have cut a typical basic-rate taxpayer's income tax bill by more than £1,000, taking 1.3 million people out of income tax in this Parliament alone.

Clause 4 will maintain the starting-rate limit for savings income—applied to the savings of those with low earnings—at its current level of £5,000 for the 2017-18 tax year; clause 6 will charge corporation tax for the forthcoming financial year; and clauses 17 and 18 will make changes in the taxation of pensions. Clause 18 legislates for a significant anti-avoidance measure announced at the spring Budget. It will make changes

to ensure that pension transfers to qualifying recognised overseas pension schemes requested on or after 9 March 2017 will be taxable. The charge will not apply if the individual and the pension savings are in the same country, if both are within the European economic area or if the pension scheme is provided by the individual's employer.

Before the changes were announced in the spring Budget, an individual retiring abroad could transfer up to £1 million in pension savings, without facing a charge, to a pension scheme anywhere in the world provided that it met certain requirements. Overseas pension transfers had become increasingly marketed and used as a way to gain an unfair tax advantage on pension savings that had had UK tax relief. That was obviously contrary to the policy rationale for allowing transfers of UK tax-relieved pension savings to be made free of UK tax for overseas schemes. This charge will deter those who seek to gain an unfair tax advantage by transferring their pensions abroad. Exemptions allow those with a genuine need to transfer their pensions abroad to do so tax-free.

Clause 17 will make various changes in the tax treatment of specialist foreign pension schemes to make it more consistent with the taxation of domestic pensions.

Clause 21 will simplify the payment of distributions by some types of investment fund. Following the Government's introduction of the personal savings allowance, 98% of adults have no tax to pay on savings income. In line with that, the clause will remove the requirement to deduct at source tax that must subsequently be reclaimed by the saver.

Clauses 45 to 47 provide for the removal of the tax advantages of employee shareholder status for arrangements entered into on or after 1 December 2016, in response to evidence suggesting that companies were not using the status for its intended purpose and that it therefore was not delivering value for money. The status was introduced to increase workforce flexibility by creating a new class of employee, but it became apparent that it was being widely used as a tax planning device, rather than for its intended purpose of helping businesses to recruit.

Evidence suggests that companies, particularly those owned by private equity funds, were using employee shareholder status as a tax-efficient way to reward senior staff. In many cases, contract provisions were used to replace the statutory rights that had been given up, which was undermining the purpose of the status. That continued to be the case despite the introduction of the £100,000 lifetime limit on capital gains tax-exempt gains in the 2016 Budget. The Government therefore announced in the 2016 autumn statement that they would remove the tax reliefs associated with the status and close the status itself to new arrangements at the next legislative opportunity. The action that we are taking tackles abuse and increases the fairness of the tax system.

Peter Dowd (Bootle) (Lab): I thank the Minister for her opening remarks about consensus, with which I fully concur. We are here today to debate what is effectively a condensed version of the Bill for which my colleagues and, indeed, everyone else had been preparing, with a view to taking part in a number of Public Bill Committee sittings over a number of weeks to scrutinise

properly the longest Finance Bill that has ever been produced. That is the context in which I shall make my comments.

The Prime Minister's announcement outside No. 10 and the subsequent vote mean we do not have sufficient time in this Parliament to give the full Bill the proper parliamentary oversight it requires and deserves, as I am sure Members will understand. It is clear that the Treasury was unaware of the Prime Minister's plans for a snap election—otherwise, it would not have introduced the longest ever Finance Bill—but the Opposition recognise the unique scenario we are in and the Government's responsibility to levy taxes, and I am sure the Minister recognises our responsibility to scrutinise the Bill in as open and transparent a manner as we possibly can. That is why we have acted in good faith to ensure that a version of the Bill can pass before Parliament is dissolved.

Our approach to the pre-election process and the presentation of the condensed version of the Bill has been underlined by two concerns: fiscal responsibility balanced against parliamentary scrutiny. The Opposition have a responsibility to taxpayers to ensure as little economic disruption as possible; we will therefore not attempt to block any measure in the Bill that has to be passed to ensure business as usual for our public services, such as on income tax, and nor will we obstruct tax that is already in the process of collection. But of course we cannot give the Government *carte blanche*, as we have made clear.

There are many clauses in the Bill that we can and should wait to deal with until after the general election, as that would provide the opportunity for them to be properly scrutinised. The one exception is the soft drinks levy, which I will speak about later.

In relation to alcohol duty, the Bill includes measures that have already been implemented but that we opposed in the Budget resolutions. They include the Government's decision to raise alcohol duty in line with inflation, raising the price of a pint of beer by 2p, a pint of cider by 1p and a bottle of Scotch whisky by 36p. As I said on Second Reading, rising business rates and rising inflation are creating a perfect storm for many small businesses. Therefore, the decision to raise this duty is a risk.

Another measure that we would have liked to avoid but that is included as a result of the necessity of the compressed process that this Bill is going through is the rise in insurance premium tax. It has already been doubled and this raises it further. Had there been a longer process, we would have sought to challenge that, as we did at the Budget resolution stage, so there is no surprise in this, but the reality is that the measure is already in effect due to the resolutions.

On tax avoidance, it is time for a wholesale shift in how we approach taxation and the treatment of self-employment given the rise of the gig economy in recent years. The Bill originally contained a number of initiatives, and no doubt we will come back to them in due course.

I welcome the Minister's statement on the digitalisation of tax. It will be a great relief to many small businesses given the onerous requirements for quarterly reporting. No one is against a move to a digital tax system, but we do not agree with the rush to implement it.

A large portion of the Bill relates to the introduction of the soft drinks industry levy, which the Government have consulted on heavily and on which they have

cross-party support in this House. The levy has popular public support, too, as a poll has indicated. I want to take this opportunity to pay particular tribute to Jamie Oliver and the Obesity Health Alliance, who have campaigned tirelessly on this issue and on the need for a joined-up Government obesity strategy, and I must compliment the Minister, who in her current and previous roles has been a strong advocate for the levy. We would like to see a review of the sugar tax levy in due course, if possible. The Minister might well wish to comment on that. I am sure that a range of issues, such as in relation to multi-buy discounts, could form part of this.

In conclusion, as a responsible Opposition, we will not stand in the way of passing a Finance Bill before the election, as that is a necessity. There are some measures that a Labour Government would bring back, and we will have an opportunity to scrutinise them in due course, but we need to get this through and we need to be responsible, and we will support the Government where required.

Several hon. Members *rose*—

The Chairman of Ways and Means (Mr Lindsay Hoyle): Order. I am about to call the hon. Member for Copeland (Trudy Harrison), but first I remind the House of the courtesy that we do not intervene on a maiden speech.

1.15 pm

Trudy Harrison (Copeland) (Con): I am grateful for this opportunity to deliver my maiden speech as the newly elected Member of Parliament for Copeland, in what is one of the last debates of this Parliament.

First, I would like to pay tribute to my predecessor, Jamie Reed, who was the Member for Copeland from 2005 until he stood down in January this year. It is, in fact, Jamie whom I have to thank for inspiring my introduction to politics. The very first parliamentary debate I ever watched was a Westminster Hall debate called by Jamie and also attended by other Cumbrian Members—my hon. Friend the Member for Penrith and The Border (Rory Stewart) and the hon. Member for Westmorland and Lonsdale (Tim Farron)—to discuss the future of my children's school, Captain Shaw's in Bootle. I saw the positive impact that MPs in Westminster could have on their local communities and the powerful influence of their support, even in remote areas, which I had previously felt would never be anyone's political priority.

Like me, Jamie was born, raised and educated in Copeland, in the fine Georgian harbour town of Whitehaven. He has served the people of Copeland with great talent and dedication. As the elected Member, he worked hard for the rural communities he represented and placed a strong emphasis on improving health and education. In announcing his decision to stand down last December, he said he could achieve more for our community by returning to work in the nuclear industry at Sellafield than by remaining a Labour Member of Parliament.

Jamie was a relentless, proud supporter of our local industry; he championed the world-class specialist skills that make up our towns and villages. He worked hard to make the case for Copeland to host the new nuclear power station, Moorside, adjacent to Sellafield, based

[Trudy Harrison]

on the strong belief that our workforce are best placed to power the northern powerhouse; after all, Copeland welcomed the world's first nuclear reactor at Sellafield back in 1950. Our local knowledge, experience and skills in the nuclear and other highly regulated industries are internationally recognised and respected.

Sellafield's safety record is exceptional, and it is seen as an example of outstanding performance across the globe. Jamie said that Copeland's "best days are ahead", a statement I agree with and will quote many times. I would like to take this opportunity to thank Jamie for his commitment to Copeland and wish him all the very best in his new role in community development at Sellafield.

Copeland has for centuries pioneered a modern industrial strategy. Our largest town, Whitehaven, was once Britain's third largest trading port, with an extraordinary shipbuilding reputation thanks to the locally grown, hard-as-nails oak trees used to build the boats. Our ancestors sailed the world, securing deals, and returning with goods which created a crucial global trading centre. Perhaps that is why the Copeland constituency voted to leave the EU with such a high majority: because history provides confidence in our ability to export our knowledge and products across the globe.

Like true pioneers we do not stand still; innovation is in our veins. As shipbuilding and rum sales declined, we dug deep for prosperity. Mining transformed the towns of Egremont, Cleator Moor and Millom; indeed, Millom was widely regarded as an exporter of the world's highest quality iron ore.

But we are perhaps best known in Cumbria for a delightful little rabbit, Peter Rabbit, and his friends Mrs Tiggywinkle and Squirrel Nutkin, to name just three of Beatrix Potter's adorable characters. Writers, artists and poets have found inspiration in the beautiful Cumbrian countryside. Wordsworth was sent, under doctors' orders, to my home village of Bootle, to aid his recovery from a chest infection. With 32 miles of coastline in the Copeland constituency, our air and our landscape are good for the soul.

Three quarters of the Copeland constituency is situated within the Lake District national park boundary, which I hope will become the second world heritage site for the Copeland constituency, complementing that of Hadrian's Wall in Ravenglass. We eagerly await a decision in July to confirm another world first—the first UNESCO world heritage site to include an entire national park—thanks to a 20-year project by the Lake District National Park Authority and local communities to put Cumbria on the same international must-visit platform as the Taj Mahal and the great barrier reef.

I was brought up in Seascale, and then I moved to Wasdale, where I would open my curtains every morning to reveal Britain's best view: England's highest mountain, Scafell. Well before wild swimming was trendy, my childhood weekends would be spent paddling in Wastwater, England's deepest lake. It is easy to see why Wasdale was the birthplace of mountaineering, and why the beautiful market town of Keswick enjoys such popularity with its annual mountain festival. That is one of the many festivals enjoyed in the Keswick community calendar.

Although the Lakeland topography is the result of glacial formations, our landscape and cultural heritage, for which we are internationally celebrated, are of course

man-made. It is vital to support and protect our farming industry, both upland and lowland, to ensure that we can all benefit from quality food production, the highest standards of animal welfare, conservation and our enormously successful tourism industry, on which Copeland is so dependent.

I could not give my maiden speech without acknowledging that I would not be standing in this House today if it were not for the fantastic and unwavering support of my family, friends, community and local association. My husband Keith, my parents, my brother and my daughters—Gabrielle, Savannah, Francesca and Rosemary—have been incredible towers of strength. From the moment I decided to stand, they were there with me, campaigning, delivering leaflets and knocking on doors. My girls have become quite the persuasive activists, and it has been wonderful to see their interest in politics grow.

Having four teenage daughters aged 14, 15, 17 and 18, I was delighted to tip the balance between all history's women Members and the current number of male Members, equalling it at 456. There was a change of reference in my Mother's day cards this year, however. Gone were the thanks for the practical tasks of washing, cooking, cleaning and generally being there. Instead, each one referred to a theoretical role, referencing inspiration and pride. That is what a by-election does to family life, and you can only imagine their comments about another round of doorstep challenges! It is, after all, our children and young people who motivate us to secure a bright future for Britain and inspire the next generation of leaders.

I watched my right hon. Friend the Prime Minister's speech at the Conservative party conference last year and I was so impressed by her strength and commitment to deliver for Great Britain. Her ambitions for our country resonated with my own. As she spoke, I said to myself, "That's me, that's who I am, that's what I want for my community and for my country." I stood for Parliament because I want to get on and make things happen. I want to be part of a proactive, positive team that makes a tremendous difference to my community: the land of Copeland glory.

My husband and I moved from Whitehaven in the north of the constituency to Bootle, a small village in the south of Copeland, to raise our young family. Our move was motivated by a desire for our girls to attend a village primary school, and in Captain Shaw's we found our perfect, quintessential Lakeland school. In 2006, I discovered that the school was really struggling to make ends meet. It desperately needed extra funding so I joined the parent teacher association. I soon realised that the problem was a decline in pupil numbers, so I joined the governors. Then I learned that the whole village was declining: we had lost 20 businesses in 20 years. I then applied for the position of regeneration officer at my local borough council, where I realised that the challenge was far more extensive.

Copeland desperately requires investment in infrastructure to be able to thrive. Both professionally, working for the council, and personally, working with the can-do people in my community, I worked to shape policy, giving our planning authority the option to be either the nail in our coffin or the key to our future. We trailed the streets and lanes, collecting and providing the necessary evidence to shape the strategic vision for

Bootle, which would become a beacon of hope to other rural communities. We worked hard to secure the Lake District national park's biggest ever mixed-use planning application for Wellbank, a former 12.5 acre Ministry of Defence base. Wellbank will bring 50 homes, a hotel and enterprise areas, and it will attract public and private investment. For Bootle, that will mean an extra 64 homes, new businesses and, when complete, £20 million of inward investment.

I stood in the Copeland by-election to really make a success of the modern industrial strategy, to be an asset to the northern powerhouse and to realise our full potential as a centre of nuclear excellence and global exporter of knowledge and products. Copeland needs investment. I know that as a pioneering, hard-working and innovative community, we can succeed with the Government's support. We have people with the skills, the potential, the essential natural resources and a landscape where people love to live, work, learn and invest. We have every reason to be optimistic and to become an asset to the country's economic performance and world-leading reputation. Copeland is on the brink of the most exciting, game-changing transition, but we need investment to kick-start that transition.

Throughout the election, I campaigned on six vital points. First, I campaigned to make a success of Brexit, as 62% of my constituents voted to leave. Secondly, I campaigned to secure nuclear new build at Moorside benefiting both Copeland and the country. Our Government must commit seriously to new nuclear, now more than ever, if we are to attract international investment. Thirdly, I campaigned to bring our road and rail networks up to modern standards, as they are simply not fit for the modern industrial strategy. Our infrastructure is holding back our ability to diversify and thrive. Fourthly, building resilience against flooding, which wrecks lives and livelihoods, is also essential.

Fifthly, access and connectivity will be key enablers, particularly in our rural area, if we are really going to trade and compete in a global marketplace. Improving mobile and internet connectivity will make a huge difference to our quality of life and our ability to do business in a global market. It will ensure a bright future for our children and young people, and the announcement in the spring Budget supporting an enormous increase in technical apprenticeships is wonderful news for a practical, skilled community such as mine.

Sixthly, I campaigned to secure services. Ensuring that we keep our 24-hour, seven-day-a-week, consultant-led maternity department at West Cumberland hospital in Whitehaven has been one of my key aims throughout my election campaign and as a Member of Parliament. I was born at that hospital and all four of my daughters were born there too. My community has clearly demonstrated the importance of retaining such an essential service. In my first weeks as an MP, I have been able to meet my right hon. Friend the Secretary of State for Health and I have visited the hospital to see the new wards for myself and to meet the staff. I have talked to clinicians and management in order to understand the barriers to having fully operational departments in the future. We now have a fully staffed maternity department, the trust has been removed from special measures and, in addition to the £90 million already invested by this Government, we have secured the funding for the final phase of the hospital's construction.

Supporting a further recruitment drive with Choose Cumbria is also my priority. Positive action, listening to concerns, tackling problems head on and working with the can-do people in our community who really care—all these have been my mantra for many years. I will continue to strive enthusiastically, because I believe passionately in Copeland, its people and its potential.

Turning to today's debate on the Finance Bill, I have seen that this Government are the only Government who can deliver a stronger, more secure economy. The economy is getting stronger and growing, the employment rate is at a record high and the deficit has been reduced enormously since its pre-financial crisis peak. We are in a much stronger position than in 2010, but I recognise that we must not be complacent. We must continue to reduce the country's debt and the deficit even further. We cannot, as previous Labour Governments did, borrow endlessly to plug holes. We need to get the public finances in good order to safeguard the future—the future I want for my daughters and their generation.

Finally, Copeland has been my home since I was born. It is an area I know and love. The opportunity to represent the communities I grew up in as their Member of Parliament is truly a great honour, and I will ensure that the voice of our towns and rural communities is heard loud and clear. I am utterly committed to Copeland, and I will fight hard to deliver on promises made to my constituents during the election.

I am extremely grateful for the time I have been allowed and for the opportunity to deliver my maiden speech in this debate.

The Chairman of Ways and Means (Mr Lindsay Hoyle): I invite the hon. Lady to join the all-party group on rugby league, as Whitehaven have a great reputation.

1.30 pm

Kirsty Blackman (Aberdeen North) (SNP): I warmly welcome the new hon. Member for Copeland (Trudy Harrison) to what is left of this short Parliament. I am particularly pleased that we have finally broken the barrier of the number of women who have been elected—I am really delighted that that has happened. As a child I holidayed in her constituency, and I fondly remember visiting where Beatrix Potter created her animals and the Beatrix Potter museum. I can see the passion with which the hon. Lady speaks about her constituency and the amount she obviously cares about the area in which she was born and bred. She is a truly local MP, so I offer her a huge welcome to the House. Who knows whether she, or any of us, will be coming back in June? But welcome, anyway.

This first group of measures addresses income tax, but I will also comment on the way that the Bill is progressing through Parliament. With the surprise announcement of a general election, the Bill looks rather different from when it was first introduced. I am sure the Minister is in a similar position, but we received provisional notification of the amount of withdrawals and changes only last night, so there will not be the normal level of scrutiny of some things in the Bill. There will possibly also be slight confusion in today's proceedings, given that so many things are being withdrawn.

[Kirsty Blackman]

I welcome the Government's withdrawal of the dividend tax threshold changes, which we argued against on Second Reading. I am pleased that they have chosen to do that because it was a particularly contentious part of the Bill. More generally on the income tax changes, I have said previously and am happy to state again that I appreciate the Government's increases to the personal allowance and the minimum wage. But I have said previously and say again that the Government have not gone far enough. We have a national living wage, but there has been no calculation of whether people can live on it.

Alison Thewliss (Glasgow Central) (SNP): Does my hon. Friend agree that the national living wage is not actually a real living wage but a pretend living wage and that it does not go far enough in that it is available only to people over the age of 25?

Kirsty Blackman: I agree that it is a real problem that this increased minimum wage does not apply to people under 25. Just because a person is under 25 does not mean they are doing any less of a job than a person over 25, and the minimum wage should apply to them just as much as to those who are older.

The other issue is that the tax credit changes more than balance out the extra money people are getting from the increased minimum wage and personal allowance. People at the bottom of the pile are worse off as a result of the Government's decisions. Despite the Government's talk about how great the new personal allowance and the new minimum wage are, they have to be considered in context. People who work are worse off as a result of the tax credit changes.

More generally, the Government have made a few suggestions on the taxation of self-employment, some of which have been withdrawn and some of which have not. They intend to try to equalise the taxation of employment and self-employment. However, what is missing is that people in self-employment do not receive the same benefits as people in employment, such as maternity leave and holiday entitlement. I have argued before and will argue again that if the Government are making changes to self-employment, they need to do so in the round. The need to stop this piecemeal tinkering and consider the whole situation. They need to do a proper review and come back with the results, and then consult on any changes. Rather than pulling rabbits out of hats—changing national insurance contributions with very little consultation, for example—they need to consult properly on how taxation should look for individuals, whether they are employed or self-employed.

I appreciate that the Government are undertaking the Taylor review, but I am not sure it goes far enough. I would like to see the Taylor review, or a future Government review, take self-employment into account in the round by considering all the factors that face the self-employed. We need to remember the changes in the self-employment landscape in recent years. We have seen a massive increase in the number of women and older people in self-employment, and the Government's changes do not take into account the changes in that landscape. I would like to see a holistic approach, rather than a tinkering approach.

That is all I have to say on this group but, again, I welcome the Government's withdrawal of the dividend tax threshold changes.

Mr Andrew Smith (Oxford East) (Lab): I also congratulate the hon. Member for Copeland (Trudy Harrison) on a fine maiden speech and thank her for her well-deserved compliment to her predecessor on his service. She spoke with passion, wit and understanding of her beautiful constituency, as well as of Peter Rabbit. None of us envies her speedy transition from by-election to general election, but I do congratulate her.

I made my maiden speech to this House on the remaining stages of the 1987 Finance Bill, so there is a certain symmetry in my making my last remarks on this one. On the substance of the Bill, it is too often overlooked—the hon. Lady talked about balancing public spending—that, although the Conservative party often talks about balancing the budget, the last Government to do so were Labour in 2001-02. Right now, it makes sense to invest more in productive infrastructure, training and public services, with action to combat poverty and to secure Brexit terms that enable our country to grow and flourish. I wish we had a Finance Bill for social justice that stands up for the many, not the few. That is what we need a Labour Government for.

It has been a privilege to be an MP, in and out of government, and I thank the staff of the House, the Library, those who keep us safe and you, Mr Hoyle, and your colleagues. I am grateful to all colleagues and wish them well for the future.

I would like to say a huge thank you to all those who have helped me serve the wonderful constituency of Oxford East for 30 years; my family and friends; my neighbours in Blackbird Leys; our party members and supporters; my trade union, the Union of Shop, Distributive and Allied Workers; my office staff and party organisers across the years; and, most of all, my constituents. Thank you.

The Chairman of Ways and Means (Mr Lindsay Hoyle): I wish you well in your retirement.

George Kerevan (East Lothian) (SNP): May I, too, thank the new hon. Member for Copeland (Trudy Harrison) for such a passionate and entertaining speech? It is good to have a representative of the land of Beatrix Potter here in this Chamber. I listened to her last points about the deficit and her encomium that this Government are bringing it down. I will be slightly wicked in saying that I am sure she knows that the Office for Budget Responsibility is forecasting a rise in Government borrowing this financial year, and she might care to ask why that is the case.

I have one specific question for the Minister on this group, as her introduction notably failed to explain why clause 5 has been withdrawn. That clause deals with the proposed reduction in the dividend income that investors in small companies can take. Are the Government embarrassed by the clause and is that why it is being withdrawn?

Question put and agreed to.

Clause 1 accordingly ordered to stand part of the Bill.

Clauses 2 to 4 ordered to stand part of the Bill.

Clause 5 disagreed to.

Clause 6 ordered to stand part of the Bill.

Clause 7

WORKERS' SERVICES PROVIDED TO PUBLIC SECTOR THROUGH INTERMEDIARIES

Question proposed, That the clause stand part of the Bill.

The Chairman of Ways and Means (Mr Lindsay Hoyle): With this it will be convenient to discuss the following:

Clauses 8 to 15 stand part.

Government amendment 4.

Clauses 48 to 51 and 124 to 127 stand part.

Government motion to transfer clause 127.

Clauses 128 and 129 stand part.

Government amendment 10.

That schedule 1 be the First schedule to the Bill.

Government amendments 11 and 12.

That schedule 2 be the Second schedule to the Bill.

Government amendment 57.

That schedules 16 to 18 and 27 to 29 be schedules to the Bill.

New clause 1—*Review of international best practice in relation to tax avoidance and tax evasion*—

(1) The Chancellor of the Exchequer must, within two months of the passing of this Act, commission a review of international best practice by Governments and tax collection authorities in relation to—

(a) the prevention and reduction of tax avoidance arrangements, and

(b) combatting tax evasion.

(2) A report of the review under subsection (1) must be laid before the House of Commons within six months of the passing of this Act.

(3) In this section, “tax avoidance arrangements” mean arrangements broadly comparable in their effect to arrangements in the United Kingdom which have the obtaining of a tax advantage as the main purpose, or one of the main purposes, of the arrangements.”

Jane Ellison: Before I say something about this group, I wish to comment on the maiden speech and on the retirement speech that we just heard. It was a real honour to be here in the Chamber for the maiden speech by my hon. Friend the Member for Copeland (Trudy Harrison). She told us what inspired her, but she also reminded many Conservative Members of how she inspired us to make the journey up to her beautiful constituency in the knowledge that we were supporting an outstanding woman who is rooted in and passionate about her community. She was generous about her predecessor, which was nice to hear. I had many friendly dealings with Jamie Reed when he was a Labour shadow Health Minister and I was in the Department of Health, so I welcome her comments. It was a wonderful maiden speech and I look forward to many more speeches from her in the future, and I wish her and her long-suffering family well for the weeks ahead. She spoke with conviction about the contribution of nuclear power, but I think that in the forthcoming campaign it will be girl power to the fore.

It is always nice to hear Members reflect on their time in this House and the way they have served. As the right hon. Member for Oxford East (Mr Smith) noted, he has had a nice bookending, with a Finance Bill debate at the

start and a final contribution on Treasury matters. Of course, he also paid tribute to his constituents. I am sure that in these circumstances one has a bit less time than one thought to do a round of goodbyes, but I am sure he will continue to be active in his community. I congratulate him on his speech and thank him, on behalf of all hon. Members, for his service to the House.

This group deals with the taxation of employment income, and contains some clauses addressing tax avoidance and evasion. There are a number of clauses and schedules in this group, including a new clause from the hon. Member for Aberdeen North (Kirsty Blackman), but I am going to focus my remarks on clause 7 and schedule 1, which refer to workers' services provided to the public sector through intermediaries and which might be of interest to Members. I will, of course, address any other areas in the course of the debate.

Clause 7 and schedule 1 reform the off-payroll working rules—also known as the intermediaries legislation, or IR35—for individuals working in the public sector. The tax system needs to keep pace with the different ways in which people are working. As the Chancellor set out at both the autumn statement and the spring Budget, the public finances face a growing risk from the cost of incorporations. Indeed, the Government estimate that by 2021-22 the cost to the Exchequer from people choosing to work through a company will be more than £6 billion. A not insignificant part of that cost comes from people who are working through their own personal service company but who would be classed as employees if it were not for that company. The off-payroll working rules are designed to ensure that where individuals work in a similar way to employees, they pay broadly the same taxes as employees. However, non-compliance with these rules is widespread, and Her Majesty's Revenue and Customs estimates that less than 10% of those who should operate these rules actually do so. As a result, more than £700 million is lost each year across the economy, of which about 20% relates to non-compliance in the public sector. This is neither sustainable nor fair, and we believe that public authorities, in particular, have a responsibility to taxpayers to ensure that the people working for them are paying the right amount of tax.

1.45 pm

It is right that individuals doing the same job should be taxed in a similar way, regardless of whether or not they are working through a company. The changes being made by clause 7 and schedule 1 address this non-compliance in the public sector. They move responsibility for determining whether or not the off-payroll working rules apply, shifting it to the public authority that the individual is working for, from 6 April 2017. They also make the public authority, agency or other third party that pays the individual's company responsible for operating PAYE on those payments. This will improve compliance with the rules, raising £190 million a year by 2021-22. It is important to note that the reform does not introduce a new tax liability, nor does it affect the genuinely self-employed; the change will simply ensure that the current rules are applied as intended.

To provide certainty and clarity where it is needed, HMRC has worked extensively with stakeholders to develop the new digital “Check employment status for tax service”, which public authorities can use to help

implement the changes. That service has been live since last month, and it has now been used many thousands of times—more than 273,000 times—to assist people in applying the off-payroll rules.

Kirsty Blackman: People have told me that no matter what information they have put in, they have always been told that they have to pay more tax than they were expecting. Concerns have been raised with me about that online tool and its shortcomings, and about the fact that HMRC is always asking people to pay a level of tax that they think is wrong or too high.

Jane Ellison: Given where we are in this Parliament, the best thing the hon. Lady can do is to send details on that, immediately and before Dissolution, so that HMRC can look at the factual issues. I am surprised by what she says, but let us ask HMRC to look at the practical issues she raises—while we are off doing other things, it can perhaps look at those if she supplies the information in the next few days. HMRC has worked with the Cabinet Office Crown Commercial Service to produce guidance for public authorities and has supported them to implement the changes.

Government amendment 10 is a technical one to ensure that the reform only applies to the public sector, as set out in the Government's original announcement.

In conclusion, the Government believe it is essential to ensure that public funds are used correctly and that those in receipt of them are paying the correct amount of tax. The changes being made by clause 7 and schedule 1 will improve compliance with the tax rules, raising a substantial amount of revenue by 2021-22. I therefore ask Members to support this clause and schedule, along with clause 8, schedule 2, clauses 11 and 48, schedule 16 and clause 127.

Kirsty Blackman: I wish to discuss the issues raised in this group, including by my new clause 1. The Minister has covered the IR35 issues in some detail, but the Scottish National party still has real concerns about these changes. Just the other day somebody told me that they are no longer bidding for public sector contracts as a result of the tax changes made on IR35. That is a real concern, which we have raised before, particularly in the context of rural communities. In some of our most rural communities, people such as teachers, doctors and nurses are employed through intermediaries, and for very good reasons: it is sometimes difficult to get people to come to some of the most rural parts of Scotland. We are concerned that this move is going to have a real disadvantageous effect, particularly for rural communities that rely on teachers, doctors and other individuals working in the public sector who are employed through intermediaries. I understand that it is already having an effect, but it would be interesting, and I would very much appreciate it, if the Government let us know what difference it has made, not only to the tax take, but to our communities. Having read through the Government's document on the impact of the tax changes, called OOTLAR—the overview of tax legislation and rates—I do not think they have recognised the impact the changes could have on communities, so it would be interesting to see what that impact is. The change has already been made and people are now working under it, so I imagine that within six months or so we will be able to see the outcomes and whether or not there is a disadvantage.

New clause 1 is on tax avoidance, which the Scottish National party has spoken about at length in this Parliament, and about which we will continue to speak at length. Tax avoidance is a real concern and contributes to the UK tax gap, which is £36 billion. Back in 2014, Credit Suisse published a report suggesting that larger countries such as the United Kingdom struggle to get people not to avoid tax. Smaller countries are much better at it—I am just pointing that out. The new clause would require the Chancellor of the Exchequer to review within two months international best practice in relation to the prevention and reduction of tax avoidance arrangements and combating tax evasion, and to publish a report of the review. We are asking for that because we do not think that the United Kingdom is the best place in the world at tackling tax avoidance. It is certainly not the best place in the world at all the different ways of tackling tax avoidance; we could learn a huge amount from what different countries are doing. The new clause would be a sensible way forward, so I hope the Government are keen to accept it.

Something else we have mentioned in relation to tax avoidance is the protection of whistleblowers. Some whistleblowers tend towards having poor health as result of their whistleblowing. It is really important that people are encouraged to come forward if they see problems, and that we are making it as easy as possible for them to do so, because we need people to be whistleblowers. We need them to tell us where practice is going wrong and where tax dodging is happening. We would support the Government in any action they take to encourage whistleblowers and to create a better environment in which they can come forward.

Lastly, there has been talk of the possibility of the United Kingdom becoming a tax haven after Brexit. We absolutely reject the notion that after Brexit the United Kingdom should reduce all taxes to nearly nothing. For a start, that just does not work if we want to have public services such as the NHS—

Patrick Grady (Glasgow North) (SNP): Some of them do not, though.

Kirsty Blackman: I hope everybody present is supportive of the NHS, but I get why my hon. Friend has the impression that some people are not. We need our NHS to continue to be supported, and for that we need taxes to continue to come in.

Nigel Huddleston (Mid Worcestershire) (Con): Does the hon. Lady agree that the focus should be on maximising the tax take? A reduction in tax rates can actually lead to an increase in the tax take.

Kirsty Blackman: I agree that the focus should be on maximising the tax take, but I would go about it in a slightly different way by trying to encourage companies and individuals and by encouraging the economy to grow. I would try to get people back into more productive jobs in order to increase productivity. The Government have mentioned increasing productivity, which is something we have been pretty good at doing in Scotland in recent times; our productivity increase has been significant and much higher than the productivity increase south of the border. Those are the measures I would start with to grow the economy.

Mr David Nuttall (Bury North) (Con): Will the hon. Lady give way on that point?

Kirsty Blackman: I was just about to finish.

Mr Nuttall: We have hours.

Stephen Pound (Ealing North) (Lab): That's not a challenge.

Mr Nuttall: Well, we have plenty of time. I am grateful to the hon. Lady for giving way. Does she not agree that by reducing taxes, particularly corporation tax, in this country, we are more likely to attract inward investment and new companies from around the globe to this country, thereby producing the taxes to pay for our public services?

Kirsty Blackman: I do not believe that there is a huge amount of evidence for that. When companies are looking at where to base their headquarters and their staff, corporation tax does not feature all that high up the list. They are looking for good infrastructure, schools and support for individuals in the community. Corporation tax is not at the top of the list, so I would do other things first to try to encourage inward investment, if it were me who was in government and making those decisions.

George Kerevan: It will be someday.

Kirsty Blackman: Mr Hoyle, that is the end of my comments on this group.

Question put and agreed to.

Clause 7 accordingly ordered to stand part of the Bill.

Clause 8 ordered to stand part of the Bill.

Clauses 9 and 10 disagreed to.

Clause 11 ordered to stand part of the Bill.

Clauses 12 to 16 disagreed to.

Clauses 17 and 18 ordered to stand part of the Bill.

Clauses 19 and 20 disagreed to.

Clause 21 ordered to stand part of the Bill.

Clauses 22 to 44 disagreed to.

Clauses 45 to 47 ordered to stand part of the Bill.

Clause 48

EMPLOYMENT INCOME PROVIDED THROUGH THIRD PARTIES

Amendment made: 4, page 49, line 26, leave out "Schedules 16 and 17 make"

and insert "Schedule 16 makes".—(*Jane Ellison.*)

Clause 48, as amended, ordered to stand part of the Bill.

Clauses 49 to 56 disagreed to.

Clause 57

VAT: ZERO-RATING OF ADAPTED MOTOR VEHICLES ETC

Question proposed, That the clause stand part of the Bill.

The Chairman of Ways and Means (Mr Lindsay Hoyle): With this it will be convenient to discuss the following:

That schedule 19 be a schedule to the Bill.

New clause 2—*Review of VAT treatment of the Scottish Police Authority and the Scottish Fire and Rescue Service*—

"(1) The Chancellor of the Exchequer must, within two months of the passing of this Act, commission a review of the VAT treatment of the Scottish Police Authority and the Scottish Fire and Rescue Service, including but not limited to—

(a) an analysis of the impact on the financial position of Police Scotland and the Scottish Fire and Rescue Service arising from their VAT treatment, and

(b) an estimate of the change to their financial position were they eligible for a refund of VAT under section 33 of the VAT Act 1994.

(2) A report of the review under subsection (1) must be laid before the House of Commons within six months of the passing of this Act."

Jane Ellison: No VAT is charged for the buying of an adapted vehicle by or on behalf of a disabled wheelchair user. Unfortunately, this scheme, which supports disabled wheelchair users to live independently, has been fraudulently abused by unscrupulous individuals who make purchases under this relief and then sell the vehicles on for additional profit. For example, HMRC discovered that one person purchased 30 BMWs under the scheme in one day, while another individual bought 100 vehicles that I would describe as high-performance sports cars and the like in under two years. This is clear abuse of the scheme, and its integrity is being brought into question by such behaviour.

Clause 57 will tackle abuse of the relief, while ensuring that it remains available for those with disabilities. The changes made by clause 57 will restrict the number of vehicles that an individual, or someone on behalf of that individual, may purchase under the scheme to one every three years. That will stop fraudsters from purchasing multiple vehicles in one day, or over a prolonged period. The legislation recognises that, in some circumstances, a replacement vehicle may genuinely need to be purchased within the three-year period. In addition, the clause makes it mandatory for vehicle dealers to submit a declaration of eligibility for each car purchased under the scheme to HMRC and applies penalties to those found to abuse the scheme.

2 pm

We expect that these changes will continue to support those whom it is intended to support, at a cost of about £40 million a year, while reducing fraud and saving up to £80 million of taxpayers' money over the next five years. The Chancellor announced these changes at the autumn statement, and they were welcomed by key stakeholders. Disabled Motoring UK stated:

"Disabled Motoring UK is supporting the efforts of the Government to safeguard the scheme and make sure it is only accessed by eligible disabled motorists."

The significant fraudulent abuse of the current scheme means that it must be changed. It is our intention to tackle this fraud, but continue to offer financial support to disabled wheelchair users to lead independent lives. I therefore hope that clause 57 will stand part of the Bill.

Let me turn now to new clause 2, which was tabled by the hon. Member for Aberdeen North (Kirsty Blackman). We return to a subject that has had the odd outing in this Chamber before—I am talking about the issue of VAT on the Scottish Fire and Rescue Service. The new clause requests that the Treasury commissions a review of the VAT treatment of the Scottish Police Authority and the Scottish Fire and Rescue Service, reporting the cost of VAT to them at present and how this would change if they were eligible for refunds.

Let me recap some of the comments that have already been made from this Dispatch Box. To receive section 33 VAT refunds, a body must receive funding through local taxation and perform a function of a local authority. In 2012, the Scottish Government restructured their regional police and fire services into two national bodies, Police Scotland and the Scottish Fire and Rescue Service. Both are funded centrally, rather than through local taxation, and therefore do not—

Kirsty Blackman *rose*—

Jane Ellison: Let me just complete the exposition of why these bodies do not qualify.

Both those new bodies are funded centrally rather than through local taxation and therefore do not meet the eligibility criteria for section 33 VAT refunds. The Treasury warned the Scottish Government in advance that making these changes would result in the loss of VAT refunds. In deciding to go ahead, the Scottish Government fully considered the costs and benefits of doing so, including the loss of VAT refunds. Therefore, there is no additional benefit to be had from the Government committing resource and time to produce a report on this issue. I therefore urge the Committee to reject new clause 2.

Kirsty Blackman: Just on that, can the Financial Secretary tell us how London Legacy and Highways England are funded?

Jane Ellison: Again, those are matters that have been covered before. I refer the hon. Lady to comments that I have made previously in response to very similar interventions. These measures have been discussed not just in Finance Bills, but during the passage of the Scotland Bill. Again, the message was the same that this was a decision taken in the full knowledge of the VAT consequences. Once again, I urge the House to reject the new clause that calls for a review.

Kirsty Blackman: If the Minister changes the VAT treatment of the Scottish police and the fire and rescue service, I promise not to raise the matter again in the House. I can see that she is fed up with discussing it, but, frankly, so am I. If the Government were to move on this, we would not have to raise it again.

Patrick Grady: The other option open to the Government is to devolve power over VAT to the Scottish Parliament, so that it could make all of these decisions. We were promised the most powerful legislature in the world, so why do the Government not live up to that commitment and give us the powers that we need?

Kirsty Blackman: I agree with my colleague. We have a portion of VAT devolved to the Scottish Parliament, which does not make a huge amount of sense. Although

we obviously welcome any new powers coming to the Scottish Parliament, it would be much better if we had control over all of VAT, rather than have a portion of the income from VAT coming to us.

The Scottish police and the fire and rescue service are charged VAT unlike Highways England, which is a national English body, and unlike London Legacy, which is a national UK-wide body. The UK Government have created exemptions for both of those organisations, but not for Scottish police and Scottish fire. This costs the Scottish people, because Scottish police and Scottish fire are having to pay this VAT bill to the UK Government rather than having this money to spend.

Joanna Cherry (Edinburgh South West) (SNP): This VAT charge is costing Scotland's emergency services tens of millions of pounds a year. Does my hon. Friend agree that our constituents would rather that this money was spent on fighting crime and funding emergency services in Scotland than on plugging the holes in the Tory Government's budget because of their poor financial planning and budgeting?

Kirsty Blackman: I absolutely agree with my colleague.

In June 2016, it was reported that, since it was formed three years previously, Scotland's single police force has paid £76.5 million in VAT, and it remains unable to reclaim that tax. The UK Government have created exemptions for other bodies that they see as important. Why do they see London Legacy and Highways England as more important than Scottish police and Scottish fire? We again ask the UK Government to change that.

Question put and agreed to.

Clause 57 accordingly ordered to stand part of the Bill.

Clause 58

IPT: STANDARD RATE

Question proposed, That clause 58 stand part of the Bill.

The Chairman of Ways and Means (Mr Lindsay Hoyle): With this it will be convenient to consider clause 59 stand part.

Jane Ellison: Clause 58 legislates for the increase in the standard rate of insurance premium tax from 10% to 12% as the Chancellor announced in the autumn statement 2016. This change will be effective from 1 June this year. Clause 59 will make minor changes to anti-forestalling provisions, so that insurers cannot artificially avoid paying the new rate of insurance premium tax by adjusting contract dates.

The Government remain committed to our fiscal mandate of eliminating the deficit. Much has already been achieved. The Government are forecast to reduce the deficit by more than two thirds by the end of this year, and in 2018-19, debt will fall for the first time in 16 years. However, we cannot be complacent. The Office for Budget Responsibility's recent fiscal sustainability report highlights the challenges posed by an ageing population, projecting debt almost trebling to 234% over the next 50 years, if no further action is taken.

Stephen Pound: I am so sorry to interrupt the hon. Lady, but I speak on behalf of the 4th Perivale scout group, which is most concerned about the impact that insurance premium tax increases are having on not just scout groups but other charities. Has she considered this matter since my hon. Friend the Member for Bootle (Peter Dowd) raised it, and does she have any good news if not for the whole charity sector, at least for the 4th Perivale scout group?

Jane Ellison: I am delighted that the hon. Gentleman has had the opportunity to put his local scout group on the record. These issues have been discussed in general terms. In particular, I spoke at the Charity Tax Group conference recently. The point that I made there was that although we are not making exceptions for a number of reasons—some of them logistical—there are many different ways in which the Government exempt tax for charities and try to support them in other ways. The existing tax reliefs that go to charities and community groups in this country are worth many billions, and many are not taken up as much as they should be. In particular, the issue of scout groups got a very thorough airing during the passage of the gift aid small donation scheme measures that we took through the House last autumn. Those measures are designed to help such groups that do a lot of their fundraising outside their headquarters. Although I cannot give him comfort on this issue, I draw his attention to the fact that there are many other ways in which we help to relieve worthy groups. In particular, I refer to that recent change, which I encourage him to discuss with the Perivale scout group, because, as I have said, that was made very much with it in mind, especially with regard to how it collects donations.

George Kerevan: Essentially, this is one of the taxes that the Government are keeping in. It is the third insurance premium tax rise in 18 months. Will the Minister justify why the Government are proposing this third increase, which actually increases the rate by 20%—well above the rate of inflation?

Jane Ellison: I am coming to that, but the Chancellor was admirably clear when he laid the change out for the House when it was announced.

The Government have worked to eliminate the deficit and to invest in Britain's future. We want to ensure that the public finances remain sustainable and to build resilience to future shocks. We have prioritised tax changes to help ordinary working families, and encouraged businesses to invest in the UK. We are supporting jobs and helping people's money to go further through increases to the personal allowance and the national living wage. We have committed to investing £23 billion for infrastructure in the national productivity investment fund and an extra £2 billion for social care, which will ease pressures on the national health service.

By increasing insurance premium tax, we will ensure that we can maintain the balance between that investment and controlling the deficit. The additional revenue gives the Government the flexibility to invest. IPT is a tax on insurers. They are not in any way obliged to pass on the tax through higher premiums. However, if insurers do choose to pass on the increase, it will be spread thinly across a wide range of people and businesses. In line

with the informal agreement between the Government and the Association of British Insurers, firms have been given more than six months' notice, which gives time to implement the change. The agreement aims to give insurers proper warning of a rate change and to ensure that the correct rate of tax on a policy is known when the policy is arranged.

The changes made by clause 58 will raise approximately £840 million each year to reduce the deficit, while ensuring that we can fund spending commitments. That really is the answer to the intervention by the hon. Member for East Lothian (George Kerevan). Insurance premium tax is a tax on insurers, not consumers. It will be insurance companies' choice whether to pass on the 2% rate increase. Even if the increases were passed on in full, the impact would be modest, costing households less than 35p a week on average.

The changes made by clause 59 will protect revenue by ensuring that insurers cannot artificially avoid paying the new rate of IPT by adjusting contract dates. As I have said, the Government are committed to reducing the deficit, while still investing in the UK. This requires some difficult decisions, including this 2% increase to the standard rate of IPT. The change will be invaluable in funding vital public spending, such as the additional £2 billion committed to social care.

Kirsty Blackman: It is really interesting to hear the Minister say that the change will only cost an average of 35p a week. That is quite a lot, particularly for people who do not have an extra 35p a week. The director general of the ABI said:

"UK consumers and businesses already pay relatively high levels of IPT... It cannot be right that people are being forced to pay an increasingly high price for doing the responsible thing".

As my hon. Friend the Member for East Lothian (George Kerevan) said, this is the third increase. At the start of this Parliament, IPT was at something like 3%. It was then increased to 6.5% and then to 9.5% during this Parliament. This is a tax on people doing the right thing by insuring their homes and properties. I agree with the hon. Member for Ealing North (Stephen Pound), who spoke about a scout group, that this is also a tax on charities and organisations providing a brilliant experience for young boys and girls going through scouting. The change has not been considered in the round; the Government have seen another opportunity to get a few extra pennies in.

Huw Merriman (Bexhill and Battle) (Con): The hon. Lady, like me, may have a rural constituency, where there are lots of young drivers experiencing high insurance costs. Would she welcome signs from the Minister that the Government will look at the impact of the change on the young in the future, particularly if it has an impact on social mobility for the young?

Kirsty Blackman: I do not actually have a rural constituency, but I do live near one, so I recognise the issues that are faced by young drivers. We want young people, particularly those in rural areas, to be able to access services, learn to drive safely and afford insurance when they do, so that they can travel and access jobs, opportunities and training. I agree with the hon. Gentleman and also ask the Government to look at this area. We cannot continue to see hikes in insurance premium tax.

[Kirsty Blackman]

A 20% hike is absolutely ridiculous, especially as it follows hot on the heels of a number of other hikes in insurance premium tax. The Government need to look at this seriously and commit to not making any further increases in the next Parliament.

2.15 pm

George Kerevan: I have two points. First, I reiterate to the Minister, who artfully shifted to saying that there was a 2% rise in the tax, that there is a two percentage point rise. It is a 20% rise in the tax. I asked the Minister how she justified that massive, excessive increase relative to inflation. She did not reply—I suspect because, as a Conservative tax cutter, she is embarrassed. I have a further question for the Minister. Will she rule out extending the provision of IPT to reinsurance? Clearly, IPT has been hit on by the Government because it is one of the few things that they have not yet legislated not to increase as a form of taxation. That will doubtless change in the Conservative manifesto. But as long as this is the tax that the Government are hitting on because it is the one they have left, will the Minister state that they will not in future years extend IPT to the reinsurance market, which would net them even more money?

Question put and agreed to.

Clause 58 accordingly ordered to stand part of the Bill.

Clause 59 ordered to stand part of the Bill.

Clause 60

LANDFILL TAX: TAXABLE DISPOSALS

Question proposed, That the clause stand part of the Bill.

The Chairman of Ways and Means (Mr Lindsay Hoyle): With this it will be convenient to consider the following:

Clauses 61 to 64 stand part.

Amendment 1, in clause 65, page 73, line 4, leave out subsection (2).

Clauses 65 to 70 stand part.

New clause 3—*Review of oil and gas corporation tax rates and investment allowances*—

“(1) The Chancellor of the Exchequer must, within two months of the passing of this Act, commission a review of the corporation tax rates and investment allowances applicable to companies producing oil and gas in the UK or on the UK continental shelf.

(2) A report of the review under subsection (1) must be laid before the House of Commons within six months of the passing of this Act.”

New clause 4—*Review of tax regime relating to decommissioning of oil and gas infrastructure*—

“(1) The Chancellor of the Exchequer must, within two months of the passing of this Act, commission a review of the ways in which the tax regime could be changed to increase the competitiveness of UK-registered companies in bidding for supply chain contracts associated with the decommissioning of oil and gas infrastructure or the development of new fields in the UK continental shelf.

(2) In undertaking the review under subsection (1), the Chancellor of the Exchequer must consult—

- (a) the Department for Business, Energy and Industrial Strategy;
- (b) the Oil and Gas Authority;
- (c) Scottish Ministers; and
- (d) such other stakeholders as the Chancellor of the Exchequer thinks appropriate.

(3) A report of the review under subsection (1) must be laid before the House of Commons within six months of the passing of this Act.”

Jane Ellison: I plan to focus my comments in this part of the debate on alcohol duties, which I anticipate will be of greatest interest to hon. Members. Other clauses within the group provide for other duty changes, and a new clause has been tabled by the hon. Member for Aberdeen North (Kirsty Blackman) on the oil and gas decommissioning regime, which we may come to.

Clause 65 sets out changes to alcohol duty rates that took effect on 13 March 2017. We announced in the 2017 Budget that the duty rates on beer, cider, wine and spirits will be kept flat in real terms, uprating by retail price index inflation. This is in line with policy and previous forecasts. As hon. Members will probably be aware, the public finances assume that alcohol duties rise by RPI inflation each year, so there is a cost to the Exchequer from freezing or cutting alcohol duty rates. If alcohol duty rates had been frozen or cut at Budget 2017, the Government would instead have had to raise taxes in other areas of the economy, to cut public spending or to increase the public deficit. Consumers and businesses continue to benefit from the previous alcohol duty changes, which initial estimates suggest will save them around £3 billion in duty between fiscal years 2013 and 2017. I will now briefly set out how past duty changes and other Government policies have affected different drinks and the sector.

I will start with spirits duty. The Government recognise the important contribution that Scotch whisky makes to the economy and local communities. The Scotch Whisky Association, which I had a meeting with and had the chance to hear from directly, estimates that Scotch whisky adds over £5 billion overall to the UK economy and supports more than 40,000 jobs, some 7,000 of which are in the rural economy. Distilleries provide an important source of employment in rural communities. The Scotch Whisky Association estimates that exports to nearly 200 countries in every continent were worth nearly £4 billion last year and accounted for about 20% of all UK food and drink exports. Single malt Scotch whisky exports exceeded £1 billion for the first time last year, and more Scotch whisky is sold in France in just one month than cognac in an entire year.

The Government are committed to supporting this great British success story. Scotch whisky was one of the first food and drink products to feature in the GREAT campaign, giving it high visibility internationally in key markets. More recently, the Scotch Whisky Association joined my right hon. Friend the Prime Minister on her trade mission to India last year. Scotch whisky is currently just 1% of the Indian spirits market, but it has the potential to grow to 5% with the right trade agreement. That would be equivalent to a 10% increase in the current global trade in Scotch.

The spirits duty escalator was ended in 2014, and the tax on a bottle of Scotch whisky is now 90p lower than it would otherwise have been. The hon. Member for

Aberdeen North has tabled an amendment to reverse the uprating as applied to spirits. To be clear, that would not help exports, because the £4 billion of exports a year are unaffected by the duty change, as no duty is paid on exported spirits. Instead, it would help those selling in the UK market. The amendment would cost the Exchequer, and so increase the deficit by, around £100 million this year. For the reasons I have indicated—not least the bottom line scorecard cost—the Government reject the amendment, which would not help exporters of whisky or other spirits and which is unfunded. Clause 65 will keep spirit duty rates flat in real terms, so consumers will continue to benefit from the previous change to spirit duty rates.

While we are on spirits, I should touch on another great British success: the UK gin industry. When I met the Wine and Spirit Trade Association, it informed me that, in 2016, gin sales exceeded £1 billion for the first time in the UK. I suspect that many of us will be partaking of a number of these products in the weeks ahead. *[Interruption.]* I said many of us. We will be partaking perhaps in celebration or perhaps for sustenance—who knows what reason. It is good that we put these British success stories on record.

I was also told that the number of gin brands has more than doubled since 2010. *[Interruption.]* Yes, doubles all round. The price of a typical bottle of gin remains 84p lower than it would have been now that we have ended the spirits duty escalator. As with Scotch whisky, no UK duty is payable on exported gin.

As well as ending the spirits duty escalator, we also ended the beer duty escalator to help pubs. Pubs play an important role in promoting responsible drinking, providing employment and contributing to community life—that sentiment is expressed regularly on both sides of the House. Brewers also make an important contribution to local economies. The increase in the number of small breweries in recent years has increased diversity and choice in the beer market. By promoting interest in a larger range of beers, that has benefited all brewers.

The clause will not undo the previous beer duty cuts or freezes. The Government cut the tax on a typical pint by one penny at Budgets 2013, 2014 and 2015 and then froze duty rates last year. As a result, drinkers are paying 11p less in tax on a typical pint this year than they otherwise would have paid.

On wine duty, the Government are committed to supporting the UK wine industry. The first joint industry and Department for Environment, Food and Rural Affairs wine roundtable last year resulted in a set of industry targets, including to increase wine exports tenfold and to double production to 10 million bottles by 2020. The wine sector will continue to benefit from the previous changes to wine duty rates.

Cider makers, too, play an important role in rural economies, using over half the apples grown in the UK. The duty on a typical pint of cider remains around half the duty on a typical pint of beer. The tax on a typical pint remains 3p lower than it would otherwise have been, as a result of the Government's changes to cider duty rates since Budget 2014.

To conclude, we fully recognise the importance of the alcohol industry to the economy and local communities. I have talked with and met various representatives from across the industry, and I will, of course, continue to

engage with them. The cuts and freezes in duty rates since the ending of the alcohol duty escalators continue to deliver great benefits. They will save consumers and businesses around £3 billion in duty between fiscal years 2013 and 2017. However, allowing alcohol duties to fall every year in real terms would be unsustainable in the long term. If alcohol duties had been frozen or cut at Budget 2017, the Government would instead have had to raise taxes in other areas of the economy, cut public spending or increase the public deficit. The clause simply increases duties in line with inflation, as assumed in the fiscal forecasts. This is not a return to the real-terms increases year after year imposed by the alcohol duty escalator. I therefore suggest that the clause stand part of the Bill.

Kirsty Blackman: I will start by talking about alcohol and whisky, and then I will move on to talk about oil and gas. Specifically on whisky, I appreciate the Minister taking the time to talk about the contribution of the Scotch whisky industry. It does, indeed, contribute to our economy; of particular note are the 40,000 jobs it provides, including the 7,000 in the rural economy, which are really important for Scotland's rural communities.

The positive changes the UK Government previously made to spirit duty meant there was confidence in the industry again, and we have seen a real change in the industry over the last couple of years, with a dozen new distilleries opening and 14 in various stages of planning, but the changes that have been made this year will put 36p on a bottle of whisky and mean that £4 of every £5 spent on whisky goes to the UK Government's coffers.

My hon. Friend the Member for Argyll and Bute (Brendan O'Hara), who is the chair of the all-party group on Scotch whisky, spoke about this issue on Second Reading, although not at enough length—he got only four minutes. He is really concerned about distilleries. I appreciate the Minister talking about the success story that the gin industry has been for new distilleries—it takes a long time to mature Scotch whisky but not to mature gin, so distilleries can be up and running pretty quickly. The issue is the context in which things are seen. I understand that, as the Minister said, the change will not affect those selling abroad, but given that most producers sell whisky in the domestic market, it will obviously have an effect on those who also sell abroad.

In the wider context of Brexit, where the trade deals we currently have will no longer exist and we will have to negotiate new trade deals, including with the EU, if we are to sell whisky to France, as the Minister mentioned, we will need to have a trade deal. We will need to have trade deals with all the countries we trade with under the EU's free trade agreements.

A major concern for those of us who represent constituencies involved with whisky is the protected geographical indication. The EU has protected geographical indication status, so people are not allowed to bottle whisky somewhere else and call it Scotch whisky. We are set to lose that protection when the UK leaves the EU, and it is important that the UK Government do what they can to ensure that the Scotch whisky industry can continue to trade and protect its brand—but I do not see that coming through. If the Government had not raised duty in this Budget on spirits and on whisky in

[Kirsty Blackman]

particular, the industry would have known that it had the confidence of the UK Government and been in a much better position to take decisions.

Moving on to oil and gas, we have two new clauses on the amendment paper. New clauses 3 and 4 on behalf of the SNP are in my name, and I particularly thank my hon. Friend the Member for Aberdeen South (Callum McCaig) for his input into them. New clause 3 is about investment allowances. This Tory Government have come up with a line that we are one of the most competitive fiscal regimes for oil and gas, which is all well and good, but we also have one of the most mature fields in the world. In the North sea and on the UK continental shelf, we are also having to do things and implement technologies we have never seen before. A huge amount of innovation from our companies is having to go on in order for them to be able to achieve the UK Government's and Sir Ian Wood's maximising economic recovery strategy.

New clause 3 is about investment allowances and corporation tax rates on companies producing oil and gas. The UK Government have put the tax up and put it down, but they have not at any stage sat down and looked at the entire taxation regime for the oil and gas industry and said, "We are operating in a new scenario." They have kept the level of taxes that we have had since oil and gas began to be taken out of the North sea. It is time for the UK Government to look at that tax structure and those tax regimes to see how they can incentivise companies to ensure that they are getting the best out of the North sea and securing jobs in the north-east of Scotland, and beyond, for as long term a future as possible.

2.30 pm

New clause 4 is particularly about the competitiveness of UK-registered companies. I have mentioned decommissioning and the development of new fields in the UKCS around us. The new clause is similar to one that we tabled to last year's Finance Bill. I would really like the Government to take action on this. Whenever I go to meet supply chain companies or individuals working at the coalface, as it were, in oil and gas, they tell me that this is a major issue. Decommissioning is beginning in the North sea, where some of the fields are at the end of their life and some installations are at the end of their usable life, whatever we do. This is still a relatively new thing for us, and our supply chain companies are having to innovate. We do not want any of the jobs created in decommissioning to go abroad if we can possibly help it. We would like this UK Government to look at what they can do to the tax regime to ensure that those jobs are kept in the UK as far as they possibly can be.

We are also asking about that in relation to new fields. On Second Reading, I spoke about small pools, which have fewer than 50 million barrels of oil. In this current tax system and fiscal situation, they are not particularly economically viable, and so the vast majority will not be exploited. If changes were made to the tax regime in order for these small pools to be exploited, and further encouragement given to enable companies to develop new technologies so that we can access small pools, the UK Government's tax take would increase. If we just leave them there, there will be a problem, particularly

further down the line. A number of the small pools rely on current installations, and if the big installation in the middle is decommissioned, we lose access to all the smaller fields round about. The UK Government therefore absolutely need to be on top of that today.

Finally on oil and gas, I turn to something that made me pretty angry in the Budget debate. The Chancellor announced that he was going to make it easier for companies to transfer late-life assets—that is, installations that are near the end of their useful life—and said, "We're going to have a commission to look into this." That was exactly what the Chancellor announced in the Budget last year, apart from saying that we would have a commission. If the Government had done it last year, they would not need a commission this year. I know that this is a technical matter, but the Government need to get themselves in gear and make these changes so that the assets can be transferred from the big player who has other things to focus on to a new player coming into the industry who can make the most of the asset and ensure that as much oil and gas is extracted from the field as possible. I appreciate that the Government are having a commission, although I would rather that they had done it last year. We will be absolutely on board in supporting this change happening as soon as possible.

Question put and negatived.

Clause 60 accordingly disagreed to.

Clause 61 ordered to stand part of the Bill.

Clauses 62 to 63 disagreed to.

Clauses 64 and 65 ordered to stand part of the Bill.

Clauses 66 and 67 disagreed to.

Clauses 68 and 69 ordered to stand part of the Bill.

Clause 70 disagreed to.

Clause 71

SOFT DRINKS INDUSTRY LEVY

Question proposed, That the clause stand part of the Bill.

The Chairman of Ways and Means (Mr Lindsay Hoyle): With this it will be convenient to discuss the following:

Clauses 72 to 75 stand part.

Amendment 2, in clause 76, page 81, line 15, leave out paragraph (a).

Amendment 3, page 81, line 20, leave out subsection (2).

Clauses 76 to 107 stand part.

That schedules 20 to 23 be schedules to the Bill.

Jane Ellison: Clauses 71 to 107 contain provisions for a new tax called the soft drinks industry levy to be introduced from April 2018. This is a key pillar in the Government's childhood obesity plan, and it has been welcomed by a wide range of public health experts and campaigners. Tackling obesity is a national challenge—indeed, an international challenge. The UK has one of the highest obesity rates in the developed world, and childhood obesity in particular is a major concern. Today nearly a third of children aged two to 15 are overweight or obese, and we know that many of these children will go on to become obese adults. Obesity drives disease, as we are reminded at the moment as we

come through Westminster underground station by the Cancer Research UK posters. It increases the risk of heart disease, type 2 diabetes, stroke, and some cancers. The NHS spends over £6 billion a year across the UK in dealing with obesity-related costs, and the overall costs to our economy are estimated at between £27 billion and £46 billion a year. This cannot go on.

Health experts have identified sugary drinks as one of the biggest contributors to childhood obesity and a source of empty calories. A 330 ml can of full-sugar cola typically contains nine teaspoons of sugar. Some popular drinks have as many as 13 teaspoons. This can be more than double a child's daily recommended added sugar intake in just a single can of drink. The Government recognise that this is a problem, and so have many others, with over 60 public health organisations calling for a tax on sugary drinks and many thousands signing a petition in favour. I am delighted that this issue has also received a high level of cross-party support.

Indeed, some soft drinks producers had recognised that sugar levels in their drinks were a problem too, and had started to reduce the sugar content, move consumers towards diet and sugar-free variants, and reduce portion sizes for high-sugar beverages. Nevertheless, reducing the added sugar in soft drinks is now a public health priority, and this new levy is needed to speed up the process. It is specifically designed to encourage the industry to move faster. We gave the industry two years to make progress on this before the levy begins, and we can see that it is already working. Since the Government announced the levy last March, a number of major producers have accelerated their work to reformulate sugar out of their soft drinks and escape the charge. These include Tesco, which has already reformulated its whole range of own-brand soft drinks so that they will not pay the levy. Similar commitments have come from the makers of Lucozade and Ribena, and the maker of Irn-Bru, A. G. Barr. In fact, we now expect more than 40% of all drinks that would otherwise have been in scope to have been reformulated by the introduction of the levy. We see international action too. In recent months, countries such as Ireland, Spain, Portugal, Estonia and South Africa have brought forward similar proposals to our own.

As a result of such reformulation before the levy begins, we now expect the levy to raise around £385 million per year, which is less than the £520 million originally forecast—but we are clear that this is a success. The Government will still fund the Department for Education's budget with the £1 billion that the levy was originally expected to raise over this Parliament, including money to double the primary schools sports premium and deliver additional funding for school breakfast clubs, and £415 million to be invested in a new healthy pupils capital programme. The devolved Administrations will receive Barnett funding in the usual way. The Secretary of State for Education has made recent announcements about how some of the money will be spent, particularly on the healthy pupils capital programme.

The levy has shown that the Government mean business when it comes to reducing hidden sugar in everyday food. That willingness to take bold action underpins another major part of our childhood obesity plan, namely Public Health England's sugar reduction programme, which is a groundbreaking programme of work with industry to achieve 20% cuts in sugar by 2020

across the top nine food categories that contribute the most to children's sugar intake. It has been acknowledged, not least by industry, that that is a challenging target, but one that industry is committed to working with Government to achieve. The sugar reduction programme will cover some of the drinks products that are not part of the levy, such as milk-based drinks. The programme is already bearing fruit: there have been announcements and commitments to reduce the levels of sugar in some of the products.

I know that some would like the levy to go further. In particular, the hon. Member for Aberdeen North (Kirsty Blackman) has tabled amendments 2 and 3, which would remove the exclusion from the levy of high milk content drinks containing at least 75% milk. We oppose those amendments. Milk and milk products are a source of protein, calcium, potassium, phosphorous and iodine, as well as vitamins B2 and B12. One in five teenage girls do not get enough calcium in their diet, and the same is true for one in 10 teenage boys. It is essential for children's health that they consume the required amount of those nutrients, which aid bone formation and promote healthy growth as part of a balanced diet. Health experts agree that the naturally occurring sugars in milk are not a concern from an obesity perspective, and they are not included in the definition of free sugars, which Public Health England now applies.

Of course, we want milk-based drinks to contain less added sugar, so they will be part of Public Health England's sugar reduction programme. Producers of the drinks will be challenged and supported to reduce added sugar content by 20% by 2020. Public Health England has committed to publishing a detailed assessment of the food and drink industry's progress against the 20% target in March 2020, and today I make a commitment to the House that we will also review the exclusion of milk-based drinks in 2020, based on the evidence from Public Health England's assessment of producers' progress against their sugar reduction targets. In the light of that assurance, I urge hon. Members to reject amendments 2 and 3, and allow us to review the evidence in 2020, two years after the levy has begun, and to decide at that point whether milk-based drinks should be brought within scope.

Obesity is a problem that has been decades in the making and we are not going to solve it overnight. The soft drinks levy is not a silver bullet, but it is an important part of the solution. This Government's childhood obesity plan, with the levy as its flagship policy, is the start of a journey and it marks a major step towards dealing with our national obesity crisis.

Kirsty Blackman: The Minister is absolutely correct about the huge amount of cross-party support for the general thrust of the soft drinks industry levy and the move towards tackling obesity, particularly childhood obesity. However, we are concerned that the levy does not go far enough and that the Government could have chosen to close certain loopholes when drafting the Bill.

The single biggest cause of preventable cancer is obesity. More than 18,100 cancers a year are associated with excess weight. Cancer Research says that sugary drinks are the No. 1 source of sugar for 11 to 18-year-olds, which is a pretty terrifying statistic, and I appreciate that the Government have chosen to take action.

[Kirsty Blackman]

I am concerned about the Government's response on milk-based drinks and about the fact that they are excluded from the levy.

Joanna Cherry: Does my hon. Friend agree that the problem with omitting high-sugar milk-based drinks from the provisions is that parents may mistakenly think that they are healthier than soft drinks that are subject to the extra tax, when that is simply not the case?

Kirsty Blackman: My hon. and learned Friend is absolutely right. It is true, as the Minister has said, that milk-based drinks contain protein, calcium and other nutrients, but so does milk. Children could just drink milk without the added sugar. I do not think people realise quite how much added sugar there is in such products. The same is true of pasta sauce. When parents see a milkshake on the shelf, they do not realise that it could have as much sugar in it as a can of fizzy juice.

2.45 pm

The Faculty of General Dental Practice and the Health Committee have said that milk-based drinks should be included in the levy. Our amendments 2 and 3 would remove their exemption. I welcome the Government's undertaking that they will review the situation in 2020, which is an improvement on their previous position. I appreciate that reasonable change and action.

Question put and agreed to.

*Clause 71 accordingly ordered to stand part of the Bill.
Clauses 72 to 107 ordered to stand part of the Bill.*

Clause 108

CARRYING ON A THIRD COUNTRY GOODS FULFILMENT
BUSINESS

Question proposed, That the clause stand part of the Bill.

The Temporary Chair (Sir David Amess): With this it will be convenient to discuss the following:

Clauses 109 to 123 and 130 to 133 stand part.

Government amendments 5 to 9.

Clauses 134 and 135 stand part.

That schedules 24 to 26 be schedules to the Bill.

Jane Ellison: These are consequential amendments and I want to move them formally.

Kirsty Blackman: I appreciate the Government withdrawing the making tax digital provisions. I understand their commitment to making tax digital, but the changes are reasonable.

George Kerevan: With your indulgence, Sir David, I thought that this might be an appropriate moment to pay tribute to the outgoing right hon. Member for Chichester (Mr Tyrie), the Chair of the Treasury Committee, which has paid a lot of attention to making tax digital. There could be no more fitting tribute to the right hon. Gentleman leaving this House than the Government withdrawing the making tax digital provisions.

The Temporary Chair: That is certainly news to me, but the hon. Gentleman's tribute is most appropriate and I thank him for it.

Jane Ellison: On a point of clarity, may I make it clear that the Government do not support clause 108? I apologise for not making that clear before. On making tax digital, I refer colleagues to my statement at the beginning of our debate on the first group.

Question put and negatived.

Clause 108 accordingly disagreed to.

Clauses 109 to 126 disagreed to.

Clause 127 ordered to stand part of the Bill.

Ordered,

That clause 127 be transferred to the end of clause 69.—(*Jane Ellison.*)

Clauses 128 to 133 disagreed to.

Clause 134

INTERPRETATION

Amendments made: 5, page 126, leave out line 17.

Amendment 6, page 126, leave out line 20.

Amendment 7, page 126, leave out lines 22 to 24.

Amendment 8, page 126, leave out line 30.

Amendment 9, page 127, leave out lines 1 and 2.—(*Jane Ellison.*)

Clause 134, as amended, ordered to stand part of the Bill.

Clause 135 ordered to stand part of the Bill.

Schedule 1

WORKERS' SERVICES PROVIDED TO PUBLIC SECTOR
THROUGH INTERMEDIARIES

Amendment made: 10, page 129, line 32, at end insert—

'(3) Subsection (1) is subject to subsection (4).

(4) A primary-healthcare provider is a public authority for the purposes of this Chapter only if the primary-healthcare provider—

(a) has a registered patient list for the purposes of relevant medical-services regulations,

(b) is within paragraph 43A in Part 3 of Schedule 1 to the Freedom of Information Act 2000 (providers of primary healthcare services in England and Wales) by reason of being a person providing primary dental services,

(c) is within paragraph 51 in that Part of that Schedule (providers of healthcare services in Northern Ireland) by reason of being a person providing general dental services, or

(d) is within paragraph 33 in Part 4 of Schedule 1 to the Freedom of Information (Scotland) Act 2002 (providers of healthcare services in Scotland) by reason of being a person providing general dental services.

(5) In this section—

“primary-healthcare provider” means an authority that is within subsection (1)(a) or (b) only because it is within a relevant paragraph,

“relevant paragraph” means—

(a) any of paragraphs 43A to 45A and 51 in Part 3 of Schedule 1 to the Freedom of Information Act 2000, or

(b) any of paragraphs 33 to 35 in Part 4 of Schedule 1 to the Freedom of Information (Scotland) Act 2002, and
 “relevant medical-services regulations” means any of the following—

- (a) the Primary Medical Services (Sale of Goodwill and Restrictions on Sub-contracting) Regulations 2004 (S.I. 2004/906),
- (b) the Primary Medical Services (Sale of Goodwill and Restrictions on Sub-contracting) (Wales) Regulations 2004 (S.I. 2004/1017),
- (c) the Primary Medical Services (Sale of Goodwill and Restrictions on Sub-contracting) (Scotland) Regulations 2004 (S.S.I. 2004/162), and
- (d) the Primary Medical Services (Sale of Goodwill and Restrictions on Sub-contracting) Regulations (Northern Ireland) 2004 (S.R. (N.I.) 2004 No. 477).

(6) The Commissioners for Her Majesty’s Revenue and Customs may by regulations amend this section in consequence of—

- (a) any amendment or revocation of any regulations for the time being referred to in this section,
- (b) any amendment in Part 3 of Schedule 1 to the Freedom of Information Act 2000, or
- (c) any amendment in Part 4 of Schedule 1 to the Freedom of Information (Scotland) Act 2002.’—(*Jane Ellison.*)

Schedule 1, as amended, agreed to.

Schedule 2

OPTIONAL REMUNERATION ARRANGEMENTS

Amendments made: 11, page 160, line 14, at end insert—

“() section 307 (death or retirement provision), so far as relating to provision made for retirement benefits;”

Amendment 12, page 160, line 26, at end insert—

“() In subsection (5) “retirement benefit” has the meaning that would be given by subsection (2) of section 307 if “or death” were omitted in both places where it occurs in that subsection.”—(*Jane Ellison.*)

Schedule 2, as amended, agreed to.

Schedule 3

OVERSEAS PENSIONS

Amendments made: 13, page 166, line 18, leave out from beginning to “in” in line 23 and insert—

- “(a) that, in the case of any money purchase arrangement relating to a member of the fund that is not a cash balance arrangement, no contributions are made under the arrangement on or after 6 April 2017;
- (aa) that, in the case of any cash balance arrangement relating to a member of the fund, there is no increase on or after 6 April 2017 in the value of any person’s rights under the arrangement;
- (b) that, in the case of any defined benefits arrangement relating to a member of the fund, there is no increase on or after 6 April 2017 in the value of any person’s rights under the arrangement; and
- (c) that, in the case of any arrangement relating to a member of the fund that is neither a money purchase arrangement nor a defined benefits arrangement—
 - (i) no contributions are made under the arrangement on or after 6 April 2017, and
 - (ii) there is no increase on or after 6 April 2017.”

Amendment 14, page 166, line 24, at end insert—

“(6AA) For the purposes of subsection (6A)(aa)—

(a) whether there is an increase in the value of a person’s rights is to be determined by reference to whether there is an increase in the amount that would, on the valuation assumptions, be available for the provision of benefits under the arrangement to or in respect of the person (and, if there is, the amount of the increase), but

(b) in the case of rights that accrued to a person before 6 April 2017, ignore increases in the value of the rights if in no tax year do they exceed the relevant percentage.’

Amendment 15, page 166, line 30, leave out

“ignore increases in the value of a person’s”

and insert

“in the case of rights that accrued to a person before 6 April 2017, ignore increases in the value of the”.

Amendment 16, page 166, line 31, at end insert—

“(6BA) For the purposes of subsection (6A)(c)(ii), regulations made by the Commissioners for Her Majesty’s Revenue and Customs may make provision—

- (a) for determining whether there is an increase in the value of a person’s rights,
- (b) for determining the amount of any increase, and
- (c) for ignoring the whole or part of any increase;

and regulations under this subsection may make provision having effect in relation to times before the regulations are made.’

Amendment 17, page 166, line 32, leave out “subsection (6B)(b)” and insert “this section”.

Amendment 18, page 167, leave out lines 5 to 7.

Amendment 19, page 167, line 8, after “subsection” insert “(6BA) or”.

Amendment 20, page 167, line 10, leave out from “(7)” to end of line 16 and insert—

“(a) for “In this section—” substitute “For the purposes of this section—

‘arrangement’, in relation to a member of a superannuation fund, means an arrangement relating to the member under the fund;

a money purchase arrangement relating to a member of a superannuation fund is a ‘cash balance arrangement’ at any time if, at that time, all the benefits that may be provided to or in respect of the member under the arrangement are cash balance benefits;

an arrangement relating to a member of a superannuation fund is a ‘defined benefits arrangement’ at any time if, at that time, all the benefits that may be provided to or in respect of the member under the arrangement are defined benefits;

an arrangement relating to a member of a superannuation fund is a ‘money purchase arrangement’ at any time if, at that time, all the benefits that may be provided to or in respect of the member under the arrangement are money purchase benefits;

‘cash balance benefits’, ‘defined benefits’ and ‘money purchase benefits’ have the meaning given by section 152 of the Finance Act 2004, but for this purpose reading references in that section to a pension scheme as references to a superannuation fund;

‘member’, in relation to a superannuation fund, has the meaning given by section 151 of the Finance Act 2004, but for this purpose reading references in that section to a pension scheme as references to a superannuation fund;”;

(b) at the end insert—

“‘the valuation assumptions’ has the meaning given by section 277 of the Finance Act 2004.”

Amendment 21, page 167, line 16, at end insert—

'() After subsection (10) insert—

(11) Where the conditions in subsection (6)(a) to (c) are met in the case of a superannuation fund ("the actual fund")—

- (a) any disqualifying contributions made under an arrangement relating to a member of the actual fund are treated for the purposes of the Income Tax Acts as instead made under an arrangement relating to the member under a separate superannuation fund ("the shadow fund" for the actual fund),
- (b) any disqualifying increase in the value of a person's rights under an arrangement relating to a member of the actual fund is treated for the purposes of the Income Tax Acts as instead being an increase under an arrangement relating to the member under the shadow fund for the actual fund, and
- (c) any reference in this or any other Act (including the reference in subsection (3) and any reference enacted after the coming into force of this subsection) to a fund, or superannuation fund, to which subsection (3) applies does not include so much of the actual fund as—
 - (i) represents any contribution treated as made under, or any increase in the value of any rights treated as an increase under, the shadow fund of the actual fund or the shadow fund of any other superannuation fund, or
 - (ii) arises, or (directly or indirectly) derives, from anything within sub-paragraph (i) or this sub-paragraph.

(12) For the purposes of subsection (11) a contribution, or an increase in the value of any rights, is "disqualifying" if it would (ignoring that subsection) cause the benefit accrual condition not to be met in the case of the actual fund.

(13) For the purposes of the provisions of this section relating to the benefit accrual condition, where there is a recognised transfer—

- (a) any transfer of sums or assets to the recipient fund by the recognised transfer is to be categorised as not being "a contribution" to the recipient fund, and
- (b) any increase in the value of rights under the recipient fund that occurs at the time of the recognised transfer is to be treated as not being an increase in that value if the increase is solely a result of the transfer effected by the recognised transfer.

(14) For the purposes of subsection (13), where there is a transfer such that sums or assets held for the purposes of, or representing accrued rights under, an arrangement relating to a member of a superannuation fund ("the transferor fund") are transferred so as to become held for the purposes of, or to represent rights under, an arrangement relating to that person as a member of another superannuation fund, the transfer is a "recognised transfer" if—

- (a) the conditions in subsection (6)(a) to (c) are met in the case of each of the funds, and
- (b) none of the sums and assets transferred—
 - (i) represents any contribution treated as made under, or any increase in the value of any rights treated as an increase under, the shadow fund of the transferor fund or the shadow fund of any other superannuation fund, or
 - (ii) arises, or (directly or indirectly) derives, from anything within sub-paragraph (i) or this sub-paragraph.

Amendment 22, page 167, line 19, leave out sub-paragraphs (6) to (8).

Amendment 23, page 169, line 13, leave out "Subsection (4) does not" and insert "Subsections (7A) and (7B)".

Amendment 24, page 169, line 20, at end insert—

'(7A) If the lump sum is wholly in respect of rights which have accrued on or after 6 April 2017, there is no reduction under subsection (4).

(7B) If the lump sum is wholly or partly in respect of rights which accrued before 6 April 2017, the amount of any reduction under subsection (4) is given by—

$$R \times A/LS$$

where—

A is so much of the lump sum as is in respect of rights which accrued before 6 April 2017,

LS is the amount of the lump sum, and

R is the amount which (ignoring this subsection) is given by subsection (4) as the amount of the reduction.'

Amendment 25, page 170, line 22, at beginning insert—

"Where the lump sum is paid under a pension scheme that was an employer-financed retirement benefits scheme immediately before 6 April 2017, deduct so much of the lump sum left after Step 1 as is deductible in accordance with subsection (5A).

Where the lump sum is paid otherwise than under such a scheme,"

Amendment 26, page 170, line 23, leave out

"rights, which accrued before 6 April 2017,"

and insert—

"the value immediately before 6 April 2017 of rights, accrued by then,".

Amendment 27, page 170, line 39, at end insert—

'(5A) These rules apply for the purposes of the first sentence of Step 2—

- (a) "the post-Step 1 amount" means so much of the lump sum as is left after Step 1;
- (b) "the relevant amount" means so much of the post-Step 1 amount as is paid in respect of rights specifically to receive benefits by way of lump sum payments;
- (c) "reckonable service" means service in respect of which the rights to receive the relevant amount accrued (whether or not service in the same employment or with the same employer, and even if the rights originally accrued under a different employer-financed retirement benefits scheme established in or outside the United Kingdom);
- (d) "pre-6 April 2017 reckonable service" means reckonable service that is service before 6 April 2017;
- (e) "pre-6 April 2017 reckonable foreign service" means pre-6 April 2017 reckonable service that is foreign service;
- (f) the deductible amount is the value immediately before 6 April 2017 of the rights then accrued to payment of so much of the relevant amount as is paid in respect of pre-6 April 2017 reckonable service if—
 - (i) at least 75% of pre-6 April 2017 reckonable service is made up of foreign service, or
 - (ii) the period of pre-6 April 2017 reckonable service exceeds 10 years and the whole of the last 10 years of that period is made up of foreign service, or
 - (iii) the period of pre-6 April 2017 reckonable service exceeds 20 years and at least 50% of that period, including any 10 of the last 20 years, is made up of foreign service;
- (g) otherwise, the deductible amount is the appropriate fraction of the value immediately before 6 April 2017 of the rights then accrued to payment of so much of the relevant amount as is paid in respect of pre-6 April 2017 reckonable service;
- (h) "the appropriate fraction" is given by—

$$F/R$$

where—

F is the period of pre-6 April 2017 reckonable foreign service, and

R is the period of pre-6 April 2017 reckonable service.’

Amendment 28, page 170, line 42, at end insert—

“‘foreign service’ has the meaning given by section 395C.’

Amendment 29, page 171, line 17, at end insert—

‘Relief from tax under Part 9 of ITEPA 2003 not to give rise to tax under other provisions

13 (1) In section 393B(2)(a) of ITEPA 2003 (tax on benefits under employer-financed retirement benefit schemes: “relevant benefits” do not include benefits charged to tax under Part 9), after “646E” insert “or any deductions under section 574A(3)”.

(2) The amendment made by this paragraph has effect in relation to benefits by way of lump sums paid on or after 6 April 2017.’—(Jane Ellison.)

Schedule 3, as amended, agreed to.

Schedule 4

PENSIONS: OFFSHORE TRANSFERS

Amendments made: 30, page 172, line 23, after “sub-paragraph” insert “(6C) or”.

Amendment 31, page 174, line 21, at end insert—

‘(4A) In sub-paragraph (4) (power to specify whether payments by scheme are referable to relevant transfer fund), after “payments or transfers made (or treated as made) by” insert “, or other things done by or to or under or in respect of or in the case of,”.’

Amendment 32, page 176, line 28, leave out “with the next 5” and insert—“immediately before the next 6”.

Amendment 33, page 177, line 1, leave out “with the next 5” and insert—

“immediately before the next 6”.

Amendment 34, page 178, line 8, leave out “for the purposes of sections 244L and 254”.

Amendment 35, page 178, line 28, leave out “for the purposes of sections 244L and 254”.

Amendment 36, page 178, line 48, leave out “for the purposes of sections 244L and 254”.

Amendment 37, page 179, line 18, leave out “for the purposes of sections 244L and 254”.

Amendment 38, page 180, line 19, leave out “was” and insert “has been”.

Amendment 39, page 180, line 21, leave out “was” and insert “has been”.

Amendment 40, page 183, line 17, leave out from beginning to fourth “the”.

Amendment 41, page 184, leave out lines 30 to 38.

Amendment 42, page 188, line 8, at end insert—

“17A In Schedule 32 (benefit crystallisation events: supplementary provision), after paragraph 2 insert—

‘Avoiding double counting of refunded amounts of overseas transfer charge

2A (1) This paragraph applies where an amount of overseas transfer charge is repaid (whether or not under section 244M) to the scheme administrator of one of the relevant pension schemes.

(2) The amount crystallised by the first benefit crystallisation event that occurs in respect of the individual and a benefited scheme after receipt of the repayment is to be reduced (but not below nil) by the amount of the repayment.

(3) If the amount of the repayment exceeds the reduction under sub-paragraph (2), the excess is to be set sequentially until exhausted against the amounts crystallised by subsequent benefit crystallisation events occurring in respect of the individual and a benefited scheme.

(4) In sub-paragraphs (2) and (3) “benefited scheme” means—

(a) the scheme to which the repayment is made, and

(b) any other pension scheme if as a result of a recognised transfer, or a chain of two or more recognised transfers, sums or assets representing the repayment are held for the purposes of, or represent rights under, that other scheme.”

Amendment 43, page 188, line 38, at end insert—

‘(1A) In those Regulations, after regulation 13 insert—

“14 Claims for repayments of overseas transfer charge

(1) This regulation applies where the scheme administrator of a registered pension scheme becomes aware that the scheme administrator may be entitled to a repayment under section 244M of the Act in respect of overseas transfer charge on a transfer.

(2) The scheme administrator must, no later than 60 days after the date on which the scheme administrator becomes aware of that, make a claim for the repayment to the Commissioners for Her Majesty’s Revenue and Customs.

(3) The claim must provide the following information—

(a) the member’s name, date of birth and principal residential address,

(b) the date of the transfer and, if different, the date of the event triggering payability of the charge on the transfer,

(c) the date on which the scheme manager accounted for the charge on the transfer,

(d) why the charge on the transfer has become repayable, and

(e) the amount in respect of which the claim is made.

(4) In a case where the 60 days mentioned in paragraph (2) ends with a day earlier than 14 November 2017, paragraph (2) is to be treated as requiring the claim to be made no later than 14 November 2017.”

Amendment 44, page 188, line 39, leave out “this paragraph” and insert “sub-paragraph (1)”.

Amendment 45, page 188, line 42, at end insert—

“() The amendment made by sub-paragraph (1A) is to be treated as having been made by the Commissioners for Her Majesty’s Revenue and Customs under the powers to make regulations conferred by section 244M(8) of FA 2004.”

Amendment 46, page 190, line 3, at end insert—

‘(4A) In regulation 3(3)(a) (reporting duty under regulation 3(2) expires after 10 years from creation of relevant transfer fund), after “beginning” insert “—

(i) if the payment is in respect of one or more of the relevant member’s ring-fenced transfer funds (whether or not it is also in respect of anything else), with the key date for that fund or (as the case may be) the later or latest of the key dates for those funds, and

(ii) if the payment is not to any extent in respect of the relevant member’s ring-fenced transfer funds.”.’

Amendment 47, page 191, line 26, after “take” insert “place”.

Amendment 48, page 192, line 26, at end insert—

“3AEA Information provided by member to QROPS: inward and outward transfers

(1) Paragraph (2) applies where—

(a) a recognised transfer or onward transfer is made to a QROPS, or an onward transfer is made by a QROPS or former QROPS, and

(b) either—

(i) the overseas transfer charge arises in the case of the transfer, or

(ii) the transfer is required by section 244B or 244C to be initially assumed to be excluded from the overseas transfer charge by that section.

(2) Each time during the relevant period for the transfer that the member—

- (a) becomes resident in a country or territory, or
- (b) ceases to be resident in a country or territory,

the member must, within 60 days after the date that happens, inform the scheme manager of the QROPS or former QROPS that it has happened.

(3) In a case where the 60 days mentioned in paragraph (2) ends with a day earlier than 30 June 2017, paragraph (2) is to be treated as requiring the information to be given no later than 30 June 2017.”

Amendment 49, page 194, line 23, at end insert—

“3AK Claims for repayments of charge on subsequent excluding events

(1) Repayment under section 244M (repayments of overseas transfer charge) to the scheme manager of a QROPS or former QROPS is conditional on making a claim to HMRC.

(2) Such a claim in respect of overseas transfer charge on a transfer—

- (a) must be in writing,
- (b) must be made no later than 12 months after the end of the relevant period for the transfer, and
- (c) must provide the following information—
 - (i) the member’s name, date of birth and principal residential address,
 - (ii) the date of the transfer and, if different, the date of the event triggering payability of the charge on the transfer,
 - (iii) the date on which the scheme manager accounted for the charge on the transfer,
 - (iv) why the charge on the transfer has become repayable, and
 - (v) the amount in respect of which the claim is made.”

Amendment 50, page 194, line 38, leave out “regulation 3AE(1) to (5)” and insert—

“regulations 3AE(1) to (5) and 3AEA”.

Amendment 51, page 195, line 3, at end insert

“, and

- () are, so far as they insert new regulation 3AK, to be treated as having been made by the Commissioners under the powers to make regulations conferred by section 244M(8) of FA 2004.”

Amendment 52, page 196, line 28, leave out “potentially excluded” and insert “overseas”.

Amendment 53, page 196, line 32, at beginning insert “either—

- (i) the overseas transfer charge arises in the case of the transfer, or
- (ii) ”

Amendment 54, page 196, line 4, at end insert—

“(3) In a case where the 60 days mentioned in paragraph (2) ends with a day earlier than 30 June 2017, paragraph (2) is to be treated as requiring the information to be given no later than 30 June 2017.”

Amendment 55, page 198, line 41, after “Regulations,” insert—

“and the amendments in regulation 11BA of the Registered Pension Schemes (Provision of Information) Regulations 2006,”

Amendment 56, page 198, line 46, at end insert—

“if it would otherwise be considered for those purposes as charged in an earlier period.”—(*Jane Ellison.*)

Schedule 4, as amended, agreed to.

Schedules 5 and 6 disagreed to.

Schedule 7 agreed to.

Schedules 8 to 15 disagreed to.

Schedule 16

EMPLOYMENT INCOME PROVIDED THROUGH THIRD PARTIES

Amendment made: 57, page 607, line 18, leave out from ““step”)” to ‘insert’ in line 19 and insert ‘at the end’.—(*Jane Ellison.*)

Schedule 16, as amended, agreed to.

Schedules 17 and 18 disagreed to.

Schedule 19 to 23 agreed to.

Schedules 24 to 29 disagreed to.

The Deputy Speaker resumed the Chair.

Bill, as amended, reported.

Bill, as amended in the Committee, considered.

Madam Deputy Speaker (Mrs Eleanor Laing): Order. Under the Order of the House of yesterday, we shall now move to the remaining stages, with no amendments on consideration. I shall now suspend the House for no more than five minutes in order to make a decision about certification. The Division bells will be rung two minutes before the House resumes. Following my certification, the Government will table the appropriate consent motion, copies of which will be made available in the Vote Office and distributed by the Doorkeepers.

2.55 pm

Sitting suspended.

3.1 pm

On resuming—

Madam Deputy Speaker (Mrs Eleanor Laing): I can now inform the House of my decision about certification. For the purposes of Standing Order No. 83L(2), I have certified clause 2 of the Finance (No. 2) Bill as relating exclusively to England, Wales and Northern Ireland and within devolved legislative competence. Under Standing Order No. 83L(4), I have also certified the following amendment as relating exclusively to England, Wales and Northern Ireland—the omission of clause 60 of the Bill in Committee of the whole House. Copies of my certificate are available in the Vote Office and on the parliamentary website.

Under Standing Order Nos. 83M and 83S, a consent motion is therefore required for the Bill to proceed. Copies of the motion are available in the Vote Office and have been made available to Members in the Chamber. Does the Minister intend to move the consent motion?

Jane Ellison indicated assent.

The House forthwith resolved itself into the Legislative Grand Committee (England, Wales and Northern Ireland) (Standing Order No. 83M).

[MRS ELEANOR LAING *in the Chair*]

The First Deputy Chairman of Ways and Means (Mrs Eleanor Laing): The consent motion for England, Wales and Northern Ireland will now be considered. I remind hon. Members that all Members may speak in the debate, but if there is a Division, only Members representing constituencies in England, Wales and Northern Ireland may vote on the consent motion.

Resolved,

That the Committee consents to the following certified clauses of the Finance (No. 2) Bill and certified amendments made by the House to the Bill—

Clauses certified under Standing Order No. 83L(2) (as modified in it is application by Standing Order No. 83S(4)) as relating exclusively to England, Wales and Northern Ireland and being within devolved legislative competence

Clause 2 of the Bill (Bill 156).

Amendment certified under Standing Order No. 83L(4) (as modified in it is application by Standing Order No. 83S(4)) as relating exclusively to England, Wales and Northern Ireland

The omission in Committee of Clause 60 of the Bill (Bill 156).—(*Jane Ellison.*)

Question agreed to.

The occupant of the Chair left the Chair to report the decision of the Committee (Standing Order No. 83M(6)).

The Deputy Speaker resumed the Chair; decision reported.

Third Reading

3.4 pm

Jane Ellison: I beg to move, That the Bill be now read the Third time.

Before I briefly comment in summary of the Bill, may I beg your indulgence, Madam Deputy Speaker, in making some remarks about a couple of colleagues?

The right hon. Member for Oxford East (Mr Smith) was present earlier and made a valedictory speech. I referred to that in my subsequent speech, but I was not then in a position to mention his record of service to the country. Not only has he been a parliamentarian since 1987, but he was a Minister of State for Education and Employment between 1997 and 1999, Chief Secretary to the Treasury between 1999 and 2002 and, indeed, Secretary of State for Work and Pensions between 2002 and 2004. He is no longer in his place, but I ask his party's Front-Bench spokesman to confer my sentiments to him and to draw to his attention the fact that I—on behalf of the Government and, I am sure, of all colleagues—have placed on record our thanks for his service to the country as a Minister during that period.

With the House's indulgence, I will pay tribute to a second Member. I have very recently been informed that my right hon. Friend the Member for Chichester (Mr Tyrie) is not seeking re-selection at this election, so I want to make a few comments about him. He has been the MP for Chichester since 1997. He is a former adviser to Nigel Lawson—Lord Lawson—when he was Chancellor, as he was to John Major when he was Chancellor. Members may be aware that my right hon. Friend was a senior economist at the European Bank for Reconstruction and Development before he entered Parliament. He is of course a very senior parliamentarian, and when we moved to electing our Select Committee Chairs, it was no surprise that he was elected overwhelmingly by the House with cross-party support. In recent times, he has served in one of the most senior positions in Parliament, if not the most senior position, as Chairman of the Liaison Committee. In all those roles across his life of public service, governmental service and service to this House, he has been enormously distinguished,

and I think I speak for everyone in saying that he is very well liked. I have known him during the years I have been in Parliament, but as a Treasury Minister, I have of course come to know him better in recent months. Indeed, I have responded to his letters on many occasions, and discussed them with him on the sidelines on many other occasions. Throughout those dealings, I have seen all his experience and qualities being brought to bear. I just want to say that to me, as a Minister, he has been kind and wise, and I will miss him enormously.

To move on to my Third Reading speech, the economy is fundamentally strong, and with this Finance Bill we are taking yet another step forward in building a stronger economy and a healthier society. As we have discussed, the Bill is proceeding on the basis of consensus. A number of key policy changes to the tax system, such as measures to tackle tax avoidance, are not being proceeded with now, but will be brought forward in a Finance Bill at the first opportunity after the election.

Even in its shortened form, the Bill takes action in three areas that have been consistent priorities for us in making changes to the tax system. First, the measures in this Bill take further action to reduce the deficit and secure the nation's public finances, and the Bill raises much-needed revenue to fund the public services we all value. Secondly, the Bill takes the next steps to achieve this Government's aim of a fairer and more sustainable tax system. It makes it clear that the tax system must keep pace with the different ways in which people choose to work, and ensure fair treatment between individuals. It also demonstrates our continued commitment to tackling tax avoidance and evasion to level the playing field for the honest majority of businesses and individuals who pay the tax they owe. Finally—this cause is particularly close to my heart, as a former Minister for Public Health—the Bill marks an important step in tackling childhood obesity by legislating for the soft drinks industry levy. As I noted earlier, we have achieved a great deal of cross-party consensus on the levy, which will help to deliver a brighter and healthier future for our children. I am delighted that we will be able to put it on the statute book.

In conclusion, this Finance Bill supports our commitment to a fair and sustainable tax system, one that offers support for our critical public services and will get the country back to living within its means. In that regard, it sits with this Government's long-term commitment to improving the strength of our economy, and I commend it to the House.

Madam Deputy Speaker (Mrs Eleanor Laing): Before I call the Opposition spokesman, may I echo on behalf of the whole House the Minister's kind words about the right hon. Members for Oxford East (Mr Smith) and for Chichester (Mr Tyrie)? We extend those kind words to all other hon. Members who are present this afternoon, who have taken part in the debates on this Bill and many similar Bills assiduously and brilliantly on behalf of their constituents, and who will not be here during the next Parliament. The whole House wishes them all very well indeed.

3.10 pm

Peter Dowd: I absolutely concur with the comments that you have just made, Madam Deputy Speaker, and that the Minister made about my right hon. Friend the

[Peter Dowd]

Member for Oxford East (Mr Smith) and the right hon. Member for Chichester (Mr Tyrie). May I comment on my hon. Friend the Member for Wolverhampton South West (Rob Marris), who is also leaving the House? It seems to me that some people have got time off for good behaviour.

May I just make a point about my hon. Friend the Member for Ealing North (Stephen Pound) and the Perivale scout group? He was very concerned about the insurance premium tax. I do not think he won on that point, but he has won on the sugar tax, which will save the teeth of the scout group. Good news for teeth; bad news for dentists, I suspect.

I alluded earlier to the fact that, as far as I could gather, this was the longest Finance Bill to be presented to the House. It had 135 clauses and 792 pages. It had clauses on pensions advice, overseas pensions, personal portfolio bonds, an employee shareholding scheme, an insurance premium tax, air passenger duty, duties in general, fraudulent evasion, digital reporting, data gathering and search powers, as well as umpteen schedules. Of course, each of the clauses and schedules has had some degree of scrutiny, but not necessarily the amount we would like, because the general election has rather unhelpfully intervened in our deliberations. But, as they say, that's democracy. Scrutiny is the fundamental role of Parliament, so when we do not have enough time for that role, we need to ensure that measures are not simply pushed through willy-nilly. I do not think that they have been in this regard.

We must always have a balance between raising tax and the dampening effect that that can have on business and society. That can be a difficult balance to draw and I think it has been drawn pretty well today.

I have referred previously to the need to raise our game in relation to productivity in the economy. Higher productivity is a driver of economic growth. Whatever our position, I hope that, to some degree, the Bill will help to push up productivity growth.

On the soft drinks levy, to which the Minister referred, the primary school PE and sport premium will go up from £160 million to £320 million annually, there will be an extra £10 million for breakfast clubs and, of course, 57% of the public support the levy. The Obesity Health Alliance found that the levy could potentially save up to 144,000 adults and children from obesity; prevent 19,000 cases of type 2 diabetes; and avoid, as I alluded to, 270,000 decayed teeth. I welcome the Minister's commitment to the review in a couple of years, based on the advice of Public Health England.

Some measures are no longer in the Bill, some will no doubt come back and we will bring some measures back before the House. We hope that those measures, in one way or another, will be scrutinised.

3.14 pm

Kirsty Blackman: Like this one, the debates today have tended to be fairly quiet, with not many of us speaking.

I echo the comments that have been made about the right hon. Members for Chichester (Mr Tyrie) and for Oxford East (Mr Smith) and the hon. Member for Wolverhampton South West (Rob Marris), with whom

I had the pleasure of serving on the Finance Bill Committee last year. I was constantly impressed by his incredible knowledge about all the matters we discussed. I will be sorry to see him go from this place.

I have a few matters to raise on Third Reading. We have had a greatly curtailed debate on the Finance (No. 2) Bill this year. Obviously, we will see a new Finance Bill in the next Session, but this Bill has been one of the most bizarre things I have been part of since I was elected. Last Tuesday, we had Second Reading. On Tuesday morning, everything was going to proceed as normal with the Finance Bill. We were going to have two days of Committee of the whole House, something like six Public Bill Committee sittings and two days for Report stage and Third Reading. As it is, it has all been squidged into three hours or so, with the opportunity for it to last for five hours. It has been totally bizarre.

I appreciated receiving the Government's notification that they would withdraw some things last night, but that was very little notice to allow us to go through all these matters properly and to work out exactly what the Government had and had not decided to proceed with. It has been difficult to operate under these circumstances and to provide the appropriate scrutiny, given the lack of time. The SNP has done its best. We have spoken on every group today and were the only party, other than the Government, to table amendments to the Bill. We have gone out of our way to provide scrutiny.

Before I talk about the provisions of the Bill, I want briefly to mention the way in which the Government tackle budgetary scrutiny, the way in which the Standing Orders are drafted and the way in which this House considers financial matters. In the past, I have raised at length the shortcomings of the estimates process. The Budget process is marginally better, but still not great.

I have mentioned a number of times the "Better Budgets" report. I absolutely back the call by the organisations that wrote that report for the Finance Public Bill Committee to have public hearings. It is really important for this House to do that. I would very much like whatever Government come in after 8 June to change the Standing Orders to allow hearings in the Public Bill Committee stage of the Finance Bill. That would make a really big difference to the level of scrutiny we are able to provide. I have heard the argument that the Treasury Committee hears evidence from members of the public. However, different individuals sit on the Treasury Committee and the Finance Bill Committee. I will keep making this call—the Minister knows that once I start bringing something up, I am not very good at letting it go—until the Government change the Standing Orders. I recognise that they were not put in place by this Government.

On the provisions of the Bill, I welcome the Government's withdrawal of certain measures. I note the Government's position on making tax digital, but I welcome their recognition that it is a contentious matter and that it would be better to bring it back following the general election. I welcome the withdrawal of the changes to the dividend threshold. We did not feel we had adequate time to scrutinise those changes and I appreciate the Government taking that measure out of the Bill.

We are less supportive of some matters that have made it to Third Reading. We still feel that the Government can do more on tax evasion. New clause 1 on tax evasion, which we tabled for debate today, asked the

Government to look at international comparators and to bring back a full report on all the ways in which international comparators are successful in tackling tax evasion. I get that piecemeal work has been done on this, but a full report would be incredibly helpful for the UK Government to ensure that the right decisions are taken to tackle tax evasion.

We are clear that there is still not enough protection for whistleblowers. We are very indebted to individuals who come forward and we would like to encourage them to continue to do so. Anything the Government can do on that would therefore be welcome.

On self-employment, last year's Finance Bill made some changes for those employed through intermediaries and this year's Finance Bill does the same. The Chancellor proposed changes to national insurance, but then rowed back on them. Those, however, are all piecemeal changes. If the Government want to make changes, they need to do them properly by looking at everything that affects the taxation of self-employed individuals. They also need to look at tax credits, so that self-employed individuals are supported through childcare vouchers and so on. Everything needs to be taken in the round, in addition to pension entitlement, holiday entitlement and maternity leave entitlement. A proper tax system needs to be put in place to tax self-employed individuals appropriately and provide them with appropriate benefits to encourage them to aspire and to leave employment—or leave unemployment—to begin their own businesses. The more we do that, and the less we shift the goalposts, the better situation we will be in.

The UK Government could do more to give confidence to the oil and gas industry. I would very much like them to look at changes to the tax regime on small pools. They have said they are committed to backing the maximising economic recovery strategy put in place by Sir Ian Wood. However, they have not followed up on that with enough measures. I do not feel that oil and gas has been given the priority it should be given. Oil and gas is incredibly important to the UK's economy as a whole, as well as to the economy of Scotland. It supports a huge number of jobs in our communities, even though there has been a massive reduction in the number of those jobs in recent years.

I am not asking for the Government to significantly reduce the rates of tax for oil and gas; I am asking them to look at incentivising investment and to look at those more difficult to reach pools. I am not asking for massive tax giveaways. In fact, incentives for investing in small pools would be a net benefit for the Government—it would not cost them anything. I am not asking for an amazing massive reduction in headline rates of tax; I am asking the Government to listen to companies that are coming forward and asking for small and reasonable changes, some of which will increase, not decrease, the UK Government's tax take. I therefore ask the Government to consider the amendments we have tabled and the suggestions we are making.

I appreciate the changes—they are long overdue—the UK Government hope to make in relation to late life assets. The sooner the commission can report and the change can be implemented the better. I would really appreciate that coming forward quickly.

Regardless of which Government are elected, we will have a new Budget and a new Finance Bill. We have not seen from this Government in any discussion of finances,

nearly a year on from the Brexit referendum, an acceptance of the effects Brexit will have on the UK Government's budget and tax take, on employment levels, on our constituents' jobs, on what businesses will come in and on the level of investment that will be coming in. Nearly a year on, we have not seen any recognition of any of that. I hope that in the next Parliament, the new Government will recognise the financial impact of Brexit on household budgets and jobs. I hope we see real changes that take into account the effects of Brexit.

3.24 pm

Rob Marris (Wolverhampton South West) (Lab): During the coalition Government, fiscal policy was unnecessarily tight and our constituents paid the price. After seven years, we have moved to a position where, despite the Prime Minister in her election campaign saying that taxes will be lower under a Conservative Government—she has not actually said lower than what—this year, on projections which of course may or may not come to pass, taxation as a percentage of national income is likely to be at its highest ever level in peacetime. That is not exactly a low-tax Government.

For the Government to try to pretend that they are a low-tax Government is unfortunate during a general election. It also leads to an unfortunate trend on both sides of the House to talk about taxation as if it were an evil in and of itself. Taxation pays for public services, which all our constituents enjoy. I have no problem with taxation that is fair and sustainable—the Minister talked about that—and if we clamp down on tax avoidance. I only wish that the outgoing Government and the incoming Government, whoever they are, were more forceful on the public register of beneficial ownership of offshore-held accounts and funds, particularly since about half the amount around the world, as far as we can tell, is held in British overseas territories. The UK therefore has a huge role to play. I salute the role the Conservative Government have thus far played, but there is further to go. I hope that an incoming Labour Government on 9 June will take it a lot further.

I have done seven or eight Finance Bills in my time in this House. As some right hon. and hon. Members know, this will be my final speech to the House, as I am retiring at the general election. I will be putting my feet up in the garden and watching the rest of you work. One has to try, as the right hon. Member for Chichester (Mr Tyrie) always tried—he has rightly been praised in this debate—to be realistic about what is going on. What is going on is that, under the coalition Government and the Conservative Government of the past two years, inequality of income has fallen—that is true on the Gini coefficient—and unemployment has fallen fantastically. In round terms, employment is up by 2.75 million. That is a fantastic achievement. About one in five of those new jobs is a zero-hours contract and not all zero-hours contracts are decried by those who have them. The proportion of workers who are working part time has hardly changed in seven years. There will be some who are working part time who would prefer to work full time, but many of those who are working part time, including within that 2.75 million, choose to do so and they should have the flexibility to do so.

The achievement on falling unemployment has, however, been bought on a sea of debt. The national debt in the past seven years has gone up by almost 70%. That is an enormous amount in peace time in seven years. The deficit,

[Rob Marris]

I have to say to this outgoing Government, is a bit like Gordon Brown's golden rule—another can that kept getting kicked down the road—that Government borrowing should, on the economic cycle, be balanced. Gordon Brown, as Chancellor and Prime Minister, kept redefining what the economic cycle was to try to make his figures work out.

With this Government and the previous Government, the annual deficit, which is still enormous, is always going to be sorted out in five years' time. I am not sure how many of my constituents believe that any more, particularly in a year when, I think I am right in saying, the Government of Greece, through measures that every Labour Member and many Government Member would find far too painful, socially disruptive and unacceptable—measures forced on them by the troika and the International Monetary Fund—are due to record a surplus on their current account.

Here we are, in the wealthy United Kingdom, with a Government who are saying, as did their predecessor Government over the preceding five years, “We want to get the deficit down, and we will get it down in five years”—it is always mañana, always another five years—but who, on that measure, are doing far, far worse than the Government of Greece. It is an indictment of seven years of Conservative-led Government. My constituents have had the pain but not the gain. Inequality of wealth, in contradistinction to inequality of income, has increased very markedly in the past seven years. Not only do I find that distasteful as a socialist; as a citizen of the UK, I find it worrying, because if a society becomes too unequal, it carries a severe risk of social fracture.

We see that in the housing market. On current trends, many people will never have affordable housing. Those in the next generation who have it often have it because their parents or grandparents did as well and they have inherited a deposit or house from earlier generations in their family who owned property. That trend will lock in inequality into our society. Both sides of the House profess to decry and wish to address such inequality, but it will be locked in through the housing market because in the past 10 years, in particular, we have not built or created nearly enough housing units in the UK. It will have huge social implications when that trend creates rigid inequality that cannot be overcome, regardless of what we do on schooling, because it is locked in. Does someone inherit or not inherit a down payment on a house? That is very sad for a society in which average earnings—average incomes have risen because pensioner incomes have risen thanks to the triple lock—are still below what they were nine years ago before the crash.

That is not all the fault of the Government, who have taken some good steps, but they have not gone far enough on what they now call the national living wage. They are converts—the Conservative party opposed the minimum wage on principle when we introduced the legislation in 1998—and with the zeal of converts, they have gone a lot further than I and many Labour Members expected in terms of a statutory minimum wage and national living wage, but they still have not gone far enough. That is bad for social cohesion and poverty in this country and bad for economic growth, because in a capitalist society, one way to drive productivity is through higher wages and a substitution of capital for labour.

When we substitute capital for labour, very often—not in every case, but overall and very often—we get higher productivity.

We need to do more. The Government have taken some steps, but we on the Labour Benches do not think they have gone nearly far enough, on productivity as it relates to technical training and upskilling the workforce. The Conservatives have come late to that party. We now have the target of 3 million apprentices, which might or might not be met, but if it is met, one fears it will be through redefining as “apprenticeships” courses and training schemes that many of us would not regard as such, to make the figures work—that is always a danger with targets. It is laudable, however, that the Government want to take policies from Labour and increase training, particularly technical training, in our economy, and the Bill will help in that regard.

Over the past seven years—this is not addressed in the Bill—infrastructure spending has been insufficient, but we have also had, and are having, inappropriate infrastructure spending. Unless there is a change of course, as I hope there will be, we will be spending about £60 billion or more on the HS2 railway line, which is a very bad allocation of capital for transport spending. We are also on course to spend—indirect spending through much higher electricity prices, not direct spending by the Government—upwards of £18 billion on the Hinkley Point C nuclear reactor, which is to be built by a bankrupt French company, EDF, which is only still going because it is being bailed out by its state owners, the French Government, and using a design that has never worked anywhere in the world. It is being tried in Finland and Normandy, but those projects are years overdue and massively over-budget, yet it is part of the Government's approach to infrastructure spending. We on the Labour Benches recognise that the Government have again started to borrow some of our policies, such as the possible cap on domestic energy prices, but they have not gone far enough on infrastructure spending and have lost their way on some of these big projects.

The final issue, mentioned by the hon. Member for Aberdeen North (Kirsty Blackman), is Brexit, which looms over us all and all our constituents but, surprisingly, not over the Bill. Before the referendum last summer, the Treasury was keen to put out projections of what its officials thought would be the consequences of a Brexit vote. It was an entirely appropriate use of its resources by a Government whose official policy was to support the United Kingdom remaining in the EU. We had all those projections, but since 23 June things have gone quiet. I appreciate that the UK, in round terms, is still 100 weeks away from leaving the EU, which makes it more difficult to come up with projections of what is likely to happen with our economy—partly because we do not know what the Brexit package will be—but there are some signs of concern in the markets about Brexit that I do not think are adequately reflected in the financial measures proposed by the outgoing Government, including the measures in the Bill. If the Government are re-elected—in my view, that would be unfortunate—they will have to get their act together and be a bit more public about where they see the economy going with Brexit.

As I said, I appreciate that that cannot easily be done given that we do not know what the final package will look like or whether it will be a hard Brexit with no package at all, but to reassure the markets and—just as

importantly—our constituents, whichever side of referendum they might have been on, the Government of the day, from 9 June, will have to be rather more open about the direction of travel and what they are doing to be proactive, rather than reactive, to the process of Brexit and its effect on the economy. That will be the case whatever the Government's colour, because without that greater clarity the markets will be more concerned and more spooked, and our constituents will be more concerned and more worried, than they need to be. Of course nobody has a crystal ball, but it would help us all to have a few more projections than we hitherto have had.

Question put and agreed to.

Bill accordingly read the Third time and passed.

Health Service Medical Supplies (Costs) Bill

Consideration of Lords Message

Before Clause 1

DUTY TO TAKE ACCOUNT OF THE LIFE SCIENCES SECTOR
AND ACCESS TO NEW MEDICINES AND TREATMENTS

3.39 pm

The Minister of State, Department of Health (Mr Philip Dunne): I beg to move, That this House disagrees with Lords amendment 3B.

Madam Deputy Speaker (Mrs Eleanor Laing): With this it will be convenient to discuss Government amendments (a) and (b) in lieu.

Mr Dunne: When we last debated the Bill, I reminded the House of its importance. I do not intend to go over all that ground again, save to note the three primary purposes of the Bill: first, to give powers to align broadly our statutory scheme for the control of prices of branded medicines with our voluntary scheme, by introducing the possibility of a payment percentage for the statutory scheme, which could deliver £90 million of funding for the NHS every year; secondly, to give us stronger powers to set prices of unbranded generic medicines where companies charge unjustifiably high prices in the absence of competition; and, thirdly, to give us stronger powers to require companies in the supply chain for medicines, medical supplies and other related products to provide us with information. We intend to use that information to operate our pricing schemes, to reimburse community pharmacies for the products they dispense and to assure ourselves that the supply chain or specific products provide good value for money for the NHS and the taxpayer.

We agreed with 23 amendments made by their lordships during the passage of the Bill through the other place. Those, we accept, have made this a better Bill. We rejected just a single amendment. Despite the strength of our arguments, the other place has now made amendment 3B, which to all intents and purposes has the same effect as the original Lords amendment 3. It would introduce a duty on the Government, in exercising their functions to control costs, to take into account the need to promote and support a growing life sciences sector and to ensure that patients have access to new medicines. As I explained previously to this House, the amendment, which is no different in its effect from previously, would undermine one of the core purposes of this Bill: to enable the Government to put effective cost controls in place.

In our view, the amendment could encourage companies to bring legal challenges where the cost controls have not in themselves promoted growth in the life sciences industry. That could significantly hinder the Government's ability to exercise their powers effectively to control costs. That would have a particularly detrimental effect if the Government were to take action to control the price of an unbranded generic medicine where it was clear that the company was exploiting the NHS—a point on which there was cross-party agreement when

[Mr Dunne]

we debated the matter. That is because the Government might be challenged, not on the basis that the action was inappropriate, but on the basis that it did not promote the life sciences sector. Nevertheless, as I am sure all Members would agree, such action could be the right thing to do for the NHS, patients and taxpayers. The powers in the Bill that enable such action have received universal, cross-party support in both Houses.

Through debate on the issue in the other place, we have clarified that their lordships did not intend to undermine the core purposes of the Bill. Rather, the intent was to ensure a mechanism, laid out on the face of the Bill, to ensure that the Government pause to reflect on the impact of any proposed price control scheme on the life sciences industry and access to cost-effective medicines. With this clarity, the Government are now proposing amendments in lieu of Lords amendment 3B that will achieve that intent without undermining the core purpose of the Bill.

Consultation requirements prior to the implementation of any new statutory price control scheme for medicines are already set out in section 263 of the National Health Service Act 2006. Our amendment (b) in lieu would amend the 2006 Act to include particular factors that must be consulted on before proceeding with a new statutory scheme. They are:

“(a) the economic consequences for the life sciences industry in the United Kingdom;

(b) the consequences for the economy of the United Kingdom;

(c) the consequences for patients to whom any health service medicines are to be supplied and for other health service patients.”

The requirements are framed in that way to allow us not only to consider the economic consequences for the life sciences industry and for patients who may benefit from new medicines, but to balance those factors against wider considerations. I am sure the whole House can agree that while a thriving life sciences industry and access to new medicines are highly desirable, they must not come at any cost. It is the Government’s responsibility to achieve the right balance, and, indeed, to be held to account for it.

3.45 pm

As with any consultations, the Government must give all responses due consideration before finalising policy. Including those requirements in the Bill does not limit the scope of the consultation, but offers both Government and consultees an opportunity to give proper consideration to all relevant issues. The amendment relates specifically to section 263 of the National Health Service Act, which deals with the powers to put a statutory scheme in place for medicines. When action is being taken against a specific instance of high prices for an individual medicine, it would not be appropriate for it to be subject to such a wide-ranging consultation. In such cases, the Act already requires consultation with the appropriate industry body or bodies prior to exercise of the powers.

We believe that our amendment addresses the substance of the concerns raised by the hon. Member for Ellesmere Port and Neston (Justin Madders) at each stage of the Bill—I give him credit for consistency—and by Members in the other place. I therefore hope that the hon. Gentleman will welcome the amendments.

Justin Madders (Ellesmere Port and Neston) (Lab): I thank the Minister for approaching the outstanding areas of concern in a constructive and conciliatory manner that has allowed us to support the Government’s proposal, and hence to support the Bill as a whole. We too are keen for the NHS to gain better control of the cost of medicines. We are anxious to close loopholes in the system which have been the subject of blatant abuses over the last few years, and which we have discussed during the Bill’s passage. The negotiations on the amendments were, by their nature, speedy, but they were no less effective for that. I doubt that we will be so fortunate with the Brexit discussions in the future.

During the passage of the Bill, we have heard very clearly that the current state of affairs is not serving patients or the taxpayer as well as it could. As we have heard, expenditure on medicines has constituted a significant and growing proportion of the NHS budget, standing at £15.2 billion in England in 2015-16. That is an increase of over 20% since 2010-11. Had that been applied to health spending across the board, many of our exchanges across the Dispatch Box during the last 12 months or so might have been a little less lively.

The Minister will be aware, however, that despite that increase in spending, serious concerns are still being raised about the availability of new treatments. I should like to take a few moments to raise some of the specific concerns expressed by patients about the introduction by the National Institute for Health and Care Excellence and NHS England of a “budget impact test”, which could cause the introduction of new treatments costing more than £20 million a year to be delayed by up to three years. We fear that some patients with particular conditions will be disproportionately affected. Let us take just one condition: type 2 diabetes. There are several drugs for that condition that already cost the NHS more than £20 million a year owing to the patient numbers involved, including Exenatide, which costs £21 million, Liraglutide, which costs £41 million, Sitagliptin, which costs £77 million, and human analogue insulins, which cost £70 million.

Can the Minister tell us what estimate has been made of the number of patients in England who could be affected by delays in accessing treatments owing to the introduction of the budget impact test? Can he also comment on what impact that might have on patients’ right to treatment under the NHS constitution? We have already seen the 18-week commitment effectively abandoned; does the Minister now consider the constitution to be an optional extra? It is also of particular concern that the test could apply to important end-of-life drugs: in the case of those patients there is, of course, no time to waste. What can the Minister do to ensure that valuable time is not wasted when drugs hit the impact test for that group of patients?

Returning to the Government amendments, we are content that they take us to more or less the place that our previous amendments did, without binding the Government’s hands totally. We welcome the concessions made, which enable us to support this proposal, because by requiring the Secretary of State to consult, in particular on the consequences of enacting any powers on the life sciences sector and, most importantly, patients, we now have an extra safeguard that we hope will ensure that the right balance is struck between controlling cost, promoting our life sciences industry and making sure patients get access to new treatments as quickly as

possible. The Bill has always addressed the first of those three areas, but we consider it just as important for the other two areas to be clearly factors to be taken into account when new rules are developed. We believe this is important because we have significant concerns about the current system denying patients access to new treatments and stifling investment. As we have said previously, the imminent departure of the European Medicines Agency from our shores should be set against the worrying backdrop of investment in research and development in the sector falling by 20% in just over three years.

The reduction in investment does not just impact on growth and jobs in the country; it also has a profound impact on patients. The “International Comparisons of Health Technology Assessment” report published in August by Breast Cancer Now and Prostate Cancer UK shows that NHS cancer patients in the UK are missing out on innovative treatments that are becoming available. For every 100 European patients who can access new medicines in the first year that they are available, just 15 UK patients have the same access; we must reverse that. We hope that this amendment will go some way to reversing that trend, as a consultation process that requires the Secretary of State to specifically consider these issues will mean that if the consultation is genuine, open-minded and involves a complete, conscientious and considered examination of the responses to it, we will hopefully see a system that protects and supports our industry, and, most importantly, reaffirms one of the founding principles of the NHS: that treatment should be available to all and be free at the point of use. That is a principle that we on the Labour Benches are very keen to defend.

In conclusion, we will support this amendment and keep a close eye on the many issues raised today, which are not going to go away just because there is now a general election.

On that point, I hope that you will allow me a small indulgence, Madam Deputy Speaker: this will be my last appearance in the Chamber before the Dissolution of Parliament and I want to thank you and your Clerks for the time and courtesy you have afforded both me and other new Members as we have learned the intricacies of this place. A lot goes on behind the scenes to ensure that these debates have a coherence and fluency; that might appear effortless to the outside world, but we can assure people that that certainly is not the case. I have found everyone who works behind the scenes here to be very helpful and welcoming, which has made it easy for me to do my job.

This has been much more than a job to me; it has been an absolute privilege of my life to be here and represent the people of Ellesmere Port and Neston. I hope that after the election I have the opportunity to continue to do that.

Several hon. Members *rose*—

Madam Deputy Speaker (Mrs Eleanor Laing): Order. I thank the hon. Gentleman for his extremely kind words, and for his courtesy, which he always shows at the Dispatch Box and in the Chamber.

Dr Philippa Whitford (Central Ayrshire) (SNP): Like the hon. Member for Ellesmere Port and Neston (Justin Madders), this will be my last time speaking in the

Chamber before Dissolution, and as a newbie I also want to pay tribute to the staff of the House, who made coming here much easier than we had expected it to be. I am also glad that my final speech before Dissolution is on a Bill that, despite some of our disagreements, we have worked on on a cross-party basis to produce a piece of work that we all agreed needed to be done.

I, too, welcome Government amendment (b), although I would have laid out the three paragraphs the other way around, because the whole point of the NHS, and the whole reason we are discussing this, is patient access: that is the No. 1 concern. I would have put patients first, not third. The fear of not getting access to drugs is a great issue for patients. As the hon. Gentleman mentioned, we have a significant delay that is measurable in comparison with other countries. For certain types of cancer, our performance in relation to patients with early disease is as good as anywhere, but we fall down in dealing with people with difficult or advanced disease. That is because of the delay.

I want briefly to mention the interaction of the budget impact assessment with our no longer being part of the European Medicines Agency. I am not talking about the United Kingdom losing the agency itself; I am talking about our no longer being part of the scheme. We know that there is a danger that drugs are presented for licensing in the United Kingdom at a later date than in the United States and the European Union, which are major markets. It is likely that we could also be behind Japan. I am not suggesting that we should simply hand over any amount of money, but if we were also seen as a hostile market in which there was an expected delay of three years for expensive drugs, there would be a danger that international pharma would simply say, “You know what? We’ll license everywhere else, then we’ll come back to the UK in a few years.” That could result in significant delayed access for our patients.

We need to think about how all this feeds into trials and research, and into the life sciences system. If we are not using what is considered to be the gold standard drug at the time of a new international trial, we will not be able to take part in the comparison of the gold standard with the new drug. The UK has led the EU research network, which is the biggest research network in the world. We have been a major player in that, and it is important to realise how building in this delay from NHS England could undermine that. Surely this should be part of the NICE process. It should be clear to pharma, when it comes with a drug at a price, what process it will have to go through, what evidence it will have to bring forward and how it will have to negotiate a price. I fear that there will be delays in drugs being licensed.

This will affect us in Scotland even though NICE decisions do not apply to us. If a drug were simply not licensed here, it would be irrelevant that the Scottish Medicines Consortium chose to fund it—as it did the other week with Kadcyła—because it would still be an unlicensed medicine. We need to look at how the loss of the European Medicines Agency will work in this regard. There should not be a separate procedure after NICE that could suddenly hit pharma with another barrier to jump over. This will hit new cancer drugs, because they are expensive. It will particularly hit drugs for rare diseases, which the EMA has led on, because they are

[Dr Philippa Whitford]

bespoke and therefore inevitably expensive. The £20 million limit would mean that if someone came up with a fabulous cure for dementia, for example, a budget impact assessment would be triggered.

Mr Jim Cunningham (Coventry South) (Lab): I agree with what the hon. Lady says about the European Medicines Agency. I have had a lot of letters from people who are very concerned about that issue. There is another factor involved in the delays that can occur in the Government agreeing a price. I think that the drugs companies often take the Government to the cleaners.

Dr Whitford: I thank the hon. Gentleman for his intervention. That is obviously why the Government are introducing the Bill. They are trying to achieve a degree of control and to prevent runaway drugs costs. Of course we agree with that objective, which is visible in the Bill. The Government are trying to establish a predictable system of licensing in the UK, so that a pharmaceutical company knows what it has to bring to the table. That might mean a bit more flexibility during the NICE process, because we could appear hostile if a drug goes through that process and is defined as cost-effective, only to be hit with another, less predictable, barrier. The danger is that that will affect Scotland just as much as England, regardless of our drug funding decisions, because licensing is a reserved matter. The Government need to take that into account, because patients come third in the order set out in the amendment, and I believe that they should come first.

4 pm

Mr Dunne: I had not intended to make a significant response in the light of this debate, but other colleagues have taken advantage of this being their final appearance at the Dispatch Box or speaking for their party in this Parliament and I cannot resist the opportunity to join the club.

I follow the hon. Member for Ellesmere Port and Neston (Justin Madders) in thanking Members for their work both in Committee and on the Floor of the House during the passage of this Bill. He gave us a valedictory, perhaps hinting that he may not be returning to this House, which in some respects I would welcome and in other respects I would regret because he has been a co-operative colleague on this Bill.

Again, I place on record my thanks to the hon. Member for Central Ayrshire (Dr Whitford) for her contribution to the passage of the Bill. I also briefly thank my Parliamentary Private Secretary, my hon. Friend the Member for Kingston and Surbiton (James Berry), who has been a stalwart supporter throughout the Bill. I also thank the departmental Whip, my hon. Friend the Member for Beverley and Holderness (Graham Stuart), who has also joined us today, for his efforts in this Parliament to help the work of the Department of Health, which is not always the smoothest ride for Government Whips.

The hon. Member for Ellesmere Port and Neston spoke about the budget impact test, and he challenged me to identify whether certain specific drugs will be caught by it, which is a nice try. The test applies for new drugs, of course, so drugs that are already licensed and

on the list will not be caught because they are already licensed and in use. The intent, which came through in the consultation that concluded in January, is that this should not be seen as a threshold that will have a direct impact on the applicability of these drugs; it was designed to provide an opportunity for the NHS to have negotiating scope to try to get a better price on prospective drugs that will have a significant cost.

Although the hon. Member for Central Ayrshire is concerned about the delay resulting from the Bill and the delay from the potential loss of the EMA, we do not necessarily see it impacting in quite that way. We think it will have an impact on one in five new medicines that are brought forward for use in this country. As we have said repeatedly, we have a strong desire to see a vibrant life sciences industry in this country. There have been some significant investments by life sciences companies in this country since the referendum on 23 June, with this Bill in prospect, so we do not share the fears expressed today.

Finally, the hon. Member for Wolverhampton South West (Rob Marris) was here for the previous debate, but he served on the Health Service Medical Supplies (Costs) Public Bill Committee. He has had a distinguished career in this House and served on Finance Bill Committees with me ad nauseam. I was therefore pleased but somewhat trepidatious to see him put himself forward to serve on the Health Service Medical Supplies (Costs) Public Bill Committee. He lived up to all expectations, and I wish him well.

Lords amendment 3B disagreed to.

Government amendments (a) and (b) made in lieu of Lords amendment 3B.

Business without Debate

DELEGATED LEGISLATION

Madam Deputy Speaker (Natascha Engel): With the leave of the House, we shall take motions 4 to 11 together.

Motion made, and Question put forthwith (Standing Order No. 118(6)).

LOCAL GOVERNMENT

That the draft Greater Manchester Combined Authority (Functions and Amendment) Order 2017, which was laid before this House on 20 March, be approved.

That the draft Combined Authorities (Finance) Order 2017, which was laid before this House on 13 March, be approved.

CRIMINAL LAW

That the draft Specified Agreement on Driving Disqualifications Regulations 2017, which were laid before this House on 9 March, be approved.

INCOME TAX

That the draft Major Sporting Events (Income Tax Exemption) Regulations 2017, which were laid before this House on 19 April, be approved.

REPRESENTATION OF THE PEOPLE, SCOTLAND

That the draft Representation of the People (Scotland) (Amendment) Regulations 2017, which were laid before this House on 8 March, be approved.

That the draft Electoral Registration Pilot Scheme (Scotland) Order 2017, which was laid before this House on 8 March, be approved.

REPRESENTATION OF THE PEOPLE

That the draft Electoral Registration Pilot Scheme (England and Wales) Order 2017, which was laid before this House on 8 March, be approved.

That the draft Electoral Registration Pilot Scheme (England) (Amendment) Order 2017, which was laid before this House on 8 March, be approved.—(*Christopher Pincher.*)

Question agreed to.

PETITIONS

Drumchapel Post Office

4.4 pm

Carol Monaghan (Glasgow North West) (SNP): A similar petition has been signed by 640 people and by a further 456 people online.

The petition states:

The petition of residents of Glasgow North West,

Declares that Post Office Limited has announced that the Post Office on Hecla Avenue in Drumchapel is under threat of closure; further that this provides a vital service for many local residents, the loss of which would have a detrimental impact on the wider community in Drumchapel as well as causing concern for staff; further that whilst there is the opportunity to franchise the current office, this could endanger the ongoing provisions of services and jobs in the local area, as well as this branch's current convenient location in the heart of the community; and further that visiting the Post Office, it is noticeable just how busy the counters are and how strongly the community feels about this proposal.

The petitioners therefore request that the House of Commons urges the Government to call upon the Post Office to halt any plans to close the Drumchapel Post Office and ensure that these services and jobs can be maintained and protected in the local area.

And the petitioners remain, etc.

[P002033]

School Funding Formula in Calderdale

4.6 pm

Holly Lynch (Halifax) (Lab): I rise to present a petition opposing cuts to school budgets in my constituency, which has been signed by 166 people, further to the 1,072 people who have signed it online.

The petition states

The petitioners therefore request that the House of Commons urges the Secretary of State for Education to reconsider the proposed national school funding formula to ensure that Calderdale schools do not lose out and that no school receives less than £4,800 per pupil.

Following is the full text of the petition:

[The petition of residents of the UK,

Declares that the proposed national school funding formula would see reductions to the budgets of schools in Calderdale at a time when finances are already stretched; and further that an online petition on this matter received 1,042 signatures.

The petitioners therefore request that the House of Commons urges the Secretary of State for Education to reconsider the proposed national school funding formula to ensure that Calderdale schools do not lose out and that no school receives less than £4,800 per pupil.

And the petitioners remain, etc.]

[P002034]

Royal Electrical and Mechanical Engineers and High Town Barracks, Wrexham

4.6 pm

Ian C. Lucas (Wrexham) (Lab): I rise to present a petition of 793 residents of Wrexham.

The petition states:

The petition of residents of Wrexham in the constituency of Wrexham,

Declares that the petitioners recognise the long military tradition of Wrexham and North Wales and its relationship with the Royal Welsh Fusiliers and Royal Electrical and Mechanical Engineers; further declares that they are deeply concerned over the proposal to move the battalion headquarters from Wrexham to Bristol, and away from the area which has served the British Army and Wales for so many years.

The petitioners therefore request that the House of Commons urges the Government to retain the current 101 Battalion Royal Electrical and Mechanical Engineers in Wrexham.

And the petitioners remain, etc.

[P002035]

Royal Electrical and Mechanical Engineers and High Town Barracks, Wrexham

4.8 pm

Susan Elan Jones (Clwyd South) (Lab): I rise to present the petition of several hundred residents of my constituency. It is based on the same petition as that presented by my hon. Friend the Member for Wrexham (Ian C. Lucas). It arises from our deep concerns on this issue, and it is time the Government listened.

The petition states:

The petitioners therefore request that the House of Commons urges the Government to retain the current 101 Battalion Royal Electrical and Mechanical Engineers in Wrexham.

Following is the full text of the petition:

[The petition of residents in the constituency of Clwyd South,

Declares that the petitioners recognise the long military tradition of Wrexham and North Wales and its relationship with the Royal Welsh Fusiliers and Royal Electrical and Mechanical Engineers; further declares that they are deeply concerned over the proposal to move the battalion headquarters from Wrexham to Bristol, and away from the area which has served the British Army and Wales for so many years.

The petitioners therefore request that the House of Commons urges the Government to retain the current 101 Battalion Royal Electrical and Mechanical Engineers in Wrexham.

And the petitioners remain, etc.]

[P002036]

Closure of Marske Medical Centre

4.9 pm

Anna Turley (Redcar) (Lab/Co-op): I rise to present a petition signed by 421 residents of Marske and New Marske in my constituency about a decision to close this medical centre at the end of June.

The petition states:

The petition of residents of Marske and New Marske in the Redcar Constituency.

Declares that the decision to close the Medical Centre of Hall Close, Marske-by-the-Sea, will leave over 5,000 patients, many of whom are elderly, without a local medical practice, and require them to travel to neighbouring towns to register with a General Practitioner.

The Petitioners therefore request the House of Commons to urge the Government to prevent the closure of the Marske Medical Centre.

And the petitioners remain, etc.

[P002037]

Morningside Post Office Franchising

4.10 pm

Ian Murray (Edinburgh South) (Lab): I rise to present a petition signed by more than 4,000 residents of Edinburgh South.

The petition states:

The petition of Edinburgh South,

Declares that the government has forced a transformation programme on the Post Office that has placed Crown Post Offices and local branches in jeopardy; further that the only independent report carried out on franchising found that the Crown Office closure and franchising programme had been bad for customers, ranking franchises worse than Crown Offices across a range of indicators including queue times, service times, customer service and advice on products, disabled access and staffed counter positions; and further that the Post Office has already spent money refurbishing the Crown Offices it is now closing and franchising, with £5.9 million spent since 2010 on refurbishing the 59 Crown Offices that the Post Office announced it would close and franchise in 2016, an average of £100,000 per branch.

The petitioners therefore request that the House of Commons urges the Government to suspend the Crown Office closure and franchising programme and instead ensure the Post Office works with Crown branches, including Morningside Post Office, to make them more efficient and profitable.

And the petitioners remain, etc.

[P002039]

Fairer Funding Formula for School Pupils in the Congleton Constituency and wider Cheshire East Local Authority Area

4.11 pm

Fiona Bruce (Congleton) (Con): I rise to present a petition of some 1,600 signatures of residents of the Congleton constituency and wider area.

The petition declares

that current Government proposals for a Fairer Funding Formula for schools do not achieve fair funding for pupils in the constituency of Congleton.

Indeed, they and other pupils in the Cheshire East local authority area would be the lowest funded in the country. Local headteachers state that that level of funding would not enable them to provide the standard of education, facilities and support that our pupils deserve.

I fully support the petition, which also states:

The petitioners therefore request that the House of Commons urges the Government to review the proposed funding formula to reflect a fairer level of funding for local schools, to ensure that

children in the local authority area of Cheshire East have the same opportunities as children in similar schools and other local authorities across the country.

Following is the full text of the petition:

[The petition of residents of Alsager, Congleton, Holmes Chapel, Middlewich, Sandbach and elsewhere in and outside the Congleton Constituency,

Declares that current Government proposals for a Fairer Funding Formula for schools do not achieve fair funding for pupils in the constituency of Congleton.

The petitioners therefore request that the House of Commons urges the Government to review the proposed funding formula to reflect a fairer level of funding for local schools, to ensure that children in the local authority area of Cheshire East have the same opportunities as children in similar schools and other local authorities across the country.

And the petitioners remain, etc.]

[P002038]

Fairer Funding Formula for School Pupils in Macclesfield Constituency and the Cheshire East Local Authority Area

4.12 pm

David Rutley (Macclesfield) (Con): I rise to present a petition on fair funding for all schools that has been signed by more than 1,500 residents of Cheshire East, including more than 900 from the Macclesfield constituency. It also includes signatures from residents living in the constituency of the Minister for Vulnerable Children and Families, my hon. Friend the Member for Crewe and Nantwich (Edward Timpson); because his ministerial role prevents him from presenting a petition, he has asked me to do this on his behalf. I am pleased to see him on the Front Bench.

The petition states that the petitioners

request that the House of Commons urges the Government to review its proposed national funding formula for schools in order to ensure that all children have access to a properly funded education, and therefore invest in the future of our country.

Following is the full text of the petition:

[The petition of residents of Cheshire East,

Declares that the Government should review its proposed national funding formula for schools; further that Cheshire East schools are set to see their funding budgets cut by the new proposal; further that, with rising statutory employer and staffing costs, along with increasing pupil numbers, Cheshire East schools will need to receive increased funding to cover their basic costs; further that under the new proposal, a child in Cheshire East is worth significantly less than the average child in England; and believes that this funding proposal is unfair.

The petitioners therefore request that the House of Commons urges the Government to review its proposed national funding formula for schools in order to ensure that all children have access to a properly funded education, and therefore invest in the future of our country.

And the petitioners remain, etc.]

[P002040]

Contaminated Blood

Motion made, and Question proposed, That this House do now adjourn.—(Christopher Pincher.)

4.14 pm

Andy Burnham (Leigh) (Lab): Through you, Madam Deputy Speaker, may I thank Mr Speaker for giving me this opportunity to make what will be my last speech in this House? I make it on the subject of contaminated blood for a simple reason: knowing what I know, and what I believe to be true, I would not be able to live with myself if I left here without putting it on the official record. I will be honest: this is a speech made with a sense of guilt in that all of us here are collectively culpable of failing to act on evidence that is there before us if only we cared to look and, by extent, failing thousands of our fellow citizens who are the victims of perhaps the greatest untold injustice in the history of this country.

First, let me explain the genesis of my speech. Last year, the chair of the all-party group on contaminated blood, my hon. Friend the Member for Kingston upon Hull North (Diana Johnson), who has done absolutely outstanding work on behalf of those who have continued to struggle for truth and justice, invited me to a meeting to discuss where next for the campaign. There was a raising of expectations in the last Parliament—I am talking about a lot of goodwill on both sides of the House and a sense that people wanted to do something to help. That continued in the early part of this Parliament, with a sense building that something was going to be done. However, following those expectations, victims now feel that they have been led up to the top of the hill only to be let down once again.

Although I do not doubt the sincerity of the former Prime Minister's apology at his last PMQs, the Government's failure to back it with substantial action has left people feeling in the wilderness all over again. To try to find a way forward for them, my hon. Friend asked me to speak to the all-party group about whether my experience on the Hillsborough campaign might provide some insights that would help those still campaigning today, after all these years, for justice for those who have suffered from contaminated blood.

When I focused on that question, I had something of a penny-drop moment—this was when I was preparing to speak to the group. The more I thought about it, the more the parallels between the contaminated blood scandal and Hillsborough became clear. Obviously, both relate to the 1980s and both resulted from appalling negligence by public bodies, but there is also the fact that both have been subject to an orchestrated campaign to prevent the truth being told. It is that failure to give the victims the truth that compounds the injustice and the suffering.

Here is what I think is the crux of the problem. Contaminated blood has always been viewed through a financial prism. That suits the Government. It keeps the victims in a position of subservience, forced to beg for scraps of help from the various funds that have been set up. By the way, let me make it clear that I am talking about not just this particular Government—although I am talking about this Government—but all Governments. To the extent that the public know anything much about this scandal, there is a vague sense that it is an

argument about money. In my view, it is in the Government's interests to keep it there; they want to keep it there. Why is that? Just as with Hillsborough, if the great British public knew the real story here, there would be such a wave of public support for the victims that demands for full and fair compensation simply would not be able to be resisted by the Government. That is the experience of Hillsborough. When the truth was told, such was the huge groundswell of popular support that there had to be action. Perhaps that is why the Government do not want the truth to be told—they know that there would be little place for them to go in answering those calls.

I have brought this debate to the House today to try to break through that impasse. I want to refocus everybody on giving victims what they have never had—the truth. From what I know, this scandal amounts to a criminal cover-up on an industrial scale. I will present direct evidence to support that claim. There are hundreds of victims of this scandal who can point to evidence of crucial pages missing from their medical notes. Of course, the authorities have an excuse in these cases. They can always say, “Human error—they were lost. When we moved offices, the box got misplaced.” As implausible as that excuse is, they get away with it because how can we prove otherwise? But I want to focus on a small number of specific cases that reveal deliberate, provable acts of cover-up.

Diana Johnson (Kingston upon Hull North) (Lab): I pay tribute to my right hon. Friend's outstanding work on the Hillsborough inquiry and what he achieved there. Obviously there is still more to do. On behalf of the all-party group, I am so grateful that my right hon. Friend was willing to share his experiences with us in relation to contaminated blood.

I want to raise a point about Lord Owen's request for documents, when he was the Health Minister in the 1970s. He was told then by officials that those documents had all been destroyed. The Archer inquiry, which I am sure my right hon. Friend will refer to, found no reason why that should have happened. I know he is going to talk about specific cases of documents being lost or doctored in some way. From what happened to a Government Minister, and given this idea of an industrial scale cover-up, does my right hon. Friend think that what happened with the individuals he is about to describe and with Lord Owen just shows how deep-seated this cover-up is?

Andy Burnham: My hon. Friend has put her finger on the point. With Hillsborough, when we finally got to match up documents held at a local level with those held at the national level, the full picture began to emerge. It is my contention that exactly the same would emerge here. The direct examples of a cover-up that I am about to give, relating to individual cases, would then be put together with what we know about documents held—or, indeed, not held, which itself implies wrongdoing—at a national level. In the end, it is the putting together of that picture that gives people the truth and allows them to understand how this happened. I will come directly to that point later.

I will focus on three cases. I highlight them not because they are the only ones I have seen or been sent, but because I have met or spoken directly to the individuals concerned, have a high degree of confidence in the facts

[Andy Burnham]

and believe that these cases are representative of many more. The first case is of a gentleman who does not want to be named. I will call him Stuart, but I do have his full details.

Sir Peter Bottomley (Worthing West) (Con): One of the reasons why this has not taken off widely as a real campaign is that victims understandably do not want to advertise their condition to those around them. I pay tribute to those who have talked to Members of Parliament, even on a confidential basis, so that some of us have some ammunition.

Andy Burnham: The hon. Gentleman is absolutely correct. There is a stigma related to HIV and hepatitis. People do not want to talk about it openly. Although I have drawn a parallel with Hillsborough—the hon. Gentleman was outstanding in his support for me on that issue—there are many differences, and one major difference is that, with Hillsborough, the event happened on one day, and everybody was watching it and can remember where they were when the pictures came through. This scandal was a silent one, which affected people in all parts of the country and all walks of life—not people from a similar place. These people were spread about and unable to organise in the same way the Hillsborough campaigners were. That is another reason why they have not been able to move things forward, and the reason the hon. Gentleman gave is true, too.

When Stuart was six years old, he was sent by Maidstone hospital to the Lewisham and Oxford haemophilia centres to have tests to see whether he had haemophilia. When he was seven, they wrote back and said that all the tests were normal and that he did not have a bleeding problem. When he was eight, he attended Maidstone hospital with a swollen knee—nothing more. It was not life threatening, and he had no bleeding problem associated with it.

Then, with no warning to Stuart or his parents, Maidstone hospital treated him with 12 transfusions of contaminated blood products over three days. According to his medical records later, that should not have happened. Then, in 1986, the hospital, unbeknownst to Stuart, carried out an HIV and a hepatitis B test on him. He was never tested for hepatitis C, even though his records show that a test was available at the time. He was not tested in 1989 or called back as other tests became available. He has all his medical records, but one thing is missing: the batch numbers for the contaminated blood products.

Stuart was eventually told he had a hepatitis C infection in—listen to this, Madam Deputy Speaker—January 2013. He was also told that it was too late for him to pursue a court case, despite the fact that legal experts said that what had happened to him was negligent and he firmly believes there has been a cover-up.

Let me move on to the case of a woman called Nicola Enstone-Jones. She wrote:

“As a female with haemophilia diagnosed in the ‘70s. From the age of 9 my parents spent years trying to find out what happened to me after receiving Factor VIII, this was in 1980...Dr’s denying anything was wrong with me, referring to me as having psychological problems, as there was nothing wrong with the treatment they gave.”

She says that that was not unusual for haemophiliacs growing up then. She goes on:

“It was when I was 24”—

24!—

“in 1995 that I asked a nurse if I’d ever been tested for Hepatitis C, as my mum had seen on the news about Haemophiliacs being diagnosed and dying from this new strain of Hepatitis, and all the signs and symptoms listed was me.

The nurse laughed at me and said ‘you won’t have that’; then came back with my medical notes and informed me I was positive to Hepatitis C from a test...done in 1991. A test I knew nothing about... like a true haemophiliac and after spending years of searching for answers I had suddenly found out why I had suffered health problems since childhood.”

However, it was only later, when Nicola was able to access her medical notes, that she found an entry for 1990, which she has drawn to my attention, and I have it in my hand. The notes say: “Discussed hepatitis C”. Nicola has told me directly that that never happened—it was never discussed with her in 1990. She found out for the first time in 1995.

This story actually gets quite a lot worse. Let me read out what Nicola goes on to say:

“Little did I know almost 19 years later I would be at a police station reporting what I”

believe

“to be a criminal act and a form of abuse on my own child, once again...Dr’s performing tests”

without consent,

“another well-known”

practice

“which Haemophiliacs are sadly used to.

I had found out in 2013 that my 9 year old haemophilic son had been tested for HIV and hepatitis’s and no doubt a whole host of other viruses and pathogens, just like I had been when I was younger. Given my daughter has a bleeding disorder too, there is no doubt in my mind she will have been tested...I found this out third hand, by chance in a letter which was another professional”

asking

“if my son needed treatment abroad. The letter stated ‘This 9 year old haemophilic has a factor VIII level of 10% and...has been tested for HIV and hepatitis...which he is negative to.’”

She had never been told about this or given consent for her son to be tested. She says:

“Surely this isn’t right, in this day and age”.

In my view, it is a criminal act to test a child without a parent’s knowledge.

Let me come on to the third case, which, in my view, is the most troubling of them all. It relates to a gentleman called Kenneth David Bullock—Ken Bullock. Ken was a very high-ranking civil engineer who worked around the world. In his later career, he spent time advising what was then called the Overseas Development Agency. He was a haemophiliac. Sadly, Ken died in 1998—a very traumatic death, unfortunately. Let me read from the letter that his widow, Hazel Bullock, sent to me a few weeks ago:

“I am so relieved to hear you are still committed to an active”
inquiry into

“the contaminated blood tragedy...Between the 15th November, 1983 and the 3rd December, 1983, my husband stopped being a Haemophiliac patient who had been infected with NonA-NonB type Hepatitis to being a clinical alcoholic...This accusation continued and escalated during the next fifteen years completely

unknown to him, he was refused a liver transplant in 1998 and left to die still unaware of these appalling accusations. He did not drink alcohol."

Mrs Bullock has examined her late husband's medical notes in detail. Again, I have them here in my possession today. An entry in his notes from February 1983 says, "Acute Hepatitis". Another from March says:

"NonA NonB Hepatitis which he probably obtained from Cryo-precipitate"—

the recognised treatment at the time. Again in 1983, the notes say:

"In view of his exposure to blood products a diagnosis of NonA NonB was made."

However, it would seem at that point that all mention of blood products was to be stopped, very suddenly. Mrs Bullock says:

"They were never again to be found anywhere in my husband's notes. From the 15th December, 1983 all the hospital records refer only to alcoholic damage to the liver. I have in my possession full copies of all the following notes."

In December 1983, the notes say, "alcohol could be considered"; in 1994,

"likes a few beers at week-ends";

in 1995, "alcohol related hepatic dysfunction"; in 1995 again, "clinical alcoholism"; and in 1996, "chronic high alcohol consumption." In 1998, the year that Mr Bullock died, they say, "alcoholic cirrhosis."

Mrs Bullock concludes her letter:

"My husband died on the 3rd October, 1998. At no time during this 15 years should alcohol have been mentioned. My husband's rare and occasional glass of wine was minimal. He never drank beer or spirits. Alcohol was never a part of our lives and he had his last glass of wine on 18th June 1995, my 60th birthday. My husband died completely unaware of these accusations that have shocked family, friends and colleagues alike."

Just as the evidence of amended police statements provided the thread that we eventually pulled to unravel the Hillsborough cover-up, so I believe the evidence that I have just provided must now become the trigger for a wider inquiry into establishing the truth about contaminated blood. There is a very disturbing echo of Hillsborough—is there not?—in what I have just said. People who were the victims of negligence by the state were suddenly the victims of smears perpetrated by those working on behalf of public bodies, particularly smears related to alcohol, suggesting that the disease that afflicted Mr Bullock's liver was self-inflicted. That reminds me, of course, of the front-page newspaper stories that appeared straight after Hillsborough that alleged that Liverpool fans were drunk. It is a time-honoured tactic—is it not?—to deflect the blame from where it should be over to somewhere else.

It is of course possible that in each of the cases that I have mentioned the hospitals and clinicians concerned were acting on an individual basis to prevent their negligent practices from being known. I have to say, however, that I doubt that that was the case. My suspicion, as I said a moment ago to my hon. Friend the Member for Kingston upon Hull North, is that there are documents held at a national level, either by the Government or by regulatory or professional bodies, that point to a more systematic effort to suppress the truth.

I actually have two documents in my possession—this will save the Minister and the Government time if they want to suggest that there are no such documents—and I want to put them on the official record. The first is a

letter sent in January 1975 by Stanford University's medical centre to the Blood Products Laboratory, which was the UK Government's wholly owned blood products operation. The letter goes to great lengths warning about the risk of the new factor VIII products that were coming on to the market. The gentleman who wrote it, Mr Allen, said of one particular product that the "source of blood is 100 percent from Skid-Row derelicts".

He was writing to warn the British Government about the blood products that were being used.

The second document is from the Oxford Haemophilia Centre and it was sent in January 1982 to all haemophilia centre directors in England. It says of the new products coming on to the market:

"Although initial production batches may have been tested for infectivity by injecting them into chimpanzees it is unlikely that the manufacturers will be able to guarantee this form of quality control for all future batches. It is therefore very important to find out by studies in human beings to what extent the infectivity of the various concentrates has been reduced. The most clear cut way of doing this is by administering those concentrates to patients requiring treatment who have not been previously exposed to large pool concentrates."

In other words, it is saying: let us find out whether there is "infectivity"—to use its word—in the products by using patients as guinea pigs, without regard for the consequences. That is proof, in my view, of negligence of a very serious kind.

That brings me to the point that my hon. Friend the Member for Kingston upon Hull North raised earlier. When we read the warning from the Americans in 1975 about blood products being derived from blood that had been taken off convicts on skid row and the letter some seven years later in which the Oxford Haemophilia Centre stated that it was necessary to push on with trials—to find out whether the products were infectious by giving them to patients—we soon start to see that there was something here that needed to be hidden.

In addition, we must consider the fact that all the papers belonging to a Health Minister were, as I understand it, comprehensively destroyed under something called the 10-year rule. I have been a Minister, and I have never heard of the 10-year rule. Have you, Madam Deputy Speaker? It is a new one on me. A Minister's papers were destroyed without his consent. To me, that sounds alarm bells and suggests that something is seriously amiss.

Diana Johnson: Was my right hon. Friend shocked, as I was, to learn that in November 1983, the then Health Secretary told Parliament:

"There is no conclusive evidence that acquired immune deficiency syndrome (AIDS) is transmitted by blood products"?—[*Official Report*, 14 November 1983; Vol. 48, c. 328W.]

Only months earlier, however, the Department had been preparing a document that stated that AIDS was almost certainly transmitted in such a way, and the Advisory Committee on Dangerous Pathogens had also told of strong circumstantial evidence that the disease was blood-borne. It seems as though there were real issues about what people and Parliament were being told. Ministers must never mislead Parliament, yet clearly the information that was being given to Parliament at the time was not correct.

Andy Burnham: I fear that my hon. Friend is right once again. I am aware that individuals received Crown immunity to protect the Government from litigation at the time. That paints a strong picture, and that is why we need to see the papers and find out what happened. I do not want to stand here and accuse Ministers in that Government of anything—that is not my aim—but let us have a look at the papers, so that we can at least see whether any misleading statements were made.

The cases that I have brought before the House provide evidence of several things. First, people were used as guinea pigs. Secondly, people were given inappropriate treatment, as Stuart was. Thirdly, tests were done without people's knowledge or consent. Fourthly, the results of tests, even when they were positive, were withheld for years—decades, in some cases—from individuals. It has even been suggested that those individuals, who were simply living their lives and did not know that they were HIV-positive or hepatitis C-positive, subsequently infected others who were close to them. Fifthly, as we saw in the case of Ken Bullock, medical records were falsified with slurs and smears to suggest that liver disease was self-inflicted. These are criminal acts.

Mr Jim Cunningham (Coventry South) (Lab): I pay tribute to the work that my right hon. Friend did when he was Secretary of State for Health. I was in the Department with him as a Parliamentary Private Secretary. Are we saying that the information is immune from the Data Protection Act and the Freedom of Information Act? Have they ever applied in this situation?

Andy Burnham: I think people have applied for documents, but many of those documents have been withheld. I will come on to that in a moment.

I was a Minister in the Department of Health just after the publication of the Archer report and the Government's response to it. At the instigation of the late Paul Goggins, I sought to reopen the whole issue, and I encountered a lot of institutional resistance, if I may put it that way. I am myself standing here out of a sense of guilt—I wish that I had done more over the years—but having looked at it all and having pieced it all together, I think the documents that have been withheld would fill in some of the gaps I have described.

Chris Stephens (Glasgow South West) (SNP): I pay tribute to the right hon. Gentleman for the work he has done on this issue and many others. The third case he described is surely one of defamation. Does he not agree that all families affected must, if they have not done so already, access their medical records and those of family members who have passed away?

Andy Burnham: It is a case of at least defamation. A range of potential offences, such as misconduct in public office, could be considered. It remains the case that people have not had access to their full medical records. There are just so many examples of people saying that crucial pages are missing. They obviously cannot prove that, but I have put on the record things that I think are provable and are, in my view, criminal. This cannot be left there, and the Minister is going to have to answer that point directly when she responds.

Jim McMahon (Oldham West and Royton) (Lab): I pay tribute to my right hon. Friend and my hon. Friend the Member for Kingston upon Hull North (Diana Johnson) for the work they have done in exposing this issue. When Alex Smith, a constituent of mine, first came to my advice surgery to tell me the story of how he lost his wife through contamination and how he had contracted hepatitis C through a contaminated blood product, I could not help but feel aggrieved on his behalf. It now feels, however, as though this has moved on to something completely different—a very sinister cover-up—and I pay tribute to my right hon. Friend for his work in exposing it and for getting this far.

Andy Burnham: I think it has such a feel. For me, the whole thing about finance—it is always about finance, and about whether we can give them a bit more—has been helpful to the Government, because it has meant that they have never focused on the issue they should really focus on. As I said at the beginning, if this had been known about, the wave of support behind the people struggling to find out the truth would have been massive—absolutely massive—and the Government would have had nowhere to go and would have had to respond. Consequently, people are still struggling, such as my hon. Friend's constituent, and I hope that they will not have to struggle for much longer.

Sir Peter Bottomley: It seems to me that the right hon. Gentleman is making three major points. The first is that those still alive who are affected and their families need proper, generous help without delay. The second is that there should be an inquiry into what went wrong all the way through, especially about whether people have interfered with the preservation of evidence. Whether people are prosecuted is a separate issue, but actually knowing what happened is what matters most. The third point—this is really the one in my mind—is that there was a difference, as Richard Titmuss pointed out in 1970 in his book "The Gift Relationship", between blood donations in Britain, where they were freely given by the healthy, and donations in the States, which came from the sources the right hon. Gentleman has mentioned. If that was stated in a book in 1970, people should have paid attention as soon as they had any warning at all, whether from Stanford or from anybody else.

Andy Burnham: That was the direct content of the Stanford letter. There was a worry that the NHS was using such products in a completely different context, not understanding the difference between the two systems. That was the Stanford letter.

I am not standing here claiming to be an expert on all the papers, because I am not; I am saying what I know, from the people I have spoken to, to be wrong, and linking that to the documents in order to say what I believe to be the case. I may not be right, but we need to find out whether I am right, and that is the point that I will be putting to the Government.

Barbara Keeley (Worsley and Eccles South) (Lab): I was not going to intervene, but the hon. Member for Worthing West (Sir Peter Bottomley) made the point that generous treatment is needed. The victims of this NHS scandal are not receiving generous treatment. I have a constituent who was infected during the scandal as a child at the Royal Manchester children's hospital.

When he discovered that his cirrhosis, if it remained untreated, meant that he ran a 25% chance of developing liver cancer, he was told that he would be denied treatment by the NHS. The treatment he needed to clear the virus load from his system cost £100,000, and at that point he decided to use the *ex gratia* payment that he had been given—such a payment is supposed to be some compensation, although it is not enough—to try to do so. That is the situation that victims such as my constituent are in at the moment, and it is a disgrace: they should not be fighting this and having to use their own money for their own treatment.

Andy Burnham: It is a total disgrace. Absolutely there must be full, fair compensation now. I say to the Government, do not delay; do what Ireland and other countries have done. They should do that now. They raised expectations and they should do it. We would all support it.

Mrs Bullock, whom I mentioned, is reduced to sending begging letters. She has had to sell the family home and move away from everything. She is sending begging letters to the Skipton Fund for a stair-lift. She is not well herself now. How can that be right? We are making a woman who has lost everything send begging letters for a stair-lift, as she tries to cope on her own because her husband is no longer there. On the point about medical treatment, I understand that Mr Bullock may have been refused a liver transplant because his notes said that he was an alcoholic. There is injustice upon injustice here. It is absolutely scandalous. I hope the House now understands why, as I said at the beginning, I could not live with myself if I left this place without telling it directly what I know to be true.

Mr George Howarth (Knowsley) (Lab): My right hon. Friend is making a powerful case that there was a systematic cover-up. By joining together the dots in the way that he has, a picture seems to emerge that needs to be examined further. Even if he is wrong and what we are confronted with is systemic administrative and medical failures, the argument for immediate compensation for all the people affected is so powerful that the Government need to look at it urgently and, if possible, say something sensible about it today.

Andy Burnham: Absolutely; I could not agree more. It is downright immoral to make these people carry on begging in the way they have been forced to do. The Government raised their hopes; they should deliver on the former Prime Minister's promise and do what my right hon. Friend has just described.

The story is becoming clear, is it not? Warnings from the United States were ignored. There was a wish to drive on with these new products from the Oxford haemophilia centre: "We'll just push them out there to find out the results before we really know whether there is infectivity." Problems started to happen and perhaps there was the idea, "Oh no, the Government might be exposed to litigation. Let's not have it in people's notes so that a story does not build about how there has been negligence and people might have a compensation claim." That is the story I have got; I do not know what anybody else thinks. Worse, for some people, they said, "Don't just destroy their notes; falsify their notes." That is the story. We need to find out whether it is true

or not. In my view, these are criminal acts. They did not just happen by chance. A major injustice has happened here.

In making this speech tonight, I think of our late, great friend Paul Goggins, who I miss every single day. He did so much to advance the cause of justice for those who suffered. I also think of his constituents, Fred and Eleanor Bates, and of the promises I made to act for them in Paul's name. In a 2013 debate like this one just before he died, Paul made an impassioned call for:

"A serious Government-backed inquiry...with access to all the remaining records and the power finally to get to the truth of what happened and why."—[*Official Report*, 29 October 2013; Vol. 569, c. 201WH.]

His demand was as undeniable then as it is now, yet it pains me that, in the four years since then, this House has not moved it forward at all. If that continues to be the case after what I have said tonight, I am afraid that this Parliament will be complicit in the cover-up.

In reply to the demand of my hon. Friend the Member for Kingston upon Hull North for an inquiry in a letter she wrote in October 2016, the Prime Minister said:

"the relevant documents have been published on the Department of Health and the National Archives websites and it is unlikely that a public inquiry would provide further information."

In my view, that is a highly debatable statement. I do not think that a Prime Minister who has a good track record in helping to secure justice for those to whom it has been denied should have put her name to such a letter, which was probably drafted by the Department of Health. I remember exactly the same thing being said to me by those who opposed the setting up of the Hillsborough independent panel. "Everything is out there, it's already known," is what they always say. If the Prime Minister is confident in her assertion—I say this to the Minister—then rather than just publishing the documents the Government have selected as relevant, why not publish all the Government-held documents so that we can all decide whether her claim is true? On the basis of the evidence I have presented tonight, I believe it would be quite wrong for this House to resist that call.

To be clear, I am not calling for a lengthy public inquiry; I am calling for a Hillsborough-style disclosure process, overseen by an independent panel, which can review all documents held by government, NHS and private bodies. Just as with Hillsborough, the panel process should be able to view documents withheld under secrecy protections and make the necessary connections between documents held locally and nationally. It should then produce a report on the extent to which the disclosure of those documents tells a new story about what has happened.

So tonight I issue a direct challenge not just to the Government but to all parties in this House, including to my own Labour Front Bench and the Scottish National party: do the right thing and put a commitment in your election manifestos to set up this Hillsborough-style inquiry into contaminated blood. That, in my view, would be the most effective way to get as quickly as possible to the full truth and the whole story, as it was, effectively and efficiently, with Hillsborough.

I want to be very clear tonight with the Minister and with the House. If the newly elected Government after the general election fail to set up the process I describe, I will refer my dossier of cases to the police and I will request a criminal investigation into these shameful acts

[*Andy Burnham*]

of cover-up against innocent people. I say to the Minister that the choice is hers. People are asking me why I do not just go straight to the police with the evidence I have, and I owe them an explanation. It is my view that the individual crimes I have outlined tonight are part of a more systematic cover-up and can only be understood as a part of that. If we refer them piecemeal to the police, they may struggle to put together the bigger picture of what lies behind the falsified medical records. That, in turn, may delay truth and justice. If the Government will not act, however, I believe a police investigation is the correct next step and that is what I will request. I cannot keep this information in my possession and not do something with it.

As we know, time is not on the victims' side, so I will set a deadline. If the Government do not set up a Hillsborough-style inquiry by the time the House rises for the summer recess, I will refer my evidence to the police and request that investigation.

Barbara Keeley: My right hon. Friend is making an incredibly powerful case in his final speech in this place. The shadow Health team discussed this matter earlier and entirely support his call.

Andy Burnham: I am very pleased to hear that. I hope that means a commitment in the election manifesto of the kind I have just called for.

Chris Stephens: Does the right hon. Gentleman agree that there should be a Backbench Business debate on this issue when Parliament returns and before the summer recess, so that Back Benchers from all parties can pressure the Government to meet his demand?

Andy Burnham: I will not be here, but I make a plea to the hon. Gentleman, if he is returned—do not rule out Labour in Scotland, it is on the way back. I make a plea to everybody here in the Chamber today and to the candidates who may be coming here that they must act on this information. They cannot leave this where it is. Their conscience must tell them that they have to do something about it.

When the Government ruled out an inquiry into Orgreave, despite the existence of clear evidence of serious wrongdoing by the police, they did so on the basis that “nobody died”. I am afraid that that threadbare defence will not hold here. People have died—2,000 in all—and they have been the victims of both negligence and a cover-up. In its heart of hearts, this Parliament knows that to be true, and so the question is: what are we going to do about it?

I will end with a quote from an email I received from another victim, Roger Kirman, who became infected with Hepatitis C in 1978 but only found out by accident when having a hip replacement operation in 1994—this despite having raised his family in between. His brother George died from AIDS in 1991. He wrote:

“I have been fortunate to make it as far as I have but I have a real sense of anger against successive governments for their indifference to the plight of so many. Politicians should not be surprised at the loss of confidence in Parliament when candour is not forthcoming and they are seen as interested only in preserving their own position and the status quo.”

I suspect that Roger speaks for every single family affected by this scandal.

It has been an enormous privilege to serve my constituents in the House, and it is with real sadness that I prepare to leave, but in my 16 years here I have also had my eyes opened to its shortcomings. The simple fact that since Hillsborough I have been approached by so many justice campaigns—many of them from the 1970s and 1980s—tells me that this place has not been doing its job properly. Westminster will only begin to solve the political crisis we are living through when, in the face of evidence, it learns to act fearlessly and swiftly in pursuit of the truth and gives a voice to those of our fellow citizens who through no fault of their own have been left in the wilderness.

Collectively, we have failed the victims of contaminated blood. I do not exempt myself from this, and I wish to apologise to all those affected for coming so late to this issue in my speech tonight. I also apologise to you, Madam Deputy Speaker, for the length of my comments—but in a way I do not actually: the House should be delayed tonight on this matter. Truth and justice have been delayed for people, so the House should be delayed tonight, as it hears directly what they have been through. I hope that we have given a flavour of that tonight. I say to Members here and those who might follow: it is never too late to do the right thing. [*Interruption.*]

Madam Deputy Speaker (Mrs Eleanor Laing): Order. I do not want any clapping; “Hear, hear” will be fine.

As the right hon. Gentleman concludes his valedictory speech in the House, I am sure that the whole House will join me in wishing him well.

5.2 pm

The Parliamentary Under-Secretary of State for Health (Nicola Blackwood): I thank the right hon. Member for Leigh (Andy Burnham) for securing this debate, his last in the House, on what is a very important issue, not just for him and his constituents, but for many other Members and their constituents. I would like, in particular, to pay tribute to the courage of all the victims who have allowed their stories to be told today. The value of this, in reminding us why we are all here and in driving us to find the best solutions to this very difficult issue, cannot be overestimated. We should all take a moment to remember that.

That is exactly why the Government have introduced the infected blood payment scheme, alongside the commitment of up to £150 million up to 2020-21 for all those affected. It will more than double the annual spending during that time. I am sure, though, that the whole House will share my view that nothing can make up for the suffering and the loss that families have experienced, and no financial support can change what has happened to them, as the right hon. Gentleman said. I hope, however, that all those here today will recognise that the support provided is hugely important for those facing such significant medical challenges and is materially more than any previous Administration have provided, and recognise that it is a measure of how seriously the Government take the issue.

I would also like to take a moment to clarify some issues to do with the consultation, because there has been confusion about it in recent weeks. The consultation

response announced on 13 July 2016 introduced for the first time an annual payment for all individuals affected with HIV or chronic hepatitis C through NHS-supplied blood or blood products. The recent consultation, which closed on 17 April 2017, asked for comments on the special category mechanism. This mechanism will allow those with hepatitis C stage 1 who consider their infection or its treatment to have a substantial or long-term adverse impact on their ability to carry out routine daily activities to apply for the higher annual payment, which is equivalent to the annual payment received by beneficiaries with hepatitis C stage 2 disease, such as those with cirrhotic liver and its complications, or those infected with HIV. We anticipate that a significant proportion of stage 1 beneficiaries will benefit from the new process and the higher annual payment it will offer.

Those co-infected with HIV and hepatitis C stage 1 will also be eligible to apply through the SCM. Those co-infected with HIV and hepatitis C stage 2 already receive the higher annual payments for both infections. The consultation proposes, however, that those payments will not increase in 2018, as originally set out in the 2016 consultation response. The recent consultation also included a question on the type of discretionary support that beneficiaries would find most useful. We remain keen to ensure fairness of support between all beneficiaries, based on need and individual circumstances. We have had consultation submissions, but we have to consider them over the purdah period. We cannot make decisions until after that.

I wanted to make those points before turning to the right hon. Gentleman's point about a further inquiry. As he will know from a number of previous debates on the issue, the Government have been clear that we do not at this point believe that a further inquiry would be beneficial, because there have been previous inquiries. I would like to say a little about why those inquiries were quite useful. Lord Archer of Sandwell and Lord Penrose have already separately undertaken independent inquiries in the last decade. Neither inquiry found the Governments of the day to have been at fault and they did not apportion blame.

The Penrose inquiry began in 2009, when the right hon. Gentleman was himself the Health Secretary. In the course of the inquiry, evidence was taken over nearly 90 days of oral hearings, resulting in more than 13,000 pages of transcript, in addition to 200 witness statements and more than 120,000 other documents.

Andy Burnham: I accept that there have been two inquiries—Penrose was commissioned by the Scottish Government—but it is not acceptable for the Government to point to Archer. That was not a Government-backed inquiry. It did not have access to all the Government papers. The Minister cannot use that as an excuse or say, “We don't need an inquiry because of Archer.”

Nicola Blackwood: That is why I was speaking about Penrose. The final report from the inquiry was published as recently as March 2015 and includes an appendix that lists witnesses and many of the most significant statements and reports that the inquiry considered. Although the Department of Health was not called to provide witnesses to the Penrose inquiry, it co-operated fully with Lord Penrose's requests for documentary evidence, and the departmental evidence that Lord Penrose

used is referenced in his final report. Lord Penrose published the report of his public inquiry into infections acquired in Scotland on 25 March 2015. Nothing was withheld. Any redacted documents provided to the inquiry were redacted in line with both standard practice to protect personal information and current freedom of information requirements.

Diana Johnson: I really do not think it is acceptable to rely on Penrose. The inquiry could not compel witnesses to give evidence if they were outside Scotland, because of the jurisdictional issues, so it seems that there was not a complete picture in Penrose either, despite the picture of full disclosure that the Minister is trying to paint.

Nicola Blackwood: Of course, that was only part of the picture, because further documents have been disclosed. The Department has published all relevant information that it holds on blood safety, in line with the Freedom of Information Act 2000. All papers that are available for the period between 1970 and 1985, amounting to more than 5,500 documents, have been published on the Department of Health website, as the Prime Minister said in her letter to the right hon. Gentleman. In addition, more than 200 files of documents covering the period between 1986 and 1995 are available to the public through the National Archives. Of course, papers from more than 30 years ago are already a matter of public record.

We are also aware of six documents among those published on the Department's website that are currently being withheld under the Freedom of Information Act, either on the grounds that they contain only personal information and nothing relevant to the issue of blood safety, or on the grounds that they hold legally privileged material that still has the potential for future litigation. A further 206 files containing documents covering the period between 1986 and 1995 have been published on the National Archives website and are available to the public. We cannot provide a figure for the number of individual documents that have been withheld from those files, but if documents have been withheld, the files will hold an indication of that which will be visible to the public. Files that contain only some information that is unsuitable for publication will have been redacted.

Mr George Howarth: My right hon. Friend the Member for Leigh (Andy Burnham) made a direct comparison between this case and the Hillsborough scandal. Following Hillsborough, there was the Taylor report, which was produced hurriedly but was actually useful. There was then the Stuart-Smith inquiry. Between the two, there were all the coroner's inquests. It was not until the process that my right hon. Friend described, involving an independent panel that was able to look at all the documents—as an independent panel would be able to do in this case—that the truth finally emerged. The Minister ought to accept that that process is the best way to get at the truth. She cannot guarantee that everything that has gone on so far has got at the truth.

Nicola Blackwood: The right hon. Gentleman has made a good point. However, given the release of Government papers that has already taken place and the numerous statements made about the issue by Ministers in both Houses, it is hard to understand how an independent

[*Nicola Blackwood*]

panel would add to current knowledge about how infections happened, or the steps taken to deal with the problem. As with a public inquiry, the Government believe at this point that setting up such a panel would detract from the work that we are doing to support sufferers and their families without providing any tangible benefit.

Andy Burnham *rose*—

Nicola Blackwood: Will the right hon. Gentleman allow me to proceed to the next paragraph, which I think he will want to hear?

Let me now turn to the evidence that the right hon. Gentleman has presented today, with a great deal of passion. He will appreciate that I have not seen that evidence; this is the first that I have heard of it, so I have had no chance to give it proper consideration. He will also be aware that we are now entering the pre-election period, and that we are therefore in *purdah*. I ask him please to submit his dossier to the Secretary of State for Health, and also to Lord O'Shaughnessy, who is the Minister responsible for this area of policy. Of course, if the right hon. Gentleman does indeed have evidence of criminality, he should contact the police, but I want him to be aware that the Health Secretary has made patient safety, learning from mistakes and transparency key personal priorities, and I am sure that if the papers hold the concerning matters to which the right hon. Gentleman has referred, he will give them the highest priority.

I do not doubt the right hon. Gentleman's sincerity. He knows a great deal about this issue, because it was live when he was Health Secretary, and I appreciate the apology that he has made to victims today. I must, however, ask him to recognise that we are taking action on what is an undeniably difficult and complex issue, and trying to get things right for the victims who have waited far too long for action. I also ask him to recognise that we are acting with the best of intentions, even if he disagrees with the way in which we are doing so.

Let me end by offering the right hon. Gentleman my very best wishes for his future. He has left an indelible mark on British politics, and I am sure that he will experience great success in that future, wherever it may be.

5.14 pm

Sir Peter Bottomley (Worthing West) (Con): May I speak briefly in this debate? The right hon. Member for Leigh (Andy Burnham) has helped, and the Minister has rightly said that she will consider what he has said and the papers he might be able to provide. May I add that there are still victims who have unmet costs; I have one in my constituency whom I am concerned about? May I suggest that over the election period ministerial advisers pay attention to the comparisons with Hillsborough, and say that it is not just the Government-held papers that matter, but also the ones held in the health service? So, for example, if someone who has died had been told he drank too much when he did not drink seriously at all, that could be part of the evidence that comes into an inquiry.

Mark Tami (Alyn and Deeside) (Lab): There people are dying, yet this goes on and on. People want closure; they know they are coming to the end of their lives, and that they will not get that closure.

Sir Peter Bottomley: That is one of the reasons why I believe that over the election period the advisers to Ministers—not just to Health Ministers, but perhaps also to Home Office Ministers—should consider what could be obtained by the kind of call for evidence and inquiry that the right hon. Member for Leigh has rightly proposed.

Andy Burnham *rose*—

Sir Peter Bottomley: If the right hon. Gentleman has any other points he wants to make through me, he is welcome to do so.

Andy Burnham: I am grateful for the opportunity. The Minister was very kind in her remarks, but the point that perhaps was missed when referencing Archer and Penrose is that I am calling for a different process that takes documents at a very local level and matches them with documents higher up the chain. It is only then that we can put the jigsaw together and start to understand why someone was acting in a certain way in a particular hospital. That is what we are looking for, and that was the strength of the Hillsborough independent panel: it was able to paint that canvas and put all the pieces of the jigsaw together.

I will send the evidence to the Department. The amended police statements only came to light properly just before the 20th anniversary of Hillsborough. What I have presented to the House tonight is altered medical records—that is a fact; that has been given to me. In my view, that is the same trigger and it should be looked into so that the facts can be established. That is new evidence that the Government now need to consider, to take a new decision on this.

Sir Peter Bottomley: The right hon. Gentleman has taken the words out of my mouth, and has said it better than I could have. We are all grateful to him. The point is that this scandal should never have happened, when it was started it should have been stopped, and when it had been stopped people should have known why it had gone on for as long as it did. The right hon. Gentleman has done a service.

Mark Durkan (Foyle) (SDLP): The House should not forget that there was a tribunal of inquiry in Ireland. The Lindsay inquiry found that the state knew of the risks and continued nevertheless, because that was what other states such as the UK were doing. So is it credible that an inquiry in Ireland could find that the risks were known but the practice carried on anyway, and that a further investigation through a panel such as that mentioned by the right hon. Member for Leigh (Andy Burnham) would not come to that same conclusion?

Sir Peter Bottomley: That is one of the questions to be asked.

I conclude by thanking the right hon. Member for Leigh and the hon. Member for Kingston upon Hull North (Diana Johnson) who leads the all-party group on haemophilia and contaminated blood, and my right hon. Friend the Member for North East Bedfordshire (Alistair Burt), sitting in front of me, who has done so much, both as a Back Bencher and a Minister, to make sure that these issues are dealt with.

Dr Philippa Whitford (Central Ayrshire) (SNP): Will the hon. Gentleman give way?

Sir Peter Bottomley: Of course.

Dr Whitford: I know that the Penrose inquiry is always cast up as having dealt with this issue, but that was a Scottish inquiry and it was not able to summon people from the rest of the UK who did not want to attend. Therefore, the idea that Penrose has dealt with this is fallacious. We must have a system where we can summon people to give evidence right across the United Kingdom.

Several hon. Members *rose*—

Madam Deputy Speaker (Mrs Eleanor Laing): Order. We have an unusual procedural situation here. Of course there is plenty of time for our Adjournment debate, given that it started as early as this, and we are discussing a very serious matter, but Members who are now rising to speak gave no indication before the Minister spoke that they wished to do so. That does not mean that they will not be permitted to speak, but just because this happens to be the end of a Parliament, and there is time available to discuss this important issue, does not mean that I will ignore the—*[Interruption.]* Order. Mr Durkan! I am addressing the House. This does not mean that I will ignore the normal courtesies of this Chamber. Two people have indicated that they wish to speak. They must know that they ought to have done so before the Minister spoke. It was quite obvious when I was going to call the Minister. In these unusual circumstances, I will allow those two Members to speak very briefly now, and I do not expect further interventions.

5.20 pm

Barbara Keeley (Worsley and Eccles South) (Lab): I thank you on behalf of my constituent, Madam Deputy Speaker. I want to speak further, briefly, about that case. The Minister has made certain assertions and I want to give the House some more information. The main part of the debate has been about the excellent revelations from my right hon. Friend the Member for Leigh (Andy Burnham), but we have also referred briefly to the situation of people who were in many cases infected as children as a result of this scandal in the NHS. We need to keep reflecting on the fact that many people were children when this happened. My constituent was a child receiving the treatment that he needed from the NHS. I have already talked about him having to pay for his own treatment, and for the drug that he needed to clear the hepatitis C virus from his body

The Minister referred to the consultation recently conducted by Health Ministers on reforming the system. I would like this Minister to know how that has gone down with my constituent. He tells me that he received a letter summarising the proposals. He says:

“For me personally, as someone who has progressed to stage 2, I would be significantly worse off. In real terms, the proposals mean that financial support will decrease over time as the annual payment will no longer be index linked. I will even lose the £500 winter fuel payment, and I will no longer receive a pre-payment prescription certificate which I use for painkillers and anti-inflammatory medication.”

It is disgraceful that people who were infected as children by the NHS are being treated in this way. My constituent goes on:

“I believe the Government is being deliberately punitive and exceedingly cruel in using the affected community’s request to reform the various support schemes to actually make cuts to those people who were infected by contaminated blood given to them by the NHS through no fault of their own.”

I just wanted to add those observations to what has been a powerful debate. It has already been stated by other Members that our constituents have no time left. This is the situation that they find themselves in, and this miserly treatment beggars belief. It is time we did something better.

5.23 pm

Jim McMahon (Oldham West and Royton) (Lab): Thank you for your courtesy in allowing us to speak, Madam Deputy Speaker. I fully accept that we ought to have spoken before the Minister responded. I have to say that I expected her response to go on for longer, and that I would have had an opportunity to make a short intervention on her.

I feel compelled to speak because one of my constituents, Alex Smith, has been so badly affected by this. It is not just me who is affected when I see the Government refusing, time after time, to do the right thing. It genuinely haunts me. None of us comes into politics to do the wrong thing. We come here to try to make the country a better place and to give a voice to people who have been ignored. These people have been ignored for such a long time, and it just feels as though the abuse is going on and on. Fear went through my body when the Minister stood to read from her folder and it became clear that she was determined to go down the cul de sac of denial and deferral. Mark my words, while there is breath in my body and in those of the people on this side of the Chamber, this issue will not go away. More than that, if this issue is not resolved, it will haunt the Minister.

Question put and agreed to.

5.25 pm

House adjourned.

Westminster Hall

Tuesday 25 April 2017

[SIR EDWARD LEIGH *in the Chair*]

Post Office Closures

9.30 am

Tim Loughton (East Worthing and Shoreham) (Con): I beg to move,

That this House has considered Post Office closures.

It am grateful to the Backbench Business Committee for the opportunity to discuss this important subject. The number of right hon. and hon. Members present shows how important it is—who would have thought that there was an election on? I am aware that many Members wish to speak, so I will keep my comments as brief as possible. If hon. Members wish to intervene rather than make their own speeches, I will try to take some interventions. To help with the timing, I intend not to speak at the end of the debate.

I appreciate that the last debate on the subject, which was held as recently as November and was led by the hon. Member for Luton North (Kelvin Hopkins), aired many issues that I am sure hon. Members will wish to repeat today. There is concern that plans for the Post Office will be delayed by the forthcoming election, and there are also outstanding concerns from November's debate—I think the Minister was rather rudely cut off by Divisions in the House—on which it would be good to get some clarity today. I will briefly mention, first, my local post office closures—I am sure that every hon. Member present wants to air a local post office closure—and secondly, the bigger picture of the long-term sustainability of, and game plan for, the whole post office network.

I recognise the good work done by the Government since 2011. The network has been stabilised, the number of closures has been reduced substantially and the subsidy to the network has been managed down from £210 million in 2012 to some £80 million this year as a result of flexibilities under some of the new arrangements. There are upsides as well as downsides. There are something like 200,000 additional opening hours every week, many of them at weekends when post offices would normally be closed, and some £2 billion has been invested in the network transformation plan since 2012. That stands in contrast to the previous 10 years or so, in which half the network branches were closed. My constituency lost more than half its post office and sub-post office branches. When I became an MP in 1997, there were nearly 20,000 branches, and that figure is now down to about 11,500. There are some encouraging signs, but also some very worrying signs when people are faced with the sudden closure of post offices in their own area. When the branches were being closed, we were promised that the Crown post offices were absolutely sacrosanct and would remain the main flagship of the Post Office on the high street.

Post office branches and Crown post offices are very important parts of the local community. Local businesses, including retail and other small businesses, rely on them

heavily, because without an excuse to come to the high street to use the post office, people do not use the neighbouring shops. Post offices act as community hubs. They are well used by the elderly population, particularly in areas such as mine that have a high population of pensioners, and by those from disadvantaged backgrounds, particularly those who do not have conventional bank accounts. For those reasons, post offices remain popular and well used, with something like 17 million customers a week.

David Simpson (Upper Bann) (DUP): I congratulate the hon. Gentleman on securing this debate. Does he agree that the Government need to look at the services that post offices provide, which they are losing, and the return that they are getting on them?

Tim Loughton: That is a very important point that I would like to come on to; it is a question about why the Post Office is not growing rather than retrenching.

In 2016, the Post Office announced the closure of 31 Crown post office branches—even though the Crown offices are now breaking even, after making a £46 million loss four years ago. Some of those post offices have not been converted into the new type of post office and their future is still uncertain. In January this year, a further 37 Crown post offices were identified for closure, including the last two remaining Crown post offices in my constituency, which were in Lancing and Shoreham. That caused huge concern among my constituents and gave rise to lots of petitions and demonstrations by people from all parties. I found it particularly disrespectful that the first I heard of it was when a constituent rang me up to ask what I was doing about it; the Post Office had not even had the courtesy to let the sitting Member of Parliament or councillors know what it was planning.

I organised an urgent meeting with the Post Office and it went through the procedures. I was reassured that firms such as WH Smith had taken on more than 100 of the franchises and everything was supposedly working well. I gather that the other firms that have taken post offices on include a chain called Bargain Booze, an off-licence with some 30 post offices—some hon. Members may have concerns about how appropriate that is. I was told that both the Crown post office branches in my constituency were unprofitable, which was why they were to be franchised out, yet the Lancing branch, along with one very small sub-post office right on the fringe of the village of Lancing, now looks after a population of 27,000. Not surprisingly, queues are frequent. It also services the second largest business park in the whole of West Sussex, with 228 firms that employ more than 3,000 people. The village has lost almost all its bank branches; we were told that when we lost them, we could do all our banking at the post office, so there was no great concern. If the post office branches are not making a profit, that suggests that they are not being run very well—it is certainly not for lack of usage or lack of demand from the local population.

I was told today that one of those Crown post office branches is to be transferred to a nearby convenience store, which is much smaller than the existing post office and has operated since only 2013. On the upside, there will be extended opening hours on Saturdays and Sundays and new disability access, but on the downside, nobody believes that the store is big enough to house a

[Tim Loughton]

replacement Crown post office. It will have fewer serving positions, when there are already serious concerns about queues, and it will not be able to offer the biometric enrolment service for Home Office applications. There are also concerns about staff transfer: we know that in the post offices that have so far converted, only 10 of the 400 staff have been TUPE-ed across and they are often going into minimum wage jobs. There are question marks over ongoing training for staff who now work in non-Crown post offices, which have tended to have a big turnover of staff. In many of these shops, staff hours get cut and, after initial promises about extended opening times, the shops tend to retrench.

What happens if the model fails? Some 8,000 sub-post offices are now in convenience stores, which have seen a 4% reduction in staff hours since the national living wage came in. Some 30% of businesses also face challenges with the revaluation of business rates. The Daltons website currently shows 705 post office branches for sale. There is a lot of change and churn in the sector, so longer-term questions arise about the viability and sustainability of the new arrangements.

Both my Crown post offices are co-located with sorting offices. Although the sorting offices are run not by the Post Office but by Royal Mail, they are very conveniently placed next to the post offices. Experience has shown that without those anchor partnership tenants, sorting offices are relocated to out-of-town sites, which are much less convenient for people who need to get their deliveries, particularly in places with many elderly people who may not be so mobile.

There is going to be a consultation on my post office. It will be extended because of the election, but we all know that not a single consultation has overturned any of the proposals to transfer these post offices, so I fear that it will be something of a token exercise. The measurements of an access door may be changed by a few inches or the sweet counter may be relocated because it gets in the way of guide dogs, but frankly the consultation will be a token exercise.

I am aware that Citizens Advice does a good job as the oversight body and that some of its research has suggested that in some cases there have been some improvements to access and to service with the new format, but overall the fears are that the queues will get longer, transactions will take longer and the service will be less consistent. People are dealing with different and new staff, and it is just not as good as it used to be.

That brings me to my second point. Where exactly is the Post Office going? Everything that the Post Office has done—I have cited the statistics about making it more efficient, reducing losses and so on, and perhaps extending some opening hours—is all based on retrenchment, which is a policy that sees the post office, especially the directly owned post office, getting smaller and offering fewer services to its customers. There are now fewer than 300 post offices that are directly owned Crown post offices.

The financial services part of the Post Office, which should be a big money-spinner, is diminishing. At the beginning of the year, 150 financial specialists were made redundant. There was a specialist financial office in the Lansing post office, but it was closed earlier this year. I gather that the specialist mortgage advice that the Post Office gives, because of its relationship with the

Bank of Ireland, generates a one-off payment of just £800 for brokering mortgages, and there is no ongoing revenue. The Post Office seems to be selling itself very cheap in that regard and it is caught in that relationship until 2023, and it does not sound as though it is a very profitable one for the Post Office.

My question to the Minister, which I hope she will be able to answer to enlighten us, is: why is the Post Office not making more of banking and financial services in particular, given that it is a trusted name and a presence on the high street, at a time when conventional banks are disappearing from high streets?

Post Office revenues roughly break down as follows. I gather that about 47% of the revenue of post offices is from stamp sales, but increasingly stamps are available to buy anywhere. There are also Government services, including Driver and Vehicle Licensing Agency services, fishing licences and the Department for Work and Pensions card account, but of course those services are all being squeezed and the revenue from them has been diminishing. The Post Office also offers access to current accounts. Banking protocols have been sorted out so that there can be cross-fertilisation of different bank services within a post office, which had been a problem. And then there are the Post Office's financial services, but again that seems to be a declining market for the Post Office.

Why is the Post Office not copying the challenger banks, for example? Banks such as Metro Bank and Handelsbanken are making a really good fist of expanding into new markets. Metro Bank now has 915,000 customers; it has taken £8 billion in deposits and has 110 branches, and it is growing. Alternatively, as hon. Members have asked in these kinds of debates before, why are we not doing what has been done in France? One thing that we might want to copy from France is La Banque Postale, which was founded in 2006 specifically as a tool to help to tackle financial exclusion and in 2016 had a turnover of €5.6 billion and a pre-tax profit of just over €1 billion. There are similar examples in New Zealand and Italy. There is surely a fantastic opportunity for the state-owned Post Office to take advantage of changing markets and changes in how we conduct our financial business, as a body that is trusted and that is already on the high street. For some reason, the Post Office is not taking that opportunity.

Similarly, why is the Post Office not making more of click and collect services? Everywhere I go now there are shops sprouting up on high streets specifically for people to collect their Amazon and other deliveries, because they are not at home to receive them. The Post Office is already on high streets and surely could offer that kind of service, and yet I gather that 80% of post offices do not have those kinds of facilities. There will be even fewer post offices with them if they are moved to smaller premises that just not do have the room to store and collect parcels.

The overall commercial revenue of the Post Office has been virtually stagnant in the last few years. So it is a great mystery why it is not expanding and becoming more profitable, which would be better for the taxpayer and customers, rather than following a long-term strategy that appears to be based on retrenchment and shrinkage.

Finally, I have some questions for the Minister, in addition to the bigger question of what the big game plan is for the Post Office. The network transformation

programme is due to end by March 2018, by which time some 7,500 traditional sub-post offices will have been converted to the new model, but what comes after March 2018 in terms of subsidy and further transformation revenues? In opinion polls, 85% of the public have expressed support for the Government—the taxpayer—continuing to subsidise the Post Office, and not just to deal with the obvious challenges that face rural post offices, which will always face the sparsity challenge. Are any further reductions in Crown network offices planned for the next year? Citizens Advice has suggested that there should be an automatic break if 5% of branches announce that they are to be closed without breaking the access criteria, which is quite hard to do anyway. Will that happen?

The biggest question is: why is the Post Office not taking current opportunities to expand instead of retrenching, particularly as it has the security of Government backing for its revenues and is a trusted name? In 2010, when the Government promised to transform the Post Office—

Sir Edward Leigh (in the Chair): Order. I have a list of 12 Back Benchers who wish to speak.

Tim Loughton: I am on my final sentence, Sir Edward. In 2010, the Government promised to transform the Post Office into a genuine front office for the Government and that there would be a significant expansion of the Post Office's banking services, but they have failed so far to implement those measures, as the revenue from Government services has fallen by 40% and income from financial services has stagnated. Closing down flagship branches, getting rid of experienced staff and putting counters into the back of a WH Smith store or a Bargain Booze outlet is surely not a plan for greater innovation, which I think is what our constituents want to see.

Several hon. Members *rose*—

Sir Edward Leigh (in the Chair): I have a problem, because I have got a list of at least 12 people who want to speak. I will have to impose a four-minute limit on speeches. If people intervene, then some other people will not get to speak.

I should probably choose first our most senior Member here today, David Winnick.

9.46 am

Mr David Winnick (Walsall North) (Lab): Thank you, Sir Edward, for calling me to speak.

I am pleased to follow the hon. Member for East Worthing and Shoreham (Tim Loughton), who made some valid points. Because of time, I will simply concentrate on the Willenhall Crown post office in the Walsall borough. A second attempt is being made to close it. The first attempt was in 2013, which led to an Adjournment debate. The town was unanimously opposed to closure, which should have come as no surprise, even in a place where, as in other areas, there is not normally unanimous opinion. I found no one in Willenhall who wanted to see the post office close.

Then came the welcome news, and it was indeed welcome, that the Post Office management had changed their minds. Instead of closing the Willenhall post

office, it had decided to retain it and invest in it, which was part of—listen to these words—

“building a modern, profitable and sustainable network”.

Joy does not last long where the Post Office management are concerned; under the latest proposals for closures, Willenhall post office is due to face the axe.

The hon. Gentleman was right to talk about public consultation. I am all for consultation, but as far as the Post Office is concerned there is as much consultation as there is in North Korea. There is as much choice as Henry Ford offered when he said of his cars:

“You can have any colour as long as it's black”.

So there is no consultation. Indeed, when I received the original letter that stated there would be consultation, I asked, “If residents come along, or write, and make it clear that they are opposed, will it make any difference?” The answer was quite clearly no. There would be consultation on alternatives to the Willenhall post office, on whether there would be toilet facilities in any alternative location, on car parking, and so on, but on the crucial issue of whether the Willenhall post office should close, the decision had been made and there would be no change. So much for consultation.

What concerns me is not simply the closure of Willenhall post office. What I have found is that bank and post office closures tend to go together, whether the bank or the post office closes first. Such closures certainly have—as is bound to be the case—an adverse effect on local communities.

We had a demonstration the other week. The union was involved, along with elected representatives and, of course, the public. We were just outside Willenhall Crown post office staging our opposition to the closure. What was happening inside? I will tell the Minister, if she is listening: there was a lengthy queue. There was no lack of business. This post office is clearly central to Willenhall, but that does not seem to matter to the Post Office or to the Government. The Post Office management is acting under intense pressure from the Government; we should have no doubts about that.

What is happening is most unfortunate and I will continue to do my best with other people in Willenhall and with the unions to retain the Crown post office there. The chances are very slight, but I conclude with these words: I used the opportunity in the last Adjournment debate to make the voice of Willenhall heard in the House of Commons and I do so again today in the hope of a reprieve.

9.50 am

Mr Iain Duncan Smith (Chingford and Woodford Green) (Con): I will be brief. I completely support my hon. Friend the Member for East Worthing and Shoreham (Tim Loughton), who initiated the debate. He has made all the basic national points. I also support much of what the hon. Member for Walsall North (Mr Winnick) said about his post office.

I am here because it has been announced, although I do not think I received any specific notice of the proposal, that the Crown post office in George Lane in my constituency is to be closed. Ironically, it is situated very close to a sorting office, which I understand the other side of the fence now wants to shut. We will therefore have a serious blight in the area. With the loss of the

[Mr Iain Duncan Smith]

post office, people who want to pick up parcels will perhaps have to go all the way up to north Chingford, which is some distance away and the traffic is never that easy. We will have a real calamity on the high street.

It is worth reminding the Post Office and the Government that post offices are part of the chain of integral elements on a high street which, bit by bit by bit, are being removed. The banks have disappeared, and now, in many areas and even in my own, there is real pressure to get rid of small industrial estates, which are vital to the life of communities because people who work on them use the high street during the day, to find their food, to shop generally and so on. There is continuous life there. The post office is an integral element because it brings people into the community, particularly elderly people who do their shopping there. The high street will therefore suffer as a result of the closures.

As my hon. Friend the Member for East Worthing and Shoreham said, there are much better ways to do this. The absence of any sense of innovation in the Post Office is remarkable, given that it owns prime sites that could be used flexibly. When I was at the Department for Work and Pensions, I wanted to persuade the organisation to allow post offices to be used for outreach. The Post Office was utterly negative about the idea and did not want to entertain it, but the Government need to press it again. With terminals where people, particularly the elderly, could receive at the very least reasonable advice about benefit claims, post offices could easily be utilised for further Government activity, beyond all their other work.

The banking side is another consideration. About five years ago, the Post Office was told absolutely clearly by the Government that if it came back with positive responses about how to set up a banking facility, it would be given a reasonable hearing. It took a year for it to come back with absolutely no response whatsoever, except to say—this was connected with the Post Office card account or POCA—that it did not think it was feasible for the Post Office to do that. All along, there has been negativity from the Post Office regarding any ideas about using its facilities in ways that could genuinely increase its revenue and make it more flexible.

Nearly eight years ago in my community we lost a sub-post office on the high street. We were told, “Don’t worry, the Crown post office will be able to take all that business”, and now we find that that post office is about to close as well, leaving us with no postal service at all in the area. I, the community and the unions are absolutely adamant that that is the wrong way to go. The Post Office must think again, and I call on it to be more flexible and reasonable.

9.54 am

Mr Alistair Carmichael (Orkney and Shetland) (LD): It is a pleasure to take part in the debate and to serve under your chairmanship, Sir Edward. I congratulate the hon. Member for East Worthing and Shoreham (Tim Loughton), who introduced the debate, and his colleagues on obtaining time from the Backbench Business Committee.

It is almost trite to say that post offices, and sub-post offices in particular, are central to the life of many of our small rural and village communities, but that is very

much the case. Indeed, as we see the withdrawal of other services, such as clearing banks, from such communities, they will only grow in importance. Maintaining a vibrant and viable network of sub-post offices across our smaller and more rural communities is therefore now more important than ever.

In my time in Parliament I have seen a large number of post office closures, although whenever there is a structured programme of closures we, in Scotland, generally do quite well out of it; we do not see very many post offices close because we have a small population spread over a large area of terrain. However, there has been a constant process of attrition. Time after time, sub-post offices have closed temporarily because the person running them has retired or moved away or is simply fed up with managing the business—and who can blame them? In fact, I have one post office that is about to reopen in the next month or two in the village of Finstown in Orkney. It has been a Herculean effort to find someone to take it on, but it shows that it is still possible to achieve that if there is willingness from a handful of people to make it work.

It is difficult now to make a sub-post office work as a stand-alone business, and for that reason the few businesses that are left are generally being folded into shops, garages, cafés and other places. That is good for those businesses, but it requires a bit more flexibility and sensitivity on the part of the Post Office. I am thinking of the example of Stromness, the second largest town in Orkney, which for years had a stand-alone sub-post office. When that sub-post office was no longer allowed to continue, it was moved into a bakers and general store. The community does not feel comfortable, despite the best efforts of the shop owner, to go along and get their pensions on one side of the counter while standing next to someone buying their messages on the other.

The Post Office needs to be more proactive in supporting people who are prepared to provide a sub-post office service. I spent an hour on Sunday night with the owners of the Palace Stores in Birsay in Orkney—a great little local shop that also includes the post office. They tell me that they have probably lost about a month of post office business because of poor connectivity. The broadband connection that is necessary to run a sub-post office is unreliable. That obviously has more to do with BT Openreach and Fujitsu, which provide the internet services for the Post Office, and their inability to speak to each other, but it is a good example of how the Post Office could make a real difference if it took a more proactive role in supporting its sub-postmasters and sub-postmistresses. A small country shop in Orkney going to talk to BT will get treated as if it were a small country shop, but a big organisation such as the Post Office would be listened to and taken much more seriously and, in that very practical sense, it would be able to support people who have for years provided one of the most important services in the communities I have been privileged to represent. For that reason, I hope that the Minister will take to the Post Office management the message that that should be its priority.

9.58 am

Mr Richard Bacon (South Norfolk) (Con): It is a pleasure to serve under your chairmanship, Sir Edward. I congratulate my hon. Friend the Member for East Worthing and Shoreham (Tim Loughton) on securing the debate.

I would like to raise the case of Diss Crown post office in my constituency, which is at the heart of the marketplace in Diss. In that geographically central area of Diss, 10,000 local residents, which is more than twice the number of people on the electoral role for the area at the time, turned up to welcome the Royal Anglian Regiment—the Vikings—home after its tours in Afghanistan and Iraq. The post office is very much at the heart of the community. In particular, it is not only at the heart of Diss, but it will be at the centre of the regenerated Diss following the newly reinvigorated Diss heritage triangle project. That £3 million regeneration includes £1.65 million from the Heritage Lottery Fund. Part of the scheme will relocate some of the town's facilities, including the tourist information office, further north towards the centre, away from the supermarkets on the fringes of the town. The proposal to close the Diss Crown post office cuts completely against that project.

WH Smith has expressed an interest in taking on the franchise, but the WH Smith branch in Diss must be one of the smallest in the country. It is up some very narrow steps through a narrow door. In fact, there are two narrow doors either side of the shop window, but they are not in the remotest bit suitable for disabled access and nothing that could be done would make a serious difference, because the footprint of the store is very small. My local district council, South Norfolk Council, has invested £400,000 of council tax payers' money in the heritage triangle project. Indeed, paragraph 2.32 of the South Norfolk local plan refers to the need to protect primary shopping centres, including the Diss heritage triangle.

The proposal to transfer the post office further south to the WH Smith branch would, apart from the inaccessibility problems, put it on the wrong side of town. That would be to the clear detriment of public investment in restoring the old town centre. It would also mean that many public events, such as the welcome home parade to which I referred and the annual Remembrance Day parade, would, instead of taking place against the background of a heavily used, vibrant public building—as other Members have said, it is surprising that it is not possible for such branches to be profitable, and I find it almost impossible to believe that it is not—take place against the background of a closed, redundant, empty building, since there is no word on what Post Office Counters would do with it. In the case of Diss, it would have a damaging effect by counteracting significant public investment in a project that aims to revive Diss town centre.

The Post Office's current proposal is to relocate the branch to WH Smith, which are the wrong premises in the wrong place. That goes against the trend of local public investment aimed at securing regeneration in one of our finest market towns, which has some of the oldest town records anywhere in the country. Diss could and should be a flagship example of the regeneration of our market towns, with the successful Crown post office at its heart. I hope the Minister will take these points to the Post Office. She should explain not only that we want a much more commercial and proactive approach, as my hon. Friend the Member for East Worthing and Shoreham said, but that there are certain Crown post offices where the proposals are wholly unsuitable. We need and deserve something better.

10.3 am

Albert Owen (Ynys Môn) (Lab): The hon. Member for East Worthing and Shoreham (Tim Loughton), who moved the motion, was absolutely right in his thoughtful speech when he said that there would be repetition of many issues, but that we would concentrate on our local areas. Post offices are the heart of our communities and are vital for businesses and local communities.

The beautiful isle of Anglesey, Ynys Môn, is well known to the right hon. Member for Chingford and Woodford Green (Mr Duncan Smith). In 2014, the Post Office tried to close down the branch in the market town and put it out to franchise. There were no suitable premises and nothing has changed, yet the Post Office has come back, repeating exactly the same measures to close it down. The branch is purpose-built in the centre of town. It has access outside for buses and elderly people. It is perfect.

When there were sub-post office closures in rural areas in my constituency, we were told that the Crown post office was the hub of the whole area. Now the Post Office wants to close down the hub. The Post Office is not listening, but it needs to start listening to local communities and local businesses, because across the country we are seeing not only local post office closures, but mass bank closures as well. Local businesses are finding it difficult to do cash handling and run their businesses. When the Post Office closes down Crown post offices, we get empty buildings where lots of money has been spent on regeneration. That will be the legacy of the Post Office, and it is counterproductive. I know that the Minister is as anxious as we are that that should not happen, but we need a proactive Government and a proactive Post Office. We need to look at innovation. We need to look at the brand, to improve it and Post Office products. There are great opportunities.

We are going through a period of mass bank closures. I suggest that the Minister listen to the Communication Workers Union, which is proposing a Post Office bank, which would help with loans for local businesses. We have just been through global financial difficulty, where local banks were not facilitating local businesses in the way that they should have been. I believe in a mixed economy. When the Government have a stake in the Post Office, as they do, they should intervene in a sensible way through the Post Office with a Post Office bank.

People regularly go to do their business and their trade in Llangefni. It is an historic market town, but it is modern too. People do things in a more digital way these days, but as the right hon. Member for Orkney and Shetland (Mr Carmichael) said, broadband facilities can be poor. We need to improve our infrastructure and our post offices. We need to begin listening to local businesses and local communities, because post office and bank closures are ripping the heart out of our local communities.

The Government rightly talk about localism, but local people and local businesses do not want this closure programme. They oppose it firmly. As representatives—this is not the first time I have stood up here for my constituents—we are making coherent points. We want the Post Office to work for our communities, our businesses and the future. I urge the Minister to look closely at the CWU proposals. Let us have the Post Office doing what it used to do when I was a kid: having savings banks and

[Albert Owen]

helping businesses in communities. That is the way forward, and I hope the Minister will take it on, on behalf of the people of Ynys Môn.

Several hon. Members *rose*—

Sir Edward Leigh (in the Chair): Order. I am afraid that three more Members have put in a request to speak. I want to try to get everyone in, so I am afraid I have to reduce the limit again, to three minutes.

10.7 am

Mrs Sheryll Murray (South East Cornwall) (Con): Thank you, Sir Edward. It is a pleasure to follow the hon. Member for Ynys Môn (Albert Owen). I want to talk about three post offices in my area, the first of which is in Lostwithiel. The post office closed, but it now half-opens, for two days a week. Sadly that announcement was made on social media for political gain before consultation with the local community, but it was welcome. However, Lostwithiel is due to lose its permanent bank, and it will have a mobile banking service for two sessions a week. There is no bus service. I am pleading for the Minister to do everything she can to ensure that my constituents in that town, which is bereft of vital public services, can have a permanent post office again. It is an ancient stannary town. It has a lot of antiques businesses and privately owned local businesses. They need a permanent post office service that is open for hours that serve everyone in the community, particularly workers.

We have had a bit of a reprieve in Looe, where my late husband was a fisherman. We saw the post office closed in east Looe. Fortunately, just like in Lostwithiel with its two days, a hard-working postmaster from another village has come in and taken over. Working very closely with my local councillors and local council candidates, we have secured a temporary reprieve, but we need a permanent solution. It is a major tourist town. Tourists do not want to come to a town where they cannot even access post office services.

Finally, in Torpoint, which is very close to my home town, we have had the bank close. People have been told that to use banking services they can go to the post office or make a three-hour round trip. Someone has looked on a map and measured the distance and not taken account of the fact that, on the Rame peninsula, it is an hour and a half's bus ride to access the alternative bank. The post office is already heavily used and people are very worried that it will not be able to cope with the extra pressure. Will the Minister take account of rural post office services in places such as South East Cornwall to ensure that people get the service they want?

10.9 am

Carol Monaghan (Glasgow North West) (SNP): Drumchapel post office on Hecla Avenue is under threat of closure. Drumchapel is an area in the north-west of Glasgow with a population of about 13,000. It was developed post-war to move people from urban slums to the outskirts of the city, but much of the housing that was built was poor quality, and lack of amenities meant that Drumchapel experienced serious social issues, many

of which persist. Digital literacy is low and one in every two children lives in poverty. Although there are one or two shops around the estate, the heart of Drumchapel is the small shopping centre where the Hecla Avenue post office is located.

There is a small post office counter at the opposite end of the estate, but it offers a much reduced service. A quick check shows that it offers Drop & Go and foreign currency, whereas our main post office on Hecla Avenue offers passport services, banking, car tax, travel insurance and bus tickets, to name a few things. This is of greater importance when we consider that, in Drumchapel, a high number of people are not able to access the internet. A recent study by Citizens Advice Scotland estimated that 50% of people in areas of deprivation do not have internet access. Many of the tasks that we can do at home are not possible for many of the residents of Drumchapel.

I have visited the Hecla Avenue post office numerous times in the past few months and have listened to residents' concerns. They have said that it will be difficult to travel to the next-nearest post office—for some disabled people it will be impossible. The post office is busy with queues at the counter, so the locals feel strongly about its potential closure. I have a petition with 640 signatures and another 500 online, which I will present today.

The post office is at the heart of the local community. Its removal would be devastating for Drumchapel. This is about more than commercial viability. The post office is a key public service that must be protected. Will the Minister tell us whether there has been an impact assessment on the area of Drumchapel? Has the mobility of residents been considered when looking at closures? Closure of the post office must not go ahead. It would be devastating for the community.

10.12 am

Huw Merriman (Bexhill and Battle) (Con): The title of this debate was the title of the first debate that I had in my name in Westminster Hall when I was elected in 2015. I vowed I would continue to speak on the subject, so I thank my hon. Friend the Member for East Worthing and Shoreham (Tim Loughton) for giving me this chance.

For more than a year in my constituency, 8,000 constituents were unable to access a post office in Heathfield because the previous landlord had locked the doors and refused to allow trading. Alternatives were suggested during that time, but no business was willing to take the post office on. I therefore use this opportunity to thank Mr Sanjiv Patel from Unique Wines in Heathfield, who had vision and was willing to take the risk and take the post office on. Almost 12 months on, that business is thriving and I pay tribute to him for taking that risk. I hope other hon. Members will find entrepreneurs willing to do likewise in their constituencies to solve the problems that have been outlined.

At this juncture, I want to give credit to post office business. There are 25 branches in my constituency. As a result of a lot of co-operation, 17 branches have received investment to modernise, transforming into either a main post office or a local. I have six branches that have community status as the last shop in the village—they have received access to investment funding. I have 600 additional branch opening hours per week and 10 branches open on a Sunday. I wish our GP surgeries would follow suit.

I want to come back briefly to three points made during the debate, which are important for reform. First, despite not having a post office or a single business willing to put itself forward, and having only one option, Heathfield still had to run a consultation exercise, which delayed the inevitable decision to go with the one business willing to put itself forward. Secondly, the point has been made as to whether franchises such as Bargain Booze are suitable. Unique Wines is obviously an alcohol-selling business, but we have not seen any notable impacts as a result. Frankly, if such a business is willing to take a risk when no others will, I will support it.

Thirdly, the point was made about the post office as a financial services provider. My hon. Friend the Member for East Worthing and Shoreham had a great idea. Given that such a large part of the customer base is pensioners, and that we need more high street providers to provide equity release solutions to pensioners for social care, perhaps there is an obvious match.

Finally, in a settlement where there are more than 5,000 residents who have had no post office for six months, I would like to see the post office provide both the base and the postmaster for the future.

10.15 am

Stella Creasy (Walthamstow) (Lab/Co-op): Today's debate is not about being against change. Those of us who have concerns recognise that the world is a very different place. I will wager there is nobody here who managed to do a degree with the help of Wikipedia. Indeed, some of us have jumpers older than the internet. *[Interruption.]* I have to say I have seen them on the right hon. Member for Chingford and Woodford Green (Mr Duncan Smith). However, the question is about what drives the changes. Opposition Members are concerned that changes driven by the market alone rarely deliver the best outcomes for the public and often end up hitting the poorest hardest. Of the changes and closures that we have seen in the past couple of years, 40% have been in poor urban communities such as my own. Indeed, under the latest proposal, two post offices in Walthamstow are threatened.

In the short time available, I want to flag up a couple of points with the Minister. First and foremost, closures are not happening in a vacuum, but against a backdrop of bank closures, as many of my colleagues have said. I caution the hon. Member for East Worthing and Shoreham (Tim Loughton) because, with the closure of banks and the services that post offices provide, it is simply not the same for residents. They might be able to get cash out or do a balance enquiry, but they can do precious little else. That matters in communities such as mine.

I disagree with the hon. Member for Bexhill and Battle (Huw Merriman), who said he is happy to see franchises with anybody and everybody. I am not sure we want shots with our stamps, and I am certainly concerned about the evidence that services have deteriorated in franchises with WH Smith, particularly in terms of disabled access and queue times.

Vicky Foxcroft (Lewisham, Deptford) (Lab): I agree with my hon. Friend. I am concerned that I have been unable to get any figures on profitability for the New Cross Gate post office. The Minister needs to ensure that we get that information.

Stella Creasy: I complete agree. For those of us facing closures such as those in Walthamstow and on Lea Bridge Road—our main post office is in Walthamstow—the question is the alternative future. What could make them sustainable, not as white elephants in the provision of public services locally, but as jewels in the crown? For me, that comes with the role of financial services, particularly the missed opportunities with the link-up that could happen with organisations such as credit unions. I know that some Government Members did not think DWP services should be part of our post office system, but there is an opportunity when it comes to financial services.

We know that under-banking is still a major problem in this country. Some 2 million people have no access to a bank account, including 8% of all 18 to 19-year-olds. We know there is rising debt in our communities. We see it in our surgeries. In London alone, we see people who have too much month for their money and there are big increases in consumer borrowing, so the credit union is never more needed. It is a missed opportunity. I want to hear the Minister tell us why in six years of the Government talking about working with credit unions, we have not seen a link-up with post offices. We know that the trade unions, which have done fantastic work uncovering the impact of the closures on communities such as mine, would support such work. In my local area, the Government have not even asked the credit union whether they could work together, and they are talking about closing two local post offices. They now say the consultation is over and it is too late to start that conversation.

We must not lose the opportunity to build the financial inclusion that all of our communities need by bringing those two communities together. As the hon. Member for East Worthing and Shoreham has pointed out, there is a very different future for post offices in France, rooted in those financial inclusion services. What is the Minister doing to bring credit unions, not Jägermeisters, into our post offices, to give them a properly sustainable future that will serve everyone in our communities?

10.20 am

Ian Murray (Edinburgh South) (Lab): I am grateful to the hon. Member for East Worthing and Shoreham (Tim Loughton) for securing this incredibly important debate. I was the shadow Minister for postal services for most of the last Parliament and was told by many Ministers that this closure programme would be the last, in order to make the Post Office sustainable. It appears that that is not to be the case. I remember the phrase in the Conservative party manifesto of 2010—that dusty tome now on the shelves of political history—that said that the Government would make the Post Office the front office of Government. They have done little to do that, which has led to the situation today, where we have a number of post office and Crown office closures, including the incredibly popular Morningside post office in my constituency.

Having been in this place for seven years, I may be cynical, but I do not see the Morningside post office franchising system as being about franchising—it is about closing the post office. I remember doing a public meeting in Alloa when the first Crown post office franchising policies were going through. The Post Office was pressed on what would happen if a franchisee did not come forward to take on one of those post offices.

[*Ian Murray*]

The answer was, “We would probably have to invest in it.” I would suggest to the Government that they have perhaps got this a little bit round the wrong way. They should be investing in our post offices to make them places on our high streets that people can use, enjoy and access the services they need.

We have a crisis on our shopping streets and high streets. Clearing banks are closing their branches—incidentally, if a clearing bank closes its branch on a local high street, people get a letter to tell them they can use the post office for the services that it will no longer supply. Local shops are in trouble. Pubs are in trouble. The post office is the iconic place on the high street that drives footfall, drives pride in the high street and gives stability to the operations of retail units. As an aside, it is not just the franchising and potential closure of Morningside post office that is not helping in terms of the high streets in my constituency; the rates for some retailers in some of those shopping districts have just gone up by more than 100%. That is surely unacceptable if we want our high streets to thrive.

Albert Owen: Will my hon. Friend give way?

Ian Murray: I would love to, but we are going to struggle to have enough time to get everyone else in.

I have seen the financial figures for the Morningside Crown post office. It is financially viable for the Post Office to run it, but it is financially unviable for anyone else to go in, given the capital and rental payments required to make it a sustainable business, which makes me suspicious that it is just a vehicle for closing the post office.

It is time to make the post office the front office of Government. The Minister has to abide by that phrase and do something that the previous 2010 to 2015 Government did not, and invest in our Crown post offices.

10.23 am

Clive Lewis (Norwich South) (Lab): I am grateful to the hon. Member for East Worthing and Shoreham (Tim Loughton) for securing today’s debate on this extremely worthy subject, given that it could be one of the last debates we have in this Parliament. I declare an interest as a proud trade unionist. I believe that the Communication Workers Union has done as much as anyone. It has put post office closures at the forefront of political debate and campaigns in communities, such as the one I represent in Norwich South, to defend vital public services—the Post Office is a vital service.

The issue needs to be aired thoroughly, not least because of the job losses that sit behind the closures, and the substitution of good jobs with insecurity, and not just because it shows the Government’s contempt for those who responded to the closure consultations, who contributed time and expertise, and took the process seriously, only to be met with silence from the Government. Perhaps the Minister could today touch on the reason for that.

It needs to be aired not just because the closure of Crown branches is very likely to have a negative impact on the Post Office’s overall revenue—some might describe

that as deliberate managed decline. For me, a key issue that draws the impacts together is this Government’s attitude to communities and those who live in them. When branches are closed or franchised, the lives of many of the people we are here to represent get a little bit worse. The small amount of research that we have points to a longer time spent queuing, lower levels of expert advice and poorer disabled access—in short, a poorer service.

I feel strongly that we must add to that a further erosion of what it means to live in vibrant community—a place that has resources and services that are not dependent simply on the ongoing existence of WH Smith; where people and the details and experiences of their lives count; where the expertise of those such as postal workers is valued; and where we can rely on their support to run our businesses, send parcels to our families, and send and receive goods. We do so in the knowledge that those serving us fully participate in our community, and that those with disabilities can be part of that normal life.

Every week we make 17 million visits to post offices. That is not a niche activity but part of ordinary life. Chipping away at that is yet another example of this Government’s thinning out of everyday life. Those are policy choices and those who make them erode the quality of people’s lives.

10.25 am

Andy Slaughter (Hammersmith) (Lab): We have seen the decline of a great British institution over a long period of time, and it is one that the public are very attached to, not just on sentimental grounds, but on practical ones. There has been a radical shift in the delivery of postal services, and not for the good. There has been a contraction in the network of about a half over a period of time, and a withdrawal of support.

Ten years ago, there was a major closure of sub-post offices, but on that occasion, at least the Post Office listened. Eight sub-post offices were threatened with closure in my borough. With a very vigorous campaign, we managed to keep five open. That left us with a viable working network. Unfortunately, despite successive Governments promising that there will be no further closures, what has happened since then is almost as bad: main post offices are moving to less good sites because they are cheaper, and there are what are described as temporary closures, which sometimes run into months or years.

Let me explain what I mean with reference to what is happening at the moment in Shepherd’s Bush, the second main town centre in my constituency. At the moment, the last of our Crown post offices is very busy, with queues out of the door. The staff are incredibly good and have been there a long time—they are even quite famous because they often feature in the columns of the comedian Richard Herring, who is a regular user of that post office. That office is being forced out of its current premises. I spent many hours trying to negotiate another location in the town centre, particularly the West 12 shopping centre, but it is going to the Westfield regional shopping centre, which is very inaccessible to local people because it will go into the back of a WH Smith branch.

The WH Smith deal is good for the Post Office because it is cheap space. It is good for WH Smith because it increases footfall. It is not, on the whole, good for customers. Therefore, I am pleased that we are retaining our last Crown office, but it is in a much less satisfactory way. The Post Office's concession—it has at least listened on this—is to provide a new sub-post office in the town centre of Shepherd's Bush. Unfortunately, I see little prospect of it finding a location, because the two nearest sub-post offices have been closed—one in White City since last year and one on St Anns Road for two years. Both of them serve large, very deprived communities—the White City estate and Edward Woods estate. They are also growing communities because there is a lot of development in the area.

I fail to see what is going wrong. We must have a continuing network. We cannot have those temporary closures. They are happening because the offer made to shops and to existing sub-postmasters is simply not good enough. As other Members have said, this is part of the decline of our high streets—the loss of banks and markets and of everything that local people rely on.

10.28 am

Alex Cunningham (Stockton North) (Lab): In 2014, the post office on Stockton High Street was downgraded from a Crown office to a lesser franchised branch buried away inside a WH Smith store. At the time, I likened that to privatisation through the back door. It ignored the public consultation that took place and put staff at risk of losing their employment. Last year, the Norton post office was franchised and moved half a mile away from the high street and main shopping thoroughfare, again to be buried inside a shop. Then in January this year, the Post Office announced that it would be closing the Billingham Crown office branch, making it yet another franchise. It is therefore more than a little ironic that, within the past few days, I received a briefing from the Post Office that talked about bank closures and about how it could help to fill the service gap. The hon. Member for East Worthing and Shoreham (Tim Loughton) talked about the opportunities, but if we do not have a robust post office network, branches will not be able to deliver their usual services, never mind others on behalf of the banks, which are axing their branches on our high streets more and more.

Citizens Advice pointed out that 88% of people think that their local post office has the same or more importance to their local community than it had five years ago. The Government should adopt its recommendations by confirming appropriate levels of funding to maintain the current network and raising awareness about public consultations on the closing or franchising of branches.

The Communication Workers Union sent me a great brief outlining the key issues and wrote to me about the idea of a post bank, which I support. It talked about the impact on customers, queue times, service times, disabled access, customer service and replacing good jobs with insecure employment—the majority of staff in a Crown office will leave when it is closed and a franchise partner is found. The Post Office will not confirm how much public money is given to retailers such as WH Smith. Perhaps the Minister can enlighten us. There is also a wider social and economic impact with the loss of jobs and the physical removal of the shop from the high street. Those are all valid and strong points.

If we do not fight and challenge the proposed changes and closures—the post office in every single major community in my constituency has been downgraded—it will be to the great detriment to our constituents, who rely on us to speak out for them. I just hope the Minister will rattle some cages.

10.31 am

Jim Shannon (Strangford) (DUP): I congratulate the hon. Member for East Worthing and Shoreham (Tim Loughton) on securing this debate and on setting the scene so well. I thank him for giving us all a chance to speak by curtailing his time.

I am an advocate of the Post Office. I represent a community that is both urban and rural, and I have long been concerned about the isolation of my constituents—my rural constituents in particular—who rely on the Post Office. That reliance is greater in the Ards peninsula and Strangford—the area I represent—because the banks are closing. As other hon. Members have said, when banks close, they always state that they have an agreement with the local post office, but when the post office closes, people have to jump on the bus and go on long journeys on already limited public transport to towns to access banking services.

The news in January that the Post Office would close 37 of its largest branches, leaving more than 300 people out of a job, was shocking and unexpected. Although I understand that the idea behind franchising branches is to keep services

“where customers want and need them”,

and to allow post offices to operate in rural areas, the fact that the large post offices are under pressure does not bode well for smaller post offices.

During the five-day strike, members of the Communication Workers Union referred to jobs and pensions. Branch closures, including the proposed closure of my local branch, have unsettled them. The fact that the Post Office is now seeking partners for 37 of its directly managed branches as part of its effort to secure its services in communities around the UK has added to workers' job uncertainty.

The fact is that each and every one of us as MPs has fought hard to ensure that benefit payments are made to post office accounts. The number of post offices has reduced by some 50% in the past 30 years, and people are uncertain about where they will be employed. Staff must have more security. I have been told that staff confidence levels are at an all-time low, and morale levels are at a critical level. I call on the Government to respond as a major stakeholder and investor in the Post Office, and I urge the Minister to confirm that this rate of closure will not continue and that there will be investment to enhance, rather than cut, services.

Just before Christmas, I received word of the strike action that was to affect my area. The letter stated:

“As you may be aware, the CWU has called for further strike action, on 19th, 20th and 24th December, in 300 directly managed Post Offices and, on 22nd and 23rd December, in our cash distribution operation.

I would like to reassure you, and your constituents, that people working in 97 percent of our network—the 50,000 individuals who work in over 11,000 independently-run Post Office branches—will not be involved in this industrial action.”

[Jim Shannon]

Those are not accountancy figures. They are people who work hard to pay their mortgage and who need our support. That is what I am doing now, and I ask the Government to do the same and to offer the support that is needed, not just for the workers in post offices but for those who use post offices across Strangford, the Ards peninsula and the whole of the United Kingdom of this great nation of Great Britain and Northern Ireland.

10.34 am

Marion Fellows (Motherwell and Wishaw) (SNP): It is a pleasure to serve under your chairmanship, Sir Edward. I thank the hon. Member for East Worthing and Shoreham (Tim Loughton) on securing this debate. It is testament to how passionately people feel about this issue that so many Members are here fighting for their local community in the last week of this Parliament. I expected to walk into an almost empty room, but I am amazed and delighted that so many people are here.

This is the second time I have spoken on this issue. I could not possibly sum up everything that everyone has said, but I can give examples from my own area. Motherwell is about to lose its post office, which is situated in the town centre. The number of businesses that will be affected if the closure goes ahead is incalculable. People go to the town centre to go to the post office, to get their pensions and to spend money. We do not have a WH Smith in Motherwell any more. We do not have one in Wishaw, either: it closed very recently. The Wishaw Crown post office closed a number of years ago, and we saw the effect that that had. It was relocated into a nice, good shop which, unfortunately, was not designed to be a post office. Access is difficult and queues snake round what are effectively the old Woolworths long shelves. It does not work. We are really concerned.

The CWU has been out trying to save the Motherwell Crown post office. I conducted a survey of customers, and they are all absolutely incandescent: 84% of the people I spoke to said that they use the post office every week, and they have to queue. People said that if they lose that post office, small businesses that use the post office services will be hugely affected. They do not know where they will go, because we are losing banks in the area. Although there are still other banks, that is not what those small businesses want. They want to use banking services in the post office and do postal work at the same time, because many of them rely on the post office to get things out to customers.

It is really disturbing that, although the Government claimed that they would use post offices as the front office for Government, that has not happened. I have spoken to postmasters and postmistresses, and the loss of Government business has affected their business in general. I could not find any figures about Motherwell Crown post office's turnover and why it was picked. I was told that it was all commercially confidential. If some Members have accessed that kind of information, why cannot all Members do so? It is not right.

At the end of the day, we need to keep our post offices. We have lost a number of sub-branches, which have moved from very accessible local places further out into estates and housing schemes that are not

accessible for the majority of people. They suit the people who are there, who can go to their local convenience store, but they do not suit other people. In fact, a post office in the Motherwell civic square closed, right next to where the local authority has hundreds of workers. They cannot access a post office. If the one in the main town centre closes, there is going to be a loss of work for those in the post office and in the businesses around it.

I feel very strongly about this issue, and I am glad that there is such cross-party opposition to the recent round of closures and the effect it has on the poorest and most elderly in our communities, who use post offices the most. I ask the Minister to put pressure on the Post Office to halt this latest round of closures.

10.38 am

Gill Furniss (Sheffield, Brightside and Hillsborough) (Lab): It is a pleasure to serve under your chairpersonship, Sir Edward. I congratulate the hon. Member for East Worthing and Shoreham (Tim Loughton) on securing this debate. I pay tribute to the Communication Workers Union, which helped us highlight these issues to the public and MPs.

The Post Office is a trusted national brand with a long history. It is instantly recognisable to people across the United Kingdom. It forms part of the everyday fabric of life, offering a wide range of products and services, but it also provides an anchor for communities, decent jobs and, importantly, access to services in rural or urban deprived areas. Instead of making the Post Office fit for purpose for the 21st century, the Government have let that well-loved and trusted institution fall by the wayside and contributed to its managed decline. The Government are intent on privatising our public services. They used to say that they would support a robust Post Office, which former Prime Minister David Cameron promised would be the front office for Government, but they have totally failed on that promise by overseeing a steadfast strategy of cuts to the service that have caused thousands of job losses as well as a decline in the services provided.

The Labour party has made it clear that it would halt further privatisation of the Post Office and instead invest the £80 million of public money that goes into it to ensure the long-term sustainability of branches and services. We will ensure that services are retained and promoted, click and collect facilities are expanded, and banking and financial services, which we know are vital to financially excluded people, are provided.

There were 62 closures and franchising programmes and 500 job losses from the Post Office's cash handling section in 2016, and more than 2,000 jobs have been lost in total since 2016. On 10 January 2017, it was announced that a further 37 Crown post offices would go under the same franchising scheme, meaning that 300 experienced post office staff and some 127 financial specialist roles will be cut across the network.

Crown post offices typically are directly owned and run by the Post Office. They have directly employed staff and they are often located on prominent high streets. Although there are only 286 Crown branches, they bring in a significant amount—between 10% and 20%—of the Post Office's overall revenue. Privatising Crown post offices and transferring them into shops such as WH Smith hugely compromises the services

provided, causing overall consumer satisfaction to fall, longer waiting and servicing times and poorer access for disabled customers. There are 10% fewer counters per branch in WH Smith branches than in Crown post offices, and 17% fewer foreign currency and business banking positions. At least 30 postmasters have retail businesses in a Bargain Booze franchise.

Not all franchises have worse provision than before, but the overall trend is saddening. Recent independent research for the Government showed that the Post Office continues to deliver more than £4 billion in social value each year to people and businesses throughout the UK.

Mrs Sharon Hodgson (Washington and Sunderland West) (Lab): My hon. Friend highlights research that proves that the service deteriorates when post offices move into WH Smith branches. When we add the fact that 40% of closures are in the most deprived urban communities, we can see that the most disadvantaged people in this country are in dire straits when it comes to having access to a good post office.

Gill Furniss: I completely agree. It is saddening that people in deprived areas get further and further away from accessing the financial services that are necessary to them.

The privatisation of Royal Mail was, quite simply, the transfer of large sums of public money to the already well-off. Since that privatisation, the Government have promised a transformative vision for the Post Office as “a genuine Front Office for Government”, and a significant expansion in its banking services, but neither of those promises have borne fruit. Post Office revenues from Government services have fallen by some 40%, and its income from financial services has risen by only 2%—it has not even kept up with inflation. The Government talk about cost-cutting measures, but £3.3 million was spent on refurbishing branches that were then franchised in 2016, at an average cost of £100,000 per branch.

I was pleased that the Government initiated a consultation about the Post Office last December. At that time, the CWU delivered 75,000 postcards signed by members of the public calling for the Post Office—the “People’s Post”—to be saved. Only weeks later, before a consultation response had even been produced, the Post Office announced 37 more Crown post office closures. In fact, nearly five months later, we still await the Government’s response.

The Government’s track record shows that they have been happy to cut public funding at any cost. They have shied away from communicating with the people affected. The Government’s response to the consultation that closed on 21 December has been delayed. Will the Minister tell us when she planned to publish that response? Why have financial services been cut instead of a promoted? Why have we not looked at the example of a Banque Postale in France, which has successfully provided income for the Government and, crucially, financial services for those who need them most? What contingency plans are there for franchises that are coming up for renewal and new franchises? The Association of Convenience Stores has major problems with its members who, due to the hike in business rates, may no longer wish to provide franchise services.

10.46 am

The Parliamentary Under-Secretary of State for Business, Energy and Industrial Strategy (Margot James): It is a pleasure to serve under your chairmanship, Sir Edward. I congratulate my hon. Friend the Member for East Worthing and Shoreham (Tim Loughton) on securing this crucial debate. Today’s attendance and the passion with which Members have spoken about the value of post offices in their local areas shows what an important topic this is. I suspect that, for several of us, this will be our last debate in this Parliament.

The Government certainly recognise the crucial role that post offices play in communities across the country. Between 2010 and 2018, we will have provided almost £2 billion to maintain, modernise and protect a network of at least 11,500 branches across the country. My hon. Friend talked about post office closures. There are more than 11,600 post office branches in the UK, and the network is at its most stable for decades. The number of branches declined substantially in the 13 or so years before 2010, but since then it has been kept absolutely stable. Graphs show that that is absolutely accurate. That is down to the transformation and modernisation of the network, thanks to taxpayers’ investment.

I thank my hon. Friend for his positive remarks about that network transformation programme, which has secured the transformation of more than 7,000 branches. I am sure that I am not alone as a constituency MP in having felt and seen the benefits of that transformation in the branches in my constituency. More than 4,300 branches now open on Sundays, nearly 1 million additional opening hours are to be added to the network every month, and losses have been reduced from £120 million to £24 million. That is a substantial result achieved by management and workers in the Post Office network. The subsidy that the taxpayer is obliged to put in has fallen by 60% since 2012. That is why the network is more stable than it has been for a generation. The Post Office has managed that transformation while maintaining customer satisfaction at more than 95% throughout the programme.

Alex Cunningham *rose*—

Andy Slaughter *rose*—

Margot James: I will give way once—I only have 10 minutes.

Alex Cunningham: The Minister boasts of the 60% reduction in taxpayer subsidy. Would it not be better for the taxpayer to invest in Post Office services, perhaps prevent some closures and downgrading and therefore maintain services for our communities?

Margot James: I agree that we need to invest in the postal service, and we are doing that. I hope that we shall continue to do so. However, I am afraid that one aspect of investment is making the existing structure of Crown post offices more efficient and affordable. Through the process of modernisation and franchising of Crown post offices, we have been able to reduce losses. That is a way for us to uphold our promise to keep post offices open in poorer and more rural areas that are not economically sustainable. I hope that the hon. Gentleman will at least understand that we are not just closing

[Margot James]

branches; we are franchising them and making them more efficient. We are then able to fulfil our promise to areas that need a postal service but would not have one if we continued to invest in loss-making Crown post offices.

Andy Slaughter: Will the Minister give way?

Margot James: I will not give way. I accept that not all Crown post offices lose money; but the majority of those that have been franchised did.

My hon. Friend the Member for Bexhill and Battle (Huw Merriman) put the case very well for the investment made by taxpayers and the Post Office in the service in his constituency; I join him in congratulating Mr Sanjiv Patel on taking the risk, as many others around the country have done. They have then found that it was good not only for their business but for the consumer. The Post Office is doing more for customers and doing it more efficiently for the taxpayer, and it is ensuring that post office services remain on our high streets throughout the country.

Franchising or hosting some Crown branches is part of the Post Office's long-term plan to ensure that the network is sustainable. It is not about closing services; it is about moving a branch to a lower-cost model, often in a better location for customers, and securing and improving delivery of services. The change from a Crown to a franchise or host branch has been undertaken previously in many locations and is a proven success in terms of sustaining services, as post offices share staff and property costs with a successful retailer. We have heard examples of that this morning. As I was saying, Crown branches have moved from a £46 million annual loss in 2012 to a break-even position today. That is no mean feat. There are still loss-making Crown branches, which is why I do not think we can stand in the way of the Post Office as it makes its service more efficient and sustainable and more accessible to a wider number of people.

Gill Furniss: The Chamber is packed. What the Minister believes to be the facts, as she has given them to us, do not ring true with the concerns and experiences that even Conservative Members have described. It seems bizarre that when so many of us tell her there are problems she says the Government should not stand in the Post Office's way; it does not seem the correct response. It seems to me that we have the responsibility; the Government must provide a proper service for all communities. Clearly, the figures that many eloquent Members have given today are at odds with the Minister's view.

Margot James: I have talked so far mostly about financial issues. It is undisputed that the Crowns were losing £46 million and are now breaking even. There are still some loss-making ones to deal with. I appreciate that changes of the kind we are considering are not easy, especially when they involve staff who have worked in a place for many years. I know that the hon. Lady has had a briefing from the Communication Workers Union, and I have had meetings with it on several occasions; I sympathise with its position. However, it is essential that the business should continue to manage its costs to

ensure that it can meet the challenges faced by high streets, let alone the Post Office, now and in the future, as the way we shop and get access to services continues to change.

Several hon. Members made points about Government services, and I agree that in 2010 the Government had hopes that the Post Office could take over many more such services; but the rapidity with which some of them migrated to the internet meant that that hope did not bear enough fruit. The staff in Crown branches that are being franchised have the opportunity to transfer to the franchisee in line with the TUPE process; or they can choose to leave the business. The Post Office offers a generous settlement agreement, which reflects the hard work, commitment and dedication that many employees have shown over the years. However, I reiterate the point that a more efficient Post Office is able to support and supplement thousands of small businesses, as my hon. Friend the Member for South East Cornwall (Mrs Murray) noted; she spoke with great authority about the needs of people in her largely rural constituency. The Government take those needs seriously and have honoured a commitment to maintain a service, even where it is not viable on a financial basis, to people living in the rural parts of her constituency.

Mr Alistair Carmichael: Will the Minister give way?

Margot James: I will not give way; I have no time left, really.

I agree with the hon. Member for Washington and Sunderland West (Mrs Hodgson) that poorer urban areas also have a great problem with access to local services—it is not just rural areas. I am pleased to tell her that the Post Office is now focusing on that issue. The Post Office is revisiting some poorer urban areas where it closed branches 10 years ago, to talk to retailers about setting up a local post office counter. I hope that that will succeed in the hon. Lady's area.

Andy Slaughter: Will the Minister give way on that point?

Margot James: No; I have very little time.

I want to reassure the hon. Member for Motherwell and Wishaw (Marion Fellows); I listened to her heartfelt concerns about an accessible post office in the town centre in Motherwell, and I will ask the Post Office to meet her again to discuss the most sustainable option for a service there.

Many hon. Members talked about banking, and I agree that that is an opportunity for the Post Office. However, the Post Office bank idea was looked at closely in 2010-11, and it was decided at that time that the money that the Government had would be better invested in the transformation of networks to secure sustainable access to services.

Albert Owen: Will the Minister give way, on that very point?

Margot James: I cannot give way now; I have no more time.

The Post Office banking services are increasing now. They have grown 6% in the past 12 months. Credit unions are also being looked at.

Stella Creasy: They are not.

Margot James: They are. I will write to the hon. Lady, if I am returned, and tell her what the Post Office plans on credit unions are.

Albert Owen: On a point of order, Sir Edward. As we are at the end of term, and as many of us have raised issues, which the Minister is refusing to give way to answer, can you give me some guidance as to whether the Department will be able to give us the information as quickly as possible?

Sir Edward Leigh (in the Chair): That, I am afraid, is not a matter for me. I am sure that in the remaining 30 seconds of her speech the Minister will do her best to answer any points.

Margot James: I am not refusing to take interventions; I am trying to conclude my response to Members' legitimate concerns. I think that I have responded to quite a number; but I must allow time for my hon. Friend the Member for East Worthing and Shoreham to conclude the debate.

Tim Loughton: I am happy for the Minister to take it.

Margot James: Okay, but I am not going to fill it with interventions; I am going to carry on.

Hon. Members have said that post offices do not have click and collect services, but I want to reassure them that there are 10,500 local post offices that do provide those services. That is another area of potential growth. I invite Members to write to me if their constituency branches do not have them; we will look into it. As to the allegation about hours being reduced in convenience stores, I am pleased to confirm that that is not the case. Opening hours are not decreasing in the fullness of time.

Stella Creasy: The Minister has just told the House that the Post Office is working with credit unions, but that is not what they tell us; they say that they are open to doing so, but that nothing has happened in the past five years. The Opposition are all talking about financial inclusion; will the Minister commit to revisiting the issue and actively working with alternative providers who will deliver?

Margot James: The Post Office does work with credit unions where it can, but there is a common link through the Co-op in some transactions. The difficulty has been—and as the hon. Lady is an expert on credit unions perhaps she can help us to solve the problem—not having a common banking platform. When a common banking platform has been developed, further inter-working with credit unions should be possible. We take financial inclusion seriously.

I want to talk a little more about banking; I think that my hon. Friend the Member for East Worthing and Shoreham is happy for me to continue.

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

Dog Attacks on Dogs

11 am

Nicky Morgan (Loughborough) (Con): I beg to move,

That this House has considered police force and local authority guidance on dogs attacking other dogs.

It is a pleasure to serve under your chairmanship, Sir Edward. I am delighted to open the debate, the aim of which is to raise the issue of dogs attacking other dogs and to call for effective legislation and guidance to help tackle the problem.

Dangerous dogs are clearly a serious problem. While we know that dogs can attack humans, sometimes with tragic and even fatal consequences, in recent years there have also been a number of high-profile dog attacks on other dogs, which are often caused by irresponsible owners failing to keep control of their animal. That is exactly what happened to one of my constituents, Jill Mayes, and her cocker spaniel, Ozzy. In 2013, Ozzy was set upon in a local park by two large dogs that had been let off their leashes. Thankfully, Ozzy survived the attack, but the experience has traumatised them both to such an extent that my constituent will no longer go to that park and Ozzy's confidence remains shattered.

Sadly, another of my constituents has also been left traumatised, after her Jack Russell cross was killed by a Rhodesian Ridgeback while out for a walk by the Grand Union canal near their home in my constituency. To make matters worse, the owner of the other dog refused to take responsibility for the attack, leaving my constituent to cover all of the vet bills. Both of my constituents were told by police that the incidents were classed as dog on dog, meaning no criminal offence had occurred and therefore no criminal charges could be brought.

Those cases are in no way uncommon. At the end of last year, I put in a freedom of information request to all police forces in England for information on how many dog-on-dog attacks had been reported in the past two years—14 of the 39 forces that responded held easily accessible data on that type of incident. In those 14 areas, there were more than 1,700 reported dog attacks on other dogs. Sussex police alone recorded 828 such attacks in the past two years, while the force responsible for my constituency—Leicestershire police—recorded 32 incidents of a dog attacking another dog, and an additional 82 cases in which a dog attacked both a dog and a person in the same incident. That is clearly very concerning, and it is important that police forces and local authorities have the powers that they need to tackle the problem and reduce the number of attacks.

I have worked on this since becoming a Member of Parliament, and in 2013 I was delighted to support a campaign led by two of my constituents to highlight the problem. As part of that, we submitted a petition to the Government asking for the law to be tightened and calling for the same legal rights for dogs when they are attacked as currently stand for humans and guide and assistance dogs. The petition collected 2,080 signatures and received the backing of a number of animal charities, including the Dogs Trust, the Blue Cross, the RSPCA and the Kennel Club. I was pleased that the then Minister for Policing, my right hon. Friend the Member for Ashford (Damian Green), visited Fearon Hall in my constituency to hear first-hand the problems faced by dog owners and to collect the petition. His enthusiasm for the campaign was welcomed by local residents.

[Nicky Morgan]

Since then, the Anti-social Behaviour, Crime and Policing Act 2014 has been passed into law, which provides police forces, local authorities and courts with greater powers to respond to cases of antisocial behaviour involving a dog before the situation becomes dangerous. When considering whether a dog is a danger to public safety, courts have to consider a number of relevant circumstances, including whether the owner or person in charge of the dog is a fit and proper person to look after it. I am pleased that that gives courts the ability to intervene earlier to prevent attacks on people and other dogs.

I recognise that the Act also strengthens the Dangerous Dogs Act 1991 and improves the response where a dog presents a risk to public safety. For instance, the offence of owning or being in charge of a dog that is dangerously out of control has been extended to all places, including the owner's home.

Mr Jim Cunningham (Coventry South) (Lab): I congratulate the right hon. Lady on securing this timely debate. She will recall that, only a few months ago, police had to shoot a dog in the street because it was totally out of control. I am concerned by the number of cases of babies being attacked by dangerous dogs. In my view, the prison sentence—it is only six months—for allowing that should be extended a lot further. I support everything she has said.

Nicky Morgan: I thank the hon. Gentleman for his support, which shows that, although the Chamber may not be packed, this is a great concern right across the country in all of our constituencies—I also know that from looking at social media. He is absolutely right, and I will come to sentencing and the fact that incidents can sometimes lead to personal injury or even fatality, particularly of young children. He makes an excellent point.

The amendments to the 1991 Act extended the maximum penalty in a case involving the death of a person to 14 years, to five years where a person is injured and to three years in any case involving the death or injury of an assistance dog. That is welcome, but it still does not give the legal rights to dogs when they are attacked that it gives to humans and guide and assistance dogs. It is important that all dogs have the same protections, and that local authorities and the police have the power to properly punish the owner of the dog responsible. I am interested to hear more about the Minister's current thinking on that.

As well as the 2014 Act, Ministers have introduced new powers to help frontline professionals to tackle antisocial behaviour involving dogs. Police and local authorities can intervene and issue community protection notices if a dog is causing a nuisance by repeatedly escaping or acting aggressively, while the owners of such dogs can be required to take a range of remedial action, such as attending dog training classes, keeping the dog on a lead in public or repairing fences to prevent the dog leaving their property. Those are clearly steps in the right direction.

However, that brings me to the other reason that I applied for the debate: local authorities and police forces need to be made properly aware of the existing powers the Government have provided to successfully

tackle the problem. I know the Minister is working on this. Last December, the Department for Environment, Food and Rural Affairs animal welfare team issued a voluntary survey to police forces, local authorities and social landlords on measures to address dog control and reduce dog attacks in England. The survey's aim was to inform the team of the existing measures' effectiveness, and to allow it to identify how intervention can be made more effective with minimal burden on enforcement agencies. I look forward to hearing the outcome of that survey.

Charnwood Borough Council in my constituency responded to that survey and raised some interesting points that I will raise with the Minister. First, it feels that the incremental approach to processing dog attacks, as well as the need to prove persistence, makes the process lengthy, which can often lead to frustration for the victim. The need to prove a breach of process means that a dog has to attack three times before the owner can face the ultimate sanction of prosecution. That is clearly concerning because it provides the opportunity for a dangerous dog to attack two further times with potentially tragic or fatal consequences for another dog, or even a child or adult, exactly as the hon. Member for Coventry South (Mr Cunningham) has said.

Sadly, that is what happened in another case that I am assisting with. My constituent's niece, four-year-old Lexi Branson, was killed by a dog at her home in the constituency of my hon. Friend the Member for Charnwood (Edward Argar). Her family had adopted the dog from a local rehoming centre and were unaware that it had previously attacked another dog. I will raise specific issues from that case with the Minister separately, I wanted to mention it today because it demonstrates the need for urgent action to be taken to ensure that a dangerous dog is not free to attack again. I cannot emphasise enough that, just because a dog has attacked another dog, it does not mean that there might not later be an attack on a human involving serious injury or potentially fatal consequences. One fatal incident is one incident too many. I would welcome the Minister's comments on that.

Mr Cunningham: I am sure the right hon. Lady agrees—we do not want imbalance in the debate—that the other side is human cruelty to dogs. The Battersea Dogs and Cats Home has made proposals, which I support, and I hope the Minister will say something about them.

Nicky Morgan: The hon. Gentleman is absolutely right. I welcome the Battersea Dogs and Cats Home campaign to stiffen the sentences for animal cruelty. There are some truly horrific cases of animals being mistreated.

I do not intend to labour the point, but there is also the issue of irresponsible ownership. As candidates, I suspect we have all been in situations, and perhaps will be in the next few weeks, where we are walking up a path, intending to knock on the door or deliver a leaflet, and are faced with a rather angry looking dog. The owner may say it is friendly, but we are never entirely sure—I see you smiling, Sir Edward—whether it really is friendly or has a particular appetite for canvassers. [Interruption.] The hon. Member for Coventry South speaks from personal experience.

Returning to the survey, Charnwood Borough Council finds the guidance provided helpful but feels that it can sometimes be too generic. For example, the advice on criminal behaviour orders is difficult to apply to a case involving a dog. The council has therefore suggested that it would be useful if the guidance were made more specific to dogs being living beings rather than property, and if it dealt with the issues that arise for the welfare and cost of keeping the dog once action—for example, seizure—has been taken. It would also welcome more advice on escalating cases when there is no other option but for the owner to forfeit the dog.

I am pleased that Charnwood Borough Council has a good compliance rate of around 91% when it issues a warning to owners at the first stage of a community protection notice. However, the council feels that there is a lack of clarity in the Government's guidance on whether a case should be handled by the police under the Dangerous Dogs Act or as a civil case by the local authority. I note that all Leicestershire local authorities have a memorandum of understanding with the local police about who handles each type of dog attack, but the council has said to me that it would like to have more formal guidance. I would be grateful if the Minister would consider those points as part of his Department's review.

It is clear that dangerous dogs continue to be a serious problem in our local communities. Of course, many tens of thousands of dogs are walked responsibly every day, and their owners take great responsibility for them and go about their daily lives with no incidents or trouble whatsoever, but there is a problem. The freedom of information numbers show that the level of incidents is serious, but I pay tribute to those who look after their dogs well, deal with any aggression and take responsibility.

I welcome the positive work that previous Governments and the current Government have carried out to help tackle this problem, but I believe that the law needs to be tightened further to ensure that dog attacks on other dogs are a criminal offence. That would bring the legal rights of dogs in line with those of humans and guide and assistance dogs. In addition, it is crucial that local authorities and police forces have comprehensive guidance available to them that details all the powers at their disposal to prevent the tragic consequences that can arise when dangerous dogs attack.

I am grateful to the House authorities for allowing me to bring this debate to the Chamber. I know the Minister is committed to animal welfare and all related issues, and I look forward to hearing his response.

11.13 am

The Minister of State, Department for Environment, Food and Rural Affairs (George Eustice): I would like to begin by congratulating my right hon. Friend the Member for Loughborough (Nicky Morgan) on securing this debate on police force and local authority guidance on dogs attacking other dogs. I understand that it must be incredibly traumatic for owners whose dogs are attacked by other dogs, particularly as the owner is often a witness of the attack. She described two incidents, and I would like to express my sympathy for her constituents, the owners of Ozzy the dog and of the terrier that was attacked by a Rhodesian Ridgeback. I completely understand that it is an incredibly distressing time. It is

completely unacceptable for owners to allow their dogs to be dangerously out of control, whether it is around people or animals. Attacks of this sort can affect animals' confidence and lead to dogs changing their behaviour and becoming afraid of going out.

Over recent years, the law on out-of-control dogs has been strengthened, and the Government looked at that area in the previous Parliament quite closely. The Dangerous Dogs Act 1991 now applies the offence of allowing a dog to be dangerously out of control to all places, not just public places or places where a dog has no right to be. That means dogs need to be under control in all places and at all times. As my right hon. Friend said, that is of particular relevance to those of us who will be delivering leaflets and going on to people's property. I am sure we have all had experiences of dogs in those circumstances.

The law also makes it a specific offence to allow a dog to attack an assistance dog, for which the maximum penalty is three years' imprisonment. As my right hon. Friend pointed out, we introduced that provision recently. The reason for specifically including an offence in relation to attacks on assistance dogs was to emphasise people's dependence on them. It was considered that an attack on an assistance dog in these circumstances was an aggravated attack and almost an attack, by extension, on the individual person.

There are real problems with attacks on assistance dogs. A huge amount of work goes into training those dogs. There have been many sad examples of assistance dogs that, despite all the work to train them, lose their confidence to do their job as a result of a one-off attack and have to be retired from duty. That is why we took the view that assistance dogs were a very special case.

Other penalties under the 1991 Act were also increased significantly. In particular, the maximum penalty for allowing a dog to be dangerously out of control was increased from two years' imprisonment to 14 years' imprisonment in cases where it results in the death of the victim, and five years' imprisonment where the victim suffers serious injuries.

Other laws were introduced as preventive measures. Measures under the Anti-social Behaviour, Crime and Policing Act 2014 allow police and local authorities to take action in low-level incidents of antisocial behaviour, including those that involve a dog, where the dog is causing a nuisance but no offence is committed under the Dangerous Dogs Act. In such circumstances, police or local authorities can take action by issuing a community protection notice to the owner or person in charge of the dog at the time, ordering them to control the dog and stop the nuisance behaviour. Failure to comply with a CPN can lead to a fine of £2,500. That power means the police and local authorities can take action before a dog becomes dangerously out of control. A criticism of the Dangerous Dogs Act was that it dealt with issues only after they had happened. Many animal welfare organisations, dog-keeping groups and veterinary organisations campaigned for the introduction of those types of notices.

For more serious incidents of antisocial behaviour, such as using a dog to actively intimidate someone, there is the criminal behaviour order. A CBO would be used in cases where a court was satisfied that an individual had engaged in behaviour that caused or was likely to cause harassment, alarm or distress. Finally, for more

[George Eustice]

general matters, there are public spaces protection orders, which place restrictions on dogs using clearly defined areas such as children's playgrounds or sports fields. PSPOs are aimed at all dogs rather than individual dogs.

My right hon. Friend the Member for Loughborough reported that Charnwood Borough Council wants to see dog-specific guidance on the antisocial measures. In October 2014, to assist local authorities and the police, DEFRA published a practitioners' manual entitled, "Dealing with irresponsible dog ownership", which provides practitioners with guidance on how to use the antisocial behaviour measures specifically in relation to dogs. I was a Minister in DEFRA at the time. I did not have responsibility for this part of the portfolio, but we had a debate in 2014 in which a number of people said that we should adopt measures similar to those in Scotland, where there are specific dog protection orders. Our legal analysis was that community protection notices served the same function, but because a number of people had raised concerns about whether they could be applied to dogs, I asked my noble Friend Lord De Mauley, the then Minister with responsibility for dogs, to address the issue, and that prompted the guidance sent in 2014, almost three years ago, to all local authorities.

The practitioners' manual differs from the Home Office guidance document, which was aimed at the broader use of antisocial behaviour measures and perhaps is what Charnwood Borough Council has read and what my right hon. Friend has referred to. My Department's practitioners' manual can be found on the gov.uk website, but after this debate I will arrange for my office to send her office a paper copy of it.

Mr Cunningham: Will the Minister express a view on the Battersea proposals, to balance out the argument?

George Eustice: I am sorry, but I have lots of proposals from Battersea and I am not sure which ones the hon. Gentleman has in mind. I come back to the point that we issued very specific guidance on how CPNs could be used.

Mr Cunningham *rose*—

George Eustice: I will give way again if the hon. Gentleman is going to clarify the point.

Mr Cunningham: Simply put, there is a proposal for longer sentences for people who abuse animals.

George Eustice: I refer the hon. Gentleman to a debate that took place on that very matter a few weeks ago. The Sentencing Council recently issued new guidance, which took effect this week, that makes it far easier for courts to award custodial sentences at the upper end of the range for those sorts of offences. Obviously, sentencing is a matter for the Ministry of Justice, and I am sure that it keeps those issues under review.

My right hon. Friend the Member for Loughborough said that the police claim that there is a three-strikes rule and that unless a dog has attacked three times, prosecutions cannot be brought and a community

protection notice cannot be used. I am reliably informed by my officials that that is not the case. There is nothing in the law that says that there must be three offences. The Dangerous Dogs Act can be used the first time there is an offence. There is nothing in the law that stipulates that there must be three offences before a CPN can be issued. I therefore think that there is an issue, which I was going to come on to, about enforcement. It may be that sometimes police forces that are reluctant to look at these issues because they want to focus on other things will come up with internal operational procedures of that sort and internal operational guidelines, but those are created by the police and are not a matter of law.

Nicky Morgan: I thank the Minister very much for that clarification; it is really helpful to hear it. I will certainly pursue it with Charnwood Borough Council, but I have to say that I think Charnwood is a very responsible authority. As I said, it works closely, through the MOU, with Leicestershire police, so if they are labouring under misapprehensions, I suspect that that is very widespread among local authorities and police forces. One purpose of today's debate was for MPs to express their concerns and for the Minister to show how seriously the Government take these incidents. Does he think that it might be worthwhile to write to local authorities to reiterate some of the powers that they have?

George Eustice: My right hon. Friend is absolutely right. I very much welcome this debate, which is timely. As a Minister in DEFRA in 2014, I felt that we had addressed this matter by issuing the practitioners' guidance, but although I accept that the powers are available for local authorities to use in all sorts of situations in which dogs are causing problems, I also accept that there are still many instances of dogs being out of control. That is why, as my right hon. Friend pointed out, my Department has been looking at whether the powers are being used by the police and local authorities and, if so, what effect they are having. And that is why, as she said, we issued a voluntary survey. We invited all police forces and local authorities in England and Wales to respond to the survey about the use of those antisocial behaviour measures.

We received many responses to the survey and are currently analysing them. I am told that we expect to complete that analysis by the end of May, so while we are all busy avoiding dogs on the doorstep during the election campaign, officials will be studying those responses, but I understand that initial indications and impressions from the evidence that we have received are that there remains some misunderstanding about the powers that are already available to local authorities and police forces and, if that is the case, we will obviously want to ensure that we raise their awareness of the powers that they have.

The focus of this debate is obviously dog-on-dog attacks. As I mentioned at the start of my speech, section 3 of the Dangerous Dogs Act makes it an offence to allow a dog to be dangerously out of control, regardless of where it is. It is a long-held belief among enforcement agencies that so-called dog-on-dog incidents cannot be dealt with under the 1991 Act. We do not believe that is the case. The 1991 Act provides a definition

of when a dog must be regarded as dangerously out of control. That refers to a dog being dangerously out of control when there are grounds for reasonable apprehension that it will attack someone. However, that definition is not exclusive. The words of section 3 could include, for example, a case in which a dog attacks another dog or other animal.

There is case law in this area. In 2008, a Court of Appeal judgment specifically pointed out that the definition of “dangerously out of control” in section 10 of the Dangerous Dogs Act is not exclusive, and made it clear that the ordinary meaning of the words in section 3 should be applied to any given circumstances. The case in question was the *Gedminintaite* case. The Court said that it was inclined to go further than existing case law. It stated:

“In any event, the definition section, section 10, is not exclusive. It does not read as a matter of construction, ‘for the purposes of this Act, a dog shall only be regarded as dangerously out of control...’ and then proceed to the definition. Therefore we feel ourselves entitled to go back to the straightforward words of section 3”.

Our lawyers believe that that does indeed mean that there are instances in which the Dangerous Dogs Act could be used for dog-on-dog attacks, but I appreciate that there is a widely held view that it cannot. Our officials can of course consider that as part of their wider review of the evidence that we have received from the survey that I mentioned.

I again congratulate my right hon. Friend on this timely debate. I am sure that the contribution that she and others have made will be taken on board by my officials and considered as they reflect on the survey responses that they are looking at now. Although, as I have explained, I believe that the law already allows police and local authorities to take action in incidents involving dangerously out of control or even just nuisance dogs, I completely agree that there are some issues about consistency of enforcement. That is why the review of evidence and survey responses is going on. I look forward to seeing the results of that, and no doubt my right hon. Friend will also follow it closely.

Question put and agreed to.

11.27 am

Sitting suspended.

Food and Farming: Employment Opportunities

[MR CHARLES WALKER *in the Chair*]

2.30 pm

Derek Thomas (St Ives) (Con): I beg to move,

That this House has considered employment opportunities in food and farming.

It is a pleasure to serve under your chairmanship, Mr Walker. The agricultural sector is essential to the social, environmental, cultural and economic landscape of this great nation. Food production and farming not only make a valuable contribution to feeding the nation but provide employment, help preserve and maintain our beautiful countryside, and contribute to tourism.

Agriculture is the bedrock of the UK food and drink sector. It is the largest manufacturing sector in the UK, providing 3.9 million jobs and opportunities across the country. Some 476,000 people are employed on agricultural holdings across the UK, including full-time, part-time and seasonal workers. In west Cornwall, my neck of the woods, the agricultural sector’s contribution is hugely important, accounting for £1.4 billion of the south-west’s economic output, 8,800 businesses and 27,300 employees. Working in farming or fishing can be an exciting career choice, offering a huge variety of opportunities for highly skilled and ambitious people. It is a global industry that uses cutting-edge technology, innovates constantly and makes important contributions to the national economy.

Mr Barry Sheerman (Huddersfield) (Lab/Co-op): As co-chair of the all-party parliamentary group on manufacturing, I agree that food, not aerospace or engineering, is our major manufacturing sector. Is the hon. Gentleman aware that the brilliant further education provision in his area of Cornwall has been largely responsible for its great innovation skills? I wish we had provision as good as that all over the country.

Derek Thomas: The hon. Gentleman is right about the sheer scale of manufacturing in the sector and the good work done by FE in west Cornwall, but the manufacturing opportunities in farming and food production, and the wealth that they share and create, are spread across the country rather than being concentrated in one area.

Sir Greg Knight (East Yorkshire) (Con): Does my hon. Friend agree that British farmers will be able to promote themselves and their products far more effectively when we leave the European Union and gain control of food labelling?

Derek Thomas: My right hon. Friend may be aware that I held a debate here early last year on food security and the need to create confidence in what we produce. The only way to do so is with clear labelling, so that consumers know exactly what they are buying, know that we are looking after animal welfare and the environment, and know that people are being paid properly. I agree completely that leaving the European Union allows us to provide direction and clarity about those things.

[Derek Thomas]

The food sector generates £1.8 billion in value to UK plc. Jobs in the sector range from engineers and scientists, to farm managers and vets. Given that the industry faces the challenges of an ageing workforce, it is clear that, like any industry, it will need a ready supply of new entrants with new ideas, energy and enthusiasm. As the industry becomes increasingly technologically driven and more reliant on its ability to understand and implement the latest science, businesses across the sector will need the right mix of skills among their employees.

Michael Tomlinson (Mid Dorset and North Poole) (Con): I congratulate my hon. Friend on securing this important debate. I am the chairman of the all-party parliamentary group on youth employment, which reviews unemployment statistics every month. The latest show that just over 500,000 young people are unemployed. Does he agree that the sector provides a great opportunity to tap into some of that talent, upskill those young people and, most importantly, give them a place in the working world?

Derek Thomas: I am sure the Minister will want to comment on that. There are jobs to be filled in the sector—that is certainly the case in my part of the world. The challenge of offering jobs to those young people is ensuring that their schools properly prepare them for the work, so that they understand what is required and have the skills needed. Employers would then provide them with opportunities and training. I will consider apprenticeships and training opportunities later in my speech.

Jim Shannon (Strangford) (DUP): The hon. Gentleman is talking about jobs. In Northern Ireland, we have 70,000 jobs in the agri-food sector, including 50,000 farmers and workers, 23,500 of whom are involved in food and drink processing. It is worth 3.25% of Northern Ireland's gross value added and £1.1 billion in basic prices. Does he believe that, when we leave the EU through Brexit, the agri-food sector will be able to grow even more?

Derek Thomas: I completely agree that there will be opportunities to invest in, grow and encourage food production and farming. I also recognise that population growth here and around the world means more mouths to feed. The UK has an opportunity to rise to that challenge and ensure that people, wherever they live, have the food that they need to survive. We have an opportunity and a moral responsibility to invest in and empower the food and farming sector to meet our growing needs.

So far, I have concentrated on agriculture, which is natural, but it is important not to forget the economic and social contributions made by the fishing industry. In 2015, fishing contributed £604 million to the UK's gross domestic product, employing just over 12,000 fishermen—meaning people with fishing expertise—half of whom were based in England. One need only visit Newlyn in my constituency, which the Minister knows well, and see the small open boats, beam trawlers, longliners and crabbers in its 40 acres of harbour to realise how essential fishing is to the region.

It is fair to say that fishing and farming, like other parts of the food chain, face numerous challenges in attracting the right number and quality of new entrants. Some of those challenges relate to the perception of such jobs as low-skilled, low-paid, lacking in career progression opportunities and involving hard physical labour in all weathers. When I was at school, I was frowned on for choosing a vocational career in the construction sector rather than going to university, but times have changed and we must recognise that a job in the countryside is a worthwhile career choice that has many benefits not offered by other careers.

Mr Sheerman: The hon. Gentleman is making a strong case for fishing and farming, which are essential to the economy of Yorkshire, as he will know. However, as we approach the election, will he please address the deep uncertainty in the farming and fishing community about what will replace the present system of farm subsidies and fishing rights?

Derek Thomas: I thank the hon. Gentleman for that intervention—we have until 4 o'clock. I am not gifted with that particular answer, but if we can encourage farmers and fishermen to continue caring for the environment and providing the food and skilled jobs that we need, I cannot see any reason why a Government of any colour would not support that.

Mr Sheerman: What about exports?

Derek Thomas: On exports, we have a wonderful opportunity. We should be proud of and talk much more about the sheer quality and diversity of what we produce. Small and large businesses deliver produce that other people around the world deserve to know about and get their hands on. That is how I would like to approach leaving the European Union.

Other considerations include the rural location of farming and fishing businesses and the cost of rural housing. Also, many young learners consider that it is a career only for those from a rural background. As a result of those challenges, fewer and fewer individuals are interested in pursuing a career in the sector, which is why I requested this debate. We face a generational crisis in the farming, fishing and food sector. According to the Department for Environment, Food and Rural Affairs, only 13% of farm holders in the UK are under the age of 45. That figure represents a decrease of 5% in the last 10 years alone.

Dr Daniel Poulter (Central Suffolk and North Ipswich) (Con): I congratulate my hon. Friend on securing this debate. He makes a good point, because although the Government have had tremendous success in expanding apprenticeships and vocational training opportunities in many industrial sectors, there is a problem in getting younger people engaged in farming. What are his thoughts on taking a more holistic view of farming, in the context of the whole supply chain and the food and drink industry generally, as an opportunity to get young people engaged in training courses?

Derek Thomas: I have personally done some work on that. Only last year, I brought 36 producers, many of them farmers, into Westminster Hall, the Jubilee Room and other rooms of the House, to celebrate their wonderful,

innovative work to develop their produce. I wished to expose their produce to the London market and we made some progress. My hon. Friend is absolutely right that we must celebrate all avenues in the sector, so that more and more people see the opportunities.

Mr Sheerman: And the very good free cheese.

Derek Thomas: I have always wanted to say that.

According to data from the Department's farm business survey in 2013-14, the greatest barriers for individuals who want to join the farming sector are the non-competitiveness of salaries, which was cited by 64% of respondents; the lack of job opportunities, which was cited by 55%; and the fact of not owning a family farm, which was also cited by 55%. You can do the maths, Mr Walker. We must increase our efforts to change the perception of the sector, to attract new entrants, to come up with solutions and to provide assistance for young people to overcome barriers to the industry. I will be interested to hear from the Minister what has been done since the release of those figures to address the concerns that they raise.

Examples of initiatives to address this challenge include the industry-wide careers initiative Bright Crop, which seeks to inform school pupils, parents and careers advisers about the range of careers and progression opportunities available in the industry. Other industry career campaigns should be co-ordinated around Bright Crop to provide consistent information that helps to inform and inspire young people about careers in the sector, and outline clear career frameworks that show progression. We need young people, as well as people of all ages, in the food, farming and fishing sectors, because they bring ambition and creativity.

Events over the last decade have demonstrated that food security should not be overlooked. We are still dependent on food imports, because the UK's farmers produce only 61% of what the nation consumes. Productivity has been rising at an average of 1.5% per annum, but we are in great need of young and highly skilled farmers to come up with ways to keep increasing it. We need technically savvy entrepreneurs and driven young people to use the available state-of-the-art technology, from GPS mapping systems to high-tech milk machines, to keep British farming at the cutting edge of production trends and to fulfil demands. Additionally, because of the current uncertainty over the value of sterling, retailers and consumers are looking increasingly closer to home to meet their needs. The creativity of young people would also help farms across the UK to achieve diversity goals highlighted in a VisitEngland survey in 2016, which showed that 28% of young people were looking at tourism, 16% at contracting, 14% at property and 12% at opening farm shops.

I regularly meet fishermen and farmers and their representatives. On Friday, I met the National Farmers Union and local farmers and we discussed the skills gap at length. The NFU is a founding member of the industry-wide AgriSkills Forum, which seeks to respond to the skills gap by professionalising the industry through skills development and lifelong learning, so that it is seen as a career of choice rather than a last resort. As people enter the industry, it is important that they are encouraged to undertake professional development that helps them to progress in their careers. Continued emphasis on lifelong learning and development will help to attract

new entrants to the industry and retain skills within it. The agricultural industry has put significant effort into working towards that goal by launching training and professional development schemes across different sectors. For example, the dairy sector has launched Dairy Pro, which enables workers across the sector to participate in relevant, demand-led training that recognises their experience and builds on their practical skills.

I am concerned that not enough is being done in schools, by careers advisers or in Departments to promote careers and opportunities in the sector. Having said that, I recently joined hundreds of children at an open farm day in Chyvarloe, near Gunwalloe and Helston, at the invitation of local farmer Paul Parfitt. It gave the children the opportunity to see at first hand how our food is produced and what careers are available in food and farming. I also took my family to Tregullas Farm, which is run by the Amiss family on the Lizard, for its open farm Sunday. Open farm Sundays are a successful initiative to increase public awareness of farming and food production. Such initiatives help to dismiss the image of something similar to Tolkien's character of Farmer Giles. In case hon. Members are not familiar with him, Farmer Giles was a fat gentleman with a red face who chewed on straw and enjoyed a slow and comfortable life which, given recent events, may be something that hon. Members covet over the next few weeks. I may well find myself doing so on 9 June, but I am not quite there yet.

In reality, farming is far from that picture. Farmers are dynamic and hard-working members of society. I have been privileged to discuss with farmers, both during my time in this place and in my pursuit of becoming a Member of Parliament, the opportunities and challenges that they have faced and will continue to face. If we are to address the specific challenge of recruitment, we must move away from this image of Farmer Giles. We must inspire young and talented individuals to look at the sector and do justice to those who already work in it. I echo the sentiments expressed by my right hon. Friend the Secretary of State for Environment, Food and Rural Affairs about hoping to see

"more young people being encouraged to engage with countryside matters".

We must change young people's attitudes towards agricultural careers and inspire more young people to get involved. I ask what the Government can do. In an age of population growth both here and overseas, in which there are more mouths to feed, there still seem to be more jobs than people. What can the Government do to address the exodus of talent from rural areas, which is something that we are very aware of in Cornwall and on Scilly? I support farmers and food producers who say that schools and careers services must work with the industry to promote farming as an aspirational career choice, and must make better links between STEM subjects—science, technology, engineering and maths—and their applications in farming. A greater understanding of the range of opportunities in the sector would help to dispel the myth that farming is low-paid and low-skilled. It is important for there to be opportunities for the industry to engage with organisations such as the Careers and Enterprise Company, and for the National Careers Service to work with the sector to provide continuous careers advice and informed information about career and work prospects in the agriculture sector. We need a

[Derek Thomas]

partnership approach with the industry, with cross-party support, that recognises agriculture as an important and attractive sector to be in. That would be of benefit in further challenging the existing perception.

It is important to recognise that fit-for-purpose qualifications have a crucial role to play in apprenticeships for our industry. I understand the Government's aspiration for apprenticeships to be the qualifications of the future, but the industry, the employers and the apprentices, and their parents and families, will need a minimum period of transition to allow the inclusion of qualifications that fall outside the current Government criteria while the new trailblazers provide their credentials. I ask the Government to work with employers in the industry even more than they are doing already to develop the 16-to-19 skills plan, so that vocational and technical qualifications and courses are made relevant to the industry and appealing to young people.

Mr Sheerman: I thank the hon. Gentleman for allowing me to intervene again—he did say that we had a reasonable amount of time. I do not want to criticise his very good speech, but it is a bit male-dominated. Does he agree that one of the real challenges is the number of women who are becoming farmers or coming into the sector, and that it is time we did something about it?

Derek Thomas: I mentioned young people, and I am sure they include men and women.

Mr Sheerman: You mentioned Farmer Giles.

Derek Thomas: I was talking about a story that was written several decades ago, but the hon. Gentleman is right. What encourages me is that, when I am out and about on farms or visiting food and farming businesses, I see a number of young people engaged in them, particularly girls. I am a member of the Science and Technology Committee, which is doing a huge amount of work to understand how we can encourage more girls and young women into STEM subjects, because there is a shortage of them and they provide a viewpoint from which we can and must benefit.

My next point might help to reassure the hon. Gentleman. The Department for Education must encourage schools and careers services to work with the industry. It is vital that the Department understands that, although the five GCSEs that we all want our young people to achieve are important, we need to work equally hard within our schools to help young people to realise the opportunities that are available to them outside the school gates in their local area. That would be of huge benefit in addressing some of the challenges that exist. It could allow young people to avoid the pressures of getting into student debt, which I know concerns many people. I am asking the Department for Education to work with the industry to promote farming as an aspirational career, and to establish better links between farming and STEM subjects and their applications.

To conclude, the agricultural industry has been incredibly resilient and courageous in facing numerous challenges in the past. The problems it faces today require the same approach to be adopted. We must be able to maintain the vibrancy of the rural economy and we must also continue to meet our food security needs.

Overseas conflict and increasing population growth mean that British farming must have the capability to produce the lion's share of the food we need to feed this nation, and young people—both girls and boys—offer us an opportunity to meet that challenge. The fishing industry also needs fresh blood. Ensuring that youngsters are recruited to fill the jobs available is crucial not only for the future of south-west Cornwall, but for the future of the entire UK fishing fleet.

2.51 pm

Owen Thompson (Midlothian) (SNP): It is always a pleasure to serve under your chairmanship, Mr Walker.

I congratulate the hon. Member for St Ives (Derek Thomas) on securing this debate. Food and farming is clearly a significant industry in Scotland, where 98% of the landmass is considered rural, whether that is “remote rural”, which is defined as an area that is more than a 30-minute drive from the nearest settlement, or merely “accessible rural”, where an area is within 30 minutes of a settlement of 10,000 people or more. Almost one in five of the population of Scotland lives in a rural community. Therefore, jobs in the rural sector are vital to the Scottish economy. It is important that, despite the uncertain times we are in, we continue to support the industry, to ensure that it is on a sustainable footing for the future.

Currently, Scotland's natural environment is worth more than £20 billion per annum and supports more than 60,000 jobs. Between 2010 and 2015, the total turnover of our food and drink industry increased from £10 billion to £14.4 billion; exports in 2016 were worth £5.5 billion, which was an increase of 40% since 2007. So Scottish food and drink really is going through something of a renaissance at the moment. We can see that and we also know the quality that exists within the industry, which is something I will return to later in my comments.

However, there are challenges. The average age of Scottish farmers is now around 58, and only 9% of farm occupiers in Scotland are aged 40 or under. So, as the hon. Gentleman highlighted, it is incredibly important that we find ways to bring new young people into the sector, to ensure that it remains sustainable and resilient. We must continue to support industries that are so vital to all of us.

In Scotland, the Scottish National party Government are very keen to support young people to go into the industry, to make sure that fresh and bright young farmers keep the rural economy going in the future. Earlier this month, the Scottish Government announced a fund of £2.5 million to help to develop new entrants into farming. That funding will support the next generation of farmers while increasing the opportunities for young people to establish a career in agriculture. The latest award will see a further 47 new farming businesses share the money, to help them to create and develop their businesses.

I suppose that one of the biggest challenges for any business in a rural economy is the access and uptake of broadband. That is an issue we continue to return to in this House and, as I say, with 98% of Scotland being considered rural, the rollout of broadband to support businesses as we move into an ever more technical world is critical, as it helps the running of rural farming and food businesses.

We are in an uncertain world just now. The UK vote to leave the EU has created significant uncertainty in the agriculture sector. The “hard Brexit” that we so often hear about would be absolutely devastating for sections of Scottish agriculture. For example, cattle and sheep farmers potentially face both high tariffs and loss of subsidy support. There is also the risk to the protection of Scottish protected food names, such as Scotch beef or Stornoway black pudding. We do not yet know what will happen to protected name status. Will we have a scheme here in the UK, given that we will no longer have access to the European scheme?

We also risk losing the common regulatory frameworks that help to maintain food safety, and animal and plant health standards, as well as to reduce non-tariff barriers to trade. Jobs and investment opportunities have been put at risk. For example, there is uncertainty over entering into multi-annual contracts under the Scottish rural development programme agri-environment or forestry schemes. Some of Scotland’s remote rural communities have fragile populations, and EU migration helps to ensure the resilience of those communities. Without that movement of people, there is a real risk, not only for the food and farming industries but for entire communities across Scotland.

The Government’s gamble with our EU membership has created significant uncertainty, with Scotland now facing the loss of much-needed seasonal workers. Agriculture directly employs 65,000 people and underpins our £14 billion food and drink industry, which is one of the fastest growing and most successful sectors in the Scottish economy. Along with other rural businesses, agriculture relies heavily on seasonal workers. However, despite repeated questioning, we have not yet had a clear answer from the UK Government as to what rights will be protected for seasonal workers; an estimated 5,000 to 15,000 seasonal workers are employed in the sector annually. Berry picking alone requires a significant number of seasonal workers, and more than a third of the UK’s soft fruit comes from Scotland.

Clearly, the industry faces challenges. There are common agricultural policy payment issues—there is no point trying to pretend that there are not—and addressing them will be the No.1 priority for the Rural Economy Secretary in the Scottish Government. We have started making 2016 CAP payments, and it is expected that by the end of June the vast majority of farmers and crofters will have received their 2016 basic payments. We understand the frustration felt by the President of the National Farmers Union Scotland with the current IT system for CAP payments. The Cabinet Secretary in Scotland has kept him and other NFUS officials advised of developments in that area, in order to get their valuable input into what else the Scottish Government need to do.

As I have said, the industry provides so many benefits and opportunities for Scotland. It is growing quickly, but for it suddenly to come up against the challenges and risks that Brexit will create has put a big question mark over what we can get by way of guarantees from the UK Government. What protections can we secure for Scotland’s burgeoning food and drink industry, so that it can continue to grow and contribute to the Scottish economy?

2.58 pm

Mary Glendon (North Tyneside) (Lab): It is an honour to serve under your chairmanship, Mr Walker.

I congratulate the hon. Member for St Ives (Derek Thomas) on securing this debate; he demonstrated that he has a passion for this issue. Although I am not the shadow spokesperson for fishing and farming, I think it is really important that he has raised this issue, which includes the future of fishing and farming, for debate today. This debate is particularly important because across the sector there are serious skill shortages that must be addressed if the success of the industry is to be maintained.

I will start by highlighting the situation in the UK food and drink manufacturing industry, which has up to 400,000 direct employees in roles ranging from sales and marketing to supply chain and logistics, and from production management to engineering. This industry has enormous potential as a high-value manufacturing sector, using innovative technologies in engineering, digital and life sciences to meet all the challenges of managing future food supplies and contributing to the wider carbon reduction agenda. That potential is being put at risk.

The Food and Drink Federation has highlighted that by 2024 more than a third of the sector’s workforce will have retired and 130,000 new recruits will be needed to fill the looming skills gap. A recent survey by the federation revealed that the top five skills gaps in the sector were in engineering, food science and technology, innovation, including product and process development, leadership and management, and customer service management. Although the ageing workforce and the skills gap are not new, the need to close the gap has become more urgent because, as in the rest of the agri-food supply chain, food and drink manufacturers currently benefit from bringing in skilled labour from the EU, which represents 29% of their workforce—120,000 workers. A high number of these workers carry out vital production, technical and specialist roles. Post-Brexit, the industry expects there to be restrictions on accessing non-UK EU workers, which will only intensify the skills gap.

To address the problem, the industry wants to see co-ordinated careers action and a more strategic approach to engagement with schools, to encourage homegrown talent for the long term. The Food and Drink Federation is also asking for technical education reforms, including with the institutes of technology, as the proposed T-levels fall short for the food and drink industry. The federation hopes to fulfil its pledge to increase the proportion of the workforce in food and drink manufacturing who are on apprenticeships to 3%—from the current 1%—by 2020, and to tackle market failures such as the fragmented apprenticeship provision for the sector and the lack of new standards at level 4 and above. I hope sincerely that the Minister will commit to addressing those issues with his appropriate colleagues in the relevant Departments as a matter of priority.

Some 11% of workers in the sector are employed in agriculture, with a high dependence on people from outside the UK. Up to 80,000 workers come to the UK every year to pick fruit and vegetables, 98% of them from the EU. In my own region—the north-east—farmers have told me that they rely on workers from abroad not

[Mary Glendon]

only for seasonal jobs but to work on their farms throughout the year. Although it is important that young people are encouraged to take up careers in agriculture, the uncertainty in the agricultural and horticultural sectors about their workforce post-Brexit means that there is a need for urgent assurance from the Government. Farmers need the certainty of a good stream of seasonal workers, so if the Government will not give in to pressure to reintroduce the seasonal agricultural workers scheme—SAWS—will the Minister say exactly what measures are being put in place to encourage local people to fill the jobs?

Will the Government support schemes such as Wheels 2 Work, which helps young people in particular to access jobs in rural areas when there is no public transport? Finally, how much resource have the Government invested in plugging the gap left by the removal of SAWS? As food and farming accounts for 13.6% of the total workforce in employment, I hope that the Minister can fully address all the issues raised in the debate.

Mr Charles Walker (in the Chair): Mr Thomas, you will have two minutes once the Minister sits down.

3.4 pm

The Minister of State, Department for Environment, Food and Rural Affairs (George Eustice): It is a pleasure to serve under your chairmanship, Mr Walker. I congratulate my hon. Friend the Member for St Ives (Derek Thomas) on securing the debate, which gives us an opportunity to recognise the importance of the food, farming and fisheries sector, which, let us not forget, employs about one in seven of all workers in this country.

I should declare an interest, in that I, as some of my colleagues know, studied agriculture. I attended Writtle Agricultural College in the early '90s and studied for a higher national diploma in commercial horticulture. I also did a number of other courses through the local further education college that was mentioned earlier—Cornwall College, down in Camborne in my constituency—which offered some very good work in this area. Also in my constituency I have Duchy College, which is linked to Cornwall College and is one of the country's leading agricultural colleges. This is an issue that I am passionate about because it is an issue I chose to study myself.

The food, farming and fisheries sector provides a huge variety of career opportunities, including many requiring skills in science, technology, engineering and maths—STEM. Food manufacturing is the biggest manufacturing sector in this country, as other hon. Members have pointed out. It employs about 400,000 people and provides about one sixth of the UK's total manufacturing gross value added. In its 2016 productivity report, the Food and Drink Federation estimated that 130,000 jobs would need to be filled between 2014 and 2024, with food engineers and scientists particularly in demand. Clearly, therefore, there are great opportunities in the food manufacturing sector for today's talented young people to build their careers.

Agricultural technologies are also transforming farming, creating new types of jobs needing new kinds of skills. Successful modern farming requires technical proficiency,

business acumen and entrepreneurial skills. For example, I recently met a group of Tesco young farmers who were investing in developing their business, leadership and management skills and their understanding of the wider supply chain issues, while balancing busy jobs on poultry, dairy, arable and sheep farms.

The food and farming sector is also important to our nation as an industry that has a presence right across the country. It is interesting that we have had contributions from the far south-west—St Ives—and from Midlothian at the other end of the country about the importance of the sector to those areas.

Sir Greg Knight: And Yorkshire.

George Eustice: And, let us not forget, Yorkshire. The sector is a particularly significant employer in Cornwall; indeed, I have a number of important food manufacturing businesses in clotted cream and fisheries in my own constituency. Farming alone employs about 64,000 people in the south-west, and the Food From Cornwall website lists more than 330 businesses producing quality Cornish food and drink. Cornwall is, of course, famous for Cornish clotted cream and Cornish pasties, but also for Cornish sardines, or pilchards, and Fal oysters.

Sardines and oysters lead me on to another sector that is important in parts of Cornwall, including, of course, in Newlyn in the constituency of my hon. Friend the Member for St Ives. The UK seafood industry offers a wide variety of careers, including in fishing, aquaculture, processing, retail and food service. There can be no doubt, therefore, that across the food, farming and fisheries sector there are fantastic opportunities for our young people to build exciting, challenging and successful careers.

I want to talk a little about the industrial strategy and the post-16 skills plan. To secure the skilled workforce that the food, farming and fisheries sector needs for the future, Government and industry must work in partnership to prioritise training and skills. It is crucial that there are clear entry routes into the sector to help young people embark on their careers, and that employers invest in recruiting, training and developing their staff. The Government have introduced a number of policies on skills. The industrial strategy Green Paper, published in January this year, includes skills as one of its core pillars and has a particular focus on STEM. The post-16 skills plan, published in July 2016, aims to reform technical education by introducing 15 routes, or T-levels. These will include agriculture, environmental and animal care; engineering and manufacturing, which will include food manufacturing; and catering and hospitality. T-levels will provide technical education to equip students for skilled occupations, creating clear routes into the sector.

Reforms to apprenticeships will create fresh opportunities for people to develop new skills and progress their careers. The apprenticeship levy, which came into force this month, provides a new incentive for employers to invest in training. Many employers in the sector are rising to the challenge, and the number of apprenticeship starts in agriculture, horticulture and food manufacturing increased by more than 20% in 2015-16 compared with the previous year.

The Department for Education is exploring options to allow up to 10% of apprenticeship funds to be transferred down the supply chain from 2018, bringing the benefits of apprenticeships to even more businesses.

We were keen to promote that idea in DEFRA because it means small farm enterprises within a supply chain could find it easier to benefit from the apprenticeship levy.

Apprenticeships provide great opportunities both to train new entrants and to upskill and develop existing members of staff. I am delighted that exciting new apprenticeship standards for butcher, advanced dairy technician, and food and drink maintenance engineer have now been approved for delivery. Many more are currently in development.

James Cartlidge (South Suffolk) (Con): The sharing of the apprenticeship levy down the line is welcome, although I have one point. In Suffolk, a lot of the businesses involved in the sector are small and medium-sized businesses. What will the Minister do to ensure that the discussions he has on T-levels and maintaining quality are not dominated by the larger sector, and that small and medium-sized enterprises that need the staff have their input?

George Eustice: That is an important point. We have experienced people from the food sector involved in the development of the new apprenticeships. The idea that I had came when I visited a McCain factory, which manufactures chips from potatoes. It was clear to me that it had a well-resourced and well-managed apprenticeship programme within McCain, but there are 300 potato farmers in its supply chain. In most cases, those farmers do not have a human resources director to take care and look after an apprenticeship programme professionally. There was an opportunity to use the organisation and the skill sets that companies such as McCain have to foster apprenticeships on farms in Norfolk and Suffolk and wherever potatoes are grown.

I have been privileged to meet apprentices as the Minister responsible for agriculture, fisheries and food at DEFRA, and I know what great careers can begin from an apprenticeship. For example, I recently spoke alongside a former apprentice at a Feeding Britain's Future event for unemployed young people interested in careers in food and farming. The young man had decided to do a mechanical engineering apprenticeship instead of following a conventional university degree, and after four years of training was earning more than £40,000 a year. Apprenticeships are a brilliant alternative to university because they allow apprentices to earn while they learn. New apprenticeship standards are being developed at degree level. Apprenticeships provide fantastic learning opportunities by allowing apprentices to develop their new skills on the job.

Employers benefit from apprentices. It has been calculated that the average person who completes their apprenticeship increases business productivity by around £214 a week through increased profits and productivity, and better-quality products. Small employers provide fantastic opportunities for people to get on the career ladder. Some 96% of the food manufacturing sector are SMEs, which can also benefit from hiring apprentices. SMEs have to pay only 10% of the costs of training their apprentices—the Government pay the remaining 90%.

Dr Poulter: The Minister is making an excellent case for the steps that the Government are taking to promote apprenticeships in the agricultural sector. Given the fact

that many people decide on where their careers will take them at a relatively early age—it is probably around age 13 or 14—what steps can be taken to encourage younger people to think about careers in agriculture and the whole supply chain, and what work is he doing with schools?

George Eustice: My hon. Friend the Member for St Ives also made that important point, which I intend to cover later in my contribution.

The Institute for Apprenticeships began work on new apprenticeships this month and will in time oversee the development of both T-levels and apprenticeships, helping to drive up standards and ensure quality. I am delighted that two members of the board, Dame Fiona Kendrick of Nestlé and Paul Cadman from Walter Smith Fine Foods, bring expert knowledge of the food sector.

Finally, it is important to recognise that we must have continuous career progression once people are in the industry. The Agriculture and Horticulture Development Board runs a series of activities to boost farm competitiveness and sustainability, including farmer-to-farmer learning through business improvement groups and demonstration farms, so that there can be a sharing of expertise through open meetings, digital tools and knowledge exchange publications. Of course, there will be international benchmarking to learn from the experiences of other countries.

The Landex colleges last year came together to launch a new national college in agriculture, to thread together some of the activities that all of the Landex colleges are engaged in, and to try to secure the progression of more people towards level 3 qualifications, again with the aim of continuous professional career development.

My hon. Friend the Member for St Ives mentioned the image of the industry and the work being done to encourage more young people to go into it. Clearly, there are opportunities in the food, farming and fisheries sector, so we should encourage more young people to explore the sector when they think about their future. Overall, we currently have the highest employment rate—74.6%—since comparable records began, and youth unemployment has been falling, but it remains important to ensure that young people are able to make a smooth transition into the labour market, and that they consider the full range of options available as they prepare to launch their careers.

Careers in food and farming are too frequently perceived as low-paid, low-skilled and lacking in career progression opportunities. We need to challenge some of the outdated myths and champion the great careers that the sector offers. Across the country, engineers, scientists and technicians are at the cutting edge of innovation in agri-tech and food production. Industry-supported organisations such as Bright Crop, which my hon. Friend mentioned, IGD and the National Skills Academy for Food & Drink are working to tackle misconceptions and increase awareness of careers in the sector through initiatives such as Tasty Careers and Feeding Britain's Future, which is run by IGD, and “The World is Your Oyster”, a campaign run by Seafish. All of those projects highlight the varied career paths that the seafood industry has to offer and the unique opportunities it can provide.

[George Eustice]

We are highlighting some of the superb apprentices already working in the industry, including by featuring them in the Government's "Get In Go Far" careers campaign. In February this year, the Secretary of State for Environment, Food and Rural Affairs hosted a roundtable, bringing together a range of organisations to start a dialogue about what more industry and the Government can do together to champion the fantastic employment opportunities available in the food and farming sector. The roundtable heard directly from apprentices working in two leading food businesses—Nestlé and Mondeléz—about their experiences in the sector. The best people to sell the sector are often the young people who are starting out on their own careers in the industry.

Mary Glindon: The Minister is setting out some fine examples of what is happening, but may I press him on the industry's need for seasonal workers? We want young people to get into the long-term jobs that he talks about, which is really important and probably the basis of the debate today, but there will be a continual need for seasonal workers. Without the seasonal agricultural workers scheme, how can we perpetuate our agricultural industry?

George Eustice: I shall return to that point—the hon. Lady also made it in her speech—as we have some time available, but the debate is predominantly about careers in agriculture and I wanted to focus on how to encourage more young people into those careers.

A number of hon. Members mentioned women in farming. I spoke at a "Ladies in Agriculture" event at the Farmers Club a couple of years ago—the former Secretary of State, the current Lord Chancellor, has also addressed that event. I mentioned a Tesco young farmers group earlier. Four of the 10 farmers in the group I met were women, so I believe we are making progress. It is essential not to overlook the great contribution that women can make, particularly when they are doing increasingly well in areas such as science. Many countries face the same challenge. Indeed, when I attended the G7 in Japan last year, one of their areas of focus was how to encourage more women into farming. Some of their ideas probably would not cut it over here—it was thought that a demonstration of a tractor with pink patterns on the side of the bonnet might help. I am not sure that would work here, but getting more women engaged in farming is a challenge for a lot of countries.

My hon. Friend the Member for St Ives mentioned the importance of encouraging school-age children to consider farming. The current school food plan actively encourages all schools to give children of primary school age an experience on a farm, so that they can see how food is produced. A number of the county show associations also run good projects. The Royal Cornwall Agricultural Association runs an event every year. It invites schools from across the county to come and learn about farming and farming careers. The Devon County Agricultural Association has as usual copied Cornwall and is running a similar project, which is great. We need as many areas as possible to promote farming as a career in schools.

The hon. Member for Midlothian (Owen Thompson) talked about the importance of farming and fishing north of the border, in Scotland. I regularly visit Scotland,

particularly in connection with the fishing industry. I remember a visit to the Shetland Islands last year, where there is one of the key training academies for skippers and captains of fishing vessels. He mentioned the average age of farmers, which is another long-standing problem faced by many countries. The statistics often mask the reality, which is that the father is reluctant to let go of the purse strings but the actual manager of the holding is in the next generation down. Nevertheless, we are keen to do more to encourage more new entrants. There have been a number of projects, including some in Wales and some in Scotland. In Cornwall, the "Fresh Start" initiative worked on helping people to retire and creating opportunities for new entrants.

The hon. Gentleman mentioned that, because of Brexit, it is an uncertain world. Brexit is a fantastic opportunity. I take a glass-half-full view of it. We have a great opportunity to design an agriculture policy that is better suited to all parts of the UK. Last week, I had a meeting with NFU Scotland to talk about some of its thoughts and ideas about how we could deal differently with policy in future. One thing of which I can assure him is that I have yet to find a fisherman in Scotland who would like us to rejoin the common fisheries policy having left it. The fishing industry almost universally believes that the decision to leave the EU was the right one, and relishes the opportunities that that brings to the Scottish fishing fleet.

The shadow Minister, the hon. Member for North Tyneside (Mary Glindon), and indeed the hon. Member for Midlothian, mentioned labour. As the hon. Lady will know, the Prime Minister has made it clear that she wants to respect the rights of EU citizens who are here working in the UK. She made that point early on, soon after the decision to leave the EU, and also made the perfectly reasonable point that obviously we would expect that to be reciprocated, which is not controversial. She has also made it clear that she hopes the matter can be settled early in the negotiations. I believe we can give that reassurance to those living and working in the UK now.

The hon. Lady asked about seasonal labour. Having a controlled migration policy and ending the presumption of free movement does not mean pulling up the drawbridge and stopping all immigration. It simply means what it says—having control of migration. It would be for a future Government to decide what work permits they wanted to grant, and whether they should be short-term permits or permits for more skilled people. That could be done based on an assessment of our needs. If there is a need for seasonal agricultural labour, a future Government will have at their disposal the ability to grant the types of permit that would be needed. All those issues can be dealt with.

This was an important debate on an important subject that is dear to my heart. We have made good progress with our work on apprenticeships, and we have done some great work in schools to promote agriculture and food careers. There is further to go, but I believe we have made a good start.

3.25 pm

Derek Thomas: I thank the Minister for encouraging me when I first arrived in this place to speak in plenty of Westminster Hall debates. I have done that, and he has had to respond to most of them.

The Minister said that opportunity exists in food and farming, and that jobs are increasing in the high-tech area. I agree that there is real potential to create many new well paid jobs. That is exactly what rural areas need to hear and to see realised.

The new T-levels are welcome. They are an important step in addressing the skills gap. I urge the Minister to encourage DEFRA and other Departments, including the Department for Business, Energy and Industrial Strategy, to work with the Department for Education to assess how effective and clear the pathway for children into food, fishing and farming really is, so that schools can be encouraged to focus on other things besides the journey towards a university degree or something similar.

Finally, as we introduce measures such as making tax digital, will the Minister contribute to the debate on how people in fishing, farming and food production, particularly those with small businesses, can embrace the opportunity of tax digitalisation, and how we can ensure we have the broadband and mobile phone capacity to deliver that?

I am grateful for the opportunity to have this important debate, and I thank all those who took part.

Question put and agreed to.

Resolved,

That this House has considered employment opportunities in food and farming.

3.27 pm

Sitting suspended.

Wells Bid for UK City of Culture

[MR GARY STREETER *in the Chair*]

4 pm

James Heappey (Wells) (Con): I beg to move,

That this House has considered Wells's bid for UK City of Culture.

It is an honour to serve under your chairmanship, Mr Streeter. I am honoured to have secured a debate today—the penultimate day of this Parliament—to raise Wells's bid to become UK city of culture in 2021. As a proud constituency MP, I have supported the bid since its genesis, which was not long ago. I will continue to support it because it has enormous potential to change the stars of both Wells and the wider Somerset area. Before I get going, it is important to place on the record that, in the absence of a large civic construct to put together this bid, it has fallen to volunteers in and around Wells to do so. One of those volunteers, Andy Webb, deserves particular note. The amount he has achieved in such a short time is phenomenal.

Before I talk specifically about Wells's bid, I want to say a few words in my capacity as chairman of the all-party parliamentary group on the UK events industry, not least because I see that Nick de Bois hopes to return to Parliament and may well be restored to the chairmanship of the APPG when he gets here. It has been an absolute pleasure to chair that APPG for the past two years. I have learned an enormous amount about the ingenuity of the UK events industry and its role in driving our visitor economy and showcasing British business through the calibre and expertise of the events that we put on around the world. I have also seen the value of local, regional and national events, including the city of culture, which is a series of events over the course of a year or so. In Londonderry, city of culture status was worth £100 million to the local economy, and in Hull it has already been worth £60 million. Hon. Members can therefore perhaps see why Wells and the wider Somerset area are so keen on securing city of culture status. It would be transformative.

John Penrose (Weston-super-Mare) (Con): I congratulate my hon. Friend on securing this debate about an issue that is tremendously important for his constituency and surrounding constituencies. He mentioned that, unlike larger civic constructs—that is the phrase he used—the bid is being put together by a small, dedicated band of volunteers. I am sure that he has therefore already spoken to Visit Somerset, which used to be called Somerset Tourism. I hope it has engaged strongly in creating Wells's bid, if only because the knock-on effect for the local accommodation industry close to my home in Weston-super-Mare may be profound. I hope Visit Somerset is providing the support my hon. Friend hopes for.

James Heappey: I very much agree. This is a huge opportunity, not just for Wells but for Western-super-Mare. Visit Somerset has been involved, along with several other local bodies, in supporting the volunteers in putting together the bid. However, we need to discuss the differences in Wells's bid so that the Minister might satisfy himself that the bid process lends itself as keenly to rural areas as to urban areas. Wells's bid is not about

[*James Heapey*]

post-industrial regeneration, which was the centrepiece of the bids by Londonderry and Hull. There is a very different opportunity down in Somerset, which I will talk about later.

Our bid draws on a rich cultural heritage that is way out of proportion with the size of our city. We are England's smallest city, but our cathedral has a centuries-long tradition in music, as has the now ruined Glastonbury abbey, which still hosts wonderful musical events during the year. We have the Glastonbury festival just down the road. There is Arthurian legend all over, with Avalon and Glastonbury itself, which will be a wonderful theme to draw on throughout the city of culture year. There are now internationally significant art galleries in Bruton. There is an opera festival in Wedmore, there are comedy festivals in Wells, and there are literature, food and film festivals. We have Cedars Hall, a brand new world-class concert hall. We are the location for many movies and TV programmes, and so much more. That all goes alongside a rural, agricultural life and an incredible natural history, but we are also embracing our emerging digital arts industry as we tap into the success of those sectors in Bristol and Bath.

The cultural offer is perhaps more developed and diverse in Wells, the smallest of the bid cities, than in other large cities, but let us be clear: we are much less well funded. The bid document quite understandably requires certain commitments about a bid's underpinning. Does the Minister believe that that is fair, given that we are trying to build a country that works for everyone? We must recognise that that includes developing the economies of rural areas as well as urban areas. I wonder whether, in the few days he has left—I accept that his civil servants are almost locked down in purdah—he will satisfy himself that, when smaller local authority areas bid for such things, the process perhaps needs to be weighted to recognise that they are unable to underwrite bids in the same way as larger metropolitan areas. Are there other ways of doing it?

The great advantage of volunteers coming together as they have in Wells is that there is private sector engagement, which is encouraging. The Heritage Lottery Fund has been forthcoming in explaining what involvement it may have. If we are aiming to create a country that works for everyone, I hope the Minister will look carefully at the process to ensure that all regions can compete equitably, and that the bid process does not disadvantage rural areas and those where local authorities are unable to resource bids more fully.

Rebecca Pow (Taunton Deane) (Con): I applaud my hon. Friend for bringing this debate to the Chamber. One of the big drivers behind cities of culture is improving economic prosperity. As my hon. Friend says, Wells, with its cathedral, is a glorious location. It was the location for the film "Hot Fuzz". My dad went to school there, at the Blue School. It is important to recognise that Wells sits in a poor rural environment. The effect of Wells securing city of culture status might reverberate out into the surrounding rural areas, including to my constituency of Taunton Deane and the rest of Somerset, and improve our productivity, which we so badly need to address. As Conservatives, we are addressing it, but we need to do more.

James Heapey: My hon. Friend is exactly right. If someone flew over our constituencies, they would see so many trees and fields that they would think all was well down below. It is so easy to assume that, but there is a hidden deprivation in rural areas that is just as significant a challenge as the challenge in inner-city areas. In fact, dealing with that deprivation is arguably a much greater challenge. Too often in rural areas, rather than deprivation being concentrated in one area and the aim of intervention therefore being clearly defined, families who live in deprivation are on their own. There might be only one family in a hamlet who live in such circumstances, or deprived families might be scattered across a town or a large village, making it much more challenging to intervene in their lives. There is an opportunity for city of culture status to uplift the entire area, so that we can find and engage deprived people who live in isolation—we can do something that could be transformative to their lives.

The Minister will be well aware of several obvious benefits of city of culture status that are common to all bid cities. The most obvious place to start is the visitor economy. Somerset's visitor economy is already growing—it has grown from £1.2 billion to £1.3 billion in just the last few years. Visit Somerset has been on the front foot in looking at all sorts of ways of marketing our county, with huge success, as have the various tourism expos that have come to the county, several of which I have had the pleasure of hosting. I suspect that the Minister will want to pass back congratulations to Visit Britain, which has brought several international delegations of tour operators to Somerset. I hosted a group of Spanish, Italian, Portuguese and Mexican tour operators in Glastonbury just a month or two ago. It was great that Visit Britain brought them to the area to see what we have to offer.

Despite that, the reality is that Somerset is still too often the drive-through county on the way to the far south-west—that is music to your ears, Mr Streeter, but Somerset has so much more to offer and I am sure you will not begrudge us if we hold up visitors a little longer at our end of the peninsula. So much more could be done in the visitor economy in our part of the south-west, and it would be great to see the city of culture status acting as a catalyst for a growth in visitor numbers. It would also be fantastic to see the city of culture status acting as a catalyst for infrastructure improvement—the railway lines south of Bristol are not planned for electrification, while the line from Reading to Taunton and down to the far south-west is perhaps not being electrified as quickly as we might have hoped. Perhaps a major, internationally significant tourism event, such as city of culture events or something along those lines, might be a reason to accelerate the improvement of those lines.

City of culture status might be a great hook for a number of airlines that have been looking at bringing in daily services from Bristol airport to New York, Doha and Istanbul. Perhaps city of culture status might be the final encouragement they need to commit to those services, which would be great not just for Bristol and the greater Bristol area, but for the whole south-west peninsula. City of culture status could be a catalyst for that, and for road improvements. My hon. Friends the Members for Bath (Ben Howlett) and for North East Somerset (Mr Rees-Mogg) have been doing some great work on improving the route from the M4 down through

Bath and into Somerset and west Wiltshire—it would be great to see that succeed. I have been working on getting some improvements to the A39 and the A361 for cars coming in from the M5 at Bridgwater north, in order for them to access Mendip more quickly. What a great thing it would be if city of culture status was to be the catalyst for those road improvements.

The Minister has been doing great work on broadband and mobile phone coverage—they have improved enormously in our part of the world in recent years. Given that there might be some growth in the emerging digital arts industry in the Somerset area, city of culture status might also catalyse that need for digital connectivity and see us accelerate.

Rebecca Pow: I wonder if my hon. Friend will give me the pleasure of intervening again, as I am the only other Back Bencher here?

James Heapey: I would be delighted.

Rebecca Pow: I feel I am speaking up for the rest of Somerset, and perhaps the Minister might listen to this. Productivity in the south-west has historically been below that of the rest of the country—we are at about 7% and the rest of the country is at about 8%. Does my hon. Friend see city of culture status as a great opportunity to address that? The knock-on effect could be enormous. If we had a city of culture in the south-west—that would be unusual because the money is all going north—it could do so much good and have a big impact on productivity.

James Heapey: My hon. Friend is an excellent battle buddy to have in today's pursuit of the Minister. She is entirely right that productivity is potentially one of the big gains, and I will come to it shortly.

City of culture status might help to achieve other things. We are blessed in Somerset with some outstanding schools and colleges, but too often we are training people up and giving them an education with which they think they have no option but to move away to pursue their careers. City of culture status might attract inward investment and create a buzz about living in Somerset. It might come about alongside the introduction of a university of Somerset in my hon. Friend's constituency, and alongside excellent work on the arts—Strode College in my constituency delivers skills in digital arts and marketing and so on. In some small way, city of culture status might help to rebalance Somerset's demographics by keeping young people in the county.

If we manage to improve the infrastructure and create a younger workforce with the right skills that are needed by the industries that are there and that are emerging, we will achieve a significant productivity boost, as my hon. Friend suggested. That would be a fantastic legacy for Somerset, not only because it would change Somerset's stars in terms of the population's skills and the availability of the workforce, but because the availability of the newly skilled workforce would bring with it inward investment, which would bring new companies. That would be hugely exciting. Perhaps we could see city of culture status as part of the legacy of Hinkley Point, which is already doing something to rebalance our region's economy.

What if, having brought all of that expertise and know-how to the county, and with follow-on industries coming behind, there was city of culture status helping

to reinforce what a wonderful quality of life one can have when living in Somerset? It all seems to work and the timing is right. I hope the Minister agrees that he has a significant opportunity to do something not just for the city of Wells but for the south-west region as a whole.

Rebecca Pow: My hon. Friend is giving a catalogue of reasons that make Somerset glow and sound such an attractive place, which it is. We also have the massive wildlife offer in the Somerset levels, which is very close to Wells and which we could build on. Taunton in my constituency is the county town of Somerset, but it could build its links with Wells. We are trying to build our cultural offer. Similarly, we have the international Somerset County Ground. We could build the whole offer in Somerset, focused in Wells, but with spin-offs.

James Heapey: My hon. Friend is contributing powerfully on behalf of our county and her constituency. She is entirely right. England's smallest city cannot do this alone. This offer encompasses Glastonbury, Shepton Mallet, Frome, Cheddar, Wedmore, Street and villages all over the county, but also places slightly further afield such as Taunton, Bath and Bristol. This is a hugely exciting regional opportunity.

The Minister might say: "So what? Every bid says city of culture status will bring more tourism, boost productivity and bring inward investment." He is not wrong. However, that is where a bid from a small city in a rural setting becomes interesting. The challenge of yesteryear was the regeneration of post-industrial cities. The new challenge for the next decade is how we build more resilient communities that can deal with loneliness, an ageing population and the challenges of mental health, and particularly dementia among that ageing population.

Somerset has those problems acutely and is in the nation's vanguard when it comes to the ageing population. City of culture status could be seen as an opportunity for the arts to bring communities together and enhance the culture of volunteerism, which already exists in our communities but which could become so much more, and therefore to build networks of people who are looking out for one another. It would be hugely exciting if the arts and city of culture status brings them together in the first place.

I hope the Minister will reflect that there is an economic challenge in the south-west. Although there are not the brownfield sites seen previously in other bid cities, he might reflect that the south-west has lagged behind in inward investment for some time, and that a flagship project of international significance could really drive the local economy. It would be exciting, and therefore ticks all of the boxes of a more conventional bid.

I hope the Minister also sees that one of the Government's great challenges over the next decade will be tackling loneliness and helping the elderly to live independently in their own homes, so that they do not need adult social care and do not need to be in hospital. City of culture status could be a catalyst for developing that resilience, building that network of volunteers and embracing the huge horsepower that exists within community and voluntary groups. If a celebration of our community, culture and shared history can be used to create a legacy of support and of looking out for one another in a resilient community, that is hugely exciting.

[James Heapey]

Mr Streeter, you have indulged me and my colleagues from Somerset for long enough. It has been a huge honour to pitch to you and the Minister the value of a bid for Wells to become the UK city of culture. I know the Minister does not make the decision, but I hope that we might be successful in reaching the shortlist in due course, and that he will go away full of enthusiasm for what we have to offer.

4.19 pm

The Minister for Digital and Culture (Matt Hancock): It is a great pleasure to serve under your chairmanship, Mr Streeter, in what I expect to be the final Westminster Hall debate that I will respond to in this Parliament. I congratulate my hon. Friend the Member for Wells (James Heapey) on securing this debate and on so powerfully arguing for Wells to become the UK city of culture in 2021. We can see why the people of Wells elected him. He has a deep passion for his city, and he touched on some of the things he has been able to do in the two years he has been an MP to improve the city and life for its residents. I wish him well in his bid to gain their trust to do that in the next Parliament. We can see today why such a passionate advocate is needed for the city of Wells and the surrounding areas. He made the broader case, including for the value of Wells becoming the city of culture to Somerset and the south-west more widely.

Under the UK's city of culture programme, places can compete to hold the title once every four years, and the prize is that title. There is no formal funding support, although there is a huge amount of support to draw in funding from all sorts of places, private and public. The programme uses creativity and culture to transform a place, attracting visitors and bringing communities together. The competition was launched in January, and 11 places have registered their intention to bid: Sunderland, Perth, Paisley, Stoke-on-Trent, Coventry, Swansea, Hereford, Warrington, St David's, Portsmouth and Wells. The bids need to be received by the end of this week, so this is a very timely debate. They will then be assessed by the independent advisory panel, while Parliament is dissolved. A shortlist will be announced after the election and the winning city announced by the end of this year.

I thought it was striking how my hon. Friend described the way that a largely voluntary bid is coming together, drawing people from the community and the private sector—within the council area, of course, but led by volunteers. I pay tribute to those who have worked on the bid so far. As the smallest city, Wells has an iconic selling point.

We have heard today about the cultural assets that already exist in Wells. The city of culture is all about boosting the assets that already exist, as well as adding new ones. In Wells in particular, those draw from an ancient tradition and a long and illustrious history. There is the cathedral and the bishopric, which has been in place since 909. The seat has been the Bishop of Bath and Wells since 1245. The current bishop is Peter Hancock—no relation, but a great man. There is a great heritage, with 341 different listings, four of which are for the Bishop's Palace alone. My hon. Friend also mentioned Glastonbury festival and Cheddar, the home of cheese. The variety and depth of the history is a real attribute.

The area has enjoyed significant investment from both Arts Council England, which has invested almost £700,000 in 48 projects since 2010, and the Heritage Lottery Fund, which has invested almost £3.5 million over the same period. The theatre and circus area of Glastonbury festival are benefiting from grants this year. Last year, the Palace Trust was awarded money for its "Dragon's Lair" project to help children and families engage with the Bishop's Palace. There has been significant public investment, as well as the private investment that my hon. Friend talked about.

I want to touch on a couple of things that my hon. Friend said. The backing of the steering team's vision by Visit Somerset and the support of local councils, institutions, businesses, events, artists, festivals and carnivals working together are important. There is a strong sense of pride in the area. Wells has been a candidate city for a couple of months now, and I know from some of the officials who have visited that that coming together is an important part of delivering the project.

The thing that struck me most was what my hon. Friend said about looking at the city of culture competition in a different way, not only to support primarily physical and economic regeneration but to support and strengthen the resilience and value of communities in a small city and rural setting. He put that very well. He is right that Wells would be a different choice from previous winners, where the focus has been on the economic regeneration and social rejuvenation of an area that has had a difficult time over recent generations. Wells is about building on success and building stronger and more resilient communities. He put that well, and I have noted that and will ensure it is noted by the judging panel too.

The evidence is that the value of the UK city of culture competition comes to all bidders; just bidding brings value. It brings people together and it brings national attention, as this debate is doing. Preparing the bid can generate new ideas and create new partnerships. Bidding areas often think about the plans and development over time. Hull was successful only on the second attempt, but it has been hugely successful this year. Indeed, Rough Guides said that Hull was one of the top 10 cities in the world to visit this year. Hull expects a £60 million boost to its local economy and more than £1 billion of investment. That is the benefit of winning, but it is the taking part that counts also, because people pulling together with the goal of winning has its value.

I want to acknowledge the support that my hon. Friend has from my hon. Friend the Member for Taunton Deane (Rebecca Pow), who put powerfully the case for the wider benefits to Somerset, and from my hon. Friend the Member for Weston-super-Mare (John Penrose), who made powerful supportive comments. Their contributions showed the value expected to the wider community, not just Wells. The bid is really about Wells in Somerset.

Rebecca Pow: To pick up the Minister's point about the rural connection, this is a massive selling point for the Wells bid. We are finding that the urban-rural divide is getting larger. If we could do something to link the two better, perhaps through the arts, that would be a really positive move.

Matt Hancock: My hon. Friend is a powerful advocate for her constituency and makes the case incredibly well for the importance of closing the urban-rural divide and ensuring that people in Taunton and right across rural and urban areas of the country benefit from the arts, culture and technology. I have very much taken that on board.

I will end by saying that my hon. Friend the Member for Wells is a brilliant local representative and a terrific advocate for Wells. I give him and the bidders all encouragement in this bid. There is only one thing I cannot give him, and that is that which he seeks—victory today in his bid, along with many others, to make Wells the UK city of culture in 2021. However, thanks to his efforts, the bid that they are making has been brought to the attention of people at the most senior levels, so it will get the very best shot that it can.

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

Grandparents' Rights: Access to Grandchildren

4.30 pm

David Mackintosh (Northampton South) (Con): I beg to move,

That this House has considered grandparents' rights of access to children.

It is a pleasure to serve under your chairmanship, Mr Streeter. I am pleased to be able to bring this important debate to the House today, because the issue of grandparents being unable to access their grandchildren affects families right across the UK. I have received a significant amount of correspondence from my own constituents. They write to me after family breakdowns and changes in circumstances, seeking guidance on how to go about reaching out to their grandchildren or having legal access.

I adored all my grandparents from both my mum's and my dad's family and have fond memories of them from when I was growing up. It is a sad reflection on us that we have not managed properly to reflect in legislation the hugely important role that grandparents play in society. My own dad adores his grandchildren, Finley and Neve, and they adore him back, so whenever I am contacted by constituents, I naturally refer to my own family and simply cannot imagine how hard not having contact must be for everyone involved.

As many hon. Members will know, this is never a straightforward issue to resolve. Distance between grandparents and their grandchildren can come about in a number of ways: marital breakdown, bereavement and family disagreements, to name but a few. For the grandparents and the children from whom they are separated, it can be an incredibly distressing time. The issue has been discussed previously in the House in debates on private Members' Bills, in Adjournment debates and, indeed, in conversations with colleagues on both sides of the House.

Julian Knight (Solihull) (Con): I heartily congratulate my hon. Friend on raising this important issue in the House today. Like me, he has received many communications showing the real emotional turmoil that many grandparents feel when they are estranged from their grandchildren. Does he agree that it is always an error when, as is sometimes the case, grandchildren are used as weapons in messy divorces?

David Mackintosh: I am grateful to my hon. Friend for his intervention. I agree that this situation can be very distressing, and it is obviously wrong for children to be used as weapons by anyone, in any situation. It is very distressing for everyone involved. Often, with the constituents who come to see me, I see only their side, their version of events, and not that of the children involved, but I can tell from my own family that it would be very distressing for the grandchildren not to see their grandparents. This is an issue that does not go away and that does not have a simple solution, no matter how much I wish that there were one. In debates such as this, it is important to remember that the rights of the grandchildren matter as much as those of the grandparents. Children should be given the opportunity to visit their grandparents if they wish to do so.

[David Mackintosh]

I would like to use the opportunity provided by the debate to praise the charities and organisations that aim to help grandparents who have become estranged from their grandchildren, often through no fault of their own. One such charity is GranPart, which operates in my constituency of Northampton South and aims to help grandparents in the county with advice and services that allow them to try to reconnect with their grandchildren, or at least to share their experiences with others and share best practice in order that people can try to reconnect with their own families. I have attended the monthly meeting and listened to some of the distressing stories of how grandparents have ended up losing contact with their grandchildren. Sometimes that is because arguments have gone too far; sometimes it can be due to families separating; and sometimes people never really understand the reasons why.

Some people have written to me to suggest that the situation could be changed with a few minor amendments to the wording of the Children Act 1989. That primarily means adding in a reference to a child's extended family as well as to their parents. That minor change could ensure that grandparents were given rights to see their grandchildren that were similar to the rights of any parent in order to help to secure the child's welfare, and ensure that grandparents were not negatively impacted by any change to a child's family situation. However, I can envisage situations in which that could lead to conflict. In most families, the primary responsibility for bringing up children lies with the parents, and I would not wish to see parental responsibility confused in any way by giving additional rights to grandparents that superseded the role of a parent or, as my hon. Friend the Member for Solihull (Julian Knight) said, that could be used as a weapon in any disagreement.

Dr Matthew Offord (Hendon) (Con): My hon. Friend will recall that on 31 January my constituent, Lorraine Bushell, and the Hendon grandparents support group had a lobby day here in Parliament. One issue that they raised was not that grandparents should have a specific right to access to their grandchildren, but that the child should have a right, as in France, to have contact with their extended family.

David Mackintosh: I am grateful to my hon. Friend for his intervention. I do recall the event that was held here. I think that it was held in a room not far from this Chamber, and the room was packed to overflowing. Many hon. Members were present to lend their support to the campaign and to receive the advice and information on best practice that was offered on the day.

Caroline Ansell (Eastbourne) (Con): My hon. Friend will be dismayed but not surprised to learn that at my last advice surgery I, too, saw grandparents who were suffering in this way. Their plea was for a change in thinking, a change in culture, because they had been advised that their only recourse was through the courts, and they did not want to put their grandchildren through that or to create further tensions within the family.

David Mackintosh: I am grateful to my hon. Friend for her intervention. I have had similar constituency surgeries, at which similar stories have been relayed to

me. I am also grateful for the previous intervention, in which my hon. Friend the Member for Hendon (Dr Offord) talked about the law in France. That point should be considered, and I am sure that my right hon. and learned Friend the Minister will come to it when he responds to the debate. I understand that the law in England and Wales gives the family court the power to make various orders about children, including about with whom they can spend time. Grandparents would be required to seek the permission of the court before applying, but that would probably be allowed if deemed to be in the child's best interests. Perhaps—this is an issue for the Minister to address—that could be reconsidered to give grandparents an automatic presumption for the family court.

When grandparents lose access, it can be even more difficult if they do not have any access to information about the children or know their whereabouts. In the same way as my hon. Friend the Member for Eastbourne (Caroline Ansell) described, a lady came to my surgery and told me that she did not know where her grandchildren were living or what they looked like any more and she had no access to information about them. She would have loved to have had contact with her grandchildren, but it also kept her very worried that she did not have any information about them and did not even know whether they were safe and being looked after. In that situation, I was able to write to Northamptonshire County Council and say that if any information was able to be passed on, I would be able to do that. It replied simply that the children were safe.

There are sometimes obvious safeguarding reasons why information cannot be shared, but I think that the matter could be looked at again to see how the law can ensure safeguarding while also allowing grandparents to have basic information about their grandchildren just to reassure them that they are safe and well. I hope that, after the election, the issue of grandparents' access to children can be taken forward by working together to ensure that the voice of grandparents, too, is taken into account when working with families. I will now draw my comments to an end. I look forward to hearing from other hon. Members and from the Minister.

4.38 pm

Jim Shannon (Strangford) (DUP): It is a pleasure to speak in this debate. I congratulate the hon. Member for Northampton South (David Mackintosh) on securing it and on introducing it so well. This issue is clearly of importance to those of us who are in Westminster Hall today, and I believe that it is also of importance to other hon. Members who unfortunately, for whatever reason, have been unable to make it to the Chamber or, indeed, are preparing for the election, which two weeks ago none of us was aware of. This issue comes up at advice centres. It comes up at my advice centre back home as well.

I declare an interest—because I am of that age—as a doting grandfather. Looking round the Chamber, I am not sure whether everyone is a grandparent, but I know that you, Mr Streeter, have achieved that goal. When I held my eldest son Jamie in my arms some 29 years ago, I thought that nothing in this world could top the pride and love that I felt as I looked into that perfect little face. I was wrong. There was a little girl who made her way into this world and into a special place in her

grandfather's heart that had never been touched before. My little Katie is eight years old. When I thought there was no more room left in my heart, little Mia came along—she is just three years old—underlining the fact that there is nothing more enjoyable than time with grandchildren. There is also the fact that, as we all know, they can be handed back whenever they get a bit stropy. That is one of the great advantages of being a grandparent.

The fact of the matter is that we are here today in Westminster Hall to debate this issue because we want to ensure access for grandparents. I am lucky; I have access to my grandchildren. I am very fortunate. I am also fortunate that most of my family and friends are in the same position.

Julian Knight: I am absolutely convinced that the hon. Gentleman is a magnificent grandfather in many respects and an archetypal grandparent. This is a two-way thing. Both my grandmothers are still alive, and they are both 91 years old. One of them virtually brought me up from what was effectively a broken home. The relationship and bond that we formed is something that has carried me through my entire life. I cannot imagine anything worse than not having access. Does the hon. Gentleman agree that the right of children to have access to their grandparents is so important?

Jim Shannon: I fully and totally agree with that. I thank the hon. Gentleman for his intervention and for the words he put forward. I do not think anyone in the Chamber would not have the same opinion. There is something special about a grandparent's relationship with their grandchildren, and I do not say that just because I am one. My mother is still living. She is 85 years old, and will soon be 86. As a great-grandparent, she dotes on the wee children. She always wants to hear what they are doing. That bond develops at a very early stage, even between my grandchildren and their great-grandmother. It creates a nice warm feeling. Unfortunately, there are many who long to see their grandchildren and are denied that opportunity. That is the reason for this debate today.

I am hoping to get away on a holiday this summer—probably for the first time—with my wife and the grandchildren. The memories made on that trip will be the stuff of dreams, because that is how dreams are made. The photographs will be special, and I will be able to spend quality time with them with no pressure. One way of ensuring that there is no pressure is to leave that mobile phone at home, because then you are incommunicado for a certain period of time. I can do that because my son and his wife are happy for me to be with Katie and Mia as much as I want.

I do not take that for granted, when I see so many grandparents shut out of their grandchildren's lives, whether that is due to marital break-ups, a spin-off from the breakdown of a relationship, people moving away, or grandchildren being used as a tool against the grandparents. The guidance on access for grandparents to their grandchildren states that access should initially be sought through agreement with the parents or carers of the child, as the hon. Member for Northampton South outlined in his introduction. However, where such an agreement cannot be made, the grandparent can seek the leave of the court and, if successful, apply

for a child arrangements order to agree access. That is all very well, but it is not as simple as that. It is not easy to do when parents are estranged, and unfortunately children are often used as a weapon, which is very painful.

As a grandparent, I can only imagine being cut out of my beautiful granddaughters' lives. I would certainly do everything in my power to facilitate Katie and Mia visiting, no matter what, but if that was not possible and could not be achieved, I would have to go to court for access, which is expensive and soul-destroying when grandparents' rights are so restricted. The hon. Gentleman made a salient point in his final few words about the pain that going to court causes not only to grandparents and parents but to children. They cannot quite understand what is going on or what all the arguments and fights are about, but they know that something is wrong and that they are the piggy in the middle, if I can use that terminology, being pulled from all sides. All sides may genuinely love their children or grandchildren, but access can be denied.

It is good to see the Minister in his place, and we look forward to his response. More must be done to support access rights. If that means enacting legislation to enshrine clearer rights for grandparents—that is what has been suggested by the hon. Gentleman and in interventions, and it is what I would look for, too—then that is what needs to happen. The Government enjoy the fact that one in four working families rely on grandparents for childcare, which saves the Government money in tax credits and childcare vouchers; it follows that grandparents should receive the benefit of Government notice and attention. That is what we are here today trying to achieve—that their rights are protected should the unthinkable happen. If today's debate moves that process on and enables legislative change to come in the next Parliament, and if the Minister is able to respond in a suitable way, I would speak strongly in support. A nanny tax credit and such things are great, but it is clear that more support is needed for those who are not able to see their grandchild or grandchildren.

I fully support the motion and look to the Minister to ensure that, when the new Government are in place after 9 June, they take the issue on board and take steps to clarify further the rights of grandparents in the UK as a whole. On behalf of grandparents who do not have access to their grandchildren, I say passionately that that would be a step in the right direction.

4.45 pm

Yasmin Qureshi (Bolton South East) (Lab): It is a pleasure to serve under your chairmanship, Mr Streeter. I thank and congratulate the hon. Member for Northampton South (David Mackintosh) on bringing such an important issue before Parliament. His speech set out the various considerations associated with this sensitive issue.

Grandparents can enrich the lives of children and provide support to parents trying to balance work and home life. They can also be the only people who tell parents off—I remember it was great hearing my mum's mum telling her off—and often grandparents are the ones who stick up for the children and give them treats and things. The importance of grandparents in the lives of children cannot be stated often enough. Many people who have been lucky enough to enjoy a close and loving

[*Yasmin Qureshi*]

relationship with their grandparents accept that it is one of the best experiences a person can have, as the hon. Member for Solihull (Julian Knight) said.

However, family relationships sometimes break down. Having worked in family law, I am well aware of the pain and distress that frequently accompanies family breakdown. At its most extreme, it results in children being taken into care. Where there is a responsible grandparent available who can step in and avert that outcome, that is surely to be welcomed. A more frequent occurrence, as hon. Members have said, is grandparents becoming detached from their grandchildren when the parents separate. When that happens, grandparents who have been a central part of the child's life can feel understandably excluded. It is quite right that they should have some form of redress to apply for access.

The current means used to decide where a child lives and with whom they have contact is child arrangements orders, which were introduced by the Children and Families Act 2014 to replace the previous framework of contact and residence orders. A child arrangements order can determine where a child lives, who a child spends time with—those persons are named in the order. It also details who they can make phone calls to, who they can visit and what activities they can do with a named, specific person.

Under the present system, the grandparents have to seek leave from a court to apply for a child arrangements order, and only if they have lived with the child for three years. The application generally requires leave from the court. That can cause a lot of problems. The stipulation of having stayed with the child for a minimum of three years can exclude various different arrangements, such as those applying to grandparents who have not specifically spent three years with the child, but are on the scene and see the children and provide a lot of support.

Over the past number of years, it seems that the number of grandparents applying for rights of access has gone down. That is unusual, bearing in mind that a lot of grandparents want to have access to their grandchildren. One reason is that they have to jump through the hoop of applying for leave, then going through the process, which can be quite costly and time-consuming. Many grandparents are not able to avail themselves of the process.

The Labour Government produced a Green Paper in 2010 with the intention of removing the requirement to seek the leave of the court, and a family justice review was set up in March 2010. That provision was supported by the coalition Government, who ordered a review in November 2010. However, they took the view that the need for grandparents to apply for the leave of the court before making an application for contact should remain. That is a plausible explanation for why the number of grandparents applying has reduced.

Obviously, everyone wants to prevent vexatious claims from grandparents or people doing it for malicious purposes—we want to ensure that those who go for it do so with the best motives at heart—but I am sure that if people in the legal profession put their heads together, they could come up with an acceptable halfway house. Perhaps we could offer free legal advice to grandparents about their options, or make the process simpler and speedier.

Jim Shannon: As elected representatives we look for solutions to problems, and one way of finding a solution is through the mediation process. Does the hon. Lady think that that might be a way of doing it? I am looking to the Minister for an answer to that, too.

Yasmin Qureshi: That is a helpful way to deal with these things. Arbitration or mediation has been found to work in many scenarios—whether for the divorce settlements of couples who are separating or for access to children, even if the person is in employment. We could explore that option, which is not expensive and is much more straightforward.

As I said, I am sure that if legal professionals and others in the system put their heads together, they would come up with a system that is much more flexible and responsive to grandparents' needs and enables them to see their grandchildren without enormous legal obstacles and hoops that they have to jump through. This is not a party political issue: everybody accepts that grandparents have a very important role to play. I am sure the Department can come up with a more flexible, less costly solution that requires grandparents to jump through fewer hoops.

4.52 pm

The Minister for Courts and Justice (Sir Oliver Heald): We have had a very constructive, warm-hearted debate. I think we all found it moving to hear the hon. Member for Strangford (Jim Shannon) and my hon. Friend the Member for Solihull (Julian Knight) talk about the love they feel for their grandchildren and the very special role that grandparents can play. The hon. Member for Bolton South East (Yasmin Qureshi) talked about her grandmother telling her mother off and what fun that was. I think we all recognise that. Extended family life is important to all of us.

The hon. Member for Strangford made a good point about mediation. I did some family law cases as a barrister, and I have often thought that mediation can lead to the settlement of a family dispute or the breakdown of a relationship with less confrontation and heartache for everybody involved, so I think that was a very wise point. Comments were made about the pain of family breakdown and the court hearing. All of that is very well taken.

I cannot make any announcements today because we are in purdah, but I have previously said that, assuming the electorate allow it, we will introduce a Green Paper later in the year on family justice, which will provide the opportunity to look at these issues and a number of others that hon. Members touched on. Having said all that, I congratulate my hon. Friend the Member for Northampton South (David Mackintosh) on securing this debate on an issue that is vital and, as he said, complex. It is a pleasure to serve under your chairmanship, Mr Streeter.

The sorts of experiences that we are discussing—heart-breaking stories, as my hon. Friend put it—were recognised at his meeting with GranPart in Northampton, an organisation in which I know he takes a particular interest, as well as talking to his constituents more generally about the issue. We heard from my hon. Friend the Member for Eastbourne (Caroline Ansell) what constituents have told her about the issue. I agree

with my hon. Friend the Member for Hendon (Dr Offord), who said that he has a strong support group in his constituency, that children should not be used as weapons.

I am sure that most children see their grandparents as important figures in their life and benefit tremendously from a positive relationship with them. For many children, loving relationships with grandparents enrich family life. As was mentioned, grandparents often play a key role in the raising of their grandchildren, particularly with so many parents at work these days, and I recognise that grandparents can be a great source of stability for children when parents decide to separate. They can provide a sense of continuity in traumatic circumstances at a time when children are fragile. Sometimes, when parents are unable to meet their children's needs, grandparents can take on full responsibility for their care.

After parental separation, in many cases, grandparents continue to enjoy relationships with their grandchildren, although the circumstances are obviously different as the parents live apart. However, there are some cases in which grandparents are prevented from seeing their children, with no good reason. The Government recognise the immense distress caused to grandparents and children when parents separate. In such difficult circumstances, which are similar to bereavement, children often feel a greater sense of loss: they have lost not only a parent, but grandparents too. I am sure that some hon. Members and hon. Friends who have spoken in this debate will recognise such scenarios from the constituency experiences that they have described.

High-conflict cases involving disputes over children can have an impact on those children. Parents can end up viewing grandparents as being on the other party's side, which can become a barrier to their continued involvement in their grandchildren's lives. Grandparents, too, can be tempted to see the other parent as the enemy because they feel that their son or daughter has been wronged. That is part of the difficulty, unpleasantness, hurt and distress of a break-up, and such feelings of hurt are fully understandable, but if the children are exposed to that sort of adult conflict, it is damaging for them. That is why the current law does not provide for any automatic decisions, but gives the court great flexibility.

On grandparents in private law disputes, when grandparents' informal attempts to secure ongoing involvement in their grandchildren's lives fail, they have the option of asking the court to intervene. They might not want to; as my hon. Friend the Member for Eastbourne said, they might feel that there has been enough hurt and distress in the family without going to court and facing it all again. The Children Act 1989 includes arrangements that help grandparents to re-establish relationships with their grandchildren when things go wrong, but a court process is involved. Family courts can make a child arrangements order to determine with whom a child is to live, spend time or otherwise have contact, and when and where such arrangements are to take place.

A child arrangements order will usually provide for direct face-to-face contact, such as long or short visits and overnight stays where appropriate. It may also provide for the child to have no contact with a person or specify that that contact is to be indirect, through emails, telephone calls, letters or cards. There is a lot of flexibility in the court's powers to make a child arrangements

order, but the welfare of the child is the paramount consideration when the court considers any matter that relates to their upbringing. That is in contrast to any perceived rights of any adult family members.

Whether the court will order that a grandparent should have involvement in a child's life will depend on a number of factors. Where one or both parents oppose such involvement, the court will apply the factors in the welfare checklist in section 1 of the 1989 Act. It may ask the Children and Family Court Advisory and Support Service to produce a welfare report on the beneficial impact of grandparent involvement and on any risks of harm from ongoing parental opposition to such involvement and from the exposure of the child to the resulting conflict. That report may include the ascertainable wishes and feelings of the child; obviously, the older the child is, the more important those are considered to be.

It is open to anyone, including a grandparent or other family member, to apply for a child arrangements order. However, the situation is not the same as that for parents; as has been said, grandparents and other family members usually need to obtain the permission of the court before proceedings can begin. This may appear to be an extra hurdle, but experience suggests that grandparents do not usually experience any difficulty in obtaining permission if their application is really about the interests of the child. Permission to apply may be sought at the same time as making the application itself, just by ticking a box—there is no extra fee, process, or hearing.

The leave requirement is designed not as an obstacle, but as a filter. The idea is to sift out applications that are not in the child's best interests, such as vexatious applications. I reassure hon. Members that the law sets out clear objective criteria for the court to determine these issues. There are exceptions; not every case requires leave. In certain circumstances, grandparents do not have to apply for permission. Under section 10(5) of the 1989 Act, a grandparent may automatically be entitled to apply for a child arrangements order if

“the child has lived for...at least three years”

with them; the three-year period

“need not be continuous but must not have begun more than five years before, or ended more than three months before, the making of the application.”

A grandparent may also apply under section 10(5) if they have the consent of both the parents or

“the consent of each of the persons named”

in an existing child arrangements order, in which case there is no need to obtain leave to apply.

Jim Shannon: I referred to the fact that many grandparents look after their grandchildren when they are out of school and the parents are working. Has the Minister had a chance to consider whether the childminding that grandparents do could be part of the solution that we are trying to find? If the grandparents are making a constructive contribution, such as by childminding, will the Government look at whether we can use that as a method of coming to an agreement?

Sir Oliver Heald: That is certainly an interesting thought. Of course, I cannot say what the next Government will do. As the hon. Gentleman knows, we are in the funny—well, the important and democratic—period of seeking re-election. *[Interruption.]* Very, very important, yes. We must not take the electorate for granted, and

[*Sir Oliver Heald*]

one Parliament cannot bind another, but if the Green Paper process goes ahead, which I hope it will, all these issues can be looked at in that context. A history of having minded the child in the way that the hon. Gentleman mentioned is an important factor.

I think we would all agree that disputes over children can be very complex—a point made by my hon. Friend the Member for Northampton South. Parental disputes over children can also affect wider family relationships, and the relationship between the children and their significant relatives can be vulnerable to an unpleasant breakdown involving a lot of distress. No one would want to rekindle distress or make it worse for the child.

Research has provided some insights. A study funded by the Nuffield Foundation, a charity that aims to improve social well-being, gives some insights into how easy it can be for wider family members to become embroiled in conflicts over children. The study was of 197 case files from county courts in England and Wales in 2011, and its primary aims were to understand the detail of different types of childcare arrangements set up during litigation at county court level and to shed some light on how the different types of county court orders then in existence were used and understood. Some 12% of the cases examined were not disputes between parents but involved non-parents, such as grandparents or other relatives who were caring for the children, and three of the cases concerned applications from grandparents to have contact.

Although the sample size was small, the findings shed light on how some grandparents can become directly involved in conflicts that can negatively influence their grandchildren. The findings also demonstrate the considerable lengths to which the court will go to facilitate a child's involvement with their grandparents, and the court's difficult task of weighing up the benefits and risks of such contact. I think we would all agree that the principle of grandparents being part of a child's life is a very important one, and the research shows that the courts take it seriously too.

I will say something about public law cases because grandparents play an important role in them. It is a principle of the 1989 Act that local authorities should support the upbringing of a child by their family wherever possible, if it is the most appropriate way to safeguard

the child's welfare. Local authorities can apply to the court for a care order when they believe that a child has suffered or is likely to suffer risk of significant harm. The care order allows the authority to take over the welfare of the child. Local authorities must seek to give preference to placing looked-after children with wider family members first, if it is not possible to return them to the birth family and, if that is not possible, with a friend or another person connected with them. The court can appoint a special guardian as a permanent alternative to long-term foster care or adoption, and that is often a family member such as a grandparent, or a friend.

In conclusion, the courts recognise the importance of children maintaining relationships with their grandparents following parental separation. Family courts are cognisant of that when considering applications relating to child arrangements. However, such cases are not straightforward, given the tensions and ongoing conflict that can often arise when parents separate, and for that reason, as I am sure hon. Members will agree, the welfare of the children must continue to be the paramount concern.

We have had a good debate and some good points have been made. If the Green Paper process goes ahead, as I hope it will, there will be an opportunity for us to consider the matter more fully and for organisations that have particular viewpoints to make a contributions.

Mr Gary Streeter (in the Chair): Mr Mackintosh, you have a couple of minutes to wind up if you wish.

5.8 pm

David Mackintosh: Thank you, Mr Streeter. I will be brief. I thank the Minister for his response and all hon. Members who have taken part. I know that my constituents who have experience of this type of separation from their grandchildren and are watching the debate will be grateful that the matter has been talked about here in Parliament and will look forward to the Green Paper process hopefully continuing in the autumn.

Question put and agreed to.

Resolved,

That this House has considered grandparents' rights of access to children.

5.9 pm

Sitting adjourned.

Written Statements

Tuesday 25 April 2017

TREASURY

ECOFIN: 21 March 2017

The Chief Secretary to the Treasury (Mr David Gauke):

A meeting of the Economic and Financial Affairs Council (ECOFIN) was held in Brussels on 21 March 2017. EU Finance Ministers discussed the following items:

Early morning session

The Eurogroup president briefed Ministers on the outcomes of the 20 March meeting of the Eurogroup. Ministers discussed the current economic situation. The European Commission presented its review of national provisions adopted in compliance with the treaty on stability, co-ordination and governance in the economic and monetary union (the fiscal compact) conducted in accordance with article 8 of the fiscal compact, which was followed by an exchange of views by Ministers. Austrian Finance Minister Schelling explained his views as regard a proposed fine for the manipulation of debt statistics in Austrian land of Salzburg, and the Polish delegation, on behalf of the Chairman of the EIB's board of governors, outlined the suggested process for the upcoming election of the EIB president.

Reduced VAT rate for electronically supplied publications (e-publications)

Ministers discussed political issues in relation to the proposal for a Council directive regarding rates of value added tax applied to books, newspapers and periodicals. The proposal would give member states the ability to apply reduced rates or a zero VAT rate to e-publications and physical publications.

General reverse charge mechanism

Ministers discussed the political issues in relation to the general reverse charge mechanism (GRCM). This is a proposal for an amendment to Council directive 2006/112/ on the common system of value added tax to allow the temporary application of a GRCM to supplies of goods and services above a certain threshold, with the aim of combatting VAT fraud.

Current financial service legislative proposals

The Council presidency provided an update on current legislative proposals in the field of financial services.

European Semester 2017:

a) 2017 country reports and in-depth reviews

b) Implementation of country-specific recommendations (CSRs)

Following a presentation by the Commission, Ministers discussed the country reports published by the Commission on 22 February, including the assessment of CSR implementation and, where relevant, the framework of the macroeconomic imbalance procedure. The Czech Republic, Italy and Slovenia were invited to reflect on their experiences of implementing reforms to the business environment, followed by an exchange of views.

Follow-up to the G20 meeting of Finance Ministers and Central Bank Governors on 17-18 March 2017 in Baden-Baden

The presidency and the Commission informed Ministers on the outcomes of the G20 meeting.

Any other business

a) European Defence Fund

The Commission informed Ministers about its European defence action plan, focusing in particular on the launch of a European defence fund. This item was delayed from February ECOFIN.

b) Status of implementation of financial services legislation

The Commission informed Ministers on the status of implementation of financial services legislation.

[HCWS614]

ECOFIN: 7-8 April 2017

The Chancellor of the Exchequer (Mr Philip Hammond):

An informal meeting of the Economic and Financial Affairs Council (ECOFIN) was held in Valletta, Malta on 7-8 April 2017. EU Finance Ministers discussed the following items:

Working Lunch

The Eurogroup president briefed Ministers on the outcomes of the 7 April meeting of the Eurogroup. Ministers discussed the challenges and opportunities faced by the Economic and Monetary Union (EMU), on the basis of the progress made with respect to the Five Presidents' report, and the Commission's White Paper on the future of Europe.

Working Session I: Non-performing loans

Ministers were joined by Central Bank Governors to discuss the current situation of non-performing loans (NPLs) in European banks.

Working Session II: Boosting private investment in North Africa and beyond—What role for the EU institutions?

Ministers discussed ways to encourage further private investment in North Africa and beyond, given the importance of these neighbouring regions to the EU. The discussion drew on analysis by Bruegel and included participation from a number of actors in the region including the European Investment Bank (EIB), the World Bank and the European Bank for Reconstruction and Development (EBRD).

Working Session III: Tax certainty in a changing environment

In the context of rapid changes in the international tax system and work being conducted by the OECD and the IMF, Ministers reflected on ways to improve tax certainty in support of the EU's attractiveness as a place for doing business.

Any Other Business: IMF and G20 issues

Ahead of the April spring meetings in Washington DC, Ministers agreed the EU terms of reference for the G20 meeting of Finance Ministers and Central Bank Governors to be held on 20-21 April, the EU statement to the IMFC, and an updated agreement on EU co-ordination in the IMF.

[HCWS613]

WORK AND PENSIONS

Employment, Social Policy, Health and Consumer Affairs Council: Informal Meeting

The Minister for Employment (Damian Hinds): The Employment, Social Policy, Health and Consumer Affairs Council met for the informal meeting of Ministers on 3 and 4 April 2017 in Valletta, Malta; I represented the UK. The informal meeting does not tend to include legislative matters, but provides an opportunity for in-depth policy debates. The subjects for discussion are determined by the presidency, who hosts the meeting.

The European Commission presented an EU road map for “making work pay”, which was the theme of the informal meeting. The Commission set out details of the White Paper on the future of Europe as well as an update on expected proposals for the European pillar of social rights.

The presidency led a discussion on skills, emphasising how poor skills lead to social exclusion. Member state

interventions highlighted the importance of investing to raise skill levels and improve the quality of jobs.

A plenary discussion was held on the subject of addressing inequalities in the labour market, with a focus on the challenges of responding to digitalisation, the rise in self-employment, new types of employment, and demographic change.

The presidency gave a presentation on “moving away from benefit dependency—a Maltese perspective”, setting out how work has to be incentivised over benefits and how activation is critical. The Social Protection Committee chair outlined a framework of six key themes, including the balance between activation and income support; the provision of individualised support; and the availability of affordable services.

The final plenary of the informal meeting considered the labour market as a vehicle for social inclusion. Member states emphasised the importance of activation for the long-term unemployed, as well as the role of access to child and social care.

[HCWS615]

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