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HOUSE OF COMMONS
OFFICIAL REPORT

PARLIAMENTARY
DEBATES

(HANSARD)

Monday 18 December 2017

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The House met at half-past Two o'clock

PRAYERS

[MR SPEAKER *in the Chair*]

Oral Answers to Questions

WORK AND PENSIONS

The Secretary of State was asked—

Disability Confident Scheme

1. **James Morris** (Halesowen and Rowley Regis) (Con): What progress his Department is making on implementing the Disability Confident scheme. [902978]

The Secretary of State for Work and Pensions (Mr David Gauke): Over 5,000 employers have signed up to Disability Confident since its launch in November 2016. The Disability Confident business leaders group, made up of prominent national businesses, is promoting the scheme to other employers. I am pleased to report that all the main ministerial Government Departments have now achieved Disability Confident leader status.

James Morris: Does the Secretary of State agree that Disability Confident will prove to be an effective way of breaking down barriers for disabled people to get into work, particularly by addressing the issues of stigma that a lot of disabled people still feel? In that regard, would he consider attending my Disability Confident event in Halesowen on 26 January?

Mr Gauke: I will certainly consider my hon. Friend's kind invitation. I agree that a lot of Disability Confident events have been very productive in engaging employers at local level and encouraging them to see the benefits of employing disabled people. The Department for Work and Pensions continues to support local authorities and MPs in holding such events, so maybe I will have the opportunity to attend one in his constituency.

Melanie Onn (Great Grimsby) (Lab): The truth is that this simply is not working. My constituent, Alan, has just graduated with a BSc honours degree in computing technology. He is blind and has a guide dog to assist him, but when he tells prospective employers about this in advance, they just do not take his applications. He has applied for 857 jobs but he has got absolutely nowhere. What is he going to do?

Mr Gauke: I am grateful to the hon. Lady for her question. We have undoubtedly made progress in the last few years. We have 600,000 more disabled people in work than was the case in 2010, but there is more to do, which is why the Government have an ambition to increase the number from 3.5 million to 4.5 million over the course of 10 years. It is also why we published our recent Command Paper on the subject. It is really important to bring about a culture change among employers so that people like Alan can have those opportunities.

Mr Philip Hollobone (Kettering) (Con): How many of the FTSE 250 companies have signed up to this excellent campaign?

Mr Gauke: That is a very good question, and I will have to write to my hon. Friend with the answer. I can tell him that businesses small and large have participated in the scheme, including large organisations such as Microsoft, GlaxoSmithKline, Sainsbury's and Channel 4, as well as many small businesses up and down the country.

Neil Gray (Airdrie and Shotts) (SNP): May I take this opportunity on behalf of my colleagues on the Scottish National party Benches to offer our sincere condolences to Mr Deputy Speaker after the weekend's tragic incident? Our hearts, thoughts and prayers go out to Lindsay and his family.

The Chancellor told the Treasury Select Committee earlier this month that

"far higher levels of participation by marginal groups and very high levels of engagement in the workforce, for example, by disabled people, may have had an impact on the overall productivity measurement".

The Chancellor belittled the efforts and contribution of disabled people in the workforce. How disappointed was the Secretary of State by that unhelpful statement?

Mr Gauke: First, I should like to associate myself with the hon. Gentleman's remarks about the Deputy Speaker, who has the thoughts of the whole House with him at this time.

In respect of the hon. Gentleman's question, however, I disagree with him. The point that the Chancellor of the Exchequer was seeking to make is that we have made great progress in recent years on increasing the level of disabled people in work. That is a good thing to do, and he made it clear that he considered it to be a good thing. That is what the whole Government want to achieve.

Mark Pawsey (Rugby) (Con): The small employment adviser at Rugby jobcentre has just signed up 15 new employers to become Disability Confident. Does the Secretary of State agree that the role of those officers in building links with small employers in local areas is crucial to ensuring that more disabled people get access to the workplace?

Mr Gauke: Yes, I do. My hon. Friend makes an excellent point. It is really important that that engagement happens up and down the country, and I am pleased that we are making progress. As I have said, we have over 5,000 Disability Confident employers, and I hope that we will continue to increase that number. My Department will certainly be doing everything it can to achieve that.

Marsha De Cordova (Battersea) (Lab): In the recently published "Improving Lives: Helping Workless Families" paper, the Government said that they wanted to work in partnership with employers to help them to draw fully on the talents of disabled people. However, following the Chancellor's recent comments scapegoating disabled people as being the reason for low productivity, does the Secretary of State agree that there is a need for a clear and coherent message from the Government that employing

disabled people can enhance productivity and make a real contribution to organisations and businesses across the UK?

Mr Gauke: There is a clear and coherent message from this Government. We have seen significant increases in the number of disabled people in work, which is good for disabled people, but it is also good for the economy as a whole. That continues to be our message, and that is why we published our “Improving Lives” document. We will continue to work to improve the opportunities for disabled people in the labour market.

“Improving Lives: Helping Workless Families”

3. **Martin Vickers** (Cleethorpes) (Con): What progress has been made on implementing the recommendations of his Department’s report, “Improving Lives: Helping Workless Families”, published in April 2017. [902980]

The Parliamentary Under-Secretary of State for Work and Pensions (Caroline Dinenage): “Improving Lives: Helping Workless Families” aims to improve outcomes for disadvantaged children and is making good progress. For example, from next Spring, Public Health England will run a trial of individual placement and support, and our vital work on reducing parental conflict was boosted by the Chancellor’s announcement of £39 million in the recent Budget.

Martin Vickers: I thank the Minister for her reply. As she will know, working households in coastal communities such as Cleethorpes face particular difficulties. There is much low-paid work, but not much to encourage young people to stay there. What additional support can she offer to those sorts of communities?

Caroline Dinenage: The Government are committed to supporting coastal communities, such as those in his constituency of Cleethorpes and my constituency of Gosport. That is why I am pleased that the claimant count in his area is already down by 49%. Last March, we saw 248 families in north-east Lincolnshire achieve significant progress through our troubled families programme, and I know that the Secretary of State was impressed when he visited my hon. Friend and saw a programme that is helping troubled youngsters. More widely, the council was awarded a Coastal Communities Fund grant in April worth £3.8 million towards a scheme to enhance Cleethorpes’ role as a high-quality place to work, live and visit.

David Hanson (Delyn) (Lab): Does the Minister think that the fact that she is failing to support people who are workless and still in poverty is one of the reasons why Alan Milburn resigned as chair of the Social Mobility Commission?

Caroline Dinenage: We are actually doing more to get people into work than any other previous Government. We know that making a meaningful difference to people’s lives, including those of the most disadvantaged children and families, requires an approach beyond just welfare support. That means supporting people into jobs, because we know that employed people have much-improved chances and incomes. That also means focusing on the other key drivers of poverty, such as education, and on other things to support children.

Rights of Disabled People

4. **Liz Twist** (Blaydon) (Lab): What steps his Department is taking to respond to and implement the recommendations in the concluding observations of the UN Committee on the Rights of Persons with Disabilities, published on 3 October 2017. [902981]

The Minister for Disabled People, Health and Work (Sarah Newton): We are committed to improving the lives of disabled people, both in the UK and through our international development work, and we are constructively considering the UN’s recommendations going forward. We intend to provide an update to the UN next summer, as requested.

Liz Twist: The UN report specifically called on the Government to repeal the Social Security (Personal Independence Payment) (Amendment) Regulations 2017 and to ensure that eligibility criteria in assessments to access PIP, employment and support allowance and universal credit are in line with the human rights model of disability. Will the Minister commit to that today?

Sarah Newton: We are absolutely committed to disabled people. We are world leaders in disability rights. We were disappointed that the UN did not consider all the information that we provided, and we strongly rebut much of what it had to say. I am sure that the hon. Lady will join me in welcoming the excellent work on reviewing PIP that was published today by Paul Gray, which sets out a whole series of reforms showing that this Government are determined to ensure that we have a benefit system that really supports disabled people.

Justin Tomlinson (North Swindon) (Con): Not only did the report seemingly fail to recognise that we now spend a record £50 billion on supporting people with disabilities and long-term health conditions, but it also failed to recognise the proactive work with charities and stakeholder groups that helps to shape policies. Will the Minister reconfirm her commitment to that proactive engagement?

Sarah Newton: I thank my hon. Friend for his question. I absolutely confirm that I will work with disabled people and organisations that work with disabled people. I pay tribute to the excellent work that my hon. Friend did when he held my position. I am sure that we will continue to build on the work that he did and will ensure that more disabled people have the opportunity to fulfil their full potential in our society.

Frank Field (Birkenhead) (Lab): Will the Minister please consider a root and branch reform of PIP? Someone who came to Feeding Birkenhead was doubly incontinent due to cancer, but she received a nil rating for PIP. While she needed food, she also needed nappies. When she did not turn up after a few days, people went to see how she was, and she was washing babies’ nappies, because she wanted to get about and was too ashamed to come and ask us for more. Is there not something wrong with PIP assessments when those sorts of cases occur?

Sarah Newton: I thank the right hon. Gentleman for raising this very sad case. Clearly something went wrong in that individual case. I look forward to answering questions and spending time with his Select Committee

later this week. I point him to the response to Paul Gray's evaluation of PIP that I published today. I am sure we will have more time to look at that in detail, but we remain utterly committed to making sure that we continue to improve PIP.

Lucy Frazer (South East Cambridgeshire) (Con): At my surgery last week I met Frances, who has cerebral palsy. She made an application to the clinical commissioning group to get e-motion wheels for her wheelchair, which has been denied. Does the Minister agree that ensuring that people have the equipment to enable them to go to work is incredibly important and increases their self-esteem and their ability to contribute to the economy?

Sarah Newton: My hon. and learned Friend raises an important point. Of course, PIP is a benefit that is available to people in work and out of work, and it is there to support everyone with the additional costs of their disability. Of course, mobility is really important. There is also the excellent Access to Work scheme, which each year is funding more people, enabling them to play their full part in society, including at work.

Poverty: In-work Households

5. **Chris Elmore** (Ogmore) (Lab): What assessment he has made of trends in the number of in-work households living in poverty. [902982]

The Parliamentary Under-Secretary of State for Work and Pensions (Caroline Dinéage): It is clear that work is the best route out of poverty, as the rate of poverty in working households is one third of that among workless households. Latest data shows there are 1.9 million working households in relative low income.

Chris Elmore: One of the real impacts of increasing levels of in-work poverty will be in the changes that the roll-out of universal credit will bring. In a written parliamentary answer I received today from the Minister for Employment, I was told that universal credit will be rolled out in my Ogmore constituency in March next year, which is incorrect. According to the House of Commons Library, universal credit will be rolled out in March, June and November. How can the public have any trust in what the Government are doing with universal credit if they simply do not know the dates of roll out in particular constituencies when they answer MPs?

Caroline Dinéage: We will certainly look into that information. It is important to point out that we know that work is the best route out of poverty, and that universal credit is helping people to move into work quicker, to progress through work faster and to stay in work longer. The smooth taper rate gives incentives to take on more hours because, unlike the old system, people see more money in their pocket for every extra hour they work.

Steve Double (St Austell and Newquay) (Con): Does the Minister agree that one of the ways we can help those in work and on low pay is by introducing and increasing a national living wage, by increasing the personal tax allowance so that people keep more of the money they earn, and by helping with childcare costs? Is that not precisely what the Government are doing?

Caroline Dinéage: I could not have put it better myself. There are 300,000 fewer working-age adults in absolute poverty now than in 2010. As my hon. Friend says, we are making sure that work pays through the national living wage and lower taxes. The lowest earners have seen their wages grow by almost 7 percentage points above inflation over the past two years.

Jamie Stone (Caithness, Sutherland and Easter Ross) (LD): On behalf of my party, may I add my condolences to those already expressed in this Chamber? I am sure that all our hearts go out to Mr Deputy Speaker's family.

One of the biggest problems facing in-work households living in poverty is fuel poverty. Altnaharra, which is in the middle of my vast constituency, is the coldest place in the UK every year, so fuel poverty is a colossal problem for my constituents. Will the Minister have meetings with the Scottish Government to take forward ways of tackling this terrible problem, particularly in the remotest and coldest parts of the UK?

Caroline Dinéage: I associate myself with the hon. Gentleman's comments about Mr Deputy Speaker.

The hon. Gentleman makes a good point about fuel poverty. The Government have been doing so much to ensure that people are aware that they can cut down on household energy bills by switching, and we have been making it easier for people to switch. We also know that the Scottish Government have devolved powers to support people more with their benefits, if that is what they decide to do, and they are free to develop their own approaches to addressing poverty.

Michael Tomlinson (Mid Dorset and North Poole) (Con): Is it not time to have a grown-up conversation about the measure of poverty? Under the relative measure, thousands would be lifted out of poverty by a recession, by a significant number of job losses or by a reduction in the median level of household income. Surely that cannot be the best measure and it is right that we look to work as the best route out of poverty.

Caroline Dinéage: My hon. Friend is absolutely right to raise this matter. If we look at progress since 2010 across all four of the most commonly used measures of poverty—relative, absolute, before housing costs and after housing costs—without cherry-picking any of the statistics, we see that people are no more likely to be in poverty today than they were in 2010. Indeed, on three of the measures the likelihood of being in poverty has reduced, and the incomes of the poorest 20% have increased in real terms by more than £300.

20. [902997] **Kate Green** (Stretford and Urmston) (Lab): CPI—consumer prices index—stands at 2.8%, food inflation is at 4.2%, its highest for four years, and the big six energy companies have announced price increases of between 8% and 15% this year. That comes against a backdrop of freezes on working age benefits, so is it surprising that people are having to go to food banks?

Caroline Dinéage: The Government are committed to building an economy that works for everybody, which is why we have committed to raising the national living wage—we are talking about an increase of 33p. This

will be equivalent to a 9% increase in the national living wage since its introduction in 2016. It represents an increase to a full-time minimum wage worker's annual earnings of more than £600.

Margaret Greenwood (Wirral West) (Lab): On behalf of Labour Members, I would like to express our condolences to Mr Deputy Speaker. Our thoughts are with him and his family.

Disabled people are twice as likely to live in poverty as non-disabled people because of the extra costs they face. The Equality and Human Rights Commission recently estimated the cumulative effect of Government cuts since 2010 at £2,500 a year for a disabled adult, but when the Government discovered that they had underpaid approximately 75,000 disabled people who transferred on to ESA support between 2011 and 2014, they announced in last Thursday's written statement that they would only be repaying claimants from October 2014. How many of the 75,000 disabled people will receive an arrears payment? Given that attempted suicide rates among ESA claimants doubled between 2007 and 2014, what estimates have been undertaken on the impacts on claimants' mental health as a result of this Department for Work and Pensions error?

Caroline Dinanage: I am sure that I can write to the hon. Lady with the details on that. As well as being very mindful of the impact on people's mental health and wellbeing, we must apply the law. We have to value disabled people in our workplace, which is why the Government are making sure that many, many more disabled people are able to access work and get into work.

Margaret Greenwood: Recent data shows that 8 million working families are living in poverty. Despite Government rhetoric, work is not the route out of poverty; four out of five people who are in low-paid work now are likely to be in low-paid work in 10 years' time. But in his interview on yesterday's "The Andrew Marr Show", the Secretary of State failed to mention that, under universal credit, sanctions have escalated and are being applied to people who are actually in work. The Public Accounts Committee and the National Audit Office have both raised concerns about the impact of sanctions on debt, rent arrears and homelessness. So why is the Secretary of State intent on punishing people in low-paid work by sanctioning them?

Caroline Dinanage: Sanctions are applied only as a very last resort and there are mitigations in place to support people when this is done. The hon. Lady is wrong to say that people in work are more likely to be in poverty; a key driver of in-work poverty is the part-time work that people were trapped in when her party was in government—people were trapped working fewer than 16 hours a week. The Labour Government were literally paying them to stay poor, whereas our reforms are about supporting people to progress in work and keep more of the extra money that they earn.

Universal Credit: Food Bank Usage

6. **Ms Karen Lee** (Lincoln) (Lab): If he will make an assessment of the effect of the length of waiting time to receive universal credit on levels of food bank usage. [902983]

15. **Helen Hayes** (Dulwich and West Norwood) (Lab): If he will make an assessment of the effect of the length of waiting time to receive universal credit on levels of food bank usage. [902992]

The Secretary of State for Work and Pensions (Mr David Gauke): There is no reason for people to go without support while they wait for their first UC payment. New benefit claimants starting on UC today will be able to access an advance. This is normally paid within five working days, but can be delivered in a day if needed. Changes announced in the Budget will allow claimants to receive larger advances and for advances to be recovered over a longer period.

Ms Lee: Given the waiting period for universal credit, people face a choice: they can have no money to buy food, so either use a food bank or starve, or they can get a loan, as the Secretary of State says. Does he agree that pushing people who are already on a low income because they are on a benefit into debt in this way is totally unacceptable?

Mr Gauke: I do not accept the hon. Lady's categorisation at all. The complaint that has been made about universal credit is about the cash-flow point—that people have to wait a period of time before they get their first payment. To address the cash-flow point there is a system of advances in the universal credit system so that people have the flexibility to receive the money earlier. It is an advance, they get it paid earlier—they do not get it paid twice, I accept that, but they get it paid earlier—and it is a perfectly sensible way to address a cash-flow issue.

Helen Hayes: The Peabody Trust estimates that 60,000 households will have made a new universal credit claim in the six weeks before Christmas and will not receive their first payment before the holiday period. The need is already being felt in my constituency, where last week Norwood food bank provided food for an extraordinary 128 people in a single session. What is the Secretary of State's advice to families who are trying to provide a happy Christmas for their children without the means to afford even basic necessities?

Mr Gauke: We should be clear: if people need cash before Christmas, they are able to get it under the universal credit system, which is designed so that they can do that. People trying to discourage claimants from taking an advance, which I am afraid is the tone that we hear too often from the Labour party, are causing unnecessary anxiety for claimants.

Margaret Greenwood (Wirral West) (Lab): The chief executive of the Financial Conduct Authority has recently warned about high levels of debt among young people incurred just by their covering basic household bills such as rent. Young people aged 18 to 21 are not entitled to housing support under universal credit. Why did the Government ignore a Social Security Advisory Committee recommendation that young people on the edge of care should be exempted from that?

Mr Gauke: As the hon. Lady will be aware, there are a whole host of exemptions that do allow 18 to 21-year-olds to access housing benefit, if those exemptions apply to them. I have to come back to this point, which the

Labour party does not seem to accept: the best way in which we can sustainably lift people out of poverty is to have a welfare system that encourages them to work and to progress in work. That is what universal credit does and it is what the legacy system failed to do, which is why we are making these changes.

Youth Unemployment

7. **Ms Nusrat Ghani** (Wealden) (Con): What recent assessment he has made of trends in youth unemployment. [902984]

The Minister for Employment (Damian Hinds): Unemployment among 16 to 24-year-olds is 523,000—down 60,000 on the year and down 416,000 since 2010.

Ms Ghani: I welcome that news from the Minister. I am a strong campaigner for apprenticeships, including in my constituency, where we have just 70 young unemployed people. Does the Minister agree that making apprenticeships far more available helps young people into jobs, not only in Wealden but throughout the country?

Damian Hinds: My hon. Friend has indeed been a great campaigner and a great champion for apprenticeships. Apprenticeships—including the 620 starts in Wealden in 2016-17—are one of the key policies that have contributed to our successful labour market, in which employment now stands at 75%.

Nic Dakin (Scunthorpe) (Lab): What is the trend in unemployment for young people with learning difficulties?

Damian Hinds: We absolutely accept that of course young people with learning difficulties need additional assistance and additional understanding of conditions and so on, which is why we have very much focused on providing that in jobcentres to make sure that they get the support they deserve.

Personal Independence Payments

8. **Sir Desmond Swayne** (New Forest West) (Con): Whether his Department has set a target for the time taken for a personal independence payment claim to be processed from application to decision. [902985]

The Minister for Disabled People, Health and Work (Sarah Newton): The DWP does not set a target for processing PIP claims. The Department takes all reasonable steps to obtain evidence of claimants' individual needs, including independent assessment. We make decisions as quickly as possible based on the available information in order to reach the right outcome. I am sure that my right hon. Friend will be pleased to know, as I was, that the median time from start to end is currently 13 weeks.

Sir Desmond Swayne: Notwithstanding further appeal by the Department, will the Minister restore benefits after a successful first-tier decision for the applicant?

Sarah Newton: My right hon. Friend raises a very important question, but the Department takes the view that, because we are appealing the decision and it is based on an error of law, that really would not be

appropriate. I just want to reassure him and all hon. Members that there are always exceptions, and this could arise where a suspension would cause financial hardship. For most benefits, this is considered before suspension is imposed, but, in all cases, the suspension letter sent to claimants invites them to contact the Department immediately if they are in financial hardship so that we can help them.

Lilian Greenwood (Nottingham South) (Lab): Sixty five per cent of PIP tribunals find in favour of the claimant, meaning that hundreds of disabled people are being denied the support to which they are entitled. This puts an intolerable strain on whole families, including my constituents Chris and Cathryn Stoney who, having coped with Cathryn's bowel cancer surgeries, brain haemorrhage and cardiac arrest, now face a further ordeal appealing against an unjust assessment. Will the Minister agree to meet me, the Stoneys and Nottingham advice services to hear how the system is failing disabled people?

Sarah Newton: I would be very pleased to meet the hon. Lady and her constituents to talk about that case or to listen to their concerns more widely, but we really should put the situation in context: 8% of decisions are appealed and 4% of them are upheld. I am very aware that behind every statistic is a person, but it is actually a small percentage of the millions of people who do receive their benefits, and we are continuously focused on making the right decision, right from the outset, which is why we commission independent reviews. We welcome the findings of the latest independent review by Mr Gray, which has been published today, and we have accepted all his recommendations.

Marsha De Cordova (Battersea) (Lab): Does the Minister agree that Paul Gray's recommendations in the second independent review of personal independence payments that the routine provision of the assessment report to the claimant would both improve identification of error and incentivise better performance at the assessment stage, and will she fully accept that particular recommendation?

Sarah Newton: As I have said before, I am really delighted with the review and to have received its findings. We have accepted all the findings in the review. At the moment, those reports are available, so that everyone can request them. We do not think it is a good use of taxpayers' money to provide them to people who are happy with the result, who will not be going on to make any further appeal and who are actually getting on with receiving their benefit.

Universal Credit: Sanctions

9. **Stephen Pound** (Ealing North) (Lab): What estimate his Department has made of the number of sanctions that will be applied each month as universal credit is rolled out. [902986]

The Minister for Employment (Damian Hinds): The Department does not forecast numbers of sanctions that will be applied. We do not want sanctions to be incurred, but they do play an important part in reasonable conditionality.

Stephen Pound: Well, what an answer! Never would I accuse the Minister of dedolence, but I must say that that sort of Panglossian response shows an absence of empathy or understanding, particularly of the empirical evidence that we have had to date. My constituents see universal credit as a rock rolling down a hill next April. However, as this is Christmas and we are in the spirit of giving and generosity, will the Minister join me in my impetration to the Independent Parliamentary Standards Authority for additional secretarial support during those dark days when this awful universal credit is rolled out and over our constituents?

Mr Speaker: I think the hon. Gentleman is going to the west end to perform on the stage. He would feel so fulfilled. In fact, I think that he has already done so—perhaps just now.

Damian Hinds: I gently remind the hon. Gentleman that when I say that sanctions are considered to be a part of reasonable conditionality, it was also the approach that was taken up fully by the previous Labour Government. With regard to universal credit over Christmas, we have in place—as we do every year—robust processes to make sure that claims get paid. We can bring claims forward to make sure that things go smoothly, as we always seek to do before Christmas.

Mr Speaker: There is a matter of some dispute here between the Chair and the Table. I think that the hon. Gentleman is a representative of a petrocurrency, but Mycroft in front of me is not wholly convinced, so the matter remains as yet undetermined.

Grahame Morris (Easington) (Lab): Thank you, Mr Speaker. I refer the Minister to the question I raised with the Leader of the House on Thursday. Will the Minister provide an assurance that when the Department makes mistakes in the administration of universal credit, claimants will be fully compensated in claims backdated to the point where they will be no worse off?

Damian Hinds: I welcome the hon. Gentleman's question. I have written to him today on this specific case. I do not know whether the response has yet come to hand following his question on Thursday, but I am happy to meet him and discuss it in detail. I understand that there was an issue about some of the information at the time the claim was made, and that there has been some backdating. We will talk about the matter later.

Job Creation

10. **Robert Jenrick** (Newark) (Con): What discussions he has had with Cabinet colleagues on the number of jobs created since 2010. [902987]

The Secretary of State for Work and Pensions (Mr David Gauke): The number of people in employment has increased by more than 3 million since 2010 to reach 32 million in the last quarter. The employment rate is close to the record high and has increased by almost five percentage points since 2010.

Robert Jenrick: Despite a small recent decline in total employment, unemployment has continued to fall. Does my right hon. Friend agree that this suggests that the

Government's policies and the work of our great jobcentres across the country are making all the difference in matching jobseekers with available jobs? As it is Christmas, would he thank Ian Spalding—the manager of the Newark jobcentre—and his fantastic staff for ensuring that unemployment in Newark is now at 1%?

Mr Gauke: I will very happily join my hon. Friend in thanking Ian Spalding and, indeed, Jobcentre Plus staff up and down the country, who do a fantastic job in helping to reduce unemployment. I think that the claimant count in Newark has fallen by 42% since 2010. In the meetings that I have had with jobcentre staff across the country, I have seen that they are enthusiastically implementing universal credit because they can see that it will help them to make further progress.

Mr Barry Sheerman (Huddersfield) (Lab/Co-op): Is the Secretary of State not aware that hundreds of thousands of people in this country are yearning for a good and well-paid job? Many are young people who cannot get an apprenticeship. Apprenticeship starts are down by 62% this year and further education colleges are in trouble. When is he going to do something about training young people and really giving them the chance of a good job on good pay?

Mr Gauke: The hon. Gentleman will be aware that the recent apprenticeship numbers were affected by a spike at the end of the previous period, but the reality is that we have substantially increased the number of apprenticeships in recent years. We have introduced the apprenticeship levy, which puts apprenticeships on a sustainable financial footing. It is this Government, with our industrial strategy, who are ensuring that we create the highly skilled jobs that the country needs.

Personal Independence Payments: Mental Health

11. **Jeff Smith** (Manchester, Withington) (Lab): What assessment his Department has made of the effect of the personal independence payments application process on people with mental health issues. [902988]

The Minister for Disabled People, Health and Work (Sarah Newton): The claiming process for personal independence payment was co-produced with disabled people, carers and organisations supporting them, including mental health charities. We will continue to explore opportunities to monitor and improve the process, making use of customer testing and engagement with disability groups.

Jeff Smith: The charity, Rethink Mental Illness, surveyed PIP claimants, and found that two in five felt that delays in decisions led to deterioration in their mental health, and that one in five had to take higher doses of medication to cope with the increased stress. Does the Minister think that that is acceptable, and will she look at the findings of the survey and review the assessment process in the light of them?

Sarah Newton: I pay tribute to Rethink and its campaign—I have read the findings of its survey with interest—as well as to Mind. These organisations are key stakeholders that help the Department to get these things right. No, I do not want people to be stressed by

the process, which is why we are implementing a wide range of reforms that we have worked on with our stakeholders. We will make a paper-based decision wherever possible—wherever the information enables us to—and people also have the opportunity to be assessed at home.

Laura Pidcock (North West Durham) (Lab): Constituents and support agencies in North West Durham have told me that the assessment to determine entitlement to PIP is too black and white, and is not able truly to capture a person's day-to-day life with all the nuances that involves, especially when assessing mental health problems. This is leading to traumatic and humiliating experiences, and claims being refused to people who really need them. Will the Minister please look into this process in detail for those with mental health problems?

Sarah Newton: I thank the hon. Lady for her comment. We keep the process under constant review, and we have it independently assessed to make sure that, if there are any problems at all, we will work to overcome them. However, I can assure her that, compared with the previous benefit—disability living allowance—many more PIP recipients with mental health conditions are getting the enhanced rates.

Contracted-out Health Assessments

12. **Mary Creagh** (Wakefield) (Lab): What recent assessment he has made of the (a) accuracy and (b) efficiency of contracted-out health assessments for (i) employment and support allowance and (ii) personal independence payments. [902989]

The Minister for Disabled People, Health and Work (Sarah Newton): We are committed to ensuring that claimants receive high-quality, accurate assessments. We monitor assessment quality through independent audit. Decision makers can return reports for rework or additional advice. A range of measures, including provider improvement plans, address performance failings when we experience standards below what we want. We continually look to improve the assessment process.

Mary Creagh: Forty people in Wakefield have written to me with their concerns that, at their employment and support allowance or PIP assessment, they were not seen by an appropriate person. That includes one person with mental health problems, who was assessed by a paramedic. The Work and Pensions Committee recently heard that Atos and Capita employ only four doctors between them, and statistics released by the Minister's Department today show that those contractors have consistently failed to meet their targets for the number of unacceptable assessments, so how can sick and disabled people in Wakefield have any confidence in the assessment process?

Sarah Newton: I am looking forward to discussing this matter in more depth with the Select Committee when I come before it on Wednesday. However, I can absolutely assure the hon. Lady that all the assessors receive absolutely appropriate training for what they are there to do. These are functional assessments, and people are properly trained to make those assessments—there are doctors, nurses, paramedics and physiotherapists.

We constantly keep the accuracy of the process under review, and that includes the experience of the claimants themselves.

Mr Speaker: We are immensely grateful to the Minister.

Pension Transition Arrangements

13. **Alan Brown** (Kilmarnock and Loudoun) (SNP): What recent representations he has received on pension transition arrangements for women born in the 1950s. [902990]

The Parliamentary Under-Secretary of State for Work and Pensions (Guy Opperman): I receive a variety of representations, whether that is orally, in correspondence in writing, or in debates.

Alan Brown: I thank the Minister for that non-answer. Figures I received from the House of Commons Library show that tax giveaways on things such as inheritance tax and corporation tax will cost the Treasury over £60 billion by 2025. Should a caring Minister and Secretary of State not argue that, instead of giving money to the rich, they could use it for transitional arrangements and ending austerity?

Guy Opperman: I refer the hon. Gentleman to two particular points. The first is that we have differing views on taxation. The Government believe that cuts to corporation tax assist job creation—the jobs we need to pay for the public services we have. Secondly, I refer him to the fact that, under the letter of 22 June from Jeane Freeman, my opposite number, the Scottish Government have powers in terms of working-age people and to take action on the specific points that he keeps raising, but that the Scottish Government fail to do anything about.

Stephen Lloyd (Eastbourne) (LD): As the Minister will be aware, it was clear in last week's debate that a number of colleagues behind him on the Government Benches supported the call from a lot of colleagues on the Opposition side of the House for the Government to look at transitional arrangements for WASPI women. I therefore ask the Minister, as I did last week, why not call a binding vote so that the House can advise him to do the right thing for WASPI women?

Guy Opperman: In days gone by, the Liberal Democrats were a party of fiscal discipline. In 2011, when this matter last came before the House for debate, the hon. Gentleman and I accepted the need to take the decisions that were made, and he joined me in the Lobby to vote for them. It is a shame that he has forgotten those views now.

Universal Credit: Torbay

14. **Kevin Foster** (Torbay) (Con): What assessment he has made of the level of preparedness in Torbay for the roll-out of universal credit. [902991]

The Minister for Employment (Damian Hinds): We carry out a range of implementation activities well in advance of activation to ensure that sites are well prepared, and we have successfully rolled out to 235 jobcentres to date.

Kevin Foster: I thank the Minister for his answer. Roll-out of full service universal credit in Torbay is due to happen in September 2018. It is vital that claimants fully understand the system and their options. Will the Minister therefore confirm what work his Department is doing with Torbay's local advice services to ensure that claimants can easily get such support if needed?

Damian Hinds: Yes, we are ensuring that stakeholders, including the key advice services, have a proper overview of universal credit, and we work closely with the citizens advice bureau and others. A dedicated employer and partnership team engages directly with local authorities, landlords and others to ensure there is a joined-up approach to supporting claimants.

Stephen Timms (East Ham) (Lab) *rose*—

Mr Speaker: I will interpret the Minister's answer as being wide and therefore admitting of other constituencies, although it is not clear beyond peradventure. I will give Members the benefit of the doubt.

Stephen Timms: Thank you, Mr Speaker. There will be problems in Torbay and elsewhere if the universal credit calculation is wrong. The Minister told me in a written answer that there is no specific initiative called Late, Missing and Incorrect, but it turns out that there is, run jointly by his Department and Her Majesty's Revenue and Customs. Will he confirm that if real-time PAYE—pay-as-you-earn—information is late, missing or incorrect, then the universal credit calculation will be wrong?

Damian Hinds: We all admire the right hon. Gentleman for his deftness in getting from Torbay to that point. He and I have had quite an extended correspondence in parliamentary questions on the subject of real-time information in its various aspects. Of course we want to continue to make sure that every aspect of universal credit is working entirely as it should, and he has my commitment that we will do so.

Mr Speaker: The right hon. Gentleman will experience a long journey from East Ham to Torbay. We empathise with him on his long journey.

Social Security Spending: Working Households

16. **Laura Smith** (Crewe and Nantwich) (Lab): What assessment his Department has made of trends in the level of spending on social security for working households since 2015. [902993]

The Secretary of State for Work and Pensions (Mr David Gauke): Since 2015, the level of social security spending for families on in-work benefits has reduced from £28.9 billion to £26.7 billion in real terms. This has happened during a period when we have introduced the national living wage, employment has reached record levels, free childcare has doubled, the personal allowance has increased and income inequality has continued to fall.

Laura Smith: With 8 million people living in poverty in working households and 28% of my constituents earning below the voluntary living wage, what action is the Secretary of State taking to address labour market inequalities with low-paid, low-skilled and insecure work?

Mr Gauke: Let me give the hon. Lady two examples. First, there is the industrial strategy. Secondly, if we want to address in-work poverty, one way in which we can do that is to ensure that people are able to work extra hours. We need a benefits system that does not trap them in working 16 hours a week, because if they can work extra hours, they can increase their income.

Tom Pursglove (Corby) (Con): Looking back over these trends, has the Secretary of State drawn the conclusion that every Labour Government leaves office with higher unemployment than when they took office? What impact does he believe that that has on working families?

Mr Gauke: My hon. Friend makes an extremely good point. We heard a very revealing comment earlier when it was said from the Labour Front Bench that work is not the route out of poverty. If work is not the route out of poverty, exactly what is?

Topical Questions

T1. [903003] **Daniel Zeichner** (Cambridge) (Lab): If he will make a statement on his departmental responsibilities.

The Secretary of State for Work and Pensions (Mr David Gauke): Since automatic enrolment was introduced in 2012, 9 million people have been enrolled in a workplace pension by over 900,000 employers. Today, I can announce the Government's ambition to extend automatic enrolment to support more people to achieve greater financial security in later life. The Government's 2017 review of automatic enrolment, published today, sets out the next steps we intend to take as we continue to develop a culture of routine pension saving. We will help young people to save by lowering the age for automatic enrolment from 22 to 18. We will also enable people to start saving from the first £1 of their earnings to provide a better retirement income for lower earners and for those in multiple jobs. I have today tabled a written statement setting out further detail, including trialling a number of targeted approaches to identify the most effective ways to increase pension saving among the self-employed.

Daniel Zeichner: The universities superannuation scheme is a strong pension scheme that recently closed its defined-benefits section, moving to a defined-contribution scheme and, in effect, transferring all risk to the employee. Many argue that over-cautious accounting rules drive these changes, creating a poorer scheme that leaves many people less well off in future and puts pressure on our universities. What is the Secretary of State doing to protect the future of our higher education sector?

Mr Gauke: Any changes that might be made to this scheme are a matter for the scheme's joint negotiation committee, not for the Government. The independent Pensions Regulator remains in ongoing discussion with the USS's stakeholders. Nothing has been brought to the DWP's attention that we consider to be of concern. It would be improper for the Government to tell the joint negotiation committee how to run the scheme.

T2. [903005] **Luke Graham** (Ochil and South Perthshire) (Con): I welcome my right hon. Friend's recent announcement of the extension of auto-enrolment to

18 to 21-year-olds. In the meantime, does he have any figures on how many people have started saving and benefited from auto-enrolment in individual constituencies, including mine?

The Parliamentary Under-Secretary of State for Work and Pensions (Guy Opperman): Since 2012, 7,000 employees in Ochil and South Perthshire have benefited from a workplace pension through automatic enrolment. Our thanks are also due to the 820 local employers. State pension has risen by £1,250 since 2010, but we want to do more. We are extending auto-enrolment to 18 to 21-year-olds in his area, where we also have targeted interventions for the self-employed that I believe will be of assistance.

Alex Cunningham (Stockton North) (Lab): The Secretary of State will be aware of the crisis engulfing members of the British Steel pension scheme, with advisers cashing in by persuading them to sink their pensions into all manner of dodgy, high-cost schemes, and he will be aware of the Financial Conduct Authority's apparent failure to deal with the situation effectively. He will know that today the negotiations on the future of the universities superannuation scheme are coming to a head, with the threat of industrial action—something that should be interesting the Government. I am surprised that he is simply sitting back and leaving these matters to those who are directly involved. Surely, he can tell us today how he is going to get involved and take action to protect members of both schemes.

Guy Opperman: The position in relation to both matters is that they are worked through with the Pensions Regulator and the Pension Protection Fund, particularly in relation to British Steel, to ensure that members get information on the effect on their pension rights of staying with BPS or moving to BPS II. That includes newsletters, a website and bespoke option packs. The Financial Conduct Authority has also stepped in and banned a variety of organisations, and it is providing proper advice.

T4. [903007] **Henry Smith (Crawley) (Con):** What steps has the Department taken to help older people who are looking, perhaps after redundancy or caring responsibilities, to get back into work?

The Minister for Employment (Damian Hinds): My hon. Friend raises an important point. There are more working people in older age groups now than there ever have been, but much more needs to be done, which is why we published our “Fuller Working Lives” strategy. Of course, many employers are waking up to the possibilities in jobcentres, and we are also making sure that we have more older worker champions to represent that group fully.

Neil Gray (Airdrie and Shotts) (SNP): Reports suggest that the Foreign Secretary, the Environment Secretary and others used this morning's Cabinet meeting to start the campaign to scrap the working time directive after Brexit. That directive protects us when it comes to hours worked and paid holidays, as well as giving extra protection to night shift workers. Can the Secretary of

State confirm what representations he has made at Cabinet to ensure that his Brexiteer colleagues are not successful at ripping up our workers' rights?

Mr Gauke: As I think my right hon. Friend the Secretary of State for Environment, Food and Rural Affairs said, “Don't believe everything you read in the newspapers.” The Government are committed to protecting employment rights.

T8. [903011] **Stephen McPartland (Stevenage) (Con):** I thank my right hon. Friend for the flexibility he has shown in the budget in terms of the changes to universal credit. Will he continue with the dialogue and the flexibility as the roll-out continues?

Mr Gauke: I can certainly assure my hon. Friend that we will continue to listen to constructive critics and those who want to make sure that universal credit works. In doing so, I thank him for his positive and constructive engagement. It is very clear that Conservative Members are united in ensuring that we deliver universal credit successfully.

T5. [903008] **Laura Smith (Crewe and Nantwich) (Lab):** Some 68% of personal independence payment decisions taken to tribunal are being overturned by judges, so is it any surprise that my constituent Mr Parish and others in his situation have no faith in the assessment process? What assessment has the Secretary of State made of the accuracy of PIP assessments in the light of statistics that show that there has been a ninefold increase in complaints to the Department in just one year?

The Minister for Disabled People, Health and Work (Sarah Newton): I thank the hon. Lady for the opportunity to make this clarification. As I have mentioned before, 8% of decisions are taken to appeal, and only half of those are upheld. I appreciate that every one of those people is disappointed with the result, and we are working tirelessly to improve the process. But, overall, most people get a good decision on time, and their benefits.

Alex Burghart (Brentwood and Ongar) (Con): On Friday, I visited my local jobcentre and saw the genuine enthusiasm that work coaches have for the new universal credit system. Will my hon. Friend confirm that additional help is available for users who are not too tech savvy?

Damian Hinds: Yes, indeed. My hon. Friend is quite right about the enthusiasm of jobcentre staff for universal credit, because it enables them to do more of what they want to do, which is to help people to get on and get into work. I can confirm to him that, yes, computers are available in jobcentres, and assistance is available when needed.

Carolyn Harris (Swansea East) (Lab): With the uncertainty of universal credit payments following the roll-out in Swansea last week, my local paper, the *South Wales Evening Post*, has co-ordinated the collection of food and warm clothes to help those in need. Will the Secretary of State join me in congratulating the *South*

Wales Evening Post on doing what the Government are failing to do, and making sure everyone has a good Christmas?

Mr Gauke: What I would say to anyone—Members of Parliament, newspapers, advisory bodies and food banks—is that we need to make sure that the facts are set out to new claimants: if they need to get access to support, they can get it quickly; they need to get in contact with their jobcentre; and they are able to access an advance, and they can get that money before Christmas.

Julian Knight (Solihull) (Con): Does the Minister agree that auto-enrolment has been a success to date and it is right to lower it to the age of 18, but that politicians—of all hues—and the pensions industry must work together to meet the savings and pension challenges facing this country?

Guy Opperman: I could not agree more with my hon. Friend. I am delighted with the fact that we now have 9 million people signed up to auto-enrolment, utterly transforming workplace pension savings. In his constituency, 8,000 employees and 680 employers have signed up—and great credit to them.

T6. [903009] **Naz Shah** (Bradford West) (Lab): A constituent of mine in Bradford West had three same-day assessments cancelled in a period of five weeks. Eventually, she got an appointment—a home visit—after seven months. What assessment has the Department made of same-day cancellations of work capability assessments by Maximus-employed health professionals—the number, the reasons given and the impact on the mental health of applicants?

Sarah Newton: I assure the hon. Lady that we have a very robust quality assurance process. Clearly, the case she has highlighted today is unacceptable. If she would like to bring me that case and discuss it with me, I would be very happy to do so.

Steve Double (St Austell and Newquay) (Con): Every year, billions of pounds of taxpayers' money is lost due to fraud or errors in benefit claims. Will the Secretary of State say whether the introduction of universal credit will improve this situation?

Mr Gauke: My hon. Friend makes a very good point. One of the areas of good news about universal credit is the fact that it will enable us to reduce fraud by over £1 billion. That in itself is an important step, and there are of course many other very positive reasons why universal credit is a good thing.

T7. [903010] **Imran Hussain** (Bradford East) (Lab): I recently met Hope Rising action group, which works in my constituency to support those affected by the Government's benefit cap, and heard stories about just how hard people are being hit by a policy that is so

cruel the High Court found it unlawful and guilty of causing misery. Will the Minister tell me how many people in Bradford will be affected by this policy?

The Parliamentary Under-Secretary of State for Work and Pensions (Caroline Dinéage): We must ensure we have a welfare system that is fair not only to those in receipt of welfare, but to those who pay for it. The lower cap is fair to both working households and the taxpayer. Before the cap, the Department for Work and Pensions disproportionately spent £10 million a year on just 300 families.

Andrew Bowie (West Aberdeenshire and Kincardine) (Con): For jobseekers in my constituency of West Aberdeenshire and Kincardine, it is overwhelmingly the “can do” attitude of professionals and the dedication of the work coaches, whom they value, that will help them to find work. Especially at this time of year, we as a House should definitely pay tribute to them. May I ask my hon. Friend how the new work coaches will boost the chances of jobseekers in West Aberdeenshire and Kincardine, as well as those elsewhere, to find work?

Damian Hinds: I can confirm that we have been recruiting work coaches in every nation and region of the UK. We are seeking to do more to provide support with universal credit, and to ensure that what in-work support is needed is available.

Patrick Grady (Glasgow North) (SNP): Two constituents came to my surgery on Friday, concerned that the switch of support for mortgage interest payments will force them into the private rented sector and on to housing benefit, and will therefore cost the taxpayer more money. Will the Government review that policy? Is it not more evidence of Tory austerity hitting the poorest the hardest?

Caroline Dinéage: The conversion of SMI from a benefit into a loan is intended to retain support for owner-occupier claimants in a more sustainable way, while increasing fairness for taxpayers, many of whom cannot afford to buy a home of their own.

Tom Pursglove (Corby) (Con): What steps is the Department taking to ensure that DWP staff are aware of military covenant issues, so that they are best able to support our brave men and women when they leave the armed forces?

Caroline Dinéage: My hon. Friend is absolutely right to raise that issue. Veterans make a considerable contribution to our country and it is right that we support them as they move on in their careers. DWP staff receive continual training to ensure that they can signpost veterans correctly. The “See Potential” campaign champions veterans and encourages employers to see the incredible skills they bring to the workplace.

European Council

3.30 pm

The Prime Minister (Mrs Theresa May): With permission, Mr Speaker, I will make a statement on last week's European Council.

Before turning to the progress on our negotiations to leave the European Union, let me briefly cover the discussions on Russia, Jerusalem, migration and education. In each case, the UK made a substantive contribution, both as a current member of the EU and in the spirit of the new deep and special partnership we want to build with our European neighbours.

Russia's illegal annexation of Crimea was the first time since the second world war that one sovereign nation has forcibly taken territory from another in Europe. Since then, human rights have worsened. Russia has fomented conflict in the Donbass and the peace process in Ukraine has stalled. As I said at the Lord Mayor's banquet, the UK will do what is necessary to protect ourselves and to work with our allies to do likewise, both now and after we have left the EU. We were at the forefront of the original call for EU sanctions and, at this Council, we agreed to extend those sanctions for a further six months.

On Jerusalem, I made it clear that we disagree with the United States' decision to move its embassy and recognise Jerusalem as the Israeli capital before a final status agreement. Like our EU partners, we will not be following suit, but it is vital that we continue to work with the United States to encourage it to bring forward proposals that will re-energise the peace process. That must be based around support for a two-state solution and an acknowledgement that the final status of Jerusalem must be subject to negotiations between the Israelis and Palestinians.

On migration, when we leave the European Union, we will be taking back control of our own borders and laws, so we will be free to decide our own approach, independently of the EU. But as part of the new partnership we want to build, I made it clear at this Council that we will continue to play our full part in working with the EU on this shared challenge. We will retain our maritime presence in the Mediterranean for as long as necessary, we will work with Libyan law enforcement to enhance its capability to tackle people-smuggling networks, and we will continue to address the root causes of the problem by investing for the long term in education, jobs and services in countries of origin and transit.

On education, our world-leading universities remain a highly attractive destination for students from across the EU, while UK students also benefit from studying overseas. UK and EU universities will still want to work together after we leave the EU and, indeed, to co-operate with other universities around the world. We will discuss how to achieve that in the long term as part of the negotiations on our future deep and special partnership, but in the meantime I was pleased to confirm at the Council that UK students will continue to be able to participate in the Erasmus student exchange programme for at least another three years, until the end of this budget period.

Turning to Brexit, the European Council formally agreed on Friday that sufficient progress has been made to move on to the second stage of the negotiations. This

is an important step on the road to delivering the smooth and orderly Brexit that people voted for in June last year. I want to thank Jean-Claude Juncker for his personal efforts, and Donald Tusk and my fellow leaders for the constructive way they have approached this process.

With Friday's Council, we have now achieved my first priority of a reciprocal agreement on citizens' rights. EU citizens living in the UK will have their rights enshrined in UK law and enforced by British courts, and UK citizens living in the EU will also have their rights protected. We needed both and that is what we have got, providing vital reassurance to all those citizens and their families in the run-up to Christmas.

On the financial settlement, I set out the principles for the House last week and the negotiations that have brought this settlement down by a substantial amount. Based on reasonable assumptions, the settlement is estimated to stand at between £35 billion and £39 billion in current terms. This is the equivalent of about four years of our current budget contribution, around two of which we expect will be covered by the implementation period, and it is far removed from some of the figures that had been bandied around.

On Northern Ireland, as I set out in detail for the House last week, we have committed to maintain the common travel area with Ireland; to uphold the Belfast agreement in full; and to avoid a hard border between Northern Ireland and Ireland, while upholding the constitutional and economic integrity of the whole United Kingdom. We will work closer than ever with all Northern Irish parties and the Irish Government as we now enter the second phase of the negotiations.

The guidelines published by President Tusk on Friday point to the shared desire of the EU and the UK to make rapid progress on an implementation period, with formal talks beginning very soon. This will help give certainty to employers and families that we are going to deliver a smooth Brexit. As I proposed in Florence, during this strictly time-limited implementation period, which we will now begin to negotiate, we would not be in the single market or the customs union as we will have left the European Union. But we would propose that our access to one another's markets would continue as now, while we prepare and implement the new processes and new systems that will underpin our future partnership. During this period we intend to register new arrivals from the EU as preparation for our future immigration system. We will prepare for our future independent trade policy by negotiating, and where possible signing, trade deals with third countries which could come into force after the conclusion of the implementation period.

Finally, the Council also confirmed on Friday that discussions will now begin on trade and the future security partnership. I set out the framework for our approach to these discussions in my speeches at Lancaster House and in Florence. We will now work with our European partners with ambition and creativity to develop the details of a partnership that I firmly believe will be in the best interests of both the UK and the EU.

Since my Lancaster House speech in January, we have triggered article 50 and begun and closed negotiations on the first phase. We have done what many said could not be done, demonstrating what can be achieved with commitment and perseverance on both sides. I will not be derailed from delivering the democratic will of the

[*The Prime Minister*]

British people. We are well on our way to delivering a smooth and orderly Brexit. That is good news for those who voted leave, who were worried the negotiations were so complicated it was never going to happen, and it is good news for those who voted remain, who were worried that we might leave without being able to reach an agreement. We will now move on with building a bold new economic relationship, which together with the new trade deals we strike across the world can support generations of new jobs for our people, open up new markets for our exporters, and drive new growth for our economy. We will build a new security relationship that promotes our values in the world and keeps our families safe from threats that increasingly do not recognise geographical boundaries. We will bring our country together: stronger, fairer, and once again back in control of our borders, our money and our laws.

Finally, Mr Speaker, let me say this. We are dealing with questions of great significance to our country's future, so it is natural that there are many strongly held views on all sides of this Chamber. It is right and proper that we should debate them, and do so with all the passion and conviction that makes our democracy what it is. But there can never be a place for the threats of violence and intimidation against some Members that we have seen in recent days. Our politics must be better than that. On that note, I commend this statement to the House.

3.38 pm

Jeremy Corbyn (Islington North) (Lab): I thank the Prime Minister for an advance copy of her statement.

On Jerusalem, I also condemn the actions of the United States President. I welcome the Prime Minister's commitment to maintaining a maritime presence in the Mediterranean, but as a humanitarian mission to save lives.

As I said last week in response to the Prime Minister's previous statement, we welcome progress to the second phase of negotiations but that should not hide the fact that this agreement comes two months later than planned and many of the key aspects of phase one are still unclear. These negotiations are vital for people's jobs and for the economy; our future prosperity depends on getting this right.

The agreement reached on phase one was clearly cobbled together at the eleventh hour after the Democratic Unionist party vetoed the first attempt, as is evident in the vagueness of the final text, which underlines the sharp divisions in the Cabinet. As we head into phase two, the truth is that the Government must change track. We cannot afford to mishandle the second stage. The Prime Minister must now sort out the contradictions. We were told last week that the Prime Minister's humiliating loss on giving Parliament a final say on a Brexit deal made her weak, and the *Daily Mail*, which previously branded the judiciary "enemies of the people", is now whipping up hatred against Back-Bench rebel MPs. Threats and intimidation have no place in our politics, and the truth of it is that it is division and in-fighting in her own Cabinet and their reliance on the DUP that makes them weak. So will the Prime Minister welcome Parliament's vote to take back control?

We have already seen Ministers in the Prime Minister's Cabinet, such as the Brexit Secretary and the Secretary of State for Environment, Food and Rural Affairs, give the impression that the agreement can be changed or ignored—that it effectively does not amount to a hill of beans. It is not very reassuring that this is the end product of eight months of negotiation. Will she set out which parts of the financial settlement agreed between the UK and the EU will be paid if a final deal between the EU and the UK cannot be struck? Given the delays to the phase one deal, can the Prime Minister now see that cementing in statute a time and date on which Britain will leave the European Union could hinder negotiations?

I am glad that the Prime Minister now seems determined to follow Labour's call for a transition period to create stability—[*Interruption.*] In case Government Members do not want to hear it, Mr Speaker, I will repeat the sentence. I am glad that the Prime Minister now seems determined to follow Labour's call for a transition period to create stability as we leave the European Union. It is necessary that we remain in the single market and customs union for a limited period, allowing a smooth transition for British business. However, there was more Government confusion on this over the weekend. Will the Prime Minister clarify whether we will remain subject to the rules of the single market and the customs union during this transition period? Does she envisage that the UK will also remain a member of the common agricultural policy and common fisheries policy, and can she clarify whether it will be possible under the phase one agreement to sign trade deals during the transition period?

There were also worrying reports over the weekend about what some senior Cabinet Ministers will demand from the Prime Minister to support a phase one deal. These demands were reported to include that Britain should leave the working time directive. Can the Prime Minister state now, categorically, that she will face down this push from some in her Cabinet and that Britain will maintain the standards of the working time directive both during a transition period and beyond? Will she also guarantee that the Government will not seek to use Brexit to water down any other working or social rights in this country? Will she commit to maintaining access for UK students to the Erasmus programme beyond the current budget period?

These issues are important to people's jobs and living standards. It is becoming clear that many on the Government Benches want to use Brexit to rip up rights at work, environmental standards and consumer protections, and to deregulate our economy. For many of them, Brexit is a chance to make Britain a tax haven for the super-rich. Let me be clear: Labour will do everything in our power to stop that.

The choice is becoming clear: a Tory Government who will use Brexit to protect the very richest, slashing corporation tax and the regulations that protect working people, or a Labour vision that would protect jobs, the economy and investment by building a relationship with our closest trade partners, and not starting a race to the bottom in which people's jobs and living standards will suffer.

The Prime Minister: First, I welcome the fact that the Leader of the Opposition has said that threats and intimidation should not form part of our political life.

I agree with him, but what he said will seem a bit rich to those of my colleagues who were candidates in the general election, and who suffered from the Labour party.

The right hon. Gentleman asked a number of questions about the date of our leaving and phase 1. He said that the phase 1 agreement was vague. In fact, it is the result of significant work over a number of months. If the right hon. Gentleman looks at it carefully, he will see that it is detailed in relation to citizens' rights. It gives reassurances to EU citizens here in the United Kingdom and UK citizens living in the EU 27 that they can carry on living their lives as they have done, and that their life choices will be respected.

The right hon. Gentleman claimed that the transition period—the implementation period—was somehow a Labour idea. He should look at the Lancaster House speech, in which I was very clear about the need for a smooth departure from the European Union. The financial settlement that we agreed in phase 1 is in the context of agreeing the final deal and reaching the final agreement. He talked about dates for our leaving. I note that he said that we should have triggered article 50 the day after the referendum. That would have meant that there was no time to prepare our negotiating position and we would be leaving the EU in six months without having done the proper work to make sure that there was that smooth and orderly progression, and that we did not disrupt our economy in the ways that the right hon. Gentleman has talked about.

The right hon. Gentleman asked whether trade deals could be signed. I referred to that in my statement. He asked about the transition period, and about the common fisheries policy and the common agricultural policy. We will be leaving the European Union on 29 March 2019, and we will therefore be leaving the common fisheries policy and the common agricultural policy on that date. The relationship that we have with the European Union on both those issues continuing through the implementation period will be part of the negotiation of that period, and work will start very soon.

Then, of course, the right hon. Gentleman asked about workers' rights. Again, I set out in my Lancaster House speech, and have confirmed on a number of occasions since, that this Government will not only maintain but enhance workers' rights. If the right hon. Gentleman is so worried about workers' rights, why did the Labour party vote against the very Bill that brings workers' rights in the EU into UK law?

Mr Iain Duncan Smith (Chingford and Woodford Green) (Con): I agree with my right hon. Friend that attacks on MPs' family members, particularly in vulnerable conditions, should be absolutely outlawed from the very beginning.

May I ask my right hon. Friend whether she has read Mr Barnier's statement—made in the last couple of days—in which he set out the EU's position in the run-up to the next two phases of discussion? Can she confirm that the Government have neither discussed that nor agreed it, and that therefore it is not Government policy?

The Prime Minister: I had noticed Michel Barnier's comments, particularly in relation to the negotiations on the trade deal. We will start the negotiations on that

as a result of the decision taken last Friday by the European Union Council. I can tell my right hon. Friend that one of the senior members of the negotiating team has today made it clear that the United Kingdom can indeed have its own bespoke agreement for a future trade relationship with the European Union. Indeed, that point was also made by the Prime Minister of Italy, Paolo Gentiloni, in an article he wrote in the *Financial Times* last week. If anybody cares to think about it, every trade agreement is a bespoke agreement between the parties concerned—they have similar elements, but are specific to the various countries concerned. That is certainly what we will be looking for in our negotiations with the EU.

Ian Blackford (Ross, Skye and Lochaber) (SNP): I thank the Prime Minister for advance sight of today's statement.

Scottish National party Members welcome the progress to phase 2 of the negotiations, as agreed by all EU member states, but Council President Donald Tusk was not kidding when he commented that phase 2 will be "dramatically difficult". It is imperative that the devolved Administrations are included in phase 2 negotiations, and I call on the Prime Minister to agree to that today.

Much of the conclusion from last week's summit should be welcomed across the House. We on these Benches especially welcome the EU's reiteration of its firm commitment to a two-state solution in the Israeli-Palestine conflict. We should all unreservedly condemn Donald Trump for his recent actions.

I must give special attention to the agreement on the social dimension, including commitments by member states to implement the European pillar of social rights and to follow up on the priorities of the EU action plan to tackle the gender pay gap.

Decisions on education and culture are also extremely welcome. An extended and more inclusive Erasmus+ programme, the creation of a European student card and stronger partnerships between higher education institutions across Europe, allowing students to obtain a degree by combining studies in several EU countries, are great moves forward for European collaboration. These decisions will not only bring much social progress to national politics across all member states but, more importantly, provide enormous opportunities for future generations. Erasmus is one of the EU's biggest success stories, and it has benefited hundreds of thousands of young Scots. Will the Prime Minister take this opportunity to reassure young people on Erasmus now, and those aspiring to take part in the programme, that the UK will maintain participation in it?

The Prime Minister: As the right hon. Gentleman knows, we have been in discussions with the devolved Administrations through the process of phase 1. We will continue to engage with them as we move into the second phase of negotiations. My right hon. Friend the First Secretary meets the Scottish and Welsh Governments regularly to discuss issues of concern to them and how the negotiations are proceeding. Indeed, the last meeting of the Joint Ministerial Council was held on 12 December.

As I have said, we have committed to the Erasmus programme for the period of the current budget plan. Erasmus is exactly the sort of programme that we will be discussing in the second phase of these talks.

Anna Soubry (Broxtowe) (Con): I commend the Prime Minister for her success in the negotiations and the statement. I remind the Leader of the Opposition that the merits of a transition period were first advanced on this side of the House, notably by the Chancellor of the Exchequer. On that note, as a former Business Minister, may I say to the Prime Minister that what business really wants is certainty? How soon does she think that we will be able to announce that the transition period has been agreed so that we can give that certainty to business?

The Prime Minister: My right hon. Friend makes an important point from the point of view of business. Significantly, it was accepted at the December Council not only that there should be such an implementation period, which in fact reflects the guidelines set out by the EU Council last April, but that we would start negotiating that very soon. We are looking to have those negotiations concluded in the first quarter of next year.

Hilary Benn (Leeds Central) (Lab): On 10 December, the Brexit Secretary described the phase 1 joint agreement as

“more a statement of intent than it was a legally enforceable thing.”

However, last Friday’s European Council guidelines state:

“negotiations in the second phase can only progress as long as all commitments undertaken during the first phase are respected in full and translated faithfully into legal terms as quickly as possible.”

Can the Prime Minister therefore confirm that all the commitments she made in the phase 1 joint agreement, including in respect of the border in Northern Ireland, will be written into UK law?

The Prime Minister: As the right hon. Gentleman knows, there will now be a process of completing some of the details behind the withdrawal agreement such that the withdrawal agreement can then be put to this House, to this Parliament and to the European Parliament. We have always been clear that there will be a meaningful vote for this House. Subsequently, as we have stated to the House, we will have the EU withdrawal agreement and implementation Bill, which will put the various provisions of the withdrawal agreement legally into UK law. That was a key element in relation to citizens’ rights in the phase 1 negotiations.

Sir William Cash (Stone) (Con): May I urge my right hon. Friend to give equal consideration, in the Cabinet and elsewhere, not only to the vital issues of our trading relationships and regulatory divergence, but to the perpetual, ever-escalating, undemocratic centralisation of the EU itself, which remoaners, reversers, status quo-ites and the Opposition seem incapable of grasping, and which absolutely proves how right the voters were in June last year in voting to escape from the European Union?

The Prime Minister: I can assure my hon. Friend that in the negotiations that we hold with the European Union, we will ensure that the British national interest is represented and that we come away with a deal that is in the interests of the UK. I believe that that will also be in the interests of the EU. How the European Union develops once we have left is, of course, a matter for the

EU27. As he suggests, a number of recent speeches have suggested an increased centralisation of the European Union, but that will be a matter for the 27, not for us.

Sir Vince Cable (Twickenham) (LD): As the Government embark on far-reaching trade negotiations with the European Union and beyond, will the Prime Minister explain who will provide independent arbitration in legal disputes, given that the Government have rejected the jurisdiction of the European Court of Justice and that her friend, President Trump, is rejecting the authority of the World Trade Organisation and making its dispute panels unworkable? Is this not a recipe for anarchy in international trade?

The Prime Minister: As the right hon. Gentleman will know, dispute resolution is part of any trade agreement negotiations, and that will be exactly the same with all the trade agreements that we will negotiate now.

John Redwood (Wokingham) (Con): Will the Prime Minister confirm that no binding offer about the money will be made until there is a general agreement that Parliament accepts, because I do not see how else we can proceed?

The Prime Minister: The joint progress report, which was published by the UK and the European Union prior to the December Council, made it absolutely clear that the settlement within it was set out in the context of going forward and having agreement on the future relationship.

Yvette Cooper (Normanton, Pontefract and Castleford) (Lab): Does the Prime Minister now agree that the meaningful vote to which she referred should take place on a statute, as set out in the terms of amendment 7 to the European Union (Withdrawal) Bill, before any withdrawal terms can be implemented? Does she also agree that those who voted for amendment 7 did so in good faith to ensure that power would not be too heavily concentrated in the hands of the Executive, and that it was completely wrong to do what the *Daily Mail* suggested and accuse them of treachery?

The Prime Minister: If we look at our debates on the European Union (Withdrawal) Bill, and indeed on other matters in this House relating to Brexit, such as article 50, it is clear that the will of Parliament overall has been to deliver on the vote of the British people. We were always clear with the House that there would be a meaningful vote on the question of the withdrawal agreement—[*Interruption.*] Yes, we were always clear that there would be a meaningful vote on that but, as I have just indicated to the right hon. Member for Leeds Central (Hilary Benn), there will subsequently be the process of this Parliament agreeing the withdrawal agreement and implementation Bill. It will be that which will bring the withdrawal agreement into UK law.

Mr Owen Paterson (North Shropshire) (Con): Further to the Prime Minister’s reply to the right hon. Member for Leeds Central (Hilary Benn) on the guidelines issued by the European Council on 15 December, will she confirm categorically that nothing is agreed until everything is agreed, and that it will be the final settlement, combined with phase 1, that she will bring forward as legislation for us to approve in this House?

The Prime Minister: The fact that nothing is agreed until everything is agreed is actually in the joint progress report that was published by the UK and the European Union. There will be various stages at which this Parliament will be able to vote on matters relating to our leaving the EU. I just referred to the withdrawal agreement and implementation Bill, and there will be other pieces of legislation as well. Separate from the formal withdrawal agreement that will bring those matters into UK law, we will of course be able legally to sign our new trade agreement with the EU once we leave the EU.

Kate Hoey (Vauxhall) (Lab): If we will no longer be in the internal market and the customs union during the implementation period, why can we not negotiate, sign and implement new trade deals before the end of that period?

The Prime Minister: The purpose of the implementation period is to ensure that businesses and individuals do not have to make two sets of changes because of a new relationship that is put in place as part of our future partnership with the EU. That is why, as we look at the implementation period, I and the Government are clear that although we will be formally out of the customs union and the single market, we expect to be able to operate on the same terms as we currently do. That is what limits the ability to implement new trade deals elsewhere.

Vicky Ford (Chelmsford) (Con): I congratulate the Prime Minister and the entire negotiating team on the progress made to date. However, given that leaving the EU without a deep and special relationship on trade and security would also bring risk, does she agree that we should be using all our political energy in the months ahead to find that new relationship and that we should not get distracted by other squabbles?

The Prime Minister: My hon. Friend is absolutely right. The Government's focus will clearly be on ensuring that we can negotiate that deep and special partnership for the future. That is not just in our interests; it is in the interests of the EU and the EU27 as well. That is why I am optimistic and ambitious about the trade deal that we can achieve.

Chuka Umunna (Streatham) (Lab): Last year, the Prime Minister wrote to me giving the same general assurance on workers' rights that she just gave to the Leader of the Opposition. She did not actually answer his specific question today, however, so I ask her again: given that her Cabinet colleagues are now agitating for some of those rights to be done away with, will she guarantee that none of the working time regulations—importantly, the 48-hour working week—will be done away with by her Government after we leave the European Union?

The Prime Minister: We are bringing those rights into UK law though the European Union (Withdrawal) Bill. I have said that we will maintain, and indeed enhance, workers' rights.

Mr Jacob Rees-Mogg (North East Somerset) (Con): Will my right hon. Friend clearly reject the negotiating mandate handed out by the European Council, paragraph 1

of which undermines the principle of nothing being agreed until everything has been agreed, and paragraph 4 of which would make the United Kingdom in the transition phase no more than a vassal state, a colony, a serf of the European Union—[*Interruption.*]

Mr Speaker: Order. I want to hear the hon. Gentleman, who is in full flow. I want to hear the fullness of the flow.

Mr Rees-Mogg: I urge my right hon. Friend to model herself on her predecessor, the late noble Baroness Thatcher, and to show real mettle and steel in rejecting the EU's rather hostile negotiating terms.

The Prime Minister: The negotiation is between two parties. We will be very clear about the future partnership we want to have with the European Union on both trade and security matters, and I set out the framework for that in my Florence speech.

My hon. Friend has asked me before about the relationship between the UK and the European Union during the implementation period. As I have just indicated in response to the hon. Member for Vauxhall (Kate Hoey), the purpose of the implementation period is to ensure that businesses and individuals can continue to operate, and to be reassured of the basis on which they operate, while the necessary changes are put in place that will lead to the future trade agreement that we will have achieved.

I have also said before in this House, and in my Florence speech, that there may be elements of the arrangement that we will be able to bring forward. For example, if we are able to bring forward a dispute resolution mechanism during that period, we will look to do so.

Mr Chris Leslie (Nottingham East) (Lab/Co-op): I urge the Prime Minister to reject the notion that we should get all the way to exit day and not have the full details of the future trade arrangement between the EU and the UK. If all we have is a sketch of the framework of a possible trade deal, it would not be acceptable to the public or to businesses. It is simply unacceptable to have something that looks like less than a half-baked arrangement.

The Prime Minister: We are working to ensure that we are very clear and have details of our future arrangement with the European Union at the point at which we leave.

Several hon. Members *rose*—

Mr Speaker: Order. I call Richard Grosvenor Plunkett-Ernle-Erle-Drax.

Richard Drax (South Dorset) (Con): Mr Speaker, I am speechless.

Will my right hon. Friend the Prime Minister confirm to me and the country that, when we leave the EU in March 2019—yes, there will be an implementation period; I understand why—we will have left the EU in its entirety?

The Prime Minister: We will have left the European Union. We will have the implementation period, and I would expect us to be able to continue to trade with the European Union on the same basis as now in order to ensure that businesses and individuals have the reassurance of knowing where they stand and how they operate

[*The Prime Minister*]

while the practical changes that will need to be made as we move to our future relationship, such as our new immigration rules, are put in place. We will be leaving the EU on 29 March 2019.

Nigel Dodds (Belfast North) (DUP): The Prime Minister will have heard some confusing and conflicting statements from Opposition Members about the need for a second referendum and their desire to have one—some say one thing; others say another. Does the Prime Minister agree that a second referendum is the surest way of finding that the European Commission and the European Union make the hardest and most difficult deal possible for the United Kingdom? What people want is to get on with delivering on the first referendum.

The Prime Minister: I understand that, in the space of one day over the weekend, the shadow Home Secretary rejected a second referendum and the deputy leader of the Labour party said that a second referendum was still on the table. My right hon. Friend the Member for Belfast North (Nigel Dodds) is absolutely right about this particular issue. The best way to get the worst deal would be to suggest that we are going down the route of a second referendum, but it is more than that—I think it would actually be betraying the British people. This Parliament gave the British people a vote, and it is up to us to deliver on the result.

Mr Peter Bone (Wellingborough) (Con): Will the Prime Minister give the British people a huge Christmas present by stating that, on 29 March 2019, we will leave the European Union, end the free movement of people and remove the jurisdiction of the European Court, and that the £39 billion we plan to give the European superstate to squander will be spent instead on the NHS, social care and maybe even cutting taxes?

The Prime Minister: We will be leaving the European Union on 29 March 2019. We will now be moving quickly to negotiate the details of the relationship during the implementation period which, as I have said, we expect to last for up to, or around, two years. The reason why we will have that implementation period, and why we would expect to continue to trade and operate with the EU on a similar basis to today, is to give businesses the certainty of knowing the basis on which they will be able to operate and so that they will not have to make two sets of changes to their arrangements, such as in relation to customs. There will only be one point at which businesses move to the new partnership. I think that that is a practical matter that most people will understand and appreciate.

Stephen Doughty (Cardiff South and Penarth) (Lab/Co-op): The Prime Minister has admitted today that we are looking at a £40 billion bill for Brexit. The Chancellor is already spending billions on contingency preparations, and we have two Cabinet Ministers jettisoning around spending lots of taxpayers' money. Has she seen the analysis today from the *Financial Times* showing that rather than getting the £350 million for the NHS that was promised on the red bus, there will be a cost of £350 million per year—[HON. MEMBERS: "Per Week."] That would be the cost to the British economy, as economic output is 0.9% down?

The Prime Minister: When we have left the European Union—I have set out the commitments that we have negotiated as far as the financial settlement is concerned in the negotiations in phase 1—we will no longer year in and year out be spending vast sums of money in the European Union and sending those vast sums to the European Union. That is in direct contrast to the Labour party, which would pay any price and carry on paying to the EU, year in and year out.

Rachel Maclean (Redditch) (Con): I congratulate my right hon. Friend on all the hard work she has put in to get us to this point—I think it is fantastic. We know there is a lot of hard work ahead, but does she welcome this opportunity to focus on her priority agenda of social justice, including higher educational standards and housing for our country, now that we can see that Brexit is moving ahead?

The Prime Minister: I thank my hon. Friend for her comments. She is absolutely right. We have just heard a reference to sums of money being paid to the European Union. When we do leave the EU, the money that we will no longer be paying year in and year out to the EU will be available to us to spend on our priorities, such as housing, education and the NHS. I was clear at the EU Council about the importance of the university sector. We want to ensure that we continue to have good-quality higher education in this country.

Joanna Cherry (Edinburgh South West) (SNP): Last week, the Spanish Prime Minister, Mr Rajoy, said that as well as having a veto over any future agreement between the EU and the UK over the issue of Gibraltar, he also wants one over the issue of Gibraltar for the transitional period. Will the right hon. Lady give a firm commitment to the people of Gibraltar that she will not countenance any agreement for the transitional period that will not preserve their existing rights and arrangements?

The Prime Minister: We have been very clear throughout, and indeed in the discussions and continued interaction that we have with the Government of Gibraltar, that we are seeking the best deal for Britain and that deal must work for Gibraltar as well. They will be part of the exit negotiations. They will be covered by our exit negotiations and we will fully involve them as we leave the EU.

Robert Neill (Bromley and Chislehurst) (Con): I congratulate the Prime Minister on the very real success she achieved in Brussels last week and urge her to stick to the pragmatic approach to these negotiations that brought that success about. Let me follow up on the point just made. As well as committing firmly to Gibraltar being included in these arrangements, will she undertake that her Government will work to strengthen, to the maximum extent possible, the trading arrangements between Britain and Gibraltar, both in the implementation period and after we have left the EU?

The Prime Minister: Let me say to my hon. Friend, who has long championed the interests of Gibraltar in this House, that when we negotiate our exit from the EU, when we negotiate the trade deal that we will have, we will be considering Gibraltar as part of our negotiations. So they will be there. We will be discussing with them as

we move through those negotiations to ensure that we get a deal that is right for not only the United Kingdom, but Gibraltar.

Chris Bryant (Rhondda) (Lab): If I have this right, the agreement says that nothing has been agreed until everything has been agreed, so the agreement is not an agreement at all—it is just a kind of pending operation. May I ask the Prime Minister about Russia? She rightly said at the beginning that, “We were at the forefront of the original call for EU sanctions”. Britain has wanted to be tough in relation to Russia, and I praise her for that. But how are we going to do that in the future if we are no longer in the room?

The Prime Minister: It is perfectly possible for this country to maintain our position on Russia. I have set out the UK’s position on Russia—I did it in my speech at the Lord Mayor’s banquet. We will continue to work with our European colleagues on the approach that we take and we will continue to work through other international organisations, such as the United Nations, on these matters.

Sir Desmond Swayne (New Forest West) (Con): How likely is it that the Prime Minister would ask the EU27 to extend the article 50 deadline?

The Prime Minister: Sorry—I did not hear the beginning of my right hon. Friend’s question.

Sir Desmond Swayne: How likely is it?

The Prime Minister: I think everybody is now looking very clearly at the timetable that has already been set. Donald Tusk, the President of the European Council, has expressed the view that we need to accelerate the progress because we need to get the agreement in place and the arrangements negotiated very speedily. We will be leaving on 29 March 2019.

Angela Smith (Penistone and Stocksbridge) (Lab): Will the Prime Minister give a simple answer to a simple question? Will the working time directive be transposed and embedded into British law—yes or no?

The Prime Minister: The European Union (Withdrawal) Bill brings the workers’ rights that are currently in EU law into UK law, which is why that sort of thing is a bit rich coming from Labour MPs who voted against bringing them into UK law.

Simon Hoare (North Dorset) (Con): Does my right hon. Friend agree that as the process evolves, the terms hard Brexit and soft Brexit seem increasingly redundant? The cocktail that the Prime Minister seems to have deployed—her personal pragmatism coupled with some rather good Tory common sense—seems to be winning the day. I encourage her to continue.

The Prime Minister: I thank my hon. Friend for his comments. As he may recall, I have said in this House before that I do not accept the terms hard Brexit and soft Brexit. We are negotiating the best possible deal for the United Kingdom.

Ann Clwyd (Cynon Valley) (Lab): The Prime Minister has agreed with me three times over the past year about the important role the European Parliament has in the negotiations, because it has the power of veto at the end of the day. Eighty-six MPs have signed a letter that urges the Prime Minister to address a plenary session of the European Parliament. When will she do that?

The Prime Minister: We have been in discussions with the President of the European Parliament about the interaction that I will have with that Parliament. I had hoped to be able to speak to the Conference of Presidents at the end of November, but unfortunately that proved not to be possible from a European Parliament point of view. Nevertheless, we are still discussing a date on which I can go, and I keep in regular contact with President Tajani.

Rebecca Pow (Taunton Deane) (Con): Might I say what a fillip the good news from the Prime Minister and Mr Juncker on Friday gave to all the people I met around Taunton Deane over the weekend? It really did change the temperature. The businesses I spoke to do not want to be disrupted, so will the Prime Minister confirm that in the transition period they will be able to carry on trading as they do now, and that they will also be able to think about negotiating deals for when we leave?

The Prime Minister: I am happy to give my hon. Friend that reassurance. As I have said before, the point about the implementation period is to give that reassurance to businesses in particular that they will know the basis on which they can carry on trading. That is why we would expect the arrangements for the trading relationship during the implementation period to be much as they are now. Although we will be outside the customs union, the single market, the common agricultural policy and the common fisheries policy, as I said earlier, we need to be able to continue to operate during the implementation period as we prepare for whatever the new arrangements are going to be at the end of that period.

Mike Gapes (Ilford South) (Lab/Co-op): Further to the Prime Minister’s answers to the hon. and learned Member for Edinburgh South West (Joanna Cherry) and the hon. Member for Bromley and Chislehurst (Robert Neill), will she confirm that the implementation or transition phase will be exactly the same for Gibraltar as it will be for Northern Ireland and the rest of the UK?

The Prime Minister: I thought I had made it clear that as we negotiate these matters we will be negotiating for the UK, but that includes negotiating to ensure that the relationships are there for Gibraltar as well. We are not going to exclude Gibraltar from our negotiations for either the implementation period or the future agreement.

Giles Watling (Clacton) (Con): Given that 72% of my constituents in Clacton voted to leave the EU, will my right hon. Friend give an assurance to them that there will still be a smooth and seamless exit despite the vote on amendment 7 last Wednesday, thus giving them and many others a very happy Christmas indeed?

The Prime Minister: I am happy to confirm to my hon. Friend, as I did a little earlier, that we will be leaving the European Union on 29 March 2019 and that we will be negotiating a smooth and orderly process, so that people can carry on living their lives and conducting their business with confidence about that and about the future relationship that we will negotiate with the EU.

Holly Lynch (Halifax) (Lab): Last week, I understand that the Fisheries Minister, who was representing the Government at the annual Fisheries Council in Brussels, was recalled to Westminster as early as Tuesday to take part in the votes on the European Union (Withdrawal) Bill. I am incredibly concerned that this Government prioritise seeking to deny Parliament a final vote on the Brexit deal over representing our fishing interests in Europe, missing crucial talks on sea bass and Celtic sea cod. Can the Prime Minister confirm that that was the case and will she explain who took over as the UK's lead negotiator in those vital discussions?

The Prime Minister: There are many occasions in this House when Members on the hon. Lady's Benches, and indeed sometimes on my Benches, stand up and promote the primacy of this House and of Parliament. As Members of Parliament, obviously, we have a responsibility to be here in this House, although my hon. Friend the Minister balanced the requirements of being able both to represent the United Kingdom and to be present in this House.

Alex Chalk (Cheltenham) (Con): This weekend, I met representatives of the Romanian community in Cheltenham. On their behalf, may I thank the Prime Minister for her determination to secure an agreement on the rights of EU and British nationals, which has provided enormous reassurance? Does she agree that this shows, first, what can be done and, secondly, that whatever deal is struck, our values of respect and tolerance for foreign nationals in our country will endure?

The Prime Minister: I am very happy to agree with my hon. Friend, particularly on that final point. What we have seen over the phase 1 negotiations is that, with commitment and perseverance on both sides, we can achieve agreement. That should give reassurance to EU citizens living here and indeed to UK citizens in the EU 27. As we move forward, we will indeed continue to abide by our values, particularly our values of tolerance and respect.

Mary Creagh (Wakefield) (Lab): Is not the result of this European Council that there will be no negotiations with the EU until March next year and no deal concluded between now and March 2019? The tragedy is that there is no deal that the Prime Minister can get with the EU that will be as good as the one that we have now.

The Prime Minister: I am afraid that the hon. Lady is wrong in her question. In fact, the discussions with the European Union will be starting very soon, both on the implementation period and looking ahead to the future partnership.

Wendy Morton (Aldridge-Brownhills) (Con): I welcome the progress that the Prime Minister has made in moving the negotiations forward. In speaking to my constituents over the weekend, I know that they welcome that progress,

too. When it comes to security, can she confirm that we will continue to work with our allies to protect ourselves both now and when we leave the EU?

The Prime Minister: I am happy to give my hon. Friend that reassurance. We envisage negotiating a separate treaty to cover the security arrangements. There are a number of programmes and operations in which we are involved in the European Union that we think it would be beneficial for us to continue to be able to access precisely to maintain the security of people here, but also in the EU 27.

Stephen Kinnock (Aberavon) (Lab): Referring to the transition period, the conclusions of the European Council make the position clear. It says:

“In order to ensure a level playing field based on the same rules applying throughout the Single Market, changes to the acquis adopted by EU institutions and bodies will have to apply both in the United Kingdom and the EU.”

Will the Prime Minister please confirm, therefore, that the jurisdiction of the European Court of Justice will apply in precisely the same way now as it will during the transition period?

The Prime Minister: I have answered a question on that in previous statements that I have made in relation to the matter. We would expect, yes, that the European Court of Justice jurisdiction would start very similarly at the beginning of that implementation period, but as I said in response to one of my hon. Friends earlier, we are also clear that, if it is possible to negotiate, for example, the dispute resolution mechanism at an earlier stage and introduce it at an earlier stage, we would do precisely that.

Geoffrey Clifton-Brown (The Cotswolds) (Con): I congratulate the Prime Minister on having got the negotiations so far. Will she confirm that two of the announcements that she has made today—namely, that we will have a humanitarian presence in the Mediterranean and will continue to provide official development assistance to Africa—signal this country's intention to work with our European allies as closely as possible once we have left the EU?

The Prime Minister: My hon. Friend is absolutely right. The area of migration is a good example of how we will be continuing to work with our friends and allies in the European Union, even after we have left. This issue affects us all. We can have a greater impact if we all work together and we will continue to do that.

Mr Pat McFadden (Wolverhampton South East) (Lab): The dog that has not barked so far in these discussions has been the voice of the service industries. They dominate our economy and make up 45% of our exports, and we trade in surplus with the rest of the EU in them. Does the Prime Minister accept that any future agreement aimed only at tariff-free access for goods would be selling Britain short, and that the benchmark for judging success must be the same market access that we have now for our global, world-leading service industries such as education, the creative industries and the financial services?

The Prime Minister: The Government and I have said all along that we are looking for an agreement that is right for both goods and services because we recognise

the important role that services play in the economy of the United Kingdom. We will be going in and negotiating for services and for goods.

Will Quince (Colchester) (Con): I very much welcome the Prime Minister's statement, particularly her comments on workers' rights and our intention to enhance them post-Brexit. Does she agree that, despite the bluster from the Labour party, this Government backing the Parental Bereavement (Leave and Pay) Bill is the first step in getting not just European-wide workers' rights, but the best workers' rights in the world?

The Prime Minister: My hon. Friend makes a point about a matter that I know is of particular interest to him. He has campaigned on the issue and been a champion of these rights, and he is absolutely right. We will be looking to enhance workers' rights. The Government have already taken steps to enhance workers' rights in a number of other areas, including by commissioning the Matthew Taylor report. That is our commitment. It is not just words; we actually act.

Mr Alistair Carmichael (Orkney and Shetland) (LD): If we are to leave the common fisheries policy in 2019 and if we are not then going to trade away access to UK waters for non-UK fishing vessels, what else is there left to talk about as far as fisheries are concerned?

The Prime Minister: We will be leaving the common fisheries policy—and, as I indicated, the CAP—on 29 March 2019. The arrangements that pertain to fisheries during that implementation period will, of course, be part of the negotiations for that implementation period. Leaving the CFP and the CAP gives us the opportunity, post-implementation period, to introduce arrangements that work for the United Kingdom. The Environment Secretary is discussing with the fishing and agriculture industries what those future arrangements should be.

Mr Simon Clarke (Middlesbrough South and East Cleveland) (Con): People in Middlesbrough South and East Cleveland will give a warm welcome to the progress that has been made with the talks, and I thank the Prime Minister for that. They will also have noticed the scarcely concealed disdain from the Opposition for the progress that has been made. Does she agree that we are actually paving the way to delivering precisely what we want, which is good trade access without compromising control of our borders and laws?

The Prime Minister: My hon. Friend is absolutely right. He puts it succinctly and very well indeed. We want to maintain good trade access, but we also want to be able to take back control of our borders and laws, and that is what we will do.

Dr Rupa Huq (Ealing Central and Acton) (Lab): I congratulate the Prime Minister on the applause she got at the EU dinner—something that even George Osborne would never have predicted. But would not the assurance on the rights of EU nationals have been more useful 18 months ago? As we now hear that a compromise is being cooked up to stave off yet another rebellion, were humble pie and fudge on the menu?

The Prime Minister: A number of Members of this House urged me and the Government unilaterally to make declarations about EU citizens' rights for those living here in the United Kingdom. I was always clear that a UK Prime Minister and a UK Government should have a duty of care to UK citizens living in the EU. The key to the agreement that has been reached is that it is reciprocal, so we can give confidence not only to EU citizens living here, but to UK citizens living in the EU 27.

Martin Vickers (Cleethorpes) (Con): One reason 70% of my constituents voted to leave was their concern about the free movement of people. The Prime Minister referred to registering new arrivals from the EU. During the implementation period, will we be able to control those numbers? If that is not the case, will she be arguing that point during the negotiations?

The Prime Minister: Obviously, at the end of that implementation period, we will have worked up to putting into place fully the new immigration rules that we will have. So it will be possible for EU citizens to come to live and work in the UK during that implementation period, but there will be some differences in relation to that, registration being one of those. So there will be building blocks being put in place. This is exactly one of the sort of practical measures that I am thinking about when I say we need the implementation period, to be able to put practical steps in place that lead up to what our future arrangements and future rules will be.

Emma Little Pengelly (Belfast South) (DUP): The Democratic Unionist party has long been a strong supporter of the people of Gibraltar. Can the Minister give a strong and clear commitment today that the people of Gibraltar will not be excluded from any transitional arrangements that may be agreed between the United Kingdom and the European Union?

The Prime Minister: I will say this again: we will be ensuring that decisions that we take at the various stages of these negotiations cover Gibraltar as well as the United Kingdom.

Mr Philip Hollobone (Kettering) (Con): Do the reciprocal rights for UK citizens in the EU extend simply to the country in which they reside or across the whole of the EU27?

The Prime Minister: The question of onward movement is one that will be looked at further in the second stage of the talks. This is reciprocal in terms of EU citizens' rights here in the UK and UK citizens' rights in the country in which they live in the European Union. There are further elements of that that we will be discussing in the later stages.

Wes Streeting (Ilford North) (Lab): One of the most frequent criticisms of this place is that politicians are unable to give straight answers to straight questions, so can I give the Prime Minister another opportunity to answer the questions from Streatham and from Penistone and Stocksbridge? Can she guarantee that, after we leave the European Union, there will be no attempt to

[*Wes Streeting*]

water down the 48-hour limit on the working week, provided for by the working time directive? It is a very simple yes or no question.

The Prime Minister: I have said on a number of occasions this afternoon that we will be bringing those workers' rights that are in European Union law into UK law, so those rights will continue to exist. The party in this House that has voted against bringing those rights into UK law is the Labour party.

James Morris (Halesowen and Rowley Regis) (Con): May I commend the Prime Minister for her statement? As she will be aware, the west midlands economy has been an export powerhouse for the UK, so as she moves towards vital trade talks in relation to us leaving the European Union, does she agree that it is important that west midlands business and west midlands regional government are engaged very much in those discussions so that the west midlands can maximise the benefit of Brexit?

The Prime Minister: I absolutely understand and recognise the importance of international trade to the west midlands, and I am very clear that, as we go forward in these negotiations, we will be ensuring that we are negotiating for the whole United Kingdom. We will be taking the interests of all parts of the United Kingdom, including the west midlands, into account.

Rachael Maskell (York Central) (Lab/Co-op): For absolute clarity, will there be no watering down of the working time regulations and the ECJ judgments that relate to those regulations?

The Prime Minister: These rights are enshrined in EU law at the moment. They will be brought forward into UK law in the EU withdrawal Bill, which we are putting through this House at the moment. This Government are committed to workers' rights and are committed to enhancing worker's rights. That is why I commissioned Matthew Taylor's report.

Jeremy Lefroy (Stafford) (Con): May I congratulate the Prime Minister on the progress made? May I ask her, following the question from the right hon. Member for Wolverhampton South East (Mr McFadden), to state again that the best possible deal will include trade both in goods, in which we have a large deficit, and in services, which are vital to our economy and in which we have a surplus?

The Prime Minister: I am happy to reiterate that confirmation to my hon. Friend. What we will be looking for in our future partnership is obviously a trade arrangement and a security arrangement, but in the trade arrangement we will be talking about both goods and services. We recognise the importance of services to the UK economy.

Paula Sherriff (Dewsbury) (Lab): In her statement, the Prime Minister pointedly referred to the abuse that her election candidates received. Unless she and everybody else in this House, and the *Daily Mail*, accept that abuse comes from all sides and from all political parties, we will not make any progress. If she so wishes, I can accommodate her this week by showing her the litany

of abuse that I have received during the election and since. Please will she accept that unless we accept that this comes from all areas, we will not move forward?

The Prime Minister: What I said in the statement was this: "there can never be a place for the threats of violence and intimidation against some Members that we have seen in recent days. Our politics must be better than that." I stand by that. All political parties in this House must be aware of the need to ensure that our politics is conducted in the right way and there is no place for threats and intimidation.

Kelly Tolhurst (Rochester and Strood) (Con): I congratulate the Prime Minister on the way that she has worked with the EU over the past few weeks and how she has moved things on to the next stage. Does she agree that during any implementation period, it is important and right that we do indeed negotiate trade deals with other parts of the world to make the most of these new opportunities, to benefit British business, our economy and, most importantly, the British people?

The Prime Minister: My hon. Friend is absolutely right. Of course, the work on negotiating those trade deals—on looking to see what is possible—has already been started within the Department for International Trade by my right hon. Friend the Secretary of State and the Ministers there. Only earlier last week, I was discussing with the President of Mexico that country's desire to have a trade deal negotiated with us. It is one of the first countries to say that it wanted that. The point of the trade deals is exactly as my hon. Friend says: it is about bringing jobs, bringing prosperity and improving people's lives.

Mr Ronnie Campbell (Blyth Valley) (Lab): Is the Prime Minister sure and confident that the EU negotiators will not put more obstacles in her way on the second agreement, because quite honestly I would not trust them as far as I can throw them?

The Prime Minister: I am very clear about what we want to achieve in our negotiations. We will be working with our European friends and allies to ensure that the result of that negotiation is indeed a good deal for the United Kingdom. [*Interruption.*] Well, I think they will, because a good deal for the UK is a good deal for the EU as well.

Paul Masterton (East Renfrewshire) (Con): Does my right hon. Friend agree that her phase 1 deal was a victory for pragmatism over purist ideology? Will she commit our Government to continuing in the same vein throughout these negotiations, putting jobs and economic prosperity at the heart of Brexit Britain?

The Prime Minister: I am very happy to give that commitment. What is important as we go through these negotiations is that we are very clear about what is in the British national interest, but willing to be very pragmatic and practical about that because we want to ensure that we get a good deal. I believe not only that we will get a good deal with the European Union, but that we have an ambitious and bright future for this country outside the European Union.

Nick Thomas-Symonds (Torfaen) (Lab): On workers' rights, the Prime Minister promised in her Lancaster House speech that she would ensure

"that the voices of workers are heard by the boards of publicly-listed companies for the first time."

Why, in the past year, has she not introduced the changes to company law that would make that happen?

The Prime Minister: As the hon. Gentleman will know, the Department for Business, Energy and Industrial Strategy has published proposals to do exactly that.

Robert Courts (Witney) (Con): I congratulate the Prime Minister on this agreement, particularly with regard to reciprocal rights for UK and EU nationals. Does she agree that both for UK nationals abroad and for much-valued European members of our communities here, such as those in west Oxfordshire, this agreement represents security and reassurance?

The Prime Minister: I am very happy to say exactly that to my hon. Friend. A number of hon. Friends have commented on comments that have been made by their constituents who are EU citizens that they do now feel reassured as a result of the phase 1 negotiation. I was clear that citizens' rights should be one of the early issues that we addressed. We have done just that, and we have given people confidence for the future.

Peter Kyle (Hove) (Lab): The Prime Minister has spent inordinate amounts of time reconciling the divisions within her own Cabinet, but no time whatsoever doing so for the public. Now that we are entering the most difficult part of these negotiations, what will she do specifically not only to deliver on the aspirations and excitement of those who voted leave, but to take into account the anxieties of people who voted remain?

The Prime Minister: Regardless of whether somebody voted leave or remain, I think the key focus for us all now is to ensure that we get the best possible deal for the United Kingdom as we leave the European Union. That is what the Government are focused on, and that is what we are going to do.

Robert Jenrick (Newark) (Con): Never have my constituents in Newark been so grateful to wake up to Jean-Claude Juncker as they were a week ago on Friday, when they saw the Prime Minister shake hands with him. Looking to the future, as she goes to strike a comprehensive free trade deal, does she agree that although businesses in Newark would like a seamless transition, they would also like us to strike out and have enough capacity to become a more innovative country, rather than aligning solely with the European Union?

The Prime Minister: I think that there are many areas in which we in the UK are already showing our ability to innovate. We have great, world-leading businesses at the cutting edge of technology in, for example, the automotive industry, and in other areas. Of course, once we leave the European Union, I want to encourage that innovation and that creativity, because I want to ensure that we see a brighter future for this country, and exactly that sort of innovation and creativity can help to encourage that.

Jonathan Edwards (Carmarthen East and Dinefwr) (PC): It is nearly a year since the Lancaster House speech, but the British Government have not published the detail of their preferred trade framework to replace membership of the single market and the customs union. Why has it taken the Prime Minister so long to summon the Brexit war Cabinet to start that work? Is it not the case that the Government and the Conservative party are split about what happens after transition?

The Prime Minister: No. There have been various stages to the negotiation. I set out the framework for that future trade relationship in my Florence speech in September, and we will of course now negotiate the further details of it.

Kevin Foster (Torbay) (Con): I welcome the Prime Minister's statement, and the progress that has been made in the negotiations. I was particularly pleased to hear reference to Russia and to the fact that we are looking to continue our co-operation. At the European Council, did she reassure our European partners that we maintain our absolute commitment to the defence of Europe, based on the bedrock of the north Atlantic treaty?

The Prime Minister: I can absolutely give that reassurance to my hon. Friend. We are unconditionally committed to maintaining Europe's defence, and we will continue to play a key role in Europe's defence. We will do so, obviously and crucially, through NATO, but we also want to continue to work with our European friends and allies.

Mr Barry Sheerman (Huddersfield) (Lab/Co-op): The Prime Minister has been toiling away in Brussels, trying to get on to the second stage. But when she came back, she must have seen, as my constituents did, her senior colleagues—including the Foreign Secretary—saying in the Sunday papers that she is leading us towards being a "vassal state". Will she give my constituents, and people up and down the country, a crystal clear answer to this question: is she leading us towards being a vassal state, with a subservient role in Europe? If that is not the case, will she sack her Foreign Secretary?

The Prime Minister: No, and no.

James Cartlidge (South Suffolk) (Con): I warmly congratulate my right hon. Friend on securing progress, which was strongly welcomed by businesses in South Suffolk. On the point raised by the right hon. Member for Wolverhampton South East (Mr McFadden) and my hon. Friend the Member for Stafford (Jeremy Lefroy) about services, does she agree that not only do we need to have services in the future agreement, but—given that our surplus with the EU is £15.5 billion and rising rapidly—we need to have the very best possible access for that dynamic part of our economy?

The Prime Minister: I absolutely agree, and I fully recognise not only the importance of the role that services play in our economy, but the fact that the balance of relationship with the European Union in services is different from that in goods. Services are a great part of our economy. I want to ensure that we

[*The Prime Minister*]

continue to have good trading relationships in services and that we look at how we can enhance our trading relationships in services around the rest of the world.

Tom Brake (Carshalton and Wallington) (LD): In the press this morning, there were reports that in advance of the meetings today and tomorrow, Ministers have received assessments of impact of the different models of Brexit—or, indeed, impact assessments. Can the Prime Minister confirm whether that is correct, and, if so, would she be willing to put them into the public domain?

The Prime Minister: We have been very clear that, as the right hon. Gentleman knows, what he refers to as impact assessments do not exist. The answer to his question is simply no.

Mr Nigel Evans (Ribble Valley) (Con): I know I can be a little slow at times, but I am finding it incredibly difficult to discern what the policy of Her Majesty's Opposition is to Brexit, as it changes depending on whom I am listening to—

Mr Speaker: Order. I did not think that the hon. Gentleman, who is a very experienced Member of the House, was that slow, but he knows perfectly well that the policy of the Opposition is not a matter for the Government of the day. [*Interruption.*] No, no—hopeless. I call Stephen Timms.

Mr Evans indicated dissent.

Mr Speaker: Order. Do not shake your head at me, Mr Evans. I have told you what the position is. [*Interruption.*] Order. You ask an orderly question, or you do not ask a question. Given your long experience, you ought to know better than to start a question inquiring about the policy of the Opposition. Over Christmas, you can rehearse.

Stephen Timms (East Ham) (Lab): To avoid, rightly, a hard border between Ireland and Northern Ireland, the Prime Minister has committed the UK, if necessary, to “maintain full alignment with those rules of the internal market and the customs union” that are necessary. Will such full alignment apply just to Northern Ireland, or to the UK as a whole?

The Prime Minister: As the right hon. Gentleman knows, we believe that we can actually deliver on having no hard border between Northern Ireland and Ireland through the overall relationship that we negotiate between the UK and the European Union. Failing that, we will look at specific solutions that match the unique circumstances of Northern Ireland, and failing that, we will move to the concept of full alignment, which is about having the same objectives on both sides. If he carries on reading the progress report, it makes it clear how that would operate: it could be UK-wide or, with the agreement of the Northern Ireland Executive and Assembly, it could be specific to Northern Ireland.

Edward Argar (Charnwood) (Con): I welcome the sensible and pragmatic agreement on phase 1 that my right hon. Friend has secured. Opposition Members confidently, and wrongly, suggested she could not do that, and yet again, as on so much, she has proved them

wrong. Just as she has delivered for the UK on phase 1, will the Prime Minister reaffirm her determination to prove them wrong again and secure a good trade deal in phase 2, in line with her Lancaster House speech?

The Prime Minister: Yes, I can confirm to my hon. Friend that the principles set out in the Lancaster House speech continue to apply. Obviously, I elaborated on those in the Florence speech, and we will be continuing to do so as we move forward into those negotiations. I believe we will achieve an ambitious comprehensive free trade agreement with the European Union, because I think it is in their interests as well as ours.

Chris Stephens (Glasgow South West) (SNP): I will try to be the seventh Member of the House to receive a crisp answer on workers' rights. Will the Prime Minister confirm that there have been no discussions with the European Union or in her Cabinet, and that there are no planned discussions with the European Union or in her Cabinet, on scrapping the working time directive, the agency workers directive and the pregnant workers directive, as advocated by her Ministers in the recent past?

The Prime Minister: The negotiations that we have been having with the European Union have not covered workers' rights. Workers' rights as they exist in EU law will be brought into UK law through the Bill that is going through Parliament. We already have a situation in the United Kingdom where, in some areas, we have better rights for workers than exist in the European Union, and we will continue to enhance those rights.

Matt Warman (Boston and Skegness) (Con): For the Prime Minister's negotiations to be meaningful, they must of course include considering the possibility of a no-deal scenario, but does she agree with me that the pragmatism shown by both sides last week demonstrates that such an outcome is now considerably less likely?

The Prime Minister: My hon. Friend is right. We have to prepare for all contingencies and continue to include among them the possibility of no deal, but what has been shown by the phase 1 negotiations is that, with perseverance and commitment on both sides, we can reach agreement.

Ruth Cadbury (Brentford and Isleworth) (Lab): The majority of UK citizens would now prefer us to remain in the EU, because they are realising what many of us knew for a long time, which is that leaving the EU means greater costs to the economy and to UK taxpayers than staying in and that we will no longer have a voice at the table in Europe. Will the Prime Minister start leading the country, or will she continue to be led by the hard Brexiteers in her own party?

The Prime Minister: The hon. Lady seems to have forgotten one thing: this Parliament voted overwhelmingly for a vote to take place in a referendum on our membership of the European Union. That vote took place, and it was a close vote, but the majority voted to leave the European Union. I think—and I have always felt this—that in other circumstances when other countries in the EU held a referendum on new treaties and came out against

them but the EU basically told them to go back and think again is not the right way. If the British people have voted to leave, we should leave.

Nigel Huddleston (Mid Worcestershire) (Con): I congratulate the Prime Minister on the practical and sensible approach she has adopted towards the Brexit negotiations, as opposed to the flip-flopping, contradictions and wholly unrealistic expectations we have heard from the Opposition parties. Does she agree that if a party wishes to position itself as the party of remain, it ought just to be honest and come out and say so?

The Prime Minister: I absolutely agree with my hon. Friend. The flip-flopping just this weekend from the Labour party shows that it cannot make up its mind what its view is on Brexit. That is all the more reason why it is a good job we are in government and not Labour.

Mr Speaker: Ingenuity and good order are not incompatible, as the hon. Member for Mid Worcestershire (Nigel Huddleston), at least, has just demonstrated.

Wera Hobhouse (Bath) (LD): Can the Prime Minister give an example of an EU border with a country outside the customs union where there is no hard border and there are no border checks?

The Prime Minister: I think what the hon. Lady is trying to get at is whether it will be possible to do what we have said we will deliver for Northern Ireland and Ireland. The answer is yes, and we have already set out some ways in which it could be done.

Albert Owen (Ynys Môn) (Lab): I welcome the progress that has been made on the Irish question, but I am disappointed by the response the Prime Minister gave to my right hon. Friend the Member for East Ham (Stephen Timms). Will she state categorically that Welsh sea ports, including the port of Holyhead in my constituency, which is the busiest on the western seaboard, will have equal status with ports in Scotland, England and, indeed, Northern Ireland when it comes to trade and the movement of people?

The Prime Minister: The progress report that was agreed between the United Kingdom and the EU was clear about the significance not just of north-south trade but of maintaining east-west trade. I and the Government are very clear about the need to maintain not just the constitutional integrity of the United Kingdom, but the economic integrity of the United Kingdom.

Jack Dromey (Birmingham, Erdington) (Lab): The mask slipped at the weekend, when the Foreign Secretary let slip that changes might be made for the worse to British workers' rights on working time, even though they are already working the longest hours in Europe. The Prime Minister has today refused to give a cast-iron guarantee that there will be no changes for the worse. Does that not demonstrate that we can never, ever trust the Tories with workers' rights?

The Prime Minister: I will tell the hon. Gentleman who cannot be trusted with workers' rights—a Labour party that voted against bringing workers' rights into UK law.

Paul Flynn (Newport West) (Lab): How and when will Wales enjoy the alleged benefits of the regulatory alignment that will be enjoyed by Northern Ireland? How can it possibly work?

The Prime Minister: As I indicated in response to an earlier question, the reference to full alignment in the progress report is not the first option in ensuring that there is no hard border between Northern Ireland and Ireland. We believe that we can achieve that through the overall relationship between the United Kingdom and the European Union. That is what we will be working for.

Alan Brown (Kilmarnock and Loudoun) (SNP): In her statement, the Prime Minister said that our “universities remain a highly attractive destination for students from across the EU”. The blunt reality is that the number of applications from EU students has gone down. On EU citizens' rights, she said she was “providing vital reassurance to all those citizens and their families in the run-up to Christmas.” Just last week, the Select Committee on Environment, Food and Rural Affairs heard confirmation from a seafood supplier that at this moment in time, his employees do not feel any reassurance. To allow Scotland to take control of this situation, does she agree with the Secretary of State for Environment, Food and Rural Affairs that post-Brexit, Scotland should have control of its own immigration policy?

The Prime Minister: If I heard the hon. Gentleman correctly, he was not correct at the beginning of his question. In 2009-10, the number of non-UK EU higher education students in the UK was 100,275. In the 2015-16 academic year, the figure had gone up to 112,410.

Clive Efford (Eltham) (Lab): The £39 billion is to pay for commitments that we entered into freely when we were a full, operating member of the European Union. If we fell out of the European Union and failed to pay that bill, what freedom would the European Union and independent European Union countries have under WTO rules to interfere with the trade agreements we would be negotiating with other countries?

The Prime Minister: As the hon. Gentleman says, we have negotiated in phase 1 a financial settlement that is representative of the commitments I said we would honour over this period. It is there in the context of the future deal being agreed, but I am optimistic we will agree that future deal.

Neil Gray (Airdrie and Shotts) (SNP): If there are to be opportunities from Brexit and if we are to avoid the large potential pitfalls, it is crucial that all the nations of these isles have their priorities heard, listened to and acted on. How does the Prime Minister plan to expand consultation with the Governments of all the nations of these isles in the next phase, to avoid the very clear issues from the first phase of the negotiations?

The Prime Minister: Discussions and engagement with the devolved Administrations have already been enhanced over recent weeks and months. The First Secretary of State has regular meetings with the Scottish and Welsh Governments. That engagement will continue.

Karin Smyth (Bristol South) (Lab): The phase 1 agreement rightly confirms the Government's commitment to the Good Friday-Belfast agreement. Further to her answer to my right hon. Friend the Member for East Ham (Stephen Timms), will the Prime Minister assure my constituents that their rights to travel, work and study across the EU will be aligned across the United Kingdom?

The Prime Minister: When we leave the European Union, the position of UK citizens will change in relation to the European Union. In relation to Ireland, we will maintain the common travel area so that the rights of movement, which existed long before either Ireland or the UK were a part of the European Union, will continue.

Sammy Wilson (East Antrim) (DUP): Michel Barnier's comments this weekend indicate that he may wish to make the UK a vassal state of the EU after we leave. Is the Prime Minister encouraged, however, by the reaction of Italy and Belgium? They recognise the strength and significance of the UK, and believe a special relationship is desirable. What plans does she have to go to member states to sell the UK's case for a good relationship after Brexit?

The Prime Minister: I was interested to note the comments, made by a number of other countries, that the future relationship we will negotiate with the European Union would, as the hon. Gentleman says, be a tailor-made or bespoke arrangement for the United Kingdom. I assure him that not only will I be having interaction with the other EU27 leaders, but that Government Ministers will be meeting their opposite numbers and talking to them about the significance of the continued relationship with the UK and the EU.

David Linden (Glasgow East) (SNP): We know that Brexit will be an unmitigated disaster for young people across these islands. With regards to the specific reference to the Erasmus project in the statement, by the time first-year students at Lochend High School in Easterhouse get to university will they still be able to enjoy Erasmus?

The Prime Minister: I said in my statement that for the remaining three years of this budget plan, we will be maintaining access to the Erasmus programme. For the future, it is one of the programmes that will be a part of the negotiations on our future relationship.

Alex Cunningham (Stockton North) (Lab): My constituency is home to world class chemical companies that are anxious that the European REACH—registration, evaluation and authorisation of chemicals—standards, which regulate their products and guarantee their markets, will still apply after they leave the EU and beyond the implementation period. As trade talks start, will the Prime Minister do something to assure them that that will be the case?

The Prime Minister: We recognise the importance of this particular industry. Part of the trade talks and negotiations will be looking at the basis on which trade will carry on between the remaining European Union member states and the United Kingdom. That is the same in any trade agreement that a country enters into.

Mr Speaker: It is no bad thing, either for the hon. Gentleman or for the House, if the Scottish National party Chief Whip is in the guard's van.

Patrick Grady (Glasgow North) (SNP): I had the underwhelming experience this morning of visiting the Brexit Reading Room. For each of the 39 documents, I was left with the very clear impression that they do not contain any commercially sensitive or negotiation-sensitive information, so why not share that experience with the country and put them in the public domain?

The Prime Minister: The papers have been provided for the Select Committee. The formal position is that once the papers are in the hands of a Select Committee, it is up to them whether or not they are published.

Mr Speaker: Order. I thank all colleagues, in particular the 77 Back-Bench Members who questioned the Prime Minister and the Prime Minister for her extremely succinct replies.

Grenfell Tower and Building Safety

4.59 pm

The Secretary of State for Communities and Local Government (Sajid Javid): With permission, Mr Speaker, I would like to update the House on the ongoing response to June's tragic fire at Grenfell Tower and our wider review of building safety.

It is now six months since the disaster. Last week a number of events were held to mark this sad milestone, including the national memorial service at St Paul's. I had the privilege of attending the extremely moving service alongside the Prime Minister, the Minister for Grenfell victims, my hon. Friend the Member for Reading West (Alok Sharma), and, of course, the right hon. Member for Wentworth and Dearne (John Healey), among others. The scale and impact of the disaster are unprecedented in recent times, and I could not hope to cover all aspects of the response in one statement, so today I will concentrate on areas where I have new information to share. However, I am very happy to take questions on any aspect of the tragedy and the response to it.

I will start with an issue that is particularly important to hon. Members and to me, and that is finding new places to live for those who lost their homes. Responsibility for rehousing lies with the local authority, the Royal Borough of Kensington and Chelsea. However, I have been closely involved with the process to ensure that everyone is rehoused as quickly as possible, and my Department has been providing the council with support to help to bring that about. The council has been tasked with finding places to live for 207 households from Grenfell Tower and Grenfell Walk. To date, 144 households—almost 70%—have accepted an offer of temporary or permanent accommodation. According to the latest figures from the council, 102 of these households have now moved in.

For those who remain in other accommodation, the council has offered the opportunity to move into private rented accommodation while a permanent home is found. Some have taken up this offer, and others have made it clear that they do not want to have to move twice—something I completely understand. The council was undoubtedly slow off the mark in starting the rehousing process, but, with its own change of leadership, the help of the independent Recovery Taskforce, and pressure and support from the Department for Communities and Local Government, consistent progress is now being made, but I am far from complacent.

I have always been very clear that we should move at the pace of the families involved and that nobody should be rushed or pushed into making a decision about where to live. But to have so many families, including some children, still living in hotels and other emergency accommodation six months after the tragedy is simply not good enough. The situation is undoubtedly complicated, but I have been very clear with the council that I expect it to do whatever is necessary to help people into suitable homes as swiftly as possible. I am confident that the council is capable of that, but, along with the taskforce, I will continue to monitor the situation and to work with the council to ensure that it happens.

The issue of rehousing has an added poignancy with Christmas just around the corner. Whatever one's faith, this a time for family and friends and that makes it a

difficult time for anyone who has suffered a loss or trauma. Nothing anyone can do will make this a normal Christmas for the bereaved and the survivors, but we are doing all we can to offer extra support over the coming weeks. A range of activities and events are being staged for local children, particularly those still living in hotels. Social spaces have been booked in four of the hotels where families are staying, so there is room for people to spend time together. NHS outreach workers are visiting residents in the local area to offer specialist mental health support, building on the excellent work the NHS has already done on mental wellbeing. Specialists have screened almost 1,000 adults for signs of post-traumatic stress disorder: 426 are currently in treatment for PTSD, while a further 62 have completed their treatment, and 110 children have also received or are receiving specialist help. The dedicated NHS Grenfell helpline remains available 24 hours a day, seven days a week.

Local organisations are also providing health and wellbeing support on the ground, including culturally sensitive support that reflects the diverse make-up of the borough, and last month's Budget made available a further £28 million to pay for mental health and emotional support, a community space for those affected and investment in the Lancaster West estate over the next three years. Of course, it is not only the Government providing funds: in the aftermath of the tragedy the British people responded with incredible generosity, donating more than £26 million to various charities.

The majority of that money—more than three quarters of it—has already been paid to survivors and to the next of kin of those who died. Of the remaining £6 million, about £2 million is being held back for people who are entitled to payments but have not yet claimed them, and for some whose applications are still being processed. Payments for those who have not claimed will be looked after by the charities until the individuals are ready to engage. The remaining £4 million will go towards providing long-term support and community projects. As people are rehoused and take the time to grieve, the distributing charities will work with them, identifying their changing needs and ensuring that money goes where it can best meet the needs of the community. The House can rest assured that every penny that was donated will be spent on the people for whom it was intended; the generosity of the British public demands no less.

Another issue in respect of which the views and wishes of the local community must be paramount is the future of Grenfell Tower itself. The tower is currently being wrapped in white sheeting, a process that will be completed early next year. That is not being done, as some have claimed, to make people forget about what happened. It is being done because many members of the community—people who have been directly affected by the fire—have said that covering the tower will help them to begin the healing process.

I acknowledge the current anxieties about the long-term future of the site among those who have been most affected. I can categorically state that no decisions have been made about the long-term future of the site on which the tower sits. Those decisions will not be led by me, by the Government, by the House, or by the Royal Borough of Kensington and Chelsea; it is the bereaved, the survivors and the wider community who will lead, and be at the heart of, the decision-making process. My hon. Friend the Minister for Grenfell victims is working

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directly with them to agree on a set of written principles that will guide the way forward for the future of the site. When decisions are made, we want them to have the broadest possible support from those who have been affected, particularly those who lost loved ones, rather than just following the views of those with the loudest voices. The principles that we are drawing up will help us to ensure that that happens, and they will include a firm commitment from the council that if the bereaved, the survivors and the wider community do not want the site to be redeveloped for housing, the site will not be redeveloped for housing.

As well as dealing with the aftermath of the tragedy, we are determined to do everything possible to prevent such a disaster from happening again. A crucial element of that is the public inquiry, which recently held its first procedural hearings under the chairmanship of Sir Martin Moore-Bick. I know that some members of the community are concerned about the inquiry's remit, structure and personnel. Some have called for Sir Martin to be supported by an extended panel that reflects the diverse population of the tower. The decision on that rests with the Prime Minister. She has given a commitment to consider the composition of the panel once Sir Martin has determined what further expertise is needed, and she is now giving active consideration to the issue.

Meanwhile, Sir Martin has said that he is actively considering plans for a consultative panel of local people who could talk to and receive information from the inquiry. Such a panel has been established successfully by the inquiry into child sexual abuse as a way of closely involving victims and survivors in the work of that inquiry. Sir Martin has said that any decision on the establishment of such a panel for the Grenfell Tower inquiry will be taken in consultation with tower residents and bereaved families. I can assure the House that, whatever happens next, legal representatives of core participants will have access to all relevant documents. They will be able to offer opening and closing statements at certain hearings, and they will be able to suggest lines of questioning for witnesses. The needs of the community have been at the heart of the inquiry since it was first announced, and that will not change.

Learning lessons for the future will be a crucial part of Sir Martin Moore-Bick's inquiry, but it is not the only piece of work on how building safety can be improved. Earlier this year, the Home Secretary and I asked Dame Judith Hackitt to carry out an independent review of building regulations and fire safety. The current system is complex and confusing, a situation that has developed over many years and under successive Governments. Today Dame Judith has published her interim findings, which show that there is a need for significant reform. I can confirm that the Government have accepted all her recommendations. We agree with her call for a change in culture and a more effective system that will encourage people to do the right thing and hold to account those who try to cut corners. Everyone who is part of the system, including Government, has an important role to play in delivering this change in culture and mind set. We fully support this direction of travel signalled in Dame Judith's report. Achieving culture change will, inevitably, take time, but while Dame Judith

explores these issues further, she has also identified a number of areas where we can make a start today. These include work on restructuring guidance and tightening restrictions on the use of desktop studies.

On desktop studies, we will revise the approved documents on fire safety and commission work to produce a new British standard on when and how such assessments can be used. On guidance, we will work quickly with industry experts to complete work on clarifying the approved documents on fire safety. More widely, we will consider how the entire suite of guidance on compliance with building regulations can be restructured and reordered to make it more user-friendly; we will work with experts across the sector to explore how this can be done.

Dame Judith recommends that consultation with fire and rescue services be carried out early in the design process and then acted on, and that fire safety information on a building should be handed over at the right moment. We will write to building control bodies to highlight these recommendations. The Government will play our part in making the system work better and fixing the problems, and I urge the construction industry, building control bodies, fire and rescue services, landlords and others to play their part too.

In January, Dame Judith will host a summit on building regulation and fire safety. It will form the springboard for the next phase of her review, and I encourage leaders from across the sector to take part and help design a better system. While Dame Judith continues her vital work, we are continuing to support wider work to make existing buildings safer. In the past six months, we have overseen a comprehensive set of fire safety tests on cladding components and systems. Fire and rescue services have visited and checked fire safety in every residential tower that has been identified as having cladding likely to constitute a fire hazard or which they consider a priority for other reasons.

Across the country, swift action has been taken to improve fire safety systems, and to put in place interim measures where risks have been identified. We have provided detailed advice to local authorities, housing associations and private landlords on how to ensure their buildings are safe. DCLG's expert panel has issued advice to building owners about carrying out the necessary work to address the fire risks of certain cladding systems.

There is undoubtedly room for improvement in the way the building regulations system works and is managed in the future. However, Dame Judith makes it clear that her report should not be interpreted as meaning that buildings constructed under the existing system are unsafe. The system needs to be made stronger for the future, but the action taken since June is helping building owners make homes safer today.

Six months ago 71 people lost their lives and hundreds more lost friends, loved ones, homes and possessions. Six months on, progress is being made; the situation is moving in the right direction, but there is still a long, long way to go. And as long as that is the case, I will not stop working with, and fighting for, people who have suffered more than any of us could bear. They must not be forgotten; they will not be forgotten.

5.13 pm

John Healey (Wentworth and Dearne) (Lab): I thank the Secretary of State for early sight of his extensive statement.

Last Tuesday, Mr Speaker, you welcomed Grenfell survivors and bereaved families to this House for a memorial meeting. Many of us in the Chamber today were at that event, and, six months on from the terrible fire at Grenfell, they told us, "It should not need us, as survivors, to bear our wounds to get the action needed, but you're the only people we can turn to."

As the Secretary of State said, both he and I were also at the national memorial service in St Paul's cathedral last week, and perhaps the most moving part of the service was a sound montage of voices from Grenfell. The final voice was a woman's: "I want to start afresh," she said,

"I just want a home again."

Yet more than six months after the fire, more than 150 of the 210 families from Grenfell Tower are still in emergency or temporary accommodation. That is no place for a family at Christmas, and no place for people to start to rebuild shattered lives.

It really is not good enough for the Secretary of State to say that responsibility for rehousing lies with the local authority. This is the same council that failed Grenfell residents before the fire, and it is failing them again now. The buck must stop with Ministers. Will the Secretary of State confirm the figures released on Thursday, which showed that only 45 of the Grenfell Tower families are in permanent homes again, and that more than half are still in emergency accommodation? How many of the 50-plus households in temporary accommodation have children, and how many of those have been there longer than the six-week legal limit? Above all, what will he and the Government now do to get the Grenfell Tower survivors and families back in permanent homes again?

In truth, Ministers have been off the pace at every stage since the fire. They have been too slow to act and too reluctant to take responsibility for the response required for this national disaster. The Secretary of State now needs to bring real urgency to this task. Dame Judith Hackitt's interim report today is welcome, but this review was promised in the autumn. It has arrived just before Christmas, and there is still no date for the final report. Many of its findings are not new, but it is still damning to hear the chair say in the report that

"the whole system of regulation...is not fit for purpose, leaving room for those who want to take shortcuts to do so."

Developers are still building new homes to meet these regulations, and people still do not know whether the materials and systems used on their homes are safe.

The Secretary of State says that he will work quickly with industry experts on clarifying the approved documents on fire safety. This was promised by his predecessor, Eric Pickles, in 2013 after two previous coroners reports on fatal fires, and was due to be published in 2016-17. That never happened. Will the Secretary of State tell us when this work will be completed and published? Will he also act on other recommendations, rather than waiting for the final Hackitt report next year? Will he start immediate work to make sanctions much tougher for those who do not follow the regulations? Will he make meeting a national standard mandatory for those doing fire inspections? Will he make all fire testing public? And will he ensure that residents are informed of all safety assessments and surveys done on their homes?

On the public inquiry, I am delighted that the Secretary of State has today finally recognised the concern about extending the advisory panel to help to build trust. We welcome this, as we have been making this case for some time on behalf of the Grenfell residents, but the right hon. Gentleman speaks on behalf of the Government, and it is simply not good enough to say that this decision rests with the Prime Minister. She commissioned the inquiry and confirmed its terms of reference four months ago. When is she going to make this decision?

On the safety of tower blocks around the rest of the country, six months after the Grenfell Tower fire, the Secretary of State still cannot give a commitment that all the other tower blocks are now fire safe. Indeed, he cannot even confirm today that all tower blocks have had a fresh fire safety assessment. Is it the case, as some reports state, that fewer than half the council tower blocks in England have had a fresh fire risk assessment since the Grenfell Tower fire? What is the figure for privately owned blocks, which is likely to be much lower? By what date will all tower blocks, public and private, have had a proper fire risk assessment? How much have the Government so far spent on funding to help social landlords to do immediate essential fire safety remedial work? Why will the Secretary of State not back our calls, alongside those of fire service chiefs, for the Government to help to fund retrofitting sprinkler systems in social housing, so that residents can be as safe in those blocks as they are in newly built tower blocks?

This is not about party politics, but it is about challenging the decisions and policies of those in power. This is exactly what the Grenfell families want, and exactly what our job in this House is. All of us share a responsibility to ensure that the Grenfell survivors who need help and a new home get them, that anyone culpable is held fully to account, and that every measure is in place to ensure that this can never happen again, but I say to the Secretary of State that this demands a much greater sense of urgency than we have had from him and the Government to date.

Sajid Javid: I thank the right hon. Gentleman for his response. He raises a number of issues, which I will go through in turn. He asked about the progress of rehousing the victims of the tragedy. I remind the House that 151 homes were lost to the fire, but there are now 207 households to rehouse as several families took the opportunity to create some small family units, each one of which has been accepted. Of the 207, 144 have accepted offers of temporary or permanent accommodation. He asked me about how many of those households had actually moved in, and 61 have accepted temporary accommodation and 83 have accepted permanent accommodation, with 56 of those receiving temporary offers and 46 of those receiving permanent offers having moved in.

I have recognised on several occasions, and I recognise again today, that progress has been painfully slow, but I have been absolutely clear that no family should be forced or pushed to accept an offer of housing. In addition to offers of permanent and temporary housing, all families have been offered private rented sector accommodation. They can either find it themselves, or they can show examples of what is available out there and work can be done for them. However, the clear instruction to the council has been not to force anyone to do anything

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that is against their wishes and to treat them like people, not statistics. I know that the right hon. Gentleman will agree with that approach.

The right hon. Gentleman asked about the building safety work, and I thank him for welcoming the independent work that has been done by Dame Judith Hackitt. He talked as though that is the only work that has been done since the terrible tragedy but, as he will know, the expert panel was set up within days of the tragedy. The panel is still in place today, and its remit has been strengthened to look at structural safety, for example. The panel has also issued guidance to local authorities, housing associations and private residential providers on several occasions, and that guidance is being continually updated. Alongside that, we have had the building safety programme, which began its work on the different types of cladding immediately. During the summer, as the right hon. Gentleman will remember, a number of independent building systems tests were carried out, and comprehensive results have been published and advice has been given accordingly. Lastly, a tremendous amount of work has been done by fire and rescue services across the country, and today offers me the opportunity to commend them on their work to test and independently inspect over 1,000 towers. That work continues.

The right hon. Gentleman also asked me whether any residential towers still require testing and inspection. We believe that all residential tower blocks that have any type of aluminium composite material cladding have been properly inspected, as have several other towers about which there are concerns for other reasons.

As for the timing of the report, given the amount of work required and given that the independent review has been looking at a system that has been developed over many years under successive Governments, it is welcome to have the interim report at this stage. We expect the final report in the spring.

Mr Mark Prisk (Hertford and Stortford) (Con): I welcome the Secretary of State's remarks. Indeed, he has been assiduous in reporting back to Parliament. Dame Judith Hackitt, who has just spoken to the Communities and Local Government Committee, says in her report that there is a culture, to which the Secretary of State referred, of businesses

"waiting to be told what to do by regulators rather than taking responsibility for building to correct standards."

That has to change. Will the Secretary of State ensure that any future regulations change that culture and ensure that those who design, build and subsequently manage buildings are firmly held to account?

Sajid Javid: My hon. Friend speaks from great experience. Dame Judith recommends a culture change, which will of course take time, but there are some immediate measures we can take. It is certainly our intention to work with Dame Judith and to implement her final recommendations.

Martyn Day (Linlithgow and East Falkirk) (SNP): I start by thanking the Secretary of State for his statement and Dame Judith for her work. We must not forget that this interim report comes only six months after one of

the most devastating high-rise fires the world has seen, and our thoughts at this time of year are with those who lost everything in the catastrophe.

I wish to repeat the call that my hon. Friend the Member for Cumbernauld, Kilsyth and Kirkintilloch East (Stuart C. McDonald) made last month for the Government to allow indefinite leave to remain to those to whom they offered an immigration amnesty. That is needed for undocumented survivors to feel able and safe to take up the support they so desperately need. Surely that is simply the right thing to do in these tragic circumstances.

This report makes recommendations to ensure that we have regulatory systems that are robust enough for now and for the future. We must be able to assure residents that the buildings they live in are, and will remain, safe. We in the Scottish National party welcome the report's conclusion that safety must come ahead of cost cutting. Will the Secretary of State ensure that the findings of this report are heard and that safety is made paramount?

Sajid Javid: I thank the hon. Gentleman for his comments, particularly on the immigration rule changes that the Government have announced to help families. We continue to monitor that to see what more we can do, if required. I also assure him that building safety is absolutely paramount, which is why we commissioned all the work that has taken place since the terrible date of this tragedy and accepted the recommendations of the interim report today.

Mr Philip Hollobone (Kettering) (Con): What is the present fire advice to residents in similar blocks? If a fire breaks out, should they stay in their accommodation or should they leave the building?

Sajid Javid: The fire advice situation can be different in every block. What we have asked is for the owners of such blocks, often the local authority or a housing association, to work with fire safety experts, including the fire and rescue service, and to make sure that, whatever the fire advice is, it is made very clear to every single resident. We believe that advice has been universally followed.

Emma Dent Coad (Kensington) (Lab): Will the Secretary of State confirm that, despite the Prime Minister's promise after the Grenfell Tower fire that,

"I have fixed a deadline of three weeks for everybody affected to be found a home nearby",

there are, according to our calculations—including from the tower, Grenfell Walk, other walkways and nearby buildings—more than 200 children still in bed-and-breakfast accommodation after up to six months? I believe that is illegal.

Sajid Javid: The commitment we gave that all families would be offered temporary accommodation within three weeks of the date of the tragedy was absolutely met. They were all offered such accommodation. I have continually updated the House over the last six months, and no doubt the hon. Lady has had updates from her constituents. We have tried at every stage to offer both permanent accommodation and different types of temporary accommodation. As I have acknowledged today, there are still too many families in emergency

accommodation, and we continue to work with the local authority to do whatever we can to reduce that number.

Will Quince (Colchester) (Con): Will the Secretary of State confirm that he still regularly meets the victim groups and is really listening to what they have to say? To pick up on a point he made, is he ensuring that, despite the understandable questioning from the Opposition, people will not be pressed in any way to take unsuitable accommodation for political expediency?

Sajid Javid: I can absolutely confirm that to my hon. Friend. I have regularly met victim groups and members of the community, and so has my hon. Friend the Member for Reading West (Alok Sharma), the Minister with responsibility for Grenfell victims. He meets members of the community on an almost weekly basis. I can also confirm that we will not press anyone to take any type of accommodation with which they are not comfortable.

Mr Clive Betts (Sheffield South East) (Lab): The Select Committee found it very helpful to hear from Dame Judith at first hand this afternoon. One of her clear recommendations was that instead of fire and rescue services giving advice and that then being ignored by those in authority, such advice ought to put on a basis where it has to be taken account of and implemented. Does the Secretary of State agree with that proposal? If he does, will he rethink his decision not to provide any extra funding to local authorities to carry out important fire safety work that fire and rescue services say is essential?

Sajid Javid: First, let me thank the hon. Gentleman for the work his Committee is doing to help the overall review of building regulations. I welcome the fact that Dame Judith Hackitt gave evidence to the Committee today and its members could question her.

The hon. Gentleman asks me specifically whether we agree with the recommendation that advice from fire and rescue services should not be ignored—we do agree with that. We have accepted Dame Judith's interim recommendations. He also asks about funding for fire safety measures, and I can say that our commitment stands that if local authorities cannot afford essential fire safety measures, they should come to talk to us and we will work with them to give them the flexibility they need.

Wendy Morton (Aldridge-Brownhills) (Con): I thank the Secretary of State for his statement. We all agree that it is crucial that the Government listen to the victims of this tragedy. Will he confirm that he and other Ministers will remain in regular contact with victims' groups throughout the process and for as long as is necessary?

Sajid Javid: I can confirm that to my hon. Friend. It is essential that in dealing with this tragedy, be it on issues relating to fire safety, rehousing, mental health support or the future of the site, which I mentioned earlier, all decisions must be made in consultation with the local community—not just those with the loudest voices, as I said, but actual members of the community who have been the most affected.

Ms Karen Buck (Westminster North) (Lab): Further to the question asked by my hon. Friend the Member for Sheffield South East (Mr Betts), the Chair of the

Select Committee, it is estimated that cash-strapped local councils have already committed £500 million to essential fire safety works in the aftermath of Grenfell. Will the Secretary of State tell us how much of that has been reimbursed by central Government?

Sajid Javid: As I have said a number of times at the Dispatch Box, we have asked local authorities to contact us, and more than 30 have done so. Ten have given us detailed information and three have given us the actual information we require. We are in active discussions.

Robert Courts (Witney) (Con): I am glad to hear that progress is being made on rehousing victims, but will the Secretary of State update the House on what steps are being taken—by the Government or by the council—to ensure that sufficient decent homes are available for people to be rehoused in?

Sajid Javid: The council has been leading the work to acquire new homes. About two months ago, it set a plan to acquire about 300 homes by Christmas, and it has exceeded its plans—the number is closer to 400 homes.

Andy Slaughter (Hammersmith) (Lab): We cannot wait for the final Hackitt report before resolving the issue of the combustibility of cladding and insulation. Some blocks are passing the current test with limited combustibility materials. Some are failing, but the landlords are using other types of limited combustibility materials as a replacement. Will the Government just say that only non-combustible materials should be used for external cladding on high and medium blocks?

Sajid Javid: The hon. Gentleman raises a good point, because clearly a number of building owners have, when they are taking down cladding, sensibly asked what they are going to replace it with. That is why we asked the expert panel to look at that, in the light of the building safety programme, and it has issued detailed guidance on it.

Tom Pursglove (Corby) (Con): The Secretary of State has previously said that the local authority had accepted the recommendations of the independent taskforce. Will he update the House about progress on implementing those recommendations?

Sajid Javid: I meet the local council regularly and I also have discussions with the taskforce. A number of points were set out in the taskforce report, and the local authority has set up a group to go through each in detail. As we get further details, I will bring them to the House.

Wera Hobhouse (Bath) (LD): Right across the country, people now live in tower blocks from which cladding has been removed. They will not only worry about their safety, but face much higher heating costs, because the cladding also served as insulation. The Secretary of State has already partly answered my question, but nevertheless when will he tell landlords what cladding is safe for use so that safe reinstatement can take place as soon as possible? He will appreciate that there is some urgency to the matter.

Sajid Javid: First, it is not for me, as a Minister, to recommend what type of cladding should or should not be used. That work should be done by experts, which is why the expert panel that we established, which is still in

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place, has issued guidance ever since the date of the tragedy. It continues to update guidance on what cladding should be used at all times.

Bill Wiggin (North Herefordshire) (Con): Everybody is united in never wanting to see something like this happen again. An insulation manufacturer in my constituency, Kingspan, which was not involved in this tragedy, is keen to work to ensure that building regulations deliver the fire-proofing that we all hope for and expect. Will the Secretary of State agree to meet Kingspan?

Sajid Javid: I hope that my hon. Friend will understand that I should not comment on which companies were or were not involved in the tragedy; that will be a decision for the public inquiry and the criminal inquiry. Although in principle I am happy, at the right time, to meet any company that is involved in building services, it is appropriate that I do so only once I am comfortable that any inquiries and reviews are over.

Clive Efford (Eltham) (Lab): Dame Judith Hackitt draws attention to how the privatisation of things such as fire inspections has denuded local authorities of essential expertise, and that is also true of building control. Can we bring such deregulation to an end, urgently, because people continue to be put at risk? Can we bring such matters back under the responsibility of local authorities, where they belong?

Sajid Javid: Perhaps the hon. Gentleman has in mind the 2002 deregulation of building regulations self-certification schemes, or perhaps the 2005 regulatory order on fire safety that the then Government claimed was cutting red tape. As I have said, successive Governments have been involved in building regulation, and I am glad that Dame Judith Hackitt is looking at all of that.

Kevin Hollinrake (Thirsk and Malton) (Con): Some things are best left open to interpretation and some things are simply best proscribed. Does my right hon. Friend consider a simple prohibition of combustible materials on the outside of all high-rise buildings to be the right way forward?

Sajid Javid: As a member of the Select Committee, my hon. Friend is rightly taking a close look at these issues—I welcome that. In the interim report, Dame Judith talked about a risk-based approach. The appropriate response for the Government is to wait for the final report, look at all these issues in the round, and then make a final decision.

Dr David Drew (Stroud) (Lab/Co-op): Will the Secretary of State look again at the role of local authorities in building control? In particular, will he get Dame Judith to examine the idea of primary agency, which has effectively removed the “local” from local authority?

Sajid Javid: Yes.

Mr Jim Cunningham (Coventry South) (Lab): The Secretary of State can in fact direct local authorities to take the advice of the fire services until such time as the committee of inquiry reports. There is nothing stopping him from doing that. In the past, I have dealt with the Government from a local authority angle. How much

money is the Secretary of State actually making available, bearing in mind that it was said today the cost will be billions?

Sajid Javid: The hon. Gentleman will know that local authorities have rightly been taking account of the advice that has been issued by the expert panel, which is constantly updated as the panel gets new information. On the availability of money or financial flexibility, we are, as I said earlier, working with a number of local authorities.

Jim Fitzpatrick (Poplar and Limehouse) (Lab): I welcome the interim review. Dame Judith’s explanation to the media and the Select Committee today was very impressive. Will the Secretary of State tell us how many applications for the costs of cladding replacement and fire precautions, including fire marshals, have been registered with the first-tier tribunal by landlords and freeholders?

Sajid Javid: First, may I take the opportunity to thank the hon. Gentleman for the work that he does on the all-party group on fire safety and rescue? I also thank him for welcoming the report. He raises the issues of tribunals and leaseholders in relation to meeting the costs of building safety. I have made it clear that I expect private sector landlords to take the lead that has been shown by housing associations and local authorities. I have also increased the funding that is available from the Leasehold Advisory Service so that people can get proper advice.

Kate Green (Stretford and Urmston) (Lab): Local housing providers in my area tell me that there are now bottlenecks and delays both in accessing new cladding material and finding contractors to carry out the work. Can the Secretary of State say how quickly he thinks all properties can have new cladding if they need it, given that there are concerns about extra costs in relation to heating bills due to a lack of insulation if cladding has been removed, or for additional fire safety measures in the interim if it has not?

Sajid Javid: I reassure the hon. Lady that, right from the start of this terrible tragedy, when it was clear that a lot of cladding would have to be replaced, we worked very closely with the industry and the supply chain. That work has been led by the Department for Business, Energy and Industrial Strategy. I would be happy to write to her to provide further information.

Grahame Morris (Easington) (Lab): Since 2013 and the coroners’ reports into the Lakanhal House and Shirley Towers’ fires, it has been well established that our building regulations need to be overhauled. May I push the Secretary of State to elaborate on the details on page 13 of his statement and give a date by which the necessary changes to the building regulations will be made?

Sajid Javid: Part of me would love to give a specific date today, but the hon. Gentleman will understand that it would not be practical or sensible to do so. We must wait for the final report. In the meantime, there are interim measures that can be taken, including simplifying the guidance in Approved Document B, which we can start working on immediately. We will be able to give a date on the final overall changes to building regulations and building guidance only once we have the final report.

Mike Kane (Wythenshawe and Sale East) (Lab): This morning I met representatives of the Wythenshawe Community Housing Group, who estimate the cost of modifications to their blocks in my constituency at £6 million. If the Treasury allowed the works under the VAT shelter incentive, there would be a saving of £1.2 million. Are the Government considering that?

Sajid Javid: If I have heard the hon. Gentleman correctly, I believe that he is referring to a housing association. As I understand it, no housing association has approached the housing association regulator. If the housing association to which he refers wishes to do so, I am sure that it will be taken seriously.

Peter Kyle (Hove) (Lab): It was very good to hear the Secretary of State say in his statement that he was encouraging people to do the right thing and to hold to account those who try to cut corners. In order to do that, people need information. Does he agree with the call of my right hon. Friend the Member for Wentworth and Dearne (John Healey) that all fire test information needs to be made public from now on?

Sajid Javid: It is certainly worth looking at.

Jack Dromey (Birmingham, Erdington) (Lab) *rose*—

Chris Elmore (Ogmore) (Lab) *rose*—

Mr Speaker: Wow! What a difficult choice. I call Jack Dromey.

Jack Dromey: Six months on, despite the West Midlands Fire Service recommending the fitting of sprinklers, 10,000 households in 213 tower blocks in Birmingham are awaiting such action. The council has said that it will play its part, but as it is suffering the biggest cuts in local government history, it has looked to the Government to play their part. Nothing has been forthcoming.

This cannot go on, so will the Secretary of State agree to meet Birmingham's MPs and the tenants of tower blocks in Birmingham?

Sajid Javid: It is worth noting what Dame Judith said about sprinklers in her report. In summary, she recognises that a number of measures can be taken to improve the fire safety of buildings, but there is not any single one that is absolutely essential—advice must be taken about each particular building. With regard to Birmingham, as I have said about other councils, if it wishes to approach us about financial flexibilities, we will be happy to consider that.

Chris Elmore: I have raised the issue of combustible insulation with the Secretary of State before. I understand his Department's focus on cladding, but may I plead with him again? When these buildings are de-cladded, their insulation is exposed and this can cause problems with flammability. What is he doing to investigate this?

Sajid Javid: The hon. Gentleman is right to raise that point. The expert panel has looked at the issue and covered it in its guidance. It continues to monitor the situation and, if necessary, it will update that guidance.

Paul Flynn (Newport West) (Lab): Was Dame Judith right this morning to say that the Government were told in 2010 that the regulations were “not fit for purpose”? If so, this is a catastrophic failure of not only regulations but politics. If we are to lift the anxiety of the tens of thousands of people living in the 165 blocks of flats that are still at risk, should not the Government's action be not just inspection, but remedial action on a generous and swift basis?

Sajid Javid: I agree with the last bit of the hon. Gentleman's remarks—any action we take should be as swift as possible.

Harassment in Public Life

5.46 pm

The Secretary of State for the Home Department (Amber Rudd): With permission, Mr Speaker, I would like to make a statement on the Government's plan to tackle threats against MPs and harassment in public life.

I echo the Prime Minister's view that threats of violence and intimidation are completely unacceptable and have no place in our politics. Everybody should be treated with tolerance, decency and respect. Which party an MP stands for, and how they choose to vote, campaign or present themselves, should not be met with vitriolic and disgusting messages suggesting they should be "hung in public", "get what's coming" to them or, perhaps most unacceptably of all, that their unborn child should "die". Across this Chamber, we have much to disagree on, but I know we are agreed on this matter. Everyone in this House condemns particularly the abuse and harassment received by the right hon. Member for Hackney North and Stoke Newington (Ms Abbott); she has our entire support as we do so.

We cannot reach a situation in which people are put off from expressing their views, and engaging in debate or politics in the first place, because of fears of being targeted. Indeed, people being able to freely express their views is essential for our democracy. And it is not just those in politics who are being abused and threatened. Celebrities and other public figures often find themselves at the receiving end of the most horrific abuse. Even those who end up inadvertently in the public eye are being targeted. For instance, online trolls aimed vile and upsetting abuse at the victims of the London and Manchester terror attacks.

Although intimidation, abuse and harassment are nothing new, social media has provided those who wish to abuse others with greater opportunities to do so. The internet is more often than not a force for good, but it can also be a frightening and toxic place, and we know that abuse, misogyny and racism are found on social media platforms. Online abuse can cause stress, anxiety and even panic attacks.

I welcome the report of the Committee on Standards in Public Life on intimidation in public life, and I thank the committee for its thorough consideration. It was asked to undertake the review in the light of abuse experienced by parliamentary candidates—including those who stood in the 2017 general election campaign—that was highlighted by those across the political spectrum. The report provides a body of evidence showing the extent and nature of the problem, as well as the risks to freedom of speech and to diversity in public life if action is not taken. The report demonstrates that a significant proportion of candidates in the 2017 general election experienced harassment, abuse and intimidation, and that the widespread use of social media platforms is the most significant factor driving the behaviour that we are seeing. Worryingly, this is already affecting the ways in which MPs are relating to their constituents, and has put off candidates who would otherwise want to stand for public office.

The report makes recommendations for Government, political parties, social media companies, the media, law enforcement and everyone in public life. This reflects

the fact that tackling abuse is a joint responsibility. We will consider the recommendations in detail, and we will respond to them in due course, but I would like to take the opportunity today to set out what the Government are already doing to address harassment in public life.

Online abusers, or trolls as they are sometimes known, believe that they can act with impunity and that there are no consequences for their actions. I am clear that that is not the case. The law does not differentiate between criminal offences committed on social media or committed anywhere else.

We already have robust legislation in place to deal with internet trolls, cyber-stalking, harassment and perpetrators of grossly offensive, obscene or menacing behaviour. Effective laws need effective enforcement, and that is why we are also working to strengthen the criminal justice response to these issues to ensure that those who break the law online are brought to justice. The Crown Prosecution Service recently revised its guidelines on social media to incorporate new and emerging crimes that are being committed online. It also reiterates and clarifies that offences committed online invite the same consequences as those committed offline.

We are working to improve the response from law enforcement agencies. We know that local forces need to get better at investigating digital crimes, and we are investing nearly £17 million through the police transformation fund to meet the challenges we face in the digital era. That includes providing the police with better capabilities to investigate online crimes.

We have provided funding for a new national hub to tackle the emerging threat of online hate crime. The hub, run by police officers, will work to ensure that online cases are managed more effectively and efficiently, providing better support for victims and streamlining the process for frontline police officers.

The Committee on Standards in Public Life particularly highlighted the role that social media has had in the proliferation of abuse and harassment in public life, and we are taking clear action to make the UK the safest place to go online. In October, we published the internet safety strategy Green Paper, which sets out a high level of ambition for how everyone must play a role in tackling online harms.

One of the things we have consulted on is the introduction of transparency reporting for social media companies. This means that social media companies will be expected to publish information about what reports they are receiving on harmful content and to set out how they have responded. This will provide us with the information we need to better understand who is being targeted and what the nature of the behaviour is so that we might better respond to this growing problem. We have also committed to establishing a code of practice for social media companies, which will set out what they should do about harmful or inappropriate conduct taking place on their platforms.

I know that it can be a frightening thing to be on the receiving end of a threat, but I want to reassure Members of the House that arrangements are in place to ensure their safety. MPs' security is the responsibility of the Parliamentary Security Department, which works closely with the police to ensure that appropriate security measures are in place. They provide personal security advice and guidance, and there is a package of security measures available for homes and constituency offices.

It is completely unacceptable that torrents of abuse and threats are directed at public figures. People being abused for their views, their work or simply who they are will never be allowed to become the new normal. Each gruesome threat is a reminder that there is a dark, unpleasant underbelly of our society—that there is a small minority who bully and demean for entertainment and out of malice. We must make it clear at every opportunity that this sort of behaviour is not acceptable and that it is the responsibility of everyone to call it out and to work together to protect our democracy and to ensure that we retain healthy public debate on the issues that matter to us.

Harassment and abuse are problems that reach beyond political divides, beyond organisational boundaries and beyond the public sector, and the recommendations by the Committee on Standards in Public Life reflect that. One of the key recommendations is for public leaders to call out and condemn this behaviour where it occurs, and my statement here today demonstrates this Government's commitment to do just that. I commend the statement to the House.

5.54 pm

Ms Diane Abbott (Hackney North and Stoke Newington) (Lab): Does the Home Secretary agree that vigorous debate and insults have been a feature of political life in this country for centuries? It was the distinguished Conservative politician Benjamin Disraeli who described the smile of his opponent Robert Peel as resembling “the silver fittings on a coffin.”

But does she also agree that the abuse and harassment of recent years is qualitatively different? It is partly the sheer volume, which is facilitated by social media. Nobody who has sat at home and seen literally hundreds of abusive tweets flood their timeline can underestimate the psychological pressure these things put on us all. But it is also the brutal sexism and racism, together with threats of rape and violence, which are a world away from the studied insults of the Victorian House of Commons. And, of course, there was the murder of our colleague Jo Cox.

The Home Secretary will be aware that I have some knowledge of these matters, as fully 45% of this abuse on Twitter in the run-up to the last general election was directed at me. Does she agree, however, that it is unhelpful to suggest that abuse and harassment are the sole preserve of any particular political party or any faction of a political party?

Social media companies have a role to play. They are quick to take down material that is in breach of copyright; they need to be made to react as quickly to offensive material and material that incites hatred or even violence. If necessary, a system of punitive fines should be put in place.

But mainstream media also have a role to play. When politicians get death threats as a result of how they vote in this House, that is not the primary responsibility of social media companies; if anyone is responsible, it is the headline writers who accuse judges of being enemies of the people, and elected Members of Parliament of being mutineers and saboteurs, when all they are doing is exercising their civil right to cast their vote in the House of Commons.

Political parties also have a role to play. All parties should be wary of attack ads, posters, Facebook advertising and political narratives that implicitly target

particular politicians on the basis of race, colour and creed. That would be the lowest form of dog-whistle politics.

When people online use the N word, and when they use racist, homophobic, misogynistic, anti-Semitic or anti-Muslim language, that is not acceptable. Threats, and the use of memes of people being hanged or targeted in crosshairs, against any party or public official, from whatever quarter, are equally unacceptable. However, Opposition Members believe that the knee-jerk reaction to every problem cannot be yet more legislation. There are laws against abuse, threats and violence, and before we consider fresh legislation, these existing laws need to be properly enforced against every perpetrator and to defend every victim. In particular, Opposition Members query whether there needs to be special legislation for people in public life. Abuse and harassment are not acceptable for anyone.

Finally, does the Home Secretary agree that we need to deal with this acknowledged crisis of abuse for the sake not just of those of us who are currently Members of this House but of young people who might be considering a career in public life but are rightly horrified by current levels of abuse?

Amber Rudd: I find much to agree with in the right hon. Lady's comments. To start with her final one, that is such an important point. This is not just about the Members of Parliament who are sitting here. We are none of us wallflowers or made of glass. We expect scrutiny, but we do not expect, and nor should we receive, the sorts of threats that some of my colleagues and some of hers have received—it is completely unacceptable. However, it goes wider than that. Other people considering a life in the public arena will look at us and hear about some of the abuse that we have received, and it will put them off. That is unacceptable as well. This has a much further, wider reach than just the MPs who are here. That is why it is so important that her party and mine are so clear that it is unacceptable and that we will call it out.

As the right hon. Lady rightly says, there is a tradition of debate in this place. Some of it can verge on the rude, but there is no need for it to verge towards and over the threshold of actually being threatening. I agree that there is no need to single out an individual source. She particularly names a political party. Other colleagues may have a view on that. We must be clear that the real attackers here—the villains in this particular area—are the people who write and deliver these attacks. Some of my colleagues, like, I am sure, some of hers, have received those attacks not online but through the post or through telephone communication. This is all unacceptable, and we will always call it out.

Several hon. Members *rose*—

Mr Speaker: Order. In a bid to accommodate colleagues on this very important matter, may I appeal to Members for brevity, and to those who arrived late not to expect to be called?

Anna Soubry (Broxtowe) (Con): Thank you, Mr Speaker, for the support that you have given to some of us who in recent days have had particular death threats and abuse because of—as has been identified by both the shadow

[Anna Soubry]

Home Secretary and the Home Secretary—newspaper comments. I am not going to go into them at length; others can talk about that. My question to the Home Secretary is quite specific.

You, Mr Speaker, have seen quite clearly, in the two dossiers that I have presented to you, a link between a front page of *The Daily Telegraph* using the word “mutineers” and threats, including death threats, made to me and to other right hon. and hon. Members. Then last week, with the *Daily Mail*, again, specifically, you can see the link between words that are used and being called traitors, with comments like “Traitors get hanged”—or “hung”. There is lots of bad grammar. But this is serious stuff.

I commend the Home Secretary for her statement. She says that we have to call this out, and she is right. I am an old journalist as well as an old barrister. I believe in freedom of the press, but everybody has a responsibility not to incite abuse and death threats. Will the Home Secretary help us with any thoughts and plans that she might have as to how we get a more responsible press that understands its role and its public duty in doing the right thing by everybody?

Amber Rudd: My right hon. Friend speaks with such clarity from her personal experience. She has shared with me copies of some of the threats that she received, and they are truly appalling. I modestly pay tribute to her strength of character and ability to stand up and to continue to fight her case, for which I have enormous respect. Given that everybody knows the level of abuse that is taking place towards MPs and more widely in public life, everybody should consider very carefully the language that they use so that it does not incite the sort of activity of which we have seen too much, and to which there is such a high cost, not only to the individuals involved but, as has been stated, to the enthusiasm of other people to join us in public life. We need to think very carefully about the type of language that is used in order not to give succour to the type of violence that can follow.

Joanna Cherry (Edinburgh South West) (SNP): On behalf of the Scottish National party, I welcome this timely report on intimidation in public life. The report highlights how minority religious groups and ethnic groups, women and LBT women experience the highest levels of abuse. Research published recently by Amnesty International found that in the period 1 January to 8 June, female Members of Parliament from all parties were sent more than 25,000 abusive messages on Twitter. As has been said, the right hon. Member for Hackney North and Stoke Newington (Ms Abbott) received by far the greatest share of that abuse. I pay tribute to her for the courage that she displays in continuing in the face of it.

Researchers had to set the right hon. Lady’s results to one side in order to provide analysis of the abuse that the rest of us were receiving. The research revealed that I was the second most abused female MP in this House during that period. I can tell the House that the daily diet of sexist, homophobic and anti-Catholic abuse that I receive on Twitter not only wears me down but has a serious effect on my family and my loved ones. I have no doubt that the abuse that we all receive is designed to

intimidate us and prevent us from speaking out. We saw that at its zenith last week when people who had dared to vote in line with their conscience were attacked. I pay tribute to the right hon. Member for Broxtowe (Anna Soubry) for calling out some newspapers in this respect. It is an attack on democracy.

Will the Home Secretary confirm that she will not only consider the terms of this report carefully but take action? Deadlines for action on some of the recommendations are set out in the report. Will she set up some sort of monitoring process to tell us whether the Government are acting and on which recommendations, and to track their actions?

There is a real issue about discrimination against women discouraging young women, women of colour, women of religious or ethnic minorities, LBTI women, and women with disabilities from entering politics. Will the Home Secretary reassure me that action will be taken to make sure that these young women are not put off from entering this House or, indeed, any of the other Parliaments in these islands?

Amber Rudd: I thank the hon. and learned Lady for her constructive comments. By being here to make those points and to stand up against the harassment, she is herself a great example that I hope other women will be inspired to follow. It is so important for other women to have these sorts of role models who have the courage of their convictions to stand up and oppose the abuse, and to say how they will attack it.

The Government have just received the publication. We will look carefully at its recommendations, which are varied. I share some of the concerns raised by the right hon. Member for Hackney North and Stoke Newington (Ms Abbott) about whether additional legislation is required for people in public life. I share her view that people in public life should not necessarily have additional coverage, because all abuse is unwelcome, but we do not yet rule out legislation. I would welcome an early conversation with her, and with the hon. and learned Member for Edinburgh South West (Joanna Cherry), to discuss that. The hon. and learned Lady made the very important point that, in a bid to increase diversity in this House, we have an extra duty to combat this abuse.

Mr Dominic Grieve (Beaconsfield) (Con): We are not exactly shrinking violets in this House, and I think that most of us are perfectly capable of engaging in robust debate. I have to say, however, that I have been shocked by the level of vitriolic abuse that I have received in the past week, and shocked also to realise that actually this is the new normal for large numbers of Members of this House—a sort of hidden unpleasantness that dominates our lives. I am concerned that, while undoubtedly some of it comes from people who may be a little unhinged, the stimulus for it undoubtedly, as has been suggested, comes from some sections of the national media choosing to report the politics of this country in a way that is designed to entertain but also to intimidate. This is all the more remarkable because when, about a year ago, I criticised one national newspaper, the *Daily Mail*, for its attack on the judiciary over article 50, its response was to threaten to sue me for libel.

One really has to wonder how this extraordinary unpleasantness has crept in. I think that the Home Secretary may agree that we are going to have to stand

up for decency in public discourse and face this down. If we do it collectively, then we do not need to change the law—we can prosecute those who cross the boundary. Then we may be able to face down what seems to me to be a deeply unpleasant phenomenon in our society at present.

Amber Rudd: I share the view of my right hon. and learned Friend that this must not be allowed to become the new normal. That is why I am here to make this statement. It is also why so many colleagues across the House—and you, Mr Speaker—feel so strongly about this issue. Let us make this a tipping point where we call it out and say “No more”. We in the Government will take action. We have set out elements of the action that is already being taken. We have the Committee’s recommendations, and we will look carefully at them. I will certainly join my right hon. and learned Friend in making sure that we call this out and ask for a new type of behaviour, so that colleagues do not receive the sort of intimidation that they have experienced.

Ms Harriet Harman (Camberwell and Peckham) (Lab): I fully endorse the words of my right hon. Friend the shadow Home Secretary. I thank the Home Secretary for her statement, but I want to press her on the question of death threats to MPs because of how they voted in last week’s debate. Does she agree that we have here a toxic triangle, which is made up of the divisiveness of the Brexit issue, *The Daily Telegraph* and the *Daily Mail* identifying certain Members as targets and framing the attack on them and—facilitated by social media—the mob following? When MPs in other countries are threatened with violence because of how they vote, we call that tyranny, and we call that fascism, but that is what is happening here.

As well as rightly commending the bravery of her Conservative colleagues, will the Home Secretary be brave herself and call in the editors of the *Daily Mail* and *The Daily Telegraph*? We have more contentious votes ahead of us, and there are people out there who are vulnerable to being incited to violence. Barely 18 months ago, our colleague Jo Cox was killed. The safety of MPs is at stake here, and so, too, is our democracy.

Amber Rudd: The right hon. and learned Lady makes a passionate case about the difficulties, challenges and very real threats that all MPs find themselves facing. Let us be clear that the real criminals are the instigators of these threats and attacks. Everybody should be clear that anything that is illegal offline is illegal online, so anybody who is in receipt of such a threat should go to the police, so that action can be taken.

From the Government’s point of view, we have made sure that the police have the resources to address the problem. We have invested, through the police transformation fund, in new digital advice to ensure that the police know how to record for evidence the types of accusation and attack that Members may receive online, so that there is a proper trail of evidence for prosecution. I believe that the attackers are the clear enemy, and we should focus our policy on them.

Nicky Morgan (Loughborough) (Con): Let us be very clear about what is happening here. Wherever the abuse comes from, it is a deliberate action to remove

from the public space certain voices that these people do not agree with. I applaud all the comments that have been made so far, particularly those made by my right hon. and learned Friend the Member for Beaconsfield (Mr Grieve), who called on us all to act collectively.

Does the Home Secretary agree that it is not enough simply to say that such abuse is appalling? We have all got to think about every word that we use. We are all used to robust political debate, but the way in which we manage ourselves and our teams, the way in which Departments are managed, the way in which the Front Bench teams are managed and the way in which party leaders allow their campaigners to operate, conduct campaigns and put material on social media all contribute to how people see our politics and our democracy. It will put people off going into public life if the Members in this House today do not call out such unacceptable abuse every time they see it unfolding online or in the press.

Amber Rudd: My right hon. Friend’s question follows on from that asked by my right hon. and learned Friend the Member for Beaconsfield (Mr Grieve). I agree that we must call out such abuse and not allow it to become the new normal.

My right hon. Friend makes a particular point about the past 10 days or so, during which I know several colleagues have received a particularly large number of nasty threats and attacks. I point out to her that a number of colleagues have experienced such levels of intimidation and threat for a much longer period. I know that because those colleagues have approached me, or because I have heard about them approaching their own chief of police to report threats and request additional security, not only for themselves but sometimes for their staff. This has not just happened in the past few weeks; it happened more than a year ago, and in some cases two years ago. We must not simply accept that such abuse is part of the life of an MP. It is not acceptable, and now is the time for us to call it out and make the necessary changes together.

Yvette Cooper (Normanton, Pontefract and Castleford) (Lab): We all believe in passion in politics, as well as in disagreement and argument, but when that passion turns to poison, it can undermine democracy itself. I welcome the Home Secretary’s statement and strongly support the strength and the words of the shadow Home Secretary. We will be hearing in the Home Affairs Committee tomorrow from Google, Facebook and Twitter about the further action we want them to take to tackle online abuse; they have all been urged to do more.

I must press the Home Secretary again on an issue that has been raised by Members from all parts of the House—namely, the need to challenge national newspapers if they do things that incite death threats or have an impact on the quality of our debate. In its report, the Committee on Standards in Public Life called on us all to show leadership and condemn individual cases. I asked the Prime Minister earlier to take the opportunity to say that the *Daily Mail* was wrong to call people treacherous. May I ask the Home Secretary to show some leadership and do so, even though the Prime Minister did not?

Amber Rudd: I welcome the right hon. Lady’s inquiry into online abuse, which she is taking forward tomorrow. I also welcome Twitter’s statement today about taking

[Amber Rudd]

down a number of particularly hateful accounts; it shows that action is being taken. Google has announced that it will be publishing transparency reports. At least action is being taken in an area that has, I know, caused a great deal of harm and concern to very many of us.

I repeat that I believe that the real issue is the attackers, who are potentially launching their hate and abuse. As far as the media are concerned, it covers not just national newspapers but internet companies, commentators and television. I hope and expect that the level of discourse here today, and further in response to the Committee's investigations, will start to engage them; and that they will notice that their language must reflect the fact that MPs are beginning to talk about hate threats and threats of violence as the new normal. We need their assistance to step down from that.

Antoinette Sandbach (Eddisbury) (Con): Like many of my colleagues, last week I was subjected to hundreds and hundreds of emails, many of which were abusive. The situation was not helped by Members calling for deselections. There is a clear link between abuse and certain parts of particular political parties calling for deselection. Will the Home Secretary condemn that linkage and work across this House to ensure that Members, who are democratically elected by their constituents, can stand here, speak for their constituents and vote in accordance with their conscience without such threats hanging over them?

Amber Rudd: My hon. Friend is an exceptional Member of Parliament. She is always speaking out on behalf of not just our constituents, but what she believes in. I absolutely believe, as I think most colleagues in this House do, that she is exactly the sort of Member of Parliament that we should have here. Members such as my hon. Friend enhance our democracy, so she has my entire support.

Stephen Doughty (Cardiff South and Penarth) (Lab/Co-op): I am sorry to say that I, too, have received threats. A fake bomb was sent to my office. I have experienced homophobia. I have had threats of hanging, and I received a threat this week from someone who said that all traitors should be shot.

We have to accept that there is a plague on all our houses when it comes to the operation of some parts of the fringes of our political parties. I am sick and tired of the abuse that individuals receive in my own party. A party member told me that hanging was too good for me. I am sick and tired of abuse such as I received during the Scottish referendum, when I was told that I was a dirty traitor to the Celts. When we see the sort of abuse that Conservative Members have received from certain newspapers and elements in their own party, we simply have to stand up and say, "This is not acceptable."

Social media has a massive part in this. The Home Secretary has referred to the action that Twitter has taken today—I welcome that action—by banning Britain First and the two individuals who created the tweets that the President of the United States retweeted. Will she speak to social media organisations and tell them that they need to get their house in order? They have had three weeks to take action, and they did not do so until today. They need to sort themselves out.

Amber Rudd: The hon. Gentleman raises such an important point. It is tragic to hear about the attacks on him, so I am pleased that he has had the opportunity to put them on the record. I hope that we will start to turn this around, and I wholly agree with him that we need to see more action from communications service providers. As I have said, I am delighted that the Home Affairs Committee is playing its part, and we in the Government will certainly play our part in making sure that they do more, act faster and go further to protect everybody.

Sir Hugo Swire (East Devon) (Con): May I add my congratulations to Lord Bew on presiding over a typically balanced and well researched piece of work? When some time ago I asked my right hon. Friend's then ministerial colleague, my hon. Friend the Member for Truro and Falmouth (Sarah Newton), what the figures for successful hate crime prosecutions were, she said that she did not have the figures to hand at the time. Although I very much welcome the tone of my right hon. Friend's statement about looking again at the Crown Prosecution Service's guidance and about more funding for local police forces to investigate digital crimes in particular, will she reassure me that both the CPS and police forces nationally and locally will take this more seriously and that we will see some successful prosecutions to warn off others who would follow in their wake?

Amber Rudd: My right hon. Friend raises such an important point. Part of addressing hate on social media is about preventing it, but we also need to make sure that we pursue people and get convictions. I am pleased to say that CPS prosecutions for online hate crime are up 68% in the past three years, and we are ensuring we have a programme of work in place to improve police forces' digital capability. I hope that he will feel that we are addressing this, but there is obviously more to do.

Chuka Umunna (Streatham) (Lab): I believe something very dangerous is going on in our country. As the hon. Member for Eddisbury (Antoinette Sandbach) said, it is being perpetrated, unfortunately, by some Members, certainly by members of other bodies and definitely by elements of our media. What they do is to imply to varying degrees that if Brexit—there is undoubtedly a link to that issue—is not delivered in certain terms, there will be violence. For example, the leading UKIP MEP Nigel Farage said at a dinner earlier this year that if Brexit was not delivered to his satisfaction he would be "forced to don khaki" and to "pick up a rifle". Does the Home Secretary agree that this type of talk, whether said in jest or otherwise, is totally and utterly unacceptable because the effect is to justify violence when under no circumstances would it ever be acceptable?

May I just press the Home Secretary again about the fact that there is no doubt that *The Daily Telegraph* and the *Daily Mail* have a particular role to play, given their disgusting equivalents of wanted lists on their front pages? What is she doing to engage with those publications in particular?

Amber Rudd: The most important point that the hon. Gentleman makes is about language. I completely agree with him that the language that was used by Nigel Farage, as he described, is the sort of inciting language that is completely unwelcome in an environment where

we are trying to protect not just MPs, but anybody in public office and the people who will come after them. I urge media companies—online and offline—to consider that very carefully, because of the atmosphere in which some of these debates are taking place.

Dr Sarah Wollaston (Totnes) (Con): Sadly, abuse and intimidation are directed not just against those in public life, but against their families and those who work alongside them. I am sure the whole House will want to join me in paying tribute to our amazing teams in our constituency and parliamentary offices—in my case, Nina Smith, Lucy Mannion and Daragh Quinn—who deal with people with unfailing courtesy and respect. It is a great shame that, after I am targeted as a traitor by organisations such as the *Daily Mail*, the extent of the abusive calls is unfortunately so great that I have to ask them to work from home, and that when Members listen to this stuff—when we go in and work alongside them the next day—we find that it is truly shocking and unacceptable.

Amber Rudd: I thank my hon. Friend for making such an important point. It is for us all to remember that our staff—they are the frontline—so often have to deal with these abusive phone calls, and they do such a fantastic job in usually protecting us from them, but they often have to deal with a torrent of abuse. Yes, I completely share her view, and I wholeheartedly endorse what she says about the people who work for her, as I do about everybody whose staff working for them put up with a level of abuse that we all have to endure.

Jamie Stone (Caithness, Sutherland and Easter Ross) (LD): On behalf of my party, I warmly—I repeat, warmly—welcome what the Home Secretary has said to us today. May I suggest that one way to help to tackle this problem would be to redouble our efforts in teaching about democracy, and teaching about debate and the courtesy of debate, in our schools the length and breadth of the United Kingdom?

Amber Rudd: That is a very interesting point. I believe that the coarsening of debate in the political environment has led to the acceleration of this, and I will certainly pass on that point to the Department for Education.

Mr Philip Hollobone (Kettering) (Con): I am beginning to think that it is almost impossible to mix politics with Facebook and Twitter. These platforms are just made for anonymous abuse, and they do not contribute to modern civilisation. They encourage people to instant outrage, because they have to react immediately, without any pause for reflective thought. There is just an automatic direction towards abusing somebody, rather than towards debating, discussing and, importantly, listening because these platforms are for the transmission not the receipt of ideas. To my mind, they do not enhance our democracy in any way at national level, but also, importantly, they do not do so in relation to local councillors at local level.

Amber Rudd: My hon. Friend makes such an important point. That is largely, but not exclusively, where a lot of the hate comes from. For my own part, I no longer look at my Twitter timeline, but I know that plenty of people, particularly younger people, live online and they should not be put off coming into public life because they would then be expected not to engage on Facebook or Twitter.

We must have an environment in which such people can continue to engage in their normal communications and go into public life if they choose to do so.

Catherine West (Hornsey and Wood Green) (Lab): Will the Home Secretary join me in condemning the behaviour in my constituency this weekend of an individual attending the William Hill darts championship who got dressed up as the shadow Home Secretary, put that on Twitter, and began making insults and using racist and demeaning language? Is the Home Secretary pleased, as I am, that the venue in my constituency was able to eject the individual and that we have robust approaches to dealing with this? Will she condemn it, and will she perhaps look again at whether we can do anything more in relation to licensing to ensure that, at sporting events and in entertainment venues, we are doing all we can to clamp down on racism or disgusting and demeaning behaviour to those in public life?

Amber Rudd: I wholeheartedly condemn that. It sounds as though it was dealt with appropriately, so I commend the officers engaged with and delivering on that. If the hon. Lady felt that we should be doing anything in addition, I would welcome an early appointment with her, so that she can tell me what that is. I urge her to have a look at the recent report from Lord Bew to see whether anything should be added.

Alec Shelbrooke (Elmet and Rothwell) (Con): The difference between social media and the printed media is the anonymity factor. Will my right hon. Friend listen very carefully to the investigation about what can be done that is being undertaken by the right hon. Member for Normanton, Pontefract and Castleford (Yvette Cooper)? At the end of the day, social media is becoming a cancer in our society, but the people who own and run it can actually be the surgeons who remove that cancer. They need to be encouraged to do so, because we will otherwise disengage from social media and have a lack of democratic accountability, which would be a pity.

Amber Rudd: Yes, I agree with my hon. Friend. We cannot have a situation in which people are expected to disengage from social media to avoid the abuse. As I have said, I am delighted that the Home Affairs Committee is taking this forward as well.

Angela Smith (Penistone and Stocksbridge) (Lab): It appeared during those terrible days following the murder of Jo Cox—16 June 2016—that the politics of hope and unity would triumph over the politics of division and hatred, but, sadly, we were wrong and we are now in a much worse place than we were at that moment. The intimidation is not just from anonymous people on Twitter, but even between colleagues attacking each other in this place—my heart goes out to those who were attacked last week—and division between those on Government and Opposition Benches, although I consider friendship to be above politics, as well as from our councillors and some of our party members. Will the Home Secretary ensure that any action taken includes consideration of the need for our political parties to understand that intimidation and abuse from Members is as bad as intimidation and abuse from anywhere else?

Amber Rudd: The hon. Lady raises a very important point in an appropriate and delicate way, but I think everybody knows exactly what she is highlighting. I share

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her views. We need to clean up our own houses as well as working across houses. I hope that her party, as well as mine, will listen carefully to the points she raises.

Simon Hart (Carmarthen West and South Pembrokeshire) (Con): On that point, the Committee on Standards in Public Life, of which I am a member, reported in some detail on party leadership. It strikes me that simply calling out bad behaviour may be going nothing like far enough, so will the Home Secretary, at least on behalf of our party, assure us that not only will offending activists and third parties be brought to book, but it will be done in a public and robust manner?

Amber Rudd: My hon. Friend is quite right. May I take this opportunity to thank him for his work on the Committee on Standards in Public Life and to thank Lord Bew for his leadership in delivering the report, which makes a number of recommendations? I may talk delicately across the Floor of the House with the hon. Member for Penistone and Stocksbridge (Angela Smith), but there are some very clear recommendations in the report and some very hard-hitting points. I urge everybody to ensure that their party leaders are held to account and deliver on those.

Jim Shannon (Strangford) (DUP): I thank the Home Secretary for her statement and the firmness of her response. Will she outline what protection and support there is for staff in constituency offices, bearing in mind that they can be accosted by constituents regarding casework in their personal time, and can be subject to verbal and sometimes physical abuse?

Amber Rudd: The hon. Gentleman is absolutely right. As my hon. Friend the Member for Totnes (Dr Wollaston) commented, the staff in our offices are often on the frontline of this abuse. We have to make sure that they are protected. This is not just about us; it is about a wider group of public servants, such as our staff. I agree with him that it is equally important to protect them. I hope that if he looks at the report, he will see that that point is addressed, but if he has further concerns he should come and talk to me about them.

Rebecca Pow (Taunton Deane) (Con): I will pick up on a point that was made from the Opposition Benches. Where do our children learn to trust? Where do they learn what is right, what is wrong and what is acceptable behaviour? I honestly think that we have to deal in our education system and in our schools with the issue of social media and how we conduct ourselves as citizens, because what is happening now is truly unacceptable in so many cases.

Amber Rudd: My hon. Friend is right. In citizenship classes, there is an online element that I would expect to be covered. That point has been made by other Members, and I will ensure that the Department for Education hears it. I think that our children hear about what is acceptable when they hear people like us calling things out, saying, “No more,” insisting that this is the end of such abuse, and saying that we will take action. It is by example that they learn.

Chris Bryant (Rhondda) (Lab): Mr Speaker, the first thing you did as Speaker, as is required, was to go to the House of Lords and demand the traditional privileges

of this House. At the top of that list is freedom of speech. We should be able to speak our mind without fear or favour and, for that matter, to vote without fear or favour. What we have seen over the past week is a deliberate attempt to humiliate, to bully, to intimidate and to prevent people from doing what is their democratic right. We will not be a Parliament—we will not be a free Parliament—if we continue to allow that to go on.

The worst of it is that there is a concatenation here. Yes, the newspapers, with the authority they have, are putting horrible stories on their front pages and effectively lining people up as if they should be politically shot. An amplification then goes on through social media. But there are also international actors involved in this. There are Russian bots deliberately seeking to intimidate Members of this Parliament.

I do not believe for a single instant that the Government are taking this seriously enough. At the beginning of my time in Parliament, I might have got one death threat a year; it is now one death threat a week and several a month. Until we see real action—until I know that a police officer will one day ring me back and say, “We have done something about it. That person is going to prison.”—I honestly will not believe that the Government really know what is going on out there.

Amber Rudd: Let us make that change ourselves. Let us make sure that our voice is heard clearly, loudly and effectively. Let us say that this is the point at which we will make those changes. We have made it clear that the sorts of activities the hon. Gentleman describes are illegal online, as they are offline, and I would expect them to be reported. We are seeing prosecutions by the CPS, and the police are taking it seriously and are much better trained on digital evidence. I would expect that to start to make a difference.

Mark Menzies (Fylde) (Con): I welcome the sentiments of the Home Secretary and what she has said today, but when it comes to social media, the time for pussyfooting is over. These are multibillion-pound companies that have the resource to tackle this issue if they want to. What is the Home Secretary doing to tackle those who hide behind anonymous accounts, making it very hard to close them down and to pursue them through the courts? That is something that she should be tackling with the social media companies.

Amber Rudd: I say to my hon. Friend that there is no pussyfooting on this side of the House. We are determined to ensure that the social media companies are held to account. As I said earlier, we are pleased that Google has announced that it will publish transparency reports. Twitter has taken action. It is not enough, but it is an important step in an area that we care about so much. We need to make sure that the people who do these sorts of things and make these sorts of posts are held accountable. We will achieve that by leaning into the social media companies.

Liz Saville Roberts (Dwyfor Meirionnydd) (PC): The Government regularly state that what is illegal in the real world is also illegal in the virtual world. Effective laws need effective enforcement, yet the Home Office has allocated only £200,000 to the online hate crime hub. Now that exercising the sovereignty of this House

is resulting in death threats, will the Government make sufficient financial resources available to protect all victims?

Amber Rudd: The hon. Lady has drawn attention to one element of our strategy—the online hate hub, which is staffed by police officers who centralise and act on reports of hate—but that is by no means the only activity. The CPS has increased the number of prosecutions by 68% over the past three years and we have put £17 million from the police transformation fund into proper engagement with different police forces to ensure that they have the right skills for the digital recording of the evidence. I reassure the hon. Lady that the online hate hub is only one part of a strategy and we will take action.

Tom Pursglove (Corby) (Con): There is a fine line, is there not, between disagreeing with someone and being deliberately disingenuous with a view to inciting hatred and harassment, often repeatedly and often for political advantage? Does my right hon. Friend agree that that is corrosive for our political discourse and that it has to stop, but that in order for it to stop we need leadership from across the political spectrum?

Amber Rudd: I agree that there is nothing wrong with argument and a little bit of rudeness, but that the sorts of examples that we have been quoting are absolutely unacceptable. We need to work across the House to ensure that we have a proper answer and strategy to combat them.

Liz McInnes (Heywood and Middleton) (Lab): Does the Home Secretary agree that it is high time we brought back respect in public life? This is not just about MPs, but about the people who provide our public services. When I was told by a constituent during the last election that it was part of my job to take abuse, I spoke to a local police officer about it and he said, “Welcome to my world.” Does she agree that we must lead by example on these Benches?

Amber Rudd: I agree completely with the hon. Lady. I had a similar experience when I was a Back-Bench MP, when somebody said, “Well you’re an MP—you can take it.” MPs are not blushing wallflowers, but nor should we have to take that sort of abuse. I would welcome the sort of approach she sets out.

Nigel Huddleston (Mid Worcestershire) (Con): Does the Home Secretary agree that we must all take personal responsibility on this issue and that any Member of this place whose name or hashtag is persistently associated with hate-filled comments on social media must do everything to distance themselves from such campaigns? Otherwise, they deserve the disdain of the entire House.

Amber Rudd: That is a very good point about something constructive that each of us can do. When we see one of our colleagues in the House receiving this sort of hate crime, we can go out of our way to call it out or, at the very least, not participate in any sort of endorsement, which sometimes does take place.

Susan Elan Jones (Clwyd South) (Lab): There has been some talk here today about certain front page newspaper articles in the *Daily Mail*. Would the Home Secretary like to clarify whether she considers them to be totally unacceptable?

Amber Rudd: What I would like to say is that the people to blame are the people making the threats and the attacks. It is not just about one media channel, but the whole arena. It is about making sure that we all call out the language. The hon. Lady may have one particular target and other MPs may have different particular candidates they want to call out, but I am very clear that any use of that sort of language to denigrate MPs can lead to the sorts of attacks that should not take place.

Dr Lisa Cameron (East Kilbride, Strathaven and Lesmahagow) (SNP): I thank Lord Bew for a very robust report. Having experienced death threats and a campaign of sustained harassment towards me, my family and my excellent staff, I note that the report indicates that political parties must show leadership and do something that perhaps does not come naturally: work together and enforce a code of conduct for Members. How does the Home Secretary see that going forward, and does she have a timeframe for taking that very important step?

Amber Rudd: I thank the hon. Lady for her comments. I know she, like us, feels very strongly about this. It is a very good report and there is a lot for us to do. It calls for party leaders to call this out and to take action. I am standing here making sure that I reassure Members that we will be taking action. There are a number of different particular items. One we have not discussed today is additional legislation for people in public life. We have agreed to look at that, but we are not yet convinced that it needs to be done. I will certainly come back to her before deciding whether to go forward with it.

Sarah Champion (Rotherham) (Lab): I am sure that everybody in this House recognises that the abuse and intimidation, mainly online, faced by people in public office is replicated and symptomatic of what is happening across the country, including to children. I welcome the Department for Education bringing in relationship education to teach children to respect themselves and others, but will the Home Secretary commit to extra resources for police, not just for training but so they can protect and prosecute?

Amber Rudd: We have put £17 million of resources from the police transformation fund to support the police, so they can have the tools they need to collect evidence when there are online threats. We will always make sure that the police have sufficient resources to do their jobs.

Christian Matheson (City of Chester) (Lab): In welcoming the Home Secretary’s statement, may I press her on this idea of focusing on the attackers? Just as a clockwork mouse will only scamper across the floor if it is wound up, so some of these keyboard warriors will only take to their computers if they are incited by billionaire tax-dodging newspaper owners—or their editors. Does the Home Secretary accept that there is an element of incitement in some of the shocking newspaper headlines and that that incitement corrodes the quality of our democracy?

Amber Rudd: The hon. Gentleman refers to the language used. The point I have made in my statement and in answer to questions is that we should all—media companies, too—consider very carefully the sort of language used in our debates. I would also ask him to consider very

[Amber Rudd]

carefully some of the language used by those on the shadow Front Bench about some of my fellow MPs on the Government Benches. We have to be very careful about the type of language used, not just by media companies but by individuals in this House.

Ian Paisley (North Antrim) (DUP): I welcome the Home Secretary's comments about language. It was not social media that made, carried or celebrated a massive banner at the Gay Pride celebrations in Trafalgar Square this summer proclaiming—I spell out the word—"F-u-c-k the DUP", but an identifiable individual, reported to the CPS and the Metropolitan police, whom I could name but will not. The report referred to by the Home Secretary claims:

"We are persuaded that the CPS guidelines are reasonable and proportionate."

The fact of the matter is that if such a banner was carried in any other jurisdiction of the United Kingdom that person would have met the test and would have been prosecuted and probably fined. I hope the Home Secretary will consider legislative change to lower the threshold, so such crimes can be dealt with properly by the police and the CPS. I hope she will also consider an additional tariff on a person's sentence if a public representative is attacked verbally or abused physically.

Amber Rudd: I am not familiar with the individual case the hon. Gentleman raises, but if he would like to write to me about it I will certainly take a look at his recommendation. It is interesting to hear his view about the requirement for additional legislation. No doubt we will be looking at that when we consider the Committee's responses.

Chris Elmore (Ogmore) (Lab): Mr Speaker, you will be aware that I joined this House in May 2016 after a by-election. Before that election, newspaper articles claimed that I did not live at the address I did live at. Despite the Labour party offering proof, without doubt, that I lived at my home address, articles were run saying I did not live there. After my election, I received countless numbers of tweets from people saying they were looking through my lounge windows to see how my furniture was laid out. I lied to my partner—she now knows this—when I referred that to the police, because I was terrified she would want to move out of our home.

I was a councillor for 10 years and I had to move because my address was public when I sought election. I have asked the Home Secretary whether she could change it so that councillors receive the same protection as MPs. I had to move because constituents put dog excrement through my door. This behaviour is not just linked to MPs, but to councillors too. May I also ask that by-election candidates, with all the scrutiny they receive from the written and social media, are given support, particularly if they are then elected to this House and have never experienced that type of abuse before?

Amber Rudd: I am very sorry to hear that horrific and hateful personal example from the hon. Gentleman. It must have been very distressing for him and his family. We have changed the rules so that candidates no longer have to put out their home address when they stand for election, but I will certainly look at that. I would be grateful if he sent me a note about it.

Peter Kyle (Hove) (Lab): The most common question I get asked by young people these days is, "How do you put up with all the abuse?" I know the Home Secretary will find that as heartbreaking as I do. Young people know that a corruption has entered our politics, whereby people now believe that if somebody honestly disagrees with them they are unprincipled. As soon as we accept the principle that somebody is unprincipled simply for disagreeing, that opens the door to all sorts of really bad behaviour. This cannot be tackled purely with legislation. What can we do to drive this notion out of our body politic?

Amber Rudd: I wholeheartedly agree with the hon. Gentleman. When I visit schools or universities, I too get exactly the same question: "How can you put up with this abuse?" That is why it is so important for us to call it out. He asks what we can do and I urge him to look at the report. But it is not enough to just act on the report, which we will, or to consider additional legislation, which we may. We all have to make sure that we call it out often and firmly. Sometimes it is difficult when people come after us and we think that this is the role of a Member of Parliament. But no, it is not just about that. [Interruption.] I am getting a certain amount of heckling, Mr Speaker. I referred earlier to somebody from the Labour party. I just remind hon. Members that another person who needs calling out is the right hon. Member for Hayes and Harlington (John McDonnell).

Martin Whitfield (East Lothian) (Lab): The Government have rightly said that offences online are the same as offences offline, and that the punishment should be the same. Is the media vehicle carrying such offences not as responsible as the driver of a bank robber?

Amber Rudd: That is exactly an area we are continuing to look at, and which the Home Affairs Committee is looking at, and where we are starting to see some real action. It is not enough. We want to go further and faster, but it is a start.

Gavin Robinson (Belfast East) (DUP): As the DUP's home affairs spokesman, I say gently that this evening's statement would have been stronger if Members had been less selective in their condemnation of political commentary and abuse. Just today, I received notification from a local PSNI inspector in east Belfast that abuse reported to him could not be progressed because Twitter does not comply or engage unless there is an imminent threat to life. In reflecting on legislative provisions, will the Home Secretary ensure that this frustration and the failure to engage with authorities in Northern Ireland and throughout the United Kingdom is dealt with appropriately?

Amber Rudd: I thank the hon. Gentleman for his contribution. It is distressing to hear that example, because we are beginning to see some progress from Twitter. If he would like to write to me about that particular example, I will certainly take a look at it. Abuse online is not only just as unwelcome but just as illegal as abuse offline.

Mr Speaker: Order. I thank the Home Secretary for her statement, the shadow Home Secretary for her response and all hon. and right hon. Members for their remarks this afternoon.

Let us be absolutely clear: making death threats or other threats of violence will always, everywhere, without exception, be wrong. In a political context, making death threats or other threats of violence against people on grounds of their views is, whether the authors know it or not, a kind of fascism that must be explicitly and unequivocally denounced. Today, thankfully—and I am extremely grateful to colleagues across the party divide from the highest level—it has been.

You will hear me, as your Speaker, call Divisions. The hon. Member for Rhondda (Chris Bryant) referred to the freedoms of this place, and when the Chair calls Divisions the Chair is calling on hon. and right hon. Members to vote as they think fit, and I would go so far as to say that they not only have a right to vote as they think fit but have an absolute bounden duty to vote as they think fit, and I am confident that that is what all of you—if I may speak to you very personally—do. How you vote is always a matter for you and not for me, but you must be conscious, as I am sure you are, of your duty in this matter. I want, in the light of what has been said and of the experiences of some of my colleagues in recent days, simply to conclude by saying that in voting as you think fit on any political issue, you as Members of Parliament are never mutineers. You are never traitors. You are never malcontents. You are never enemies of the people. You are dedicated, hard-working, committed public servants doing what you believe to be right for this country. If there are people who cannot understand that basic concept of principled conduct, perhaps they need help to ensure that in future they do.

Finance (No. 2) Bill

(Clauses 8, 33, 40 and 41, Schedules 9 and 11 and certain new Clauses and Schedules)

[1ST ALLOCATED DAY]

Considered in Committee.

[MRS ELEANOR LAING *in the Chair*]

Clause 33

BANK LEVY

6.53 pm

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

The First Deputy Chairman of Ways and Means (Mrs Eleanor Laing): With this it will be convenient to discuss the following:

Amendment 1, in schedule 9, page 132, line 32, leave out from “in” to end of line 33 and insert “accordance with the provisions of section (bank levy: Part 1 of Schedule 9: pre-commencement requirements)”.

This amendment paves the way for NC3.

New clause 1—*Review of operation and effectiveness of bank levy*—

- “(1) Schedule 19 to FA 2011 (bank levy) is amended as follows.
(2) After paragraph 81, insert—

PART 10

REVIEW

82 (1) Within six months of the passing of the Finance Act 2018, the Chancellor of the Exchequer shall undertake a review of the operation and effectiveness of the bank levy.

- (2) The review shall consider in particular—
- the effectiveness of the levy in reflecting risks to the financial system and the wider UK economy arising from the banking sector,
 - the effectiveness of the levy in encouraging banks to move away from riskier funding models,
 - the revenue effects of the changes to the levy made in Schedule 2 to the Finance (No. 2) Act 2015,
 - the effectiveness of the anti-avoidance provisions in paragraphs 47 and 48 of this Schedule.
- (3) A review shall also compare the effects of the bank levy with those of the bank payroll tax (within the meaning given by Schedule 2 to the Finance Act 2010) in relation to—
- revenue, and
 - the matters specified in sub-paragraph (2)(a) and (b).

(4) A report of the review under this paragraph shall be laid before the House of Commons within one calendar month of its completion.”

This new clause requires the Government to carry out a review of the bank levy, including its effectiveness in relation to its stated aims, the revenue effects of the changes made in 2015 and the comparable effectiveness of the bank payroll tax.

New clause 2—*Public register of entities paying the bank levy and payments made*—

- “(1) Schedule 19 to FA 2011 (bank levy) is amended as follows.
(2) After paragraph 81, insert—

PART 11

PUBLIC REGISTER OF PAYMENTS

83 (1) It shall be the duty of the Commissioners for Her Majesty’s Revenue and Customs to maintain a public register of groups paying the bank levy and the amounts paid.

(2) In relation to each group, the register shall state whether it is—

- (a) a UK banking group,
- (b) a building society group,
- (c) a foreign banking group, or
- (d) a relevant non-banking group.

(3) In relation to each group, the register shall state the amount paid in respect of each chargeable period.

(4) In relation to chargeable periods ending between 28 February 2011 and 31 December 2017, the Commissioners must public the register no later than 31 October 2018.

(5) In respect of subsequent chargeable periods, the Commissioners must public the updated register no later than ten months after the end of the chargeable period.””

This new clause requires HMRC to prepare a public register of banks paying the bank levy and the amount they have paid.

New clause 3—Bank levy: Part 1 of Schedule 9: pre-commencement requirements—

“(1) Part 1 of Schedule 9 shall come into force in accordance with the provisions of this section.

(2) No later than 31 October 2020, the Chancellor of the Exchequer shall lay before the House of Commons an account of the effects of the proposed changes in Part 1 of Schedule 9—

- (a) on the public revenue,
- (b) in reflecting risks to the financial system and the wider UK economy arising from the banking sector, and
- (c) in encouraging banks to move away from riskier funding models.

(3) Part 1 of Schedule 9 shall have effect in relation to chargeable periods ending on or after 1 January 2021 if, no earlier than 30 November 2020, the House of Commons comes to a resolution to that effect.”

This new clause requires the Government to provide a separate analysis of the impact of Part 1 of Schedule 9 nearer to the time of proposed implementation in 2021 and to seek the separate agreement of the House of Commons to commencement in the light of that review.

New clause 11—Review of effects of bank levy on inclusive growth and equality—

“(1) Schedule 19 to FA 2011 (bank levy) is amended as follows.

(2) After paragraph 81, insert—

PART 10

REVIEW ON INCLUSIVE GROWTH AND EQUALITY

82 (1) Within six months of the passing of the Finance Act 2018, the Chancellor of the Exchequer shall undertake a review of the bank levy.

(2) The review shall consider in particular—

- (a) the effects of the levy on inclusive growth,
- (b) the impact of the levy on equality.

(3) A report of the review under this paragraph shall be laid before the House of Commons within one calendar month of its completion.””

This new clause requires the Government to carry out a review of the bank levy, including its effects on inclusive growth and inequality.

The Financial Secretary to the Treasury (Mel Stride): The Finance Bill makes changes to the bank levy, in particular restricting its scope to UK activities. These changes support our vision to help keep UK banks globally competitive. They reflect improvements in international banking regulation that reduce the risk of overseas operations to the UK, and they complete a set of changes announced in 2015 and 2016 that significantly increase the tax we raise from our banks.

Let me be clear from the outset that this Government believe that banks should make a significant contribution to the public finances, beyond general business taxation, that reflects the risk they pose to the UK economy. That has been the record of Chancellors since 2010. As part of that, in 2011 the Government introduced the bank levy on the balance sheet equity and liabilities of banks and building societies, but this additional tax contribution made by banks has to support our broader objectives for the sector. It therefore needs to be responsive to international commercial and regulatory changes in banking. Any tax changes should ensure that we can continue to secure the additional contribution from the banks from a sustainable tax base, and they also need to ensure we retain a strong, stable and competitive banking sector that supports the wider economy by lending capital to both businesses and individuals.

Alberto Costa (South Leicestershire) (Con): Does the Minister agree that in pursuing the policies he has just outlined in a strong and stable way we can have sustainable banking that gives the significant contributions to the Treasury that are much needed, and that the policies espoused by the parties opposite would do great damage to our economy and our public services?

Mel Stride: I thank my hon. Friend for that perceptive and helpful intervention. There is no question but that a healthy banking system is absolutely central to a healthy economy, which is why we have invested so much time and energy since 2010 in making sure that the regulation of the banks is tightened up, which was, of course, part of the original rationale for the bank levy. The fact that we are reducing the bank levy over time from 2015 and moving towards taxing profits is in itself an indication of the health of our banking system.

Mr Jim Cunningham (Coventry South) (Lab): Is the Minister satisfied that the banks have enough in reserve to cope with any emergency should there be a downturn in the world economy?

Mel Stride: As the hon. Gentleman will know, the Bank of England carries out stress tests on our banking system. In the latest round, the banks came through very strongly—not a single one failed. The tests stress the system to a greater extent than the effect of the last financial crash in 2008, so we can be certain that the measures the Government have put in place, the operation of the independence of the Bank of England and carrying those things through are having the desired effect that he rightly seeks.

Alex Burghart (Brentwood and Ongar) (Con): After 2008, a bank levy was needed because there was not much profitability in the banks to enable their assets to be taxed, but as we have improved regulation it is now worth moving to tax their profitability. Does the Minister agree that this is the right time to make this shift in raising revenue?

Mel Stride: My hon. Friend is entirely right. The Government since 2015, and the coalition Government, oversaw the restoration of the banking sector to a healthy central part of our economy. He is absolutely right. The shift from the bank levy to the taxation of profits which was introduced on 1 January 2016 indicated

that the risks themselves were diminishing under our stewardship, and that our banking sector was profitable enough to bring in considerably more tax revenue. Since 2010, under Conservative Chancellors, we have secured more than £44 billion in additional tax—I stress the word “additional”—from the banks, over and above the tax that we would be applying to them were they non-financial businesses.

7 pm

Robert Jenrick (Newark) (Con): In 2010, tax receipts from the financial services sector amounted to about £53 billion; today they amount to £71 billion. We are making the banks and the wider financial services sector pay their fair share, but we do not want a race to the bottom. We want the sector to be competitive, because tens of thousands of well-paid, highly skilled jobs throughout the country—not just in London but in cities like Nottingham, near my constituency—depend on it.

Mel Stride: My hon. Friend is entirely right. The additional tax raised from the banks amounts to £9 billion between 2010 and the present time, and a further £25 billion is projected over the current forecast period. Far from taxing the banks less over time—as, no doubt, the Opposition will shortly have us believe we have done—we are securing more tax revenues than we did in the past.

Alex Chalk (Cheltenham) (Con): As circumstances change, it is right for us to move from a bank levy to taxing bank profits. I am sure that, in due course, we shall hear a great hue and cry about how appalling it is to lose the bank levy. Is that not a little perplexing, given that Labour voted against its imposition in 2011?

Mel Stride: That is a valid point. I am waiting with some interest to hear what Opposition Front Benchers have to say about that point in particular. Even my shadow, the hon. Member for Bootle (Peter Dowd), is waiting expectantly to hear what he himself has to say, which is intriguing.

Dan Carden (Liverpool, Walton) (Lab): Did the big banks not lobby for this change, and are they not likely to benefit from the surcharge that has replaced the levy? Did not bigger, riskier banks pay more than other banks in the system?

Mel Stride: When we consider who benefits and who does not, we must assume that overall, given that more tax is being raised than hitherto, the banks are probably paying more tax on average as a consequence of these measures. However, the measures will obviously have different impacts on different banks, depending on their profitability and on whether they are at or above the capital threshold of £20 billion at which the levy itself begins to kick in.

In 2015 and 2016, the Government announced a set of changes in the way in which banks were taxed. We set out a phased reduction in the rate of the bank levy to 0.1% by 2021. We announced the changes that the Bill makes in the levy, reducing its scope so that it applies to banks' UK rather than global balance-sheet liabilities. However, we also introduced an extra 8% tax on banks' profits over £25 million, on top of general corporation

tax. I hope that when the Opposition spokesmen respond to my comments and to the amendments and new clauses, they will at least recognise the important increase in taxation that has been applied to the banks since 2016.

Rachel Maclean (Redditch) (Con): I, too, look forward with great interest to hearing from Opposition Front Benchers. Has not part of the Government's overall approach been to back the independence of the Bank of England? Has that not also helped the overall regulation of banks, and ended the situation which, under Labour, led to some of the problems in the banking sector?

Mel Stride: My hon. Friend is absolutely right. I think it would pay all Members dividends to consider the comments made by Mervyn King at the time of the last crisis, when he said that the Bank of England had very limited scope to deal with the issues that were faced at the time. Since then, of course, we have fundamentally changed the structure of the oversight of banks. We have ensured that the Bank of England is at the heart of it, and that the independence of the Bank and the other institutions that we have set up is paramount. That is partly why the position of the banks is so much stronger than it has been hitherto.

We prevented the banks from reducing their corporation tax liabilities when they were required to pay compensation for misconduct, effectively applying additional taxes. The shift towards taxing profits means that the recovery in banks' profitability will translate into higher tax receipts for the Exchequer, while also ensuring a sustainable long-term basis for the taxation of banks.

Mark Menzies (Fylde) (Con): It is important that we raise record sums from the banks to pay for vital public services, but is there not a balance to be struck? We need healthy banks, not only to support small businesses and provide mortgages for first-time buyers, but to ensure that there are banks in our high streets.

Mel Stride: My hon. Friend is right, and this is all about striking the right balance. We recognise that banks need to pay their fair share because of the systemic risk that they can feed into the economy, and because, some years ago, the British taxpayer stood behind the banking system. The other part of the balance is to ensure that our banking system remains competitive in comparison with others in the world, and can, in turn, leverage the competitiveness of our own industries through its lending.

Nigel Huddleston (Mid Worcestershire) (Con): My hon. Friend is making an important point. Rather than setting a tax rate for party political purposes, we should aim to maximise tax revenue while also securing economic growth.

Mel Stride: My hon. Friend is absolutely right, as we know from recent experience. For example, although corporation tax has been reduced from 28% in 2010 to 19% and then to 17% under this Government, the corporation tax take has increased by 50%. Labour's policy is the reverse. It foresees raising taxation not just from banks but from all the businesses in the country, large and small, including high street businesses, which, as we know, often struggle.

Dan Carden: A branch of Barclays bank in County Road in my constituency has closed, and I know that many other Members will have fought to keep local bank branches open. Are the Government willing to take any action—at least in the case of RBS, which we partly own—to ensure that high-street banking is still available to the most vulnerable and elderly constituents whom we all represent?

Mel Stride: Conservative Members believe that it is better for commercial organisations to be left to run their own businesses. They tend to do it rather better than Ministers, dare I say—although I think I could be quite handy at running a bank or two; who knows?

The issue of bank closures is very important. We are working hard to reinvigorate our post offices and to ensure that the banking facilities that they provide—which are available, typically, to more than 90% of personal and business customers—are promoted in all the 11,500 branches in the United Kingdom.

Stephen Lloyd (Eastbourne) (LD): A constituent who came to my community surgery on Saturday made a simple suggestion that I thought might well work. Banks face structural challenges, and many are closing, especially in rural areas. Why do the Government not encourage three or four banks to work together to establish a single branch in an area where there are currently no branches? Such a collegiate approach would solve the banking problems of rural areas in particular.

Mel Stride: The hon. Gentleman raises an interesting idea, but I would argue that that is already effectively in practice in the form of the post office: post offices are able to deal with the customers of the major banks, to take cash, and to offer banking services—albeit not the full range, but certainly the most basic and most important to local communities—and, as I said earlier, there are more than 11,500 of them across the UK.

James Cartlidge (South Suffolk) (Con): All of us who represent rural constituencies are concerned about the issue of access to bank branches and closures, but does that not mean that there is an extra onus on providing access to fast broadband in rural areas so that people can access online banking? To that end, should we not welcome the announcement in *The Sunday Times* that there will be further help this week for speeding up broadband in the most hard-to-reach rural areas?

Mel Stride: My hon. Friend raises an important point about connectivity, particularly in rural areas, including in constituencies such as mine where making sure there is good broadband is often one way of reducing sparsity and people being cut off from each other, and that is why we have invested so heavily in that area.

These changes are expected to increase the additional tax contribution from banks by more than £4.6 billion over the current forecast period to 2022-23.

Mr Jim Cunningham: Will the Minister look into a situation that a number of us have had letters about? In the case of certain banks, including HSBC, where a person who is on a bank's pension retires, that retirement pension is deducted because of their old-age pension. I do not expect an answer right away, but will the Minister look into that?

Mel Stride: I congratulate the hon. Gentleman on the ingenuity with which he has shoehorned in that question, which is possibly a Department for Work and Pensions matter, although I am not sure. But I will certainly come back to him on that point, and if it is not for me to respond, I will make sure the appropriate Minister in the appropriate Department does so.

We expect to raise over £25 billion from the additional taxes that banks pay over this period, on top of the £19 billion that we have raised to date since 2011. By 2023 we will have raised more than £44 billion in additional bank taxes introduced since the 2010 election.

I will now turn to the changes made by the current Finance Bill, and set out the reasons for changing the scope of the bank levy. Hon. Members will be aware that the bank levy aims to reduce the risk banks pose to the wider UK economy. It is currently chargeable on the global balance-sheet equity and liabilities of UK-headquartered banks, but overseas banking groups only pay bank levy on UK activities. However, regulatory developments currently being implemented across the G20 as a result of the standards set by the Financial Stability Board and the Basel Committee on Banking Supervision will reduce the risk that overseas operations of UK banks pose to the UK economy, for example with stricter international standards on the need for subsidiaries to be independently capitalised.

We have also made it mandatory for the largest UK banks to separate core banking services from their investment banking activities by 2019. This ring-fencing will help to insulate UK borrowers and depositors from failures arising in banks' overseas branches, before the changes to the scope of the levy take effect. As such, there will now be less need for the bank levy to address the risks posed by overseas operations of UK banks, and as the bank levy is less necessary to cover these risks, we have an opportunity to boost the competitiveness of UK banks by reducing its scope.

At present, UK-headquartered banks pay the levy on their worldwide operations, while foreign-headquartered banks only pay on their UK operations. We want the UK to stay at the forefront of global banking; we want banks based in the UK to compete and win business overseas, bringing jobs, prosperity and tax receipts with them. So we have decided that from 2021 the bank levy will apply only to UK balance-sheets for UK-based and foreign banks alike. This will allow UK banks to compete and win business on a more level playing field in these overseas marketplaces, and it is a change we are making as part of a package of reforms that secures revenue while boosting competitiveness.

The corporation tax surcharge, the reduction in bank levy rates, and changes to compensation relief restriction were legislated in 2015. Following detailed consultation, this clause and schedule implement the final element of our plan: changes to the scope of the bank levy. The clause and schedule narrow the scope of the bank levy so that from 2021 it will be chargeable only on the UK balance-sheet equity and liabilities of banks and building societies. Broadly, this means that overseas activities of UK-headquartered banking groups will no longer be subject to the bank levy. However, the levy will continue to apply to the UK operations of UK and foreign banks.

7.15 pm

Robert Jenrick: Will the Minister re-emphasise the point he has just made: that the practical effect for our constituents of the move he is making today will make it much more attractive for important British international banks such as HSBC and Standard Chartered, who have a choice of locations in which to be registered—HSBC recently considered whether to move to Hong Kong or even mainland China—to remain in the City of London?

Mel Stride: As is so often the case, my hon. Friend has hit an important nail on the head: in terms of improving our competitiveness, it is clearly deeply unattractive to have a situation where UK-domiciled banks are being taxed on their foreign operations whereas foreign banks are not being taxed by us on their foreign operations, but are only being taxed on their operations in the UK. He is right that the future of HSBC, Standard Chartered, Barclays and other banks, who make a huge contribution to our tax-take and our economy, are much more secure if they are not being disadvantaged by being taxed on overseas operations unlike their foreign counterparts. As part of these changes, the schedule also provides for a reduction in the amount on which the levy is chargeable for certain investments a UK bank makes in an overseas subsidiary.

I shall now briefly turn to the amendments tabled by Opposition Members. For the reasons I have described, we believe that a combination of taxing profits and balance-sheets is the most effective and stable basis for raising revenue from the banking sector. The bank payroll tax was intended as a one-off tax; even the last Labour Chancellor pointed out that it could not be repeated without significant tax avoidance. I can assure the House that information about the bank levy will continue to be published as part of the normal Budget cycle. Official statistics are published on the pay-as-you-earn income tax and national insurance contributions, bank levy, bank surcharge, and corporation tax receipts from the banking sector as a whole. The Government have published a detailed tax information and impact note on the proposed changes introduced by part 1 of the schedule. We have also published information about the overall Exchequer impact of the 2015 package of measures for banks, and these figures have been certified by the Office for Budget Responsibility.

Finally, new clause 2 proposes that HM Revenue and Customs should publish a register of tax paid by individual banks under the levy. Taxpayer confidentiality is an essential principle for trust in the tax system, and HMRC does not publish details of the amount of tax paid by any individual business. While this Government continue to consider measures to support transparency over businesses' tax affairs, we must balance that with maintaining taxpayer confidentiality in order to sustain public confidence in our tax system.

Dan Carden: Is it not right that these banks, some of which were bailed out by, and may well look in the future for bail-outs from, the public, are treated slightly differently from other companies across the UK economy, and that we should have a public register for that reason?

Mel Stride: I would maintain that the banks are indeed being treated rather differently from other sectors of the economy, not least—as I have been at great pains

to point out this evening—because they are being taxed far more heavily than other types of business. On a fundamental issue of principle relating to tax confidentiality, it would not be right to single out any particular bank, whatever its history, to make an example of it and treat it differently from other financial institutions.

The changes in this schedule are part of a package of measures that provide a sustainable basis for raising revenue from the banking sector in the long term. These measures continue to apply additional taxes to banks, to reflect the special risk that they pose to the UK economy. They put the taxation of banks on a more certain and sustainable footing to ensure that the banks will continue to pay additional tax, and they reduce the impact of the bank levy on UK banks' international operations. In doing this, we will ensure their continued health and competitiveness, which are essential for us if we are to go on raising yet more tax from our banking sector. I commend the clause to the Committee.

Peter Dowd (Bootle) (Lab): I rise to speak to the amendment and new clauses in the name of my right hon. Friend the Leader of the Opposition and others. Banks have a crucial role to play in the proper and smooth functioning of our nation's economic wellbeing. In addition, it is important to ensure that the banks are not all lumped together with a one-size-fits-all approach for the purpose of a bank-bashing session, as was suggested by Conservative Members. Further, it is neither reasonable, fair nor sensible to homogenise the people who work in the banking sector as either saints or demons. Neither beatification nor demonisation of the banks is appropriate; it does no credit to the complexity of the landscape facing us. It is important when dealing with fiscal issues relating to banks that we keep a sense of proportion during the process. That is why it is important to ensure that, in an objective sense, we examine the context in which the Government have decided to cut the take from the bank levy. So, what is that context?

Alberto Costa: Will the hon. Gentleman be fair enough to confirm at the Dispatch Box that since the Conservative party came into government in 2010, the tax take from the banking sector has increased, especially since 2015?

Peter Dowd: I will come to that in the course of my speech.

I was asking about the context for these measures. First, there is the political context; then there is the ideological context. Politically, we saw a new low for the Government last week. We witnessed an increasingly weak and ineffectual Prime Minister being pulled between the troika of the Democratic Unionist party, her hard-line Front-Bench Brexiteers and, latterly, rebels on her own Back Benches.

Leo Docherty (Aldershot) (Con): The hon. Gentleman mentioned ideology. The shadow Chancellor is on record from 2013 as being a self-declared Marxist. Does the hon. Gentleman share that ideology? Is he a Marxist, too?

Peter Dowd: The hon. Gentleman is nothing if not persistent in asking that question. We are dealing with the bank levy, not the political opinions of the shadow Chancellor. I will be happy in due course to pitch our policies against those of the Conservatives.

Alex Burghart: Does the hon. Gentleman regret the fact that his party opposed the bank levy when this Government introduced it in 2011?

Peter Dowd: I will come to that in due course as well, if I may. I am beginning to think that my staff have been leaking my notes. I shall have to have words with them.

Last week, in true one nation mode, the right hon. and learned Member for Beaconsfield (Mr Grieve), among others, gave the Brexit Front Benchers every opportunity to acquiesce to his reasonable requests. In effect, he tried to give them a “get out of jail” card, but they could not take yes for an answer, and the remnants of the Government’s credibility went down the pan. There is a civil war going on within the Government, and this goes to the heart of the matter. The Government are throwing everything into the mix to try to distract us from the civil war that is going on in the Tory party.

Alex Chalk: I am grateful to the hon. Gentleman for talking about civil war. By contrast, in the interest of showing the solidarity among Labour Members, does he agree with the shadow Chancellor’s listing of his hobby in “Who’s Who?” as

“generally fermenting the overthrow of capitalism”?

Peter Dowd: I know that the hon. Gentleman was disappointed when he was unable to ask that question last week because the Whips wound up his ability to do so. The reality is that that is of absolutely no relevance to the matter in hand. It does not matter; it is a complete irrelevance. We are in danger of getting swamped by red herrings.

Dan Carden: On the topic of the shadow Chancellor, it was he who called for an independent assessment of the bank levy, the balance between fairness and competitiveness, and how the Government’s calculation was arrived at. Does my hon. Friend support the shadow Chancellor in that call?

Peter Dowd: Of course I am more than happy to support the shadow Chancellor, because that is the very point that we are trying to make—[*Interruption.*] I referred to red herrings a moment ago, and I hear Conservative Members mentioning Marxist herrings. That is very witty; it is nice to hear a witty comment from the Conservative side on occasions.

Rachel Maclean: The hon. Gentleman refers to red herrings, but surely the views and political ideology of his shadow Chancellor are relevant. I will therefore give him another opportunity to answer the question: is he a Marxist, like his fellow shadow Treasury spokesman? Does he agree with that ideology, or is there civil war in the Labour party as well?

Peter Dowd: I think that the shadow Chancellor is more interested in Groucho Marx than Karl Marx, quite frankly.

James Cartlidge: It is very kind of the hon. Gentleman to take so many interventions on the trot. [*Laughter.*] This is not a minor issue. Let us not forget that Marxism destroyed the economy of half our continent. I very much admire the hon. Gentleman, but he did mention ideology in the first place. It is therefore not only in order

for me to raise the question in his terms, but pertinent. Is he a Marxist—or is he perhaps a Leninist, a Bolshevik, or an adherent of one of the various other isms?

The Temporary Chair (Sir Roger Gale): Order. It may be in order in the hon. Gentleman’s terms, but it is not in order in my terms. I should like to return to the bank levy.

Peter Dowd: Thank you for bringing us back to the land of reality, Sir Roger. I very much appreciate it.

Mr Jim Cunningham: Let us get real and say to the Government that at the end of the day, when we are in government, our Chancellor will carry out the policies of that Labour Government, whatever his personal views are. More importantly, many comments have been made about the previous Labour Government tonight, but the previous Chancellor said that it was not the Labour Government who created the financial crisis. If we had not capitalised the banks, many of those on the Conservative Benches would be in the poorhouse today.

7.30 pm

Peter Dowd: As ever, my hon. Friend makes a reasonable point. The Government are so lacking in confidence that they are gerrymandering Public Bill Committees to reflect their control-freakery. We have to ask ourselves how long the Government can treat the House with such disdain. It is the kind of disdain that saw the Government ensure that there was no amendment of the law resolution, which has deliberately restricted the scope of the Bill and effectively limited parliamentary scrutiny and debate. [*Interruption.*] A Whip says from a sedentary position that that has happened before, but the procedure is used rarely and not in these circumstances. It is the Government’s control-freakery and fear of scrutiny that makes them do such outrageous and virtually unprecedented things.

Perhaps if the Bill set out a bold plan—let us call it a long-term economic plan—to get the economy back on track, we could all put up with the Government’s guileful procedural gymnastics. However, as I said on Second Reading, there is little in the Bill to solve the growing problems facing our economy—from sluggish growth and slow productivity to a lack of investment in our infrastructure and our people. The Government have instead decided to dedicate their efforts to offering the banks another tax break by further limiting the scope of the bank levy, ensuring that from 2020 UK banks will pay the levy only on their UK balance sheets, not their overseas activities. It is the same old Tories looking after the same old interests.

Alex Burghart *rose*—

Leo Docherty *rose*—

Peter Dowd: I will give way.

Alex Burghart: I am very grateful. I want to give the shadow Minister another opportunity to answer the question. Does he regret his party’s decision to vote against the bank levy in 2011?

Peter Dowd: I will come to that in a moment. In future, if two hon. Members want to make an intervention at the same time, they should perhaps have a ballot.

Leo Docherty *rose*—

Peter Dowd: I will take an intervention from the hon. Gentleman.

Leo Docherty: The hon. Gentleman mentioned tax. If we had a Labour Government, by how much would corporation tax rise?

Peter Dowd: We discussed this issue last week, but the bottom line is that we are here to talk about the tax policies of the Government, not the Labour party. I suggest that the hon. Gentleman reads “Funding Britain’s Future”, which we call the grey book. As I said to one of his colleagues last week, I am not his research assistant. The Independent Parliamentary Standards Authority provides the hon. Gentleman with enough money to employ his own research assistant, so he should not need a shadow Minister to do his research for him.

Labour’s position on the bank levy has been clear. We have consistently argued for a higher bank levy and pointed out that the levy, introduced in 2011, would raise substantially less than Labour’s bankers’ bonus tax. In short, we have always stood against the Government’s divisive austerity agenda. That was why we voted against the 2011 Finance Bill, which introduced the bank levy along with cuts to corporation tax and tax giveaways for the most well-off. That was also why we voiced our concern in 2015 over the Government’s cuts to the bank levy and the introduction of a corporation tax surcharge. It is why we will vote against the measures in the Bill.

Alex Burghart: Given the hon. Gentleman’s love of punishingly high corporation tax, does he not regret supporting the corporation tax surcharge on banks in 2015, when he was in the House?

Peter Dowd: No matter how many times Government Members ask rather tangential questions, I will not be drawn down that particular avenue, much as I would love to have that debate with the hon. Gentleman. The bottom line is that we have always stood against this Government introducing austerity measures at the same time as giving banks a tax cut. That is what it comes down to.

Stephen Kerr (Stirling) (Con): Will the shadow Minister give way?

Peter Dowd: No, I will push on for a moment.

It is worth pointing out that the bank levy was not the brainchild of a Conservative Government. It was not introduced by the previous Chancellor after he had listened to the clear public outrage aimed at the reckless decisions made by some in the banking sector, who plunged the world into one of the greatest economic crises in modern times. As much as Government Members would like to blame the Labour Government for a world financial crisis, that is stretching credibility a little too far. *[Interruption.]* It is nice to see that the Chief Secretary to the Treasury is shouting across the Chamber, but I cannot quite hear her, so if she wants to intervene—or shout a little louder—so that I can actually hear her question, I will be more than happy to answer. It is nice to see her in the Chamber.

Mr Jim Cunningham: It is probably right to look at the history, rather than listening to the made-up stuff coming from Conservative Members. Let us be clear that the financial crisis started with Lehman Brothers

in America. We recapitalised the banks, and we kept our triple A rating so that we could borrow to bail out the banks in the first place. The Government are trying to take the credit for something that they did not do.

Peter Dowd: My hon. Friend is right. Conservatives always try to take the credit. They take responsibility for the good things and no responsibility for the bad things—it is the way they are made.

The banking levy was not designed to ensure that the banks received enormous and unprecedented bail-outs from the taxpayer, such as the £76 billion of shares the Government purchased in RBS and Lloyds. It was designed to make them pay their fair share. In fact, the very concept of a levy was developed at the G20 summit in Pittsburgh in 2009. It was championed by the previous Labour Government, who subsequently introduced the bankers’ bonus tax. In the coalition’s 2011 austerity Budget, the Government decided to dump the bankers’ bonus tax and adopted the bank levy. At the time, Labour made it clear that the levy threshold was far too low in comparison with the money that would be raised if the Government stuck with Labour’s bonus tax. Instead, Ministers wilted under pressure from the banks and set the levy at a puny £2.6 billion.

James Cartlidge: The hon. Gentleman is talking about where the bank levy came from. I remind the Committee that it was actually Geoffrey Howe who introduced a deposit levy in a Budget in the early ’80s as part of his stabilisation of the financial system inherited from a previous Labour Government.

Peter Dowd: I thank the hon. Gentleman for that history lesson.

Gareth Snell (Stoke-on-Trent Central) (Lab/Co-op): If we are talking about the 1980s, let us remember that corporation tax spiked to over 50% in 1983 under a Conservative Government. Government Members are giving us lectures, but they should perhaps look at their own history rather than judging ours.

Peter Dowd: That is a fair comment.

The threshold was established despite Treasury officials considering it to be far too low. Under the original plans, the levy would have raised £3.9 billion a year—nearly £1.5 billion more than £2.6 billion—but the Government of the few ensured that the threshold remains low.

At 0.078% for short-term liabilities and 0.039% for long-term liabilities, the level set was—not to put too fine a point on it—an embarrassment when compared with that in other countries that introduced a similar levy. It was less than a third of France’s level, substantially smaller than Hungary’s, which was set at 0.53%, and even lower than that of the USA. They are all well-known Marxist countries.

In 2015, under pressure from the Minister’s and the Government’s chums, once more the then Chancellor cut the bank levy rate, and the current occupant of No. 11 has continued on that sojourn. In so doing, he has ensured that, by 2020, the UK’s biggest banks will have received a tax giveaway worth a whopping £4.7 billion. That is £4.7 billion that could have been spent on our public services—notably on children’s services, for example.

Stephen Kerr: It is all well and good for the hon. Gentleman to say what he is saying, but he is neglecting a simple fact. The financial sector is paying 35% more in tax today than it did in 2010 under a Labour Government.

Peter Dowd: Yes, because the sector returned to profitability after a Labour Government supported it throughout. That is why the sector has returned to profitability. Ultimately, if a Labour Government had not gone in and supported the sector, there would have been no banks, no profits and no tax whatsoever. I remind the hon. Gentleman of that one.

Alex Burghart: I am enjoying the hon. Gentleman's potted Marxist history of the past 10 years. There seems to be a little bit of history that he has forgotten, which is of course the lax and inappropriate regulatory regime that the Labour party introduced under Ed Balls. That regime contributed to the terrible state in which our banking sector was left after 2008. Perhaps the hon. Gentleman would like to remind the Committee and his party of that.

Peter Dowd: First, we did not regulate the banks in the United States, where it all started. I ask the hon. Gentleman—I have said this a number of times—to go and look at “Freeing Britain to Compete,” the document produced by the right hon. Member for Wokingham (John Redwood) for the shadow Cabinet in, surprisingly, August 2007.

The Chief Secretary to the Treasury (Elizabeth Truss): They were not the Government.

Peter Dowd: “They were not the Government” is shouted across the Dispatch Box, but that brings me to the point I am making. The bottom line is that chapter 6 of “Freeing Britain to Compete” called for significantly less regulation of the banks. As I have said before, the right hon. Member for Wokingham effectively said in that document that the Labour Government at the time believed that, if we did not regulate the banks, they would steal all our money. Many people out there believe that that is, in effect, what happened. The taxpayer had to bail out the banks. Why did the taxpayer have to bail them out? Because of the lack of regulation. The shadow Cabinet at the time ratified a policy of less regulation. If we had followed the right hon. Gentleman's exhortations, as ratified by the shadow Cabinet, we would be in an even worse state. I ask the hon. Member for Brentwood and Ongar (Alex Burghart) to go and have a look at that one.

Rachel Maclean: The hon. Gentleman is discussing the strictures and exhortations of my right hon. Friend the Member for Wokingham (John Redwood), who was then an Opposition Back Bencher. Surely the hon. Gentleman must recognise that it was the Labour party, in government, that deregulated the banks and took power away from the Bank of England. Whatever my right hon. Friend may or may not have said—he is an incredibly intelligent and learned person—he was not in government and was not making policy. It was the Labour Government who made the policy to deregulate and allow the financial crisis by taking away strength from the Bank of England at a time when it should have been strengthened.

Peter Dowd: If the hon. Lady wants to take back to the Conservative party the independence of the Bank of England, she should feel free. We will not support it—*[Interruption.]* That is what I heard her say. She was complaining about the independence of the Bank of England. So a new policy has been introduced by the Conservatives to take away the independence of the Bank of England.

To offset the cuts to the bank levy, the Government introduced the 8% corporation tax surcharge, which they falsely claimed would offset the reduction. If we look at their Red Book and the forecasts from the Office for Budget Responsibility, however, we can clearly see that the surcharge will not make up the fall in the bank levy. Under the forecasts, the surcharge is set to increase by £0.3 billion a year, while the receipts the Exchequer receives from the levy will fall by £1.7 billion a year, which is a £1.4 billion gap. That is a fact. That is in the Government's own Red Book.

7.45 pm

Dan Carden: I am grateful to my hon. Friend and constituency neighbour for giving way. There is a lot of displacement activity coming from Conservative Members in the form of interventions. This is the second debate I have attended on the Finance Bill in which not one Conservative Member has mentioned living standards, wages, public sector pay or any real life conditions.

I encourage my hon. Friend to carry on with his speech and to talk about the review that should take place into the bank levy and the real life consequences of this Tory Government's policies.

Peter Dowd: I thank my hon. Friend for his advice, which I will take.

In 2017, we are still feeling the effects and economic consequences of the actions of the banks. Every day we are told by the Government that there is no money to invest and that austerity must continue, yet the Government have gone out of their way to undermine any remuneration from the banks that caused this sorry state of affairs in the first place.

Once again, the Opposition's ability to amend this Bill is hamstrung and limited by the Government's continued use of arcane and outdated parliamentary procedure. In football parlance, not only have they moved the goalposts but they have put boards across the goalmouths so that the Opposition cannot score any goals—a recreant act, if ever there was one, from a pusillanimous Government frightened of their own shadow.

By tabling new clause 1, we seek, first, to require the Government to carry out a review of the bank levy, including its effectiveness in relation to its stated aims—Sir Roger, you will be glad that we are back on the bank levy. Secondly, we seek to establish the extent of the revenue effects of the cuts made in 2015. Thirdly, we seek to calculate how much would have been raised if the Government had stuck with Labour's bankers bonus tax. Let us have the comparisons.

Such a report would shine a light on the Government's malpractice in cutting frontline services while offering tax giveaways to the banks. It would require the Minister to reassure the House directly that certain banking practices are not simply in hibernation. “Once bitten,

twice shy” is a fair assessment of most people’s views, including many in the sector itself. A by-product of the process would be to show that far more would have been raised under Labour’s bankroll tax.

We are also calling for a separate review of the changes introduced by clause 33 and schedule 9 and their overall impact on revenue and risky behaviour. That review would make the Treasury explain the rationale for further limiting the scope of the bank levy and forgoing billions of pounds while, at the same time, pushing for more cuts to departmental budgets and frontline services.

It is, of course, unsurprising and indicative of the Government that they have failed to keep track of the banks that regularly pay the levy and a full list of what they have paid. That is why, in the name of transparency—a very novel concept for the Government—we would ensure fiscal accountability. The Opposition have tabled an amendment that seeks to create a public register for the bank levy.

The Minister talks about commercial sensitivity. Well, that old chestnut is brought out time after time. When we supported the banks with billions upon billions of pounds, nobody talked about commercial sensitivity then. In this particular case, I am sure many in the banking sector would be happy to have such transparency. It is shocking that the Government consider this tax cut for the wealthy few to be a good use of nearly £5 billion.

Alongside demanding that the Government change course, we must also understand the impact of the lower levy rate introduced in 2011, as well as the revenue effects of lowering the levy in 2015. That, among other things, is what our amendment seeks to tease out.

Robert Jenrick: I am confused by the hon. Gentleman’s position on the bank levy. He says that he voted against it in 2011 because it was set at too low a threshold, but between 2011 and 2015 the then Chancellor raised the bank levy seven times and, on each occasion, the Labour party voted against it. Why did it do that?

Peter Dowd: I suggest that the hon. Gentleman goes back and reads *Hansard* when it is printed to see exactly what I said.

Once we can see the true costs of the Government’s policies, we can grasp the extent of the choices they have been making and how they have favoured a small, wealthy group over the many citizens of this country time and again. Let us look at the example of children’s services. Only a week before the Budget, the chief executive of Action for Children, Sir Tony Hawkhead, described the “devastating cost” of cuts to children’s services, which he said have been left on a “dangerous and unstable” footing. These prevention and protection services are vital to provide proper care for our nation’s children, and the banking levy could help with that, yet we have seen deep cuts of 55% of funding for local government and a gap of £2 billion in funding by 2020.

There is widespread talk and reports of local councils having to seek permission from the Government to raise council tax to cover the costs, in effect, of cuts to the bank levy—this money may have been available for children. So cuts to bankers and council tax up seems to be what we are being told today. As these services have been decimated over the past seven years, we have seen a

doubling of serious child protection cases and twice the number of children put into care protection plans. Last year, 70,000 children were placed into care. The support for foster care, adoption and Sure Start children’s centres has all been reduced. Youth centres are closing and parenting classes are being axed. Short breaks for disabled children, provided by local councils to give their parents a little respite from full-time care, are being taken away and are under strain.

Taken together, those cuts mean that some of the most vulnerable children in our country are paying the price for seven years of failing economic strategy. When are the Government going to change their strategy? It is still shocking to see the Government put the needs of others ahead of those of our youngest citizens, who are picking up the bill for austerity.

Alex Burghart: Will the hon. Gentleman not acknowledge that, as we have reduced the rate of corporation tax, so revenues have increased and there is now more money to spend on public services than there would otherwise have been? Does he not acknowledge that there is a real risk that, if his party were to increase corporation tax rates, there would be less money coming in, and cuts to public services and so on would be on his party’s head?

Peter Dowd: In short, no. The Institute for Fiscal Studies has made no link whatsoever between the rate of corporation tax and tax take. This is one of these myths that have been presented to the House time after time, which in the main we have tried to ignore, but at some point we have said that it is complete and utter claptrap, not to put too fine a point on it.

The banking surcharge, supposedly introduced to compensate the taxpayer for this levy loss, will not come close to making good the difference. The Chancellor still has a choice though: he could reverse the cut to the bank levy and end the crisis in our children’s services instead.

It is increasingly clear that the oldest political party has run out of steam.

Lucy Frazer (South East Cambridgeshire) (Con): Does the hon. Gentleman therefore think that France’s recent proposal to cut taxes for higher earners in order to woo bankers over to France is an incorrect policy, and that France has got it wrong because low taxes do not encourage investment and growth in a country?

Peter Dowd: The only thing that is going to attract people over to France is the shambles that the Government have made of their Brexit negotiations. That is a significantly bigger factor than, for example, the banking levy.

Gareth Snell: France has a corporation tax rate of 33%, so I am not entirely sure the point the hon. and learned Lady was making is valid. Would my hon. Friend care to comment on that?

Peter Dowd: My hon. Friend is right on that. Other countries, including the United States, have a corporation tax of 36% and the German rate is higher than ours, so even if we went back to the 2010 level of 26% that we had under a Labour Government, we would still have the lowest rate of all our competitors. That is the reality. Interestingly, they are doing much better than we are, notwithstanding that higher level of corporation tax.

Stephen Lloyd: Does the hon. Gentleman agree that the Conservative party continues to cut corporation tax aggressively, but that perhaps next year rather than cutting it still further it might take that money to ensure that the WASPI women—the Women Against State Pension Inequality Campaign—get a fair transition payment?

Peter Dowd: There are many, many calls on the taxpayer, and that is one of them. The Government would do well to pay attention to the exhortations of the hon. Gentleman.

James Cartlidge *rose*—

Peter Dowd: I am more than happy to give way in relation to corporation tax, but it is important that I maintain the theme of the austerity project. It has not led us to prosperity. It has delivered misery for this country, yet the Government stick to the same old rules: tax breaks for wealthy bankers and cuts for the rest of us. It is like a stuck record.

James Cartlidge: I am sure that, coming from where he does, the hon. Gentleman takes a close interest in the Republic of Ireland, a country he has not mentioned. Is he aware that, by keeping its corporation tax rate low, it has revolutionised its economy and become an export tiger, and that that has been a key factor in helping it to recover from the crash?

Peter Dowd: Huge amounts of support from the European Union have revolutionised the Irish economy. My forebears came from Ireland, but I do not think even the Irish would compare themselves as a small country of 3.5 million people or thereabouts with the United Kingdom with its 60 million—this is chalk and cheese. The hon. Gentleman will appreciate that that is a ridiculous comparison to make in the debate.

Our amendment will finally help to demonstrate the true cost to the public purse of the Government's favourable approach to some. In that way, we can understand exactly what the cost in revenue is. This should be all the evidence the Government need to change course—things simply are not working. Productivity is low, inflation is up, wages are stagnating, public services are in absolute decline and the NHS is under strain, as is social care, yet the Government just do not get it. They seem to think that we live in Shangri-la, but, unfortunately, we do not. We know that the Conservative party relies on support from vested interests for its own survival, but the question we must ask ourselves is: should the survival of a clapped out, atrophying, self-centred, out-of-touch, diminished Tory party take precedence over the needs of children? I know the answer, so I will simply leave Conservative Members to answer it in the silence and solitude of their own consciences.

Stephen Kerr: It is my great privilege to follow the hon. Member for Bootle (Peter Dowd), whose speech was greatly entertaining, if a little devoid of something approaching accurate history. We were treated to a festival of revisionism on this country's economic history over the past 10 years. I did agree with one thing he said—it was almost the first thing he said—which was that it is wrong to create a single category to describe bankers. He alluded to the fact that some may be called

saints and others may be called sinners—he may have said that, but I cannot recall exactly the term he used—and that is undoubtedly the case, so to generalise about banking and bankers, as we often hear Opposition Members do, is extremely rash.

As for culpability for the events from the end of 2007 to 2009, the hon. Gentleman may wriggle on the issue, but the fact is that the Labour Government were indeed culpable, as were other politicians of that time who were holding senior office in this country, including the then First Minister of Scotland, Alex Salmond, who positively encouraged the Royal Bank of Scotland to engage in some of the more reckless initiatives that the leadership of that bank were engaged in. The result was that not only did they upend a great Scottish institution, but they nearly upended the whole United Kingdom economy.

Ian C. Lucas (Wrexham) (Lab): Does the hon. Gentleman recall the shadow Chancellor at that time, the then Member for Tatton, calling repeatedly for the relaxation of what he described as the strict regulation that the Labour Government were imposing?

Stephen Kerr: The important thing to remember is who was in government and whose hand was on the tiller at the time, and it was a Labour Government's.

8 pm

Stephen McPartland (Stevenage) (Con): Does my hon. Friend remember the City Minister, Ed Balls, saying in 2006 that nothing could endanger the light-touch regulation of the banking system?

Stephen Kerr: I thank my hon. Friend for that useful intervention because I absolutely do remember that. The reason why those words might linger in mind longer is that they came from someone holding an office of state. Cabinet members at the time were positively encouraging those whom they considered their friends in the City to become increasingly reckless, as was the First Minister of Scotland, as I have mentioned.

Gareth Snell: Now that the hon. Gentleman has demonstrated that his memory is fully functioning, will he answer the question asked by my hon. Friend the Member for Wrexham (Ian C. Lucas)? Does he recall the comments made by the former Chancellor, who was shadow Chancellor at the time? It appears that the views of shadow Chancellors are quite important to Conservative Members.

Stephen Kerr: It might be a function of my age, but I must confess that I have no recollection of anything to which the hon. Member for Wrexham (Ian C. Lucas) referred. I apologise to the House for the lapse in my memory, but I am of an advanced age and it is perhaps a senior moment—I do not know.

I support the Bill and the plan that goes with the banking levy, which is a fair way to ensure that banks make a fair contribution to the tax system and that they make the right contribution to society. The changes proposed in the Bill are fair. They provide for a level playing field for all banks, whether domiciled in the UK or based outside it.

Sandy Martin (Ipswich) (Lab): Will the hon. Gentleman explain how we can know there is a level playing field and that such levies are fair if there is not complete transparency?

Stephen Kerr: I was about to describe the level playing field as I see it. The Bill will remove any disincentive there might have been for banks to base themselves in the UK, which is important. I remind all Members of the reputation that our country and particularly the City has. I think we would all agree that the City is the financial capital of the world.

With respect to the bank levy, the banks' contribution must go beyond the paying of taxes, as outlined in the Bill. Given the banking sector's behaviour—I referred to the comments by the hon. Member for Bootle about saints and sinners earlier, but I am generalising now—the banking industry does have a responsibility to make a fairer contribution to society, which is what the measures taken by the Government since 2010 and 2015 have made happen.

Let me mention in passing the Financial Conduct Authority's report on the Royal Bank of Scotland and its treatment of small and medium-sized business customers.

James Cartlidge: I do not want to distract my hon. Friend from his excellent speech, but he referred earlier to the former First Minister, Alex Salmond; does he recall the encouragement that Mr Salmond gave to RBS with respect to ABN AMRO and anything related to that purchase, which many people thought at the time was a risky investment?

Stephen Kerr: I have a very bright recollection of that. There is a famous document that shows the First Minister wrote to the chief executive of RBS and added at the end some personal notes that went above and beyond encouragement.

Given recent history, it is right that the banks make a more-than-fair contribution, and that is what they have been doing. I return to the FCA's report on the RBS and its treatment of small and medium-sized business customers. I refer specifically to the conduct of RBS's global restructuring group, about which the FCA's report makes depressing reading. When I looked at the report, I lost count of the number of times the words "inadequate", "inappropriate", "systematic" and "failure" were linked repeatedly to a wide range of RBS's activities, and particularly the global restructuring group's conduct towards small and medium-sized businesses. The words I highlighted were appended to the description of how the group laid charges and managed loans and communications and to the description of its valuation practices. There is also the fact that the complaint procedures were completely ignored.

Many Members from all parties will know of examples of how the systematic failings in RBS's global restructuring group affected constituents and their businesses. My constituency is no different. I am mindful of ongoing investigations involving cases in my constituency and have no desire to jeopardise their progress as I address the issue of bank levies. I shall simply say that from the cases I have seen there remain many unanswered questions that RBS needs to address.

Many Members present will be aware of RBS and the Bank of Scotland having closed their bank branches.

James Cartlidge: My hon. Friend reminds us that, what with Royal Bank of Scotland and Bank of Scotland, there is clearly a theme among these great institutions that failed. Has he considered the fact that the bank levy is one function of a system in which ultimately the lender of last resort is the most important function? That system would simply not exist had Scotland gone independent and been left with massive liabilities to pick up. It would not have been able to cope.

Stephen Kerr: My hon. Friend makes a first-class point. He provides me with an opportunity to remind the House that, thankfully, in September 2014, Scotland had the good sense to vote overwhelmingly to remain part of the United Kingdom. Part of the reason for that was, I am sure, the lessons we had learned as a country from our experiences between 2007 and 2009, particularly the recklessness of the Scottish National party Government and the First Minister at the time, Alex Salmond, in the way he conducted himself with respect to RBS.

Just so that the hon. Member for Glasgow North (Patrick Grady) is aware, I am talking about the bank levy in relation to bank closures. It is my firm belief that having bank branches in communities is part of the covenant between the public and their financial institutions, but that covenant that is clearly broken. People should expect the banking sector to keep businesses going with cash flow, loans, financial planning and so forth. People should also expect that bank branches are close by and serve the communities in which they live. Earlier, the hon. Member for Liverpool, Walton (Dan Carden) reminded us that high street banking is particularly important for people in our constituencies who are elderly or whose mobility is challenged in other ways.

In Bannockburn, Dunblane, Bridge of Allan and the Springkerse estate in Stirling, RBS and the Bank of Scotland are leaving communities without adequate access to banking. It is important to state these things in the context of our consideration of the bank levy.

Ian C. Lucas: The hon. Gentleman is making a powerful argument about local banking. Does he therefore support the Labour party proposals for the introduction of regional banks? A nation such as Scotland could have its own banking system to serve local communities, rather than the incredibly centralised system we have now.

Stephen Kerr: I am in favour of some fair competition in retail banking. We need to consider many important issues in the context of the future of retail banking, especially how it appears in the heart of our communities.

RBS is closing its branch in Bridge of Allan, which happens where I live. In the past eight months alone, the Clydesdale bank, the Bank of Scotland and the TSB have all closed their branches, and now RBS is, too. That leaves the post office on Fountain Road as the only place where anyone will be able to do any over-the-counter banking.

Gareth Snell: Given that the Government are the major shareholder in one of the banks to which the hon. Gentleman referred that has closed and left his community devoid of proper facilities, does he not agree that it is time for the Government to step in and use their shareholder clout to ensure that bank branches stay open?

Stephen Kerr: I thank the hon. Gentleman for his comment. In fact, I have made representations to Ministers—as have my colleagues on the Government Benches—because of the impact that the closure of the bank branches, particularly the recent announced closures of the Royal Bank of Scotland branches, will have on communities such as the one from which I come in Bridge of Allan. I do have concerns about the capabilities of the Post Office branches to be able to deal with the kinds of cash amounts that they will now have to handle. It is a different scale of operations that they will have to be prepared to lift themselves to. Yes, I have made representations, and I will continue to do so. In fact, there is an Adjournment debate on the subject following these debates.

Peter Dowd: Does the hon. Gentleman agree that using state money to keep banks open in local communities amounts to Marxism?

Stephen Kerr: Well, I have mentioned what I did in my earlier years. In all those years, I was never accused of being a Marxist. I am concerned when communities become devoid of a basic service, such as a bank branch of any description. Frankly, I consider it to be unacceptable. These banks have had so much money from the British people and have been bailed out by them. I have already mentioned the recklessness of the banks, particularly of the Royal Bank of Scotland, for which I do not apologise.

I should say that I did actually work for the Royal Bank of Scotland when I left school. Perhaps I should have mentioned that earlier. [HON. MEMBERS: “Yes, you should.”] I was 16 at the time. I was a junior bank officer for RBS at the East High Street branch in Forfar. The Royal Bank of Scotland is a great institution. I just pause to pay tribute to its staff because they do a great job, and they have done a great job over these past 10 years in particular in very great difficulties. I pay them my compliments for that. Nevertheless, it does not excuse the Royal Bank of Scotland. In addressing the bank levy, it is important to remember that the greed and the calumny that they were guilty of means that they owe the British people something more. I fully acknowledge that that something more has been extracted and is being extracted, but I also think that there is a case for them having the social responsibility to maintain a presence in the communities of my constituency, such as in Bannockburn, Dunblane, Bridge of Allan and the rural parts of the constituency. I am afraid that a mobile bank does not quite meet the need.

The other consequence is that many more empty units are appearing on our high streets. That is on top of the units that have been left empty by the Scottish Government and their inaction on business rates. I was about to say, Sir Roger, that I wish that I could show you the picture of King Street in Stirling, but, in retrospect, I am glad that I cannot, because there are so many empty units and so many “to let” and “for sale” boards. That is a situation that leaves someone such as me, who loves Stirling and the great history of my constituency and everything that it stands for, more than a little concerned. There is a feeling that we need to see a change in this respect. Certainly, when the banks, which are 72% owned by the taxpayer, decide to vacate these prime sites, it leaves a big hole at the heart of these shopping centres and communities.

Karin Smyth (Bristol South) (Lab): I just want to be clear: is the hon. Gentleman asking for a further Government subsidy from either the Scottish Government or the UK Government for those institutions?

Stephen Kerr: I do not think that I have mentioned the word “subsidy”. I am talking about corporate social responsibility. [Interruption.] Corporate social responsibility has nothing to do with subsidy.

The Temporary Chair (Sir Roger Gale): I am listening with interest to the hon. Gentleman. He is talking about social responsibility, but I need to remind him that he should be talking about the bank levy.

Stephen Kerr: I appreciate that reminder, Sir Roger. My comments about social responsibility are in the context of why we have a bank levy at all and why it has been an important part of the Government’s focus in, quite rightly, raising the billions of extra revenue.

I promise that I will take only a few seconds more. There was some comment earlier about the effect of taxation. Someone mentioned the Laffer curve, which is well known to Members. It was certainly well known to the former Member for Gordon and the former First Minister of Scotland, Alex Salmond, who used to regularly quote the Laffer curve in his models. He argued with great eloquence in many places—perhaps he even did so here, I cannot be sure—for lower corporation tax. That was one of the things that Alex Salmond absolutely stood for. The lack of any intervention on me means that I am obviously not going to be corrected on that score.

8.15 pm

I read in the Scottish edition of *The Sunday Times* yesterday that Arthur Laffer has analysed the tax changes that the Scottish Government announced last Thursday in their annual Budget statement and found them wanting. He warns us that Scotland—[Interruption.] I am talking about this in the context of the bank levy, because bankers’ bonuses were mentioned. We are talking about the effect of taxation on incentive. Arthur Laffer warns us that Scotland is likely to be on a par with Greece—a place where enterprise and hard work are discouraged.

Rachel Maclean: My hon. Friend is talking about Scotland, but is he aware that, in the whole UK, while we reduced corporation tax from 28% to 19%, the amount collected has increased from £37 billion to £50 billion during the period 2010 to 2017. Will he comment on that as well?

Stephen Kerr: I am delighted to offer a comment on that, because that is exactly in line with the point that I am trying to make, which is that the Laffer curve is exactly that—we increase revenue as we reduce taxation rates. It is very much at the core of what we believe on the Government Benches. At one time, it was what the SNP also stood by, but now the Financial Secretary in the Scottish Government has not even heard of Laffer. He told a Select Committee in Holyrood that he had never heard of the Laffer curve. That is where we are at in Scotland. When it comes to incentive, hard work and industry—I am referring this to the bank levy and the bankers’ bonuses that were mentioned by Opposition Front Benches—we are now at a point where £33,000 a year is classified in Scotland as “rich”. I think that that

is dismal. We are talking not about people with yachts in the marina bays of the west of Scotland, but doctors, teachers and middle managers—the working men and women of Scotland. Therefore, when it comes to the bank levy and to bankers' bonuses, and we talk about incentives to work hard, to exercise initiative and to take a few risks, it is just not on in Scotland now. The Scottish Government are sending out a clear message, which I find dismal and dismaying, that that is not the kind of Scotland that they want. It is the kind of Scotland that I want. It is the kind of United Kingdom that I want, which is why I unreservedly stand to support the Bill.

Kirsty Blackman (Aberdeen North) (SNP): You will be delighted to know, Sir Roger, that I will be talking about the bank levy and the new clauses that have been tabled both by the Opposition and by our party. I wish to start by saying that I have rarely been more embarrassed to be part of this House than I am this evening. This debate followed hot on the heels of a statement on bullying and harassment and we ended up in a situation in which there was a ping-pong between Government Back Benchers and the Opposition Front-Bench team. It just was not acceptable. I appreciate the fact, Sir Roger, that you intervened and brought Members back to the matter under discussion.

James Cartlidge: Will the hon. Lady give way?

Kirsty Blackman: No, I will not give way.

The other concern about the tone of this debate thus far is that it has basically been a history lesson. Both sides have been talking about the history and how we have ended up in this situation. Very few people have spoken at any length about the future and about how the bank levy in the future will affect the tax take of the Treasury, as well as how it could be made to be more fair and ensure that we redistribute taxes and wealth in a positive way.

The SNP has a manifesto commitment to support the reversal of the reduction in the bank levy. We stand by that commitment and have been consistent in our views on that. We have also been consistent in supporting the introduction of a tax on bankers' bonuses.

I am pleased with the way in which Labour's new clause 1 has been written; there is a lot to commend it to the Committee. The suggestion of looking at the effects on revenue of the bank levy compared to the bank payroll tax is utterly sensible. It strikes me that this information should be in the public domain, so that we can all talk from a position of knowledge about the actual effects that this has had, rather than the projected effect that the Treasury thought it would have when it was first put in place or even thinks it might have now. It is totally reasonable for us to ask for a review of these things.

We would be able to go further and ask for more drastic changes if the Government had proposed an amendment of the law resolution, which would allow us to be more flexible in tabling amendments. As I think I have said before—if not, I am quite happy to say it now—the fact that the Conservative Government are not proposing an amendment of the law resolution means that future Labour Governments will be likely to do the same thing, so this creates a situation whereby the House is less transparent and there is less Opposition scrutiny. It would be much better for all parties if there was an amendment of the law resolution.

New clause 1 states that the proposed review would consider

“the effectiveness of the levy in reflecting risks to the financial system and the wider UK economy arising from the banking sector”.

That is key. Despite all that has happened since the financial crash, there are concerns about ensuring that banks continue to make less risky propositions and continue to be safe places for people to put their money. It is reasonable to look at the bank levy in the context of discouraging risky behaviour by banks, and the reference to the incoming revenue is key.

New clause 11, tabled by the SNP, would deal with two things: inclusive growth and equality. We will hear an awful lot in the debate tomorrow about equality, and this should apply across all measures. The review proposed in our new clause would consider whether reducing the bank levy would disproportionately affect, for example, people of a certain gender or people who are not wealthy. People who work for banks are more likely to be male and wealthy. Therefore, reducing the bank levy is more likely to support them than it is to support groups that are disadvantaged in the first place.

We in the SNP have been absolutely clear and consistent in our support of inclusive growth. We have also been clear that things such as quantitative easing—certainly since the first round of QE—do very little to support those people at the bottom of the pile or to inject money into the real economy, but actually have a disproportionate effect in organisations such as those in the FTSE 100. We will keep being clear that inclusive growth is important, which is why we have proposed progressive options for taxation. Particularly in this place, it is difficult to get any sensible answers from the Government about how their proposals will affect people across the spectrum. That is not necessarily because the Government have not done the work; they may have done the work, but they are unwilling to publish it. They do not produce comprehensive reviews of how the tax takes have changed as a result of the changes they have made to the tax system.

Hon. Members will be unsurprised to hear me calling again for the Government to be more transparent, but that is what I am doing. I will also be very clear that we are keen to support new clause 1 if Labour decides to push it to a vote.

James Cartlidge: It is a pleasure, as always, to follow the hon. Member for Aberdeen North (Kirsty Blackman). Interestingly, she mentioned inclusive growth, to which I will return shortly. It is also a pleasure to follow my hon. Friend the Member for Stirling (Stephen Kerr), whose speech was a real tour de force. The hon. Member for Aberdeen North criticised him for not talking about the future and dwelling on the past. Actually, he was talking about the present—the challenges facing his constituency today, in the here and now. The bank levy is incredibly important because it is all about the future prosperity of those constituents, so I very much welcome my hon. Friend's comments.

Interestingly, the Opposition's new clause 3 gives us a good way of looking at the bank levy as it stands. Subsection (2) of new clause 3, which would affect schedule 9—the schedule that contains the details about the bank levy—states:

“No later than 31 October 2020, the Chancellor of the Exchequer shall lay before the House of Commons an account of the effects of the proposed changes in Part 1 of Schedule 9—(a) on the

[James Cartlidge]

public revenue, (b) in reflecting risks to the financial system and the wider UK economy arising from the banking sector, and (c) in encouraging banks to move away from riskier funding models.”

I accept that those three points are incredibly germane. In fact, let us not wait until 31 October 2020. Let us stand here now and think about how a review would fit under Labour’s very own new clause.

Look at subsection (2)(a) of new clause 3, which is about the impact “on the public revenue”. What do we see? Well, the banking sector paid 58% more tax in 2016-17 than in 2009-10. That is under a Conservative Government. The average amount paid by the banks every year since 2010 has been 13% higher than under Labour. In 2016, the Government introduced an additional tax on banks—the 8% corporation tax surcharge, which we have been discussing—which will raise nearly £9 billion by 2022.

Sandy Martin *rose*—

James Cartlidge: I give way to my Suffolk colleague.

Sandy Martin: In 2009-10, the banks were recovering from the worst position they had been in since the 1930s. In many cases, they went under and needed Government support to get out. Does the hon. Gentleman accept that it would therefore have been extraordinary if the banks were not making more profit in 2016-17 than they were in 2009-10, that that is the reason why there is more take from the bank levy than there was in 2009-10, and that it is not simply because the Conservatives have reduced the amount of it?

James Cartlidge: I consider the hon. Gentleman to be a friend because we work together in Suffolk as MPs; we are always happy to do that. I will be coming to the issue of the crash and the way in which the banks went back to the 1930s, as he puts it, because I experienced that myself.

Stephen McPartland: Is my hon. Friend aware that the total tax take from banks now is 6% higher than it was in the year before the financial crash?

James Cartlidge: My hon. Friend makes an excellent intervention and provides the rebuttal for me. The key point is that more tax is being raised now than before the crash.

My point is that were we to apply now the test of the impact on the public revenue under Labour’s very own review as proposed in new clause 3, we could only come to one conclusion, which is that all the taxes we have put in place on the banking sector—not just the bank levy—have been raising significantly more revenue. The rising revenue has contributed to paying off the deficit and supporting UK public services. [Interruption.] The shadow Minister, the hon. Member for Bootle (Peter Dowd), is shaking his head. I am happy for him to intervene and tell me that we are not raising more tax from the banks. He was very generous in giving way to me, but it appears that he is not going to intervene.

Subsection (2)(b) of new clause 3 states that the review that Labour would introduce of the bank levy would look at

“reflecting risks to the financial system and the wider UK economy arising from the banking sector”.

I always find it amusing to see a Labour amendment—particularly from this Labour party—talking about risks to the financial system; indeed, I think the shadow Chancellor himself has referred to Labour as a risk to the financial system. One wonders whether, in its own review, Labour will be modelling what the impact of a run on the pound—let alone a run on the banks—would be on the banking system. I certainly think it would be most profound.

The hon. Member for Aberdeen North said we are going back in time, but of course we have to go back, because the bank levy was born out of what happened in 2008. The bank levy came from the crash, which has had very many wider impacts, but particularly on this aspect of our tax system.

Let us remember the real bank levy—the real cost to the public. The cost of the bail-out of the banks was £850 billion. That was the figure the National Audit Office published in 2009 while there was still a Labour Government. That consisted of all kinds of costs. There was £107 million for City advisers—that’s right, a Labour Government spent over £100 million on City advisers. There was £76 billion to buy shares in RBS and Lloyds. There was £250 billion to guarantee wholesale borrowing to strengthen liquidity. There were many more hundreds of billions of such costs, including hundreds of billions for the Bank of England to insure itself in providing liquidity. People forget that. When we talk about the cost of the bail-out, we are not talking just about buying shares in the banks; this huge amount of subsequent activity that took place ultimately has to be accounted for, and it is borne by the whole of our economy and all our taxpayers.

8.30 pm

Therefore, when we talk about Labour’s review “reflecting risks to the financial system”,

we all have to reflect on the fact that it was the very crash in the financial system in 2008—that most epic of crashes—that brought us to this point in the first place, that cost so much and that put such a huge burden on the national debt and the taxpayers of the future.

Gareth Snell: I am very interested to hear the hon. Gentleman give us his rhetoric about history. What, at the time, were the suggestions from the Conservative party in terms of dealing with the impending crash? Anecdotally, I know that chief execs of banks were talking about money running out at cashpoints. What would the Conservative party have done differently in 2008 from what happened under the Labour Government?

James Cartlidge: I would say three things. First, the hon. Gentleman talked earlier about the shadow Chancellor, but I have to go back and quote the City Minister at the time—Ed Balls—who said in 2006:

“nothing should be done to put at risk a light-touch, risk-based regulatory regime”.

Gareth Snell: If we are going to trade quotes across the Chamber, the then Member for Witney, who was the leader of the Conservative party at the time, said:

“I want to give you...less regulation.”

If we are talking about regulation and the state of the banks at the time, the Conservative party is as culpable as anybody else.

James Cartlidge: I am happy to have that debate. I will tell the hon. Gentleman what I said. I started a mortgage broking company in 2004—we have expanded since then, and I should declare that I still have interests in that business. I wrote an article for *The Guardian* in 2004 about the next general election. *[Interruption.]* Just a closet Marxist. At the time, the big issue being talked about was public services, but I said—this was in 2004—that the big risk we were not talking about was consumer debt. I knew that because, having just started a business in that area, I was stunned by what was happening in mortgage finance, which, of course, was the type of borrowing that laid the seeds for our destruction in 2008.

Sandy Martin: May I tell the hon. Gentleman how prescient he was in 2004? He was clearly right. Does he have the same concern about the rising level of private debt now?

James Cartlidge: The hon. Gentleman makes a very good point, and I will come back to that once I have set out the context of my remarks. The key point is this: there are some concerns, but in a growing economy, consumer debt will tend to rise, so we have to separate out that which is perfectly acceptable and that which may give cause for concern. I will come back to that point, but it is very fair.

In respect of proposed subsection (2)(b) of the Labour new clause, which talks about “reflecting risks to the financial system”,

we conclude by reminding ourselves that it was the very explosion of the financial system that created the need for this bank levy. As I say, we have to debate the past—why we are here in the first place and where this all came from—and the fact that we are on a journey. The reason this tax is being tapered off is that the banking sector is once again becoming profitable, and we are allowing it to flourish again as a free enterprise-based banking system, but, of course, in the context of very strict regulation and a prudential regime.

Let me go back to the point about personal experience. It amazes me when members of the Labour party stand up and, like Pontius Pilate, wash their hands of the huge impact of that crash. At the time, many of us approached the regulator—the Financial Services Authority—which Gordon Brown launched early in the first Parliament after Labour won in 1997. He claimed that that would avoid future financial crises. We must remember that and have accountability.

Jonathan Reynolds (Stalybridge and Hyde) (Lab/Co-op): Will the hon. Gentleman be reasonable or fair enough to acknowledge that while it is entirely possible to say that the system of regulation on the eve of the financial crisis was not adequate—no one is making the case that it was—surely it is illogical and ridiculous to suggest that the Conservatives would have been doing anything different. After all, the banks themselves were not aware of the level of risk they had undertaken, so it was no surprise that the regulator did not appreciate it. One cannot claim that the Conservatives advocated anything different from the overarching framework of regulation that existed at the time.

James Cartlidge: I entirely disagree. The absolute root cause of it all was not saving enough and having a bad culture of over-reliance on debt. I well remember that back in '98 and '99 when Francis Maude was the

shadow Chancellor, he kept saying, with regard to the low savings ratio, “We are storing up problems for the future.” At every Budget, no matter how high Labour was in the polls, our shadow Chancellors and shadow spokesmen—people like Howard Flight—would say that the savings ratio was way too low and we were storing up problems for the future. We did warn, we did say it, and we were ignored.

Alison McGovern (Wirral South) (Lab): The hon. Gentleman is making the case that people borrowed too much because they were somehow feckless or immoral. *[Interruption.]* He mentioned the poor savings culture in this country and said that people were unable to save. Actually, is it not the case that the picture has worsened since then, because the simple fact is that wages have been held down and people are now unable to save? How has his party in government fared on the issue that he has raised?

James Cartlidge: I never talked about fecklessness or being immoral. I was talking about the economic fact that the savings ratio was dangerously low throughout much of the Labour Government's time in office, and they were warned about it. Labour Members are saying that we never said anything, and that simply is not true.

The hon. Lady seems to think that Labour had good policies on debt. I remember when someone could get a self-certified mortgage, with no proof of income, on an annual percentage rate relating to bad credit, so they could have a history of failing to pay debt. Not only that, but it was interest-only, so they were not even repaying the capital. There was a whole menu of different types of sub-prime such as light-adverse, medium-adverse or heavy-adverse. As I have said before, basically the question was, “Do you have a pulse?”, and then one got a mortgage.

Peter Dowd: Will the hon. Gentleman simply acknowledge that in August 2007 the Conservatives had a policy of significantly more deregulation, including of the banks, and that was ratified by the Tory shadow Cabinet at the time?

James Cartlidge: I do not accept that. Those mortgages were being advanced. The FSA knew about them and the Government knew about them. The fact is that when you are in charge of the financial system, you have a responsibility to act in a prudent manner. The Governor of the Bank of England always says, “Your duty is to take the punchbowl away when the party gets started.” The problem was that when the party got started under the new Labour Government in terms of debt and borrowing too much, they did not take the punchbowl away—they came out with a new round of tequila slammers, and when that was not enough, they brought out the Jägerbombs, until in 2008 we had the biggest hangover in our history, with the crashing of our economy on the back of the most reckless oversight of financial regulation that this country has ever seen.

Mr Mark Prisk (Hertford and Stortford) (Con): My hon. Friend is making a very strong case. However, he is relatively new to this place. May I remind him, and the Committee, that when I was on the Opposition Benches for 10 years, the then Labour Chancellor of the Exchequer told us that he had abolished boom and bust? That is the political context in which Labour ruined the economy.

James Cartlidge: My hon. Friend is absolutely right. The types of borrowing that I have talked about were the reality, but what have we done since? It is no longer possible to get self-certified mortgages. It is very difficult—almost impossible—to get interest-only mortgages as a residential purchaser.

Kirsty Blackman: Will the hon. Gentleman give way?

James Cartlidge: The hon. Lady did not give way to me, but because I believe in inclusive growth and equality, I will give way to her.

Kirsty Blackman: The hon. Gentleman is making a very sensible case about the issues there were with mortgages before, but there are currently issues with consumer credit. The Bank of England has raised concerns about, for example, the card credit that people are taking out, and the fact that half of households have less than £100 in savings. When is he going to take the punchbowl away?

James Cartlidge: I did say that I would come to the current position on credit. I want to finish on the analysis of the three tenets in new clause 22 under which Labour says that we should consider how the bank levy has worked. According to subsection (2)(c), we should look at it in terms of

“encouraging banks to move away from riskier funding models.”

It is quite amusing to see a Labour new clause that contains the phrase

“encouraging banks to move away”.

My colleagues will appreciate that the whole point of reforming the bank levy is not to encourage banks to move away, but to encourage them to stay here and create wealth and jobs. Let us not forget that in all the figures we have heard about, we have not heard the key one. Banks contribute £116 billion of value added to our economy, not including any of the tax take.

Peter Dowd: We have talked about the rewriting of history. The Shadow Cabinet at the time—we are talking about what happened at the time—said:

“We need to make it more difficult for ministers to regulate, and we need to give the critics of regulation more opportunity to make their case against specific new proposals.”

The Conservatives’ direction of travel at that time was towards not more regulation, but less. Does the hon. Gentleman acknowledge that at all?

James Cartlidge: All the financial plans of that shadow Government would have been about fiscal prudence, and the context would have been completely different. The Labour Government crashed the economy on every single front, which is why we are where we are today.

There is one final point I want to make. We had a wide-ranging discussion earlier about Marxism, which I thought particularly intriguing. We have to decide, as a country, whether we want to be a flourishing free enterprise economy or a centrally commanded one in which everything remains in, or is taken into, the public sector. When the banks were nationalised, they were bailed out on the basis of rescuing the economy from an extreme threat that could have left us resorting to barter. The point is that we have put the banks on a stable footing so that they can flourish again and become competitive businesses.

The bank levy, to me, is about striking a balance but having a competitive financial services sector to drive our exports and growth, and that is why I will be voting to support it.

Karin Smyth: We have had an interesting, if not very factually correct, history lesson this evening. I want to bring us back to the question of how we spend £4.7 billion of taxpayers’ money, and the political choices that the Conservative party are making in this Finance Bill. Politics is about priorities, and I would like to talk, as the hon. Member for Aberdeen North (Kirsty Blackman) suggested we should, about the future and how we might spend the money differently. For my constituents in Bristol South, and, I think, for the country, the biggest issue in the Budget is productivity. I would like to think that we could use that money for something better, such as technical qualifications, to help to reduce the skills gap in my constituency.

Of all the constituencies in the country, mine sends the smallest number of young people into higher education, and only 24% have a level 4 qualification. For a city that contains two universities and has two more close by, that is scandalous. Because of that, I have followed the apprenticeship levy very closely and supported the Government in its introduction, but the figures are hugely disappointing. Large employers are using the levy to train current executives, and small employers simply do not know how to navigate the system. That has led to the 62% drop-off in apprenticeship starts since last July. It is outrageous that in the Budget, the Chancellor could only give a nod to the apprenticeship levy by saying that he would keep an eye on it, at the same time as deciding to grant the banks a tax giveaway of £4.7 billion.

T-levels have had very little debate in this House since they were announced in October, and they are mentioned only in passing in the Budget. I welcome the Government’s approach to trying to improve technical education as an alternative to the academic option, because it could really help social mobility in my constituency and those of many other hon. Members. The Government have said that T-levels were

“the most ambitious post-16 education reform since the introduction of A-levels”,

but if they are, the current signs are very worrying. Let us compare that £4.7 billion with the sums of money that the Government have committed to T-levels: £60 million in 2018-19, £445 million in 2021-22 and £500 million every year afterwards to ensure that the supposedly hugely ambitious T-levels are a success. However, while the overall investment is welcome, it pales into a rather small figure compared with the other sums we are talking about.

8.45 pm

Further education providers have already raised concerns this year that the figure is not enough, and they are already facing reduced student numbers. They need the money now. In fact, our country needs that money now, because as we heard in the Budget, productivity is one of the greatest problems facing our country. As Lord Sainsbury has said:

“Government, the education sector, industry, LEPs and Combined Authorities now need to put in the necessary resources and effort, and not wait until the last moment”

to do something about this problem.

It is disappointing that the Chancellor simply offered £20 million in staff development training for T-levels, which is in contrast with the £80 million in incentives to get more A-level maths students, for example. There is no clarity on what, where, how or who this will apply to, and there is a real lack of transparency about the process for choosing pathways and providers. So far, the tenders for the 2015 institutes of technology have been delayed, and teaching the first new T-levels has been pushed back to September 2020, with the delay of another year. Only one pathway from each of the three routes is likely to begin by 2020, and most of the providers do not look likely to deliver T-levels until perhaps 2024. After the problems encountered with the apprenticeships levy, which is due to help with our skills gap and to increase productivity in this country, there ought to be a much greater sense of urgency about getting this rolled out and helping FE providers to be prepared.

In conclusion, I would like to know how and when the providers in Bristol South—indeed, I am sure many hon. Members would like to know this about their own constituency—can expect to access additional funding, for which subjects and at what levels so that people are prepared for those qualifications. I want the people of Bristol South to share in the greater prosperity in my city, and indeed in this country. I will support the amendments tabled by our Front Benchers in relation to using this money differently following a review of the bank levy.

Robert Courts: It is a great honour to speak in the debate on this very important matter, and particularly to follow the hon. Member for Bristol South (Karin Smyth). She made some very interesting points, and I am glad that she supports many of the technical education measures that the Government are bringing in. I entirely agree with her that this is one of the great challenges the country faces, and I applaud the Government's work in setting out a framework for technical education in the future.

I want to talk directly about the bank levy. All hon. Members on both sides of the House probably accept that it is very important for the banks to pay a fair contribution towards public services and the tax yield in this country. They are significant employers with significant operations and they are wealthy and profitable enterprises, but it is very important to have a balance. Such a balance throws into relief the fact that banks are responsible not just for being profitable and therefore for paying tax, but for introducing liquidity into the system and enabling us to borrow.

If any hon. Member has ever borrowed to buy a car or a house or to invest in a business—many of their constituents will of course have done so—the money will have come from a bank in most cases. It is very important that banks are enabled to provide precisely that service, so there has to be a balance. Yes, they must pay a fair share towards the economy and society in which we all live, but that share should not be so large that their ability to lend is decreased. I suggest that this Government have got the balance right. In 2010, the Conservative coalition Government increased regulation, and in 2011 they introduced the bank levy, which reflected the risk inherent in the banking sector. It is an inherently risky sector because of the very nature of the way in which it operates, and the bank levy was introduced

precisely to recognise that risk. It was introduced to incentivise the banking sector as it then was to invest in a way that was less risky than the ways in which it had operated up until that time.

That spirit of balance, which is the keynote point of my few remarks this evening, is why we need reform now. There is a gradual shift from the levy to taxing profit, recognising that the regulatory regime globally, as well as in this country, has moved on considerably since it was introduced. Since 2016, we have had an 8% tax on bank profits—the corporation tax surcharge—which will raise £9 billion between 2017 and 2022. The bank levy rate will be reduced to 0.1% over the same period. Of course, there is the additional fairness brought by ensuring that the levy affects only UK balance sheets. UK-based banks must never be disincentivised from being based here, rather than being based abroad and operating here. We can make those changes now because of the improvements in global regulation.

Members from all parts of the House should recognise that it is important that we, as politicians, do not become too fixated on the rate of taxation, but rather look at the revenue that is earned. I suggest that this Government have got that balance—that key focus—correct. That is the economic paradox of taxation rates. We heard about the Laffer curve from my hon. Friend the Member for Stirling (Stephen Kerr). If there is 0% tax, 0% taxation is received. If there is 100% tax, 0% taxation is received. The point is where precisely the balance is struck. I suggest that the Government have got it correct.

The measures that we have brought in since 2015 have introduced an additional £7 billion through to 2023, bringing in a total of £30 billion over and above what would have been brought in through corporation tax in any event.

Peter Dowd: I am not quite sure that the hon. Gentleman is correct about that, because the Institute for Fiscal Studies states:

“Cuts to corporation tax rates announced between 2010 and 2016 are estimated to reduce revenues by at least £16.5 billion a year in the short to medium run.”

Even the Treasury's own figures show that the cost has been significant.

Robert Courts: I simply do not accept that point, with the greatest of respect to the hon. Gentleman. It is quite clear that the reduction in corporation tax, which I am glad he has mentioned, has led to an increase in revenues over that period. It is accepted that GDP is expected to increase by 1.3% in the long run. The receipts have increased by 50% since the Government have been reducing the corporation tax rate, from £36 billion to £55 billion between 2010 and 2016. That is an increase to £55 billion going to the Exchequer over that period.

Ian Paisley (North Antrim) (DUP): The hon. Gentleman is absolutely right. We have seen the boost in spending generated by the proposed reduction in VAT on the hospitality trade in Northern Ireland before the measure even kicks in. I suggest that if the Government had the bottle to do away with air passenger duty—that would be an exceptionally good move—we would see even more air travel and an increase in tax take overall.

Robert Courts: I thank the hon. Gentleman for those excellent points, which reinforce the point I am making.

Of course there has to be taxation, but we must strike a balance with the level of taxation. I know it is paradoxical, but sometimes when tax is reduced, there is an increase in the amount of tax that is taken because it sponsors the amount of work that business is able to do. When business is able to do more work, it earns more money, it pays more tax, it is able to employ more employees, those employees pay more tax and hopefully their wages increase. I am sure that Opposition Members will be glad to ensure that we have measures that increase wages. That is something we should all aim to do, not least because it increases the tax take and the funding for our public services.

I suggest that the Government's measures can in no way be described as a bank tax giveaway, because 58% more is being paid in tax than was the case under Labour. An additional £27.3 billion was taken through corporation tax, the bank levy, national insurance, the bank surcharge and income tax in 2016-17 than would otherwise have been the case. A 35% increase in the amount of taxes paid by the financial services sector since 2010 is an extraordinary figure. It has been made possible by this Government's sensible tax policies.

Nigel Huddleston: My hon. Friend is making a very important point about tax fairness. Whether corporations or individuals, the top 1% of income tax payers pay more than double what the bottom 50% pay. It is a similar principle.

Robert Courts: It is exactly the same principle with personal taxation. My hon. Friend makes an absolutely outstanding point. He is quite right and we must not forget that the principle is the same for personal taxation as it is for corporation taxation. Not only is the tax yield increasing, it is also borne by those who earn the most. It is indeed progressive and, I would hope, something all Members could support.

I know other Members wish to speak, so I will conclude with this point. An Opposition Member suggested that no one on the Government Benches has spoken about wages, public services and so on. I would very much like to concentrate on them in these last few seconds of my speech. It is through our tax regime, the sensible taxation policies that this Government have put in place since 2010, that we are now able to see an increase in—

Peter Dowd: Given those sensible taxation levels and rates, will the hon. Gentleman explain why productivity is the lowest of all our competitors, inflation is higher than our competitors, wage stagnation is almost becoming endemic, investment is slower, and economic growth is on the floor? If having these so-called lower rates of tax is such a fantastic opportunity for businesses, how come we are still in this particular situation?

Robert Courts: I am grateful, as ever, to the hon. Gentleman for making his points. He makes a number of them and it will not surprise him that I do not agree with him. We have record investment, an extraordinary economic miracle and a jobs miracle. We are still having to recover from the economic mess the Labour party left us in. There is absolutely no two ways about it: the Labour party left us with record levels of national debt.

Our economy is seeing an increasingly benign environment. That has been made possible by the sensible taxation measures the Government have allowed to take place and have sponsored. It is through that tax regime that there is more to spend on public services: companies can look to increase wages, hire more staff, pay more tax and thereby fund the public services we all need.

Rosie Duffield (Canterbury) (Lab): The Chancellor, in his Budget speech, offered nothing at all for our vital children's services, which are already struggling and stretched. He was, however, able to find £5 billion of tax relief for bankers, so it is certainly a happy Christmas for them this year. The additional new surcharge on banks and the changes announced to the bank levy mean that the amount received will reduce by a third over time.

A less happy Christmas awaits the staff, parents and children who use the Riverside Sure Start children's centre in my constituency. On Thursday, I was told that Kent County Council is considering plans to close this beloved centre. The council talks about making efficiency savings and bringing services in house, but we all know what that could mean: more victims of Kent County Council's ruthless cost-cutting drive in line with this Government's. When it comes to cuts, it seems to me that Kent County Council is doing its very best not just to throw metaphorical babies out with the bathwater, as real children and babies are being betrayed by this heartless agenda to keep the council in the black.

Kent County Council does not know when to stop. Many families in my community and from local schools rely on the services provided by our children's centre. Those services include stay and play sessions, vital family support and outreach for parents. They also include advice and help with all aspects of childcare, school choices, breastfeeding support, health visitor and midwife clinics, post-natal depression advice, parenting skills, and speech and language services. Furthermore, the centre threatened with closure in Canterbury also offers advice on employment and opportunities to engage in adult education and training. Riverside children's centre celebrated its 10th birthday last year. Since it opened in 2006, almost 7,000 children have attended the activities provided and nearly 2,000 families have registered with the centre.

9 pm

Alison McGovern: My hon. Friend is making an excellent speech. Given the comments that we heard earlier about recent history, does she agree that the brutal cuts to important children's services such as those that she describes go completely against the rhetoric with which David Cameron and George Osborne came to this House when they went into government in 2010, after the events we heard described just a moment ago?

Rosie Duffield: Absolutely—

The Temporary Chair (Albert Owen): Order. As the hon. Lady continues, rather than concentrating on recent history, will she get back to the bank levy, which is what is under debate?

Rosie Duffield: I thank my hon. Friend the Member for Wirral South (Alison McGovern) for her intervention, but in the light of your comments, Mr Owen, I shall continue with my speech.

These parents and children will no longer be able to meet or play together, and the children will be unable to socialise with children their own age in a safe, well-equipped space. Loneliness is a—*[Interruption.]* This is about real cuts to real people, affecting their lives.

The problem of loneliness has been much talked about lately. New parents often experience feelings of isolation and can lack confidence, and that is especially the case for parents who have recently moved to a new area or do not have English as their first language. It goes without saying that they are helped enormously by being able to meet others in similar circumstances, sharing their common fears and trepidation at a time of huge life change. Taking away a lifeline such as Sure Start cuts them off from friends, health advice, skills sharing and their communities.

Gareth Snell: My hon. Friend is setting out in her excellent speech exactly the same point as that made by my hon. Friend the Member for Bristol South (Karin Smyth): reducing the bank levy will have a direct impact on community services. Could the services she has mentioned be saved if the Government were to drop their plans to cut the bank levy?

Rosie Duffield: Absolutely. We have heard a lot about Marxism and some filibustering speeches, but the real people watching today are interested in cuts to services such as children's services. That is why I am speaking about them.

We know that two thirds of councillors from 101 local authorities that were surveyed said that not enough money was available to provide universal services such as children's centres and youth clubs. How does the short-sighted and drastic cutting of the funding that children's services need help the children and families of tomorrow? This short-term, household budget-style approach will leave a generation of communities bereft, isolated and without the many essential services that are so needed by parents and children.

Emma Hardy (Kingston upon Hull West and Hessle) (Lab): I wish to support Labour's new clauses 1 to 3, which call for a review of the change in the scope and rate of the bank levy, the funds from which should be invested in young people's and children's services. Given the desperate state of young people's and children's services across the country, I am surprised that the Chancellor has chosen to reduce the bank levy, effectively depriving the Government of funds that could be spent on those vital services.

It has now been 26 days since the Chancellor delivered his Budget—his second Budget, and the 10th since the Tories took office in 2010, which is now nearly eight years ago. By coincidence, it is also nearly eight years since my baby was born, who is still my baby despite being eight years old. Every parent wants the best for their child and wants them to have every opportunity to fulfil their potential, but for the almost eight years of her life, we have seen her opportunity rationed and

funding for children's and young people's services slashed. Sir Roger, I will quickly—*[Interruption.]* I am so sorry, Mr Owen.

Jonathan Reynolds: Sir Mr Owen.

Emma Hardy: You have been promoted, Mr Owen.

I want quickly to draw the House's attention to the funding cuts to Hull City Council's children's services budget since 2010 and to argue that rather than reducing the bank levy the Government should be properly funding children's services. The headline figures for Hull City Council are as follows. Spending on children's and young people's services is down by £19.5 million, with more than a quarter of its spending power cut since 2010. That is just half of the £37 million that the council has to cut before 2020. The time taken to get a diagnosis of autism is up, with the average waiting time now at 14 months. The number of Sure Start centres in the city is down since 2010. Those centres were instrumental in supporting me when I had my two girls.

Karin Smyth: Is that not simply incomprehensible at a time when productivity is such a major issue for our economy? Is not the proven, evidence-based value of Sure Start early intervention with children at the youngest age one of the biggest drivers for improving productivity, and is not cutting that totally detrimental?

Emma Hardy: I completely agree. The Education Committee has been looking into fostering. We know that in some of the most deprived areas of society the number of looked-after children is increasing, and we know that one of the reasons is that there is no money for social services departments to support families and give them the early intervention that they so desperately need. It is a false economy to pull funding away from early intervention, saying that that will save money. It will not; it will cost a lot more in the long run.

Those horrendous headlines do not tell the whole story. They do not tell of the worry experienced recently by breastfeeding mothers in Hull who panicked at the possibility that their peer-to-peer doula support would be cut because the council could not afford to pay for it. The council is having to make impossible choices. If it supports those breastfeeding mothers, it will have to pull funding from somewhere else. That is simply not fair.

Those headlines do not tell the story of the child in need who has fallen behind at school and finds it difficult to catch up again because of Government cuts in Sure Start's speech, language and communication services. The Minister recently published an article in a newspaper complaining about the fact that children were starting school before they were school-ready. Why do the Government think that that is happening? It is happening because there is no money for the early intervention and Sure Start centres that are so desperately needed. Again, more potential is being missed and more opportunity wasted.

As I said in my maiden speech, I do not want a single child to have their life story written on the day they are born. Can we really say that the Bill will create the conditions in which all children can be given the support that they need and the opportunity to fulfil their potential?

[Emma Hardy]

Does it, as the Prime Minister said on the steps of Downing Street just after taking office,

“do everything we can to help anybody, whatever your background, to go as far as your talents will take you”?

Until we can answer yes to those questions, a reduction in the bank levy is a luxury that we cannot afford. I urge Members to back Labour’s new clauses 1, 2 and 3, because the future of our economy, and our children, depends on them.

Mel Stride: We have had a very wide-ranging debate. On occasion, we even touched on the matter at hand—the bank levy.

The hon. Member for Bootle (Peter Dowd) was very generous in giving way, but less generous and less forthcoming in his answers. He was asked whether he recognised that we would be raising more tax from the banks. He said he would come back to that, but I do not think he did. He was asked why Labour had voted against the bank levy in the first place. On two or three occasions he said he would come back to that, but I am not sure he did. When he was asked whether he supported the overthrow of capitalism, he declined to answer. When he was asked by how much Labour would increase corporation tax, he told his interlocutor to go away and look it up. He was asked whether he was a Marxist. He was swamped by red herrings at one point, which caused my hon. Friend the Member for South Suffolk (James Cartledge) to say that he was the victim of too many interventions “on the trot”—boom boom!

My hon. Friend the Member for Stirling (Stephen Kerr) stressed the importance of a fair playing field, which is exactly what the Bill is introducing for the banks. The hon. Member for Aberdeen North (Kirsty Blackman) talked about the importance of less risky behaviour by banks. I certainly subscribe to that, which is why the Bank of England’s Financial Policy Committee has been conducting the stress tests to which I referred earlier. They have all been very successful, including one that is based on a no-deal Brexit scenario.

My hon. Friend the Member for South Suffolk also took us through the amount of tax that has been raised from the banks under the Conservatives. He slightly ruined it all by saying that he had once written an article for *The Guardian*, and that he was, indeed, a closet Marxist at least.

The hon. Member for Bristol South (Karin Smyth) talked about the importance of productivity while my hon. Friend the Member for Witney (Robert Courts) highlighted the importance of a balanced approach to tax so that the banks could lend and stay healthy. The final two contributions were on childcare support, on which this Government have a proud record: by 2019-20 we will be spending a record £6 billion per year supporting childcare. On that note, I commend clause 33 and schedule 9 to the Committee.

Question put and agreed to.

Clause 33 accordingly ordered to stand part of the Bill.

Schedule 9

BANK LEVY

Question put. That the schedule be the Ninth schedule to the Bill.

The Committee divided: Ayes 313, Noes 258.

Division No. 74]

[9.10 pm

AYES

Afolami, Bim	Dodds, rh Nigel
Afriyie, Adam	Donaldson, rh Sir Jeffrey M.
Aldous, Peter	Donelan, Michelle
Allan, Lucy	Double, Steve
Allen, Heidi	Dowden, Oliver
Amess, Sir David	Doyle-Price, Jackie
Andrew, Stuart	Drax, Richard
Argar, Edward	Duddridge, James
Atkins, Victoria	Duguid, David
Bacon, Mr Richard	Duncan, rh Sir Alan
Badenoch, Mrs Kemi	Duncan Smith, rh Mr Iain
Baker, Mr Steve	Dunne, Mr Philip
Baldwin, Harriett	Ellis, Michael
Barclay, Stephen	Ellwood, rh Mr Tobias
Baron, Mr John	Eustice, George
Bebb, Guto	Evans, Mr Nigel
Bellingham, Sir Henry	Evennett, rh David
Benyon, rh Richard	Fabricant, Michael
Beresford, Sir Paul	Fernandes, Suella
Berry, Jake	Field, rh Mark
Blackman, Bob	Ford, Vicky
Blunt, Crispin	Foster, Kevin
Boles, Nick	Fox, rh Dr Liam
Bone, Mr Peter	Frazer, Lucy
Bottomley, Sir Peter	Freeman, George
Bowie, Andrew	Fysh, Mr Marcus
Bradley, Ben	Garnier, Mark
Bradley, rh Karen	Gauke, rh Mr David
Brady, Mr Graham	Ghani, Ms Nusrat
Bridgen, Andrew	Gibb, rh Nick
Brokenshire, rh James	Gillan, rh Mrs Cheryl
Bruce, Fiona	Girvan, Paul
Buckland, Robert	Glen, John
Burghart, Alex	Goldsmith, Zac
Burns, Conor	Goodwill, Mr Robert
Burt, rh Alistair	Gove, rh Michael
Cairns, rh Alun	Graham, Luke
Campbell, Mr Gregory	Graham, Richard
Cartledge, James	Grant, Bill
Cash, Sir William	Grant, Mrs Helen
Caulfield, Maria	Gray, James
Chalk, Alex	Grayling, rh Chris
Chishti, Rehman	Green, Chris
Chope, Mr Christopher	Green, rh Damian
Churchill, Jo	Greening, rh Justine
Clark, Colin	Grieve, rh Mr Dominic
Clark, rh Greg	Griffiths, Andrew
Clarke, rh Mr Kenneth	Gyimah, Mr Sam
Clarke, Mr Simon	Hair, Kirstene
Cleverly, James	Halfon, rh Robert
Clifton-Brown, Geoffrey	Hall, Luke
Coffey, Dr Thérèse	Hammond, rh Mr Philip
Collins, Damian	Hammond, Stephen
Costa, Alberto	Hancock, rh Matt
Courts, Robert	Hands, rh Greg
Cox, Mr Geoffrey	Harper, rh Mr Mark
Crabb, rh Stephen	Harrington, Richard
Crouch, Tracey	Harrison, Trudy
Davies, Chris	Hart, Simon
Davies, David T. C.	Hayes, rh Mr John
Davies, Glyn	Heald, rh Sir Oliver
Davies, Mims	Heappey, James
Davies, Philip	Heaton-Harris, Chris
Davis, rh Mr David	Heaton-Jones, Peter
Dinagen, Caroline	Henderson, Gordon
Djanogly, Mr Jonathan	Herbert, rh Nick
Docherty, Leo	Hermon, Lady

Hinds, Damian
 Hoare, Simon
 Hollingbery, George
 Hollinrake, Kevin
 Hollobone, Mr Philip
 Holloway, Adam
 Howell, John
 Huddleston, Nigel
 Hughes, Eddie
 Hunt, rh Mr Jeremy
 Hurd, Mr Nick
 Jack, Mr Alister
 James, Margot
 Javid, rh Sajid
 Jayawardena, Mr Ranil
 Jenkin, Mr Bernard
 Jenrick, Robert
 Johnson, rh Boris
 Johnson, Dr Caroline
 Johnson, Gareth
 Johnson, Joseph
 Jones, Andrew
 Jones, rh Mr David
 Jones, Mr Marcus
 Kawczynski, Daniel
 Keegan, Gillian
 Kennedy, Seema
 Kerr, Stephen
 Knight, rh Sir Greg
 Knight, Julian
 Kwarteng, Kwasi
 Lamont, John
 Lancaster, Mark
 Latham, Mrs Pauline
 Leadsom, rh Andrea
 Lee, Dr Phillip
 Lefroy, Jeremy
 Leigh, Sir Edward
 Letwin, rh Sir Oliver
 Lewer, Andrew
 Lewis, rh Brandon
 Lewis, rh Dr Julian
 Lidington, rh Mr David
 Little Pengelly, Emma
 Lopez, Julia
 Lopresti, Jack
 Lord, Mr Jonathan
 Loughton, Tim
 Mackinlay, Craig
 Maclean, Rachel
 Main, Mrs Anne
 Mak, Alan
 Malthouse, Kit
 Mann, Scott
 Masterton, Paul
 Maynard, Paul
 McLoughlin, rh Sir Patrick
 McPartland, Stephen
 McVey, rh Ms Esther
 Menzies, Mark
 Mercer, Johnny
 Merriman, Huw
 Metcalfe, Stephen
 Miller, rh Mrs Maria
 Milling, Amanda
 Mills, Nigel
 Milton, rh Anne
 Mitchell, rh Mr Andrew
 Moore, Damien
 Mordaunt, rh Penny
 Morgan, rh Nicky
 Morris, Anne Marie

Morris, David
 Morris, James
 Morton, Wendy
 Mundell, rh David
 Murray, Mrs Sheryll
 Murrison, Dr Andrew
 Neill, Robert
 Newton, Sarah
 Nokes, Caroline
 Norman, Jesse
 O'Brien, Neil
 Offord, Dr Matthew
 Opperman, Guy
 Paisley, Ian
 Parish, Neil
 Patel, rh Priti
 Paterson, rh Mr Owen
 Pawsey, Mark
 Penning, rh Sir Mike
 Penrose, John
 Percy, Andrew
 Perry, Claire
 Philp, Chris
 Pincher, Christopher
 Pow, Rebecca
 Prentis, Victoria
 Prisk, Mr Mark
 Pritchard, Mark
 Pursglove, Tom
 Quin, Jeremy
 Quince, Will
 Raab, Dominic
 Redwood, rh John
 Rees-Mogg, Mr Jacob
 Robertson, Mr Laurence
 Robinson, Gavin
 Robinson, Mary
 Rosindell, Andrew
 Ross, Douglas
 Rowley, Lee
 Rudd, rh Amber
 Rutley, David
 Sandbach, Antoinette
 Scully, Paul
 Seely, Mr Bob
 Selous, Andrew
 Shannon, Jim
 Shapps, rh Grant
 Sharma, Alok
 Shelbrooke, Alec
 Simpson, David
 Simpson, rh Mr Keith
 Skidmore, Chris
 Smith, Chloe
 Smith, Henry
 Smith, rh Julian
 Smith, Royston
 Soames, rh Sir Nicholas
 Soubry, rh Anna
 Spelman, rh Dame Caroline
 Spencer, Mark
 Stephenson, Andrew
 Stevenson, John
 Stewart, Bob
 Stewart, Iain
 Stewart, Rory
 Streeter, Mr Gary
 Stride, rh Mel
 Stuart, Graham
 Sturdy, Julian
 Sunak, Rishi
 Swayne, rh Sir Desmond

Swire, rh Sir Hugo
 Syms, Sir Robert
 Thomas, Derek
 Thomson, Ross
 Throup, Maggie
 Tolhurst, Kelly
 Tomlinson, Justin
 Tomlinson, Michael
 Tracey, Craig
 Tredinnick, David
 Trevelyan, Mrs Anne-Marie
 Truss, rh Elizabeth
 Tugendhat, Tom
 Vaizey, rh Mr Edward
 Vara, Mr Shailesh
 Vickers, Martin
 Villiers, rh Theresa
 Walker, Mr Charles
 Walker, Mr Robin

Wallace, rh Mr Ben
 Warburton, David
 Warman, Matt
 Watling, Giles
 Whately, Helen
 Wheeler, Mrs Heather
 Whittaker, Craig
 Whittingdale, rh Mr John
 Wiggin, Bill
 Williamson, rh Gavin
 Wilson, Sammy
 Wollaston, Dr Sarah
 Wood, Mike
 Wragg, Mr William
 Wright, rh Jeremy
 Zahawi, Nadhim

Tellers for the Ayes:
 Rebecca Harris and
 Mike Freer

NOES

Abbott, rh Ms Diane
 Abrahams, Debbie
 Alexander, Heidi
 Ali, Rushanara
 Allin-Khan, Dr Rosena
 Amesbury, Mike
 Antoniazzi, Tonia
 Ashworth, Jonathan
 Bailey, Mr Adrian
 Barron, rh Sir Kevin
 Beckett, rh Margaret
 Benn, rh Hilary
 Betts, Mr Clive
 Blackford, rh Ian
 Blackman, Kirsty
 Blomfield, Paul
 Brabin, Tracy
 Bradshaw, rh Mr Ben
 Brock, Deidre
 Brown, Alan
 Brown, Lyn
 Brown, rh Mr Nicholas
 Bryant, Chris
 Buck, Ms Karen
 Burden, Richard
 Burgon, Richard
 Butler, Dawn
 Byrne, rh Liam
 Cadbury, Ruth
 Cameron, Dr Lisa
 Campbell, rh Mr Alan
 Campbell, Mr Ronnie
 Carden, Dan
 Carmichael, rh Mr Alistair
 Champion, Sarah
 Chapman, Douglas
 Charalambous, Bambos
 Cherry, Joanna
 Coaker, Vernon
 Coffey, Ann
 Cooper, Julie
 Cooper, Rosie
 Corbyn, rh Jeremy
 Cowan, Ronnie
 Coyle, Neil
 Crausby, Sir David
 Creasy, Stella
 Cruddas, Jon
 Cryer, John
 Cummins, Judith

Cunningham, Alex
 Cunningham, Mr Jim
 Dakin, Nic
 David, Wayne
 Davies, Geraint
 Day, Martyn
 De Cordova, Marsha
 De Piero, Gloria
 Debbonaire, Thangam
 Dent Coad, Emma
 Dhesi, Mr Tanmanjeet Singh
 Docherty-Hughes, Martin
 Dods, Anneliese
 Doughty, Stephen
 Dowd, Peter
 Drew, Dr David
 Dromey, Jack
 Duffield, Rosie
 Eagle, Ms Angela
 Eagle, Maria
 Edwards, Jonathan
 Eford, Clive
 Elliott, Julie
 Ellman, Mrs Louise
 Elmore, Chris
 Esterson, Bill
 Evans, Chris
 Farrelly, Paul
 Field, rh Frank
 Fitzpatrick, Jim
 Flint, rh Caroline
 Flynn, Paul
 Fovargue, Yvonne
 Frith, James
 Furniss, Gill
 Gaffney, Hugh
 Gapes, Mike
 Gardiner, Barry
 George, Ruth
 Gethins, Stephen
 Gibson, Patricia
 Gill, Preet Kaur
 Glindon, Mary
 Godsiff, Mr Roger
 Goodman, Helen
 Grady, Patrick
 Grant, Peter
 Gray, Neil
 Green, Kate
 Greenwood, Lilian

Greenwood, Margaret
 Griffith, Nia
 Grogan, John
 Haigh, Louise
 Hamilton, Fabian
 Hanson, rh David
 Hardy, Emma
 Harman, rh Ms Harriet
 Harris, Carolyn
 Hayes, Helen
 Hayman, Sue
 Healey, rh John
 Hendry, Drew
 Hepburn, Mr Stephen
 Hill, Mike
 Hodgson, Mrs Sharon
 Hoey, Kate
 Hollern, Kate
 Hopkins, Kelvin
 Hosie, Stewart
 Howarth, rh Mr George
 Huq, Dr Rupa
 Hussain, Imran
 Jarvis, Dan
 Jones, Gerald
 Jones, Graham P.
 Jones, Mr Kevan
 Jones, Sarah
 Jones, Susan Elan
 Kane, Mike
 Kendall, Liz
 Khan, Afzal
 Killen, Ged
 Kinnock, Stephen
 Kyle, Peter
 Laird, Lesley
 Lake, Ben
 Lammy, rh Mr David
 Lavery, Ian
 Law, Chris
 Lee, Ms Karen
 Leslie, Mr Chris
 Lewell-Buck, Mrs Emma
 Lewis, Clive
 Linden, David
 Lloyd, Stephen
 Lloyd, Tony
 Long Bailey, Rebecca
 Lucas, Caroline
 Lucas, Ian C.
 Lynch, Holly
 MacNeil, Angus Brendan
 Madders, Justin
 Mahmood, Mr Khalid
 Mahmood, Shabana
 Malhotra, Seema
 Mann, John
 Marsden, Gordon
 Martin, Sandy
 Maskell, Rachael
 Matheson, Christian
 Mc Nally, John
 McCarthy, Kerry
 McDonagh, Siobhain
 McDonald, Andy
 McDonald, Stuart C.
 McDonnell, rh John
 McFadden, rh Mr Pat
 McGinn, Conor
 McGovern, Alison
 McInnes, Liz
 McMahan, Jim

McMorrin, Anna
 Mearns, Ian
 Monaghan, Carol
 Moon, Mrs Madeleine
 Morden, Jessica
 Morgan, Stephen
 Morris, Grahame
 Murray, Ian
 Nandy, Lisa
 Newlands, Gavin
 Norris, Alex
 O'Hara, Brendan
 Onasanya, Fiona
 Onn, Melanie
 Onwurah, Chi
 Osamor, Kate
 Peacock, Stephanie
 Pearce, Teresa
 Pennycook, Matthew
 Perkins, Toby
 Phillips, Jess
 Phillipson, Bridget
 Pidcock, Laura
 Platt, Jo
 Pollard, Luke
 Pound, Stephen
 Rashid, Faisal
 Rayner, Angela
 Reed, Mr Steve
 Rees, Christina
 Reeves, Ellie
 Reeves, Rachel
 Reynolds, Jonathan
 Rimmer, Ms Marie
 Rodda, Matt
 Rowley, Danielle
 Ruane, Chris
 Russell-Moyle, Lloyd
 Ryan, rh Joan
 Saville Roberts, Liz
 Shah, Naz
 Sharma, Mr Virendra
 Sheerman, Mr Barry
 Sheppard, Tommy
 Sherriff, Paula
 Shuker, Mr Gavin
 Skinner, Mr Dennis
 Slaughter, Andy
 Smeeth, Ruth
 Smith, Angela
 Smith, Cat
 Smith, Eleanor
 Smith, Jeff
 Smith, Laura
 Smith, Nick
 Smith, Owen
 Smyth, Karin
 Snell, Gareth
 Spellar, rh John
 Stephens, Chris
 Stevens, Jo
 Stone, Jamie
 Streeting, Wes
 Sweeney, Mr Paul
 Tami, Mark
 Thewliss, Alison
 Thomas-Symonds, Nick
 Thornberry, rh Emily
 Timms, rh Stephen
 Trickett, Jon
 Twigg, Derek
 Twigg, Stephen

Twist, Liz
 Umunna, Chuka
 Vaz, Valerie
 Walker, Thelma
 West, Catherine
 Western, Matt
 Whitehead, Dr Alan
 Whitfield, Martin
 Williams, Hywel

Williams, Dr Paul
 Williamson, Chris
 Wilson, Phil
 Yasin, Mohammad
 Zeichner, Daniel

Tellers for the Noes:
Vicky Foxcroft and
Colleen Fletcher

Question accordingly agreed to.

Schedule 9 agreed to.

New Clause 1

REVIEW OF OPERATION AND EFFECTIVENESS OF BANK LEVY

‘(1) Schedule 19 to FA 2011 (bank levy) is amended as follows.

(2) After paragraph 81, insert—

“PART 10

REVIEW

82 (1) Within six months of the passing of the Finance Act 2018, the Chancellor of the Exchequer shall undertake a review of the operation and effectiveness of the bank levy.

(2) The review shall consider in particular—

- (a) the effectiveness of the levy in reflecting risks to the financial system and the wider UK economy arising from the banking sector,
- (b) the effectiveness of the levy in encouraging banks to move away from riskier funding models,
- (c) the revenue effects of the changes to the levy made in Schedule 2 to the Finance (No. 2) Act 2015,
- (d) the effectiveness of the anti-avoidance provisions in paragraphs 47 and 48 of this Schedule.

(3) A review shall also compare the effects of the bank levy with those of the bank payroll tax (within the meaning given by Schedule 2 to the Finance Act 2010) in relation to—

- (a) revenue, and
- (b) the matters specified in sub-paragraph (2)(a) and (b).

(4) A report of the review under this paragraph shall be laid before the House of Commons within one calendar month of its completion.”’—(*Peter Dowd.*)

This new clause requires the Government to carry out a review of the bank levy, including its effectiveness in relation to its stated aims, the revenue effects of the changes made in 2015 and the comparable effectiveness of the bank payroll tax.

Brought up, and read the First time.

Question put, That the clause be read a Second time.

The Committee divided: Ayes 260, Noes 313.

Division No. 75]

[9.28 pm

AYES

Abbott, rh Ms Diane
 Abrahams, Debbie
 Alexander, Heidi
 Ali, Rushanara
 Allin-Khan, Dr Rosena
 Amesbury, Mike
 Antoniazzi, Tonia
 Ashworth, Jonathan
 Bailey, Mr Adrian
 Barron, rh Sir Kevin
 Beckett, rh Margaret
 Benn, rh Hilary
 Betts, Mr Clive
 Blackford, rh Ian

Blackman, Kirsty
 Blomfield, Paul
 Brabin, Tracy
 Bradshaw, rh Mr Ben
 Brock, Deidre
 Brown, Alan
 Brown, Lyn
 Brown, rh Mr Nicholas
 Bryant, Chris
 Buck, Ms Karen
 Burden, Richard
 Burgon, Richard
 Butler, Dawn
 Byrne, rh Liam

Cadbury, Ruth
 Cameron, Dr Lisa
 Campbell, rh Mr Alan
 Campbell, Mr Ronnie
 Carden, Dan
 Carmichael, rh Mr Alistair
 Champion, Sarah
 Chapman, Douglas
 Charalambous, Bambos
 Cherry, Joanna
 Coaker, Vernon
 Coffey, Ann
 Cooper, Julie
 Cooper, Rosie
 Cooper, rh Yvette
 Corbyn, rh Jeremy
 Cowan, Ronnie
 Coyle, Neil
 Crausby, Sir David
 Creasy, Stella
 Cruddas, Jon
 Cryer, John
 Cummins, Judith
 Cunningham, Alex
 Cunningham, Mr Jim
 Dakin, Nic
 David, Wayne
 Davies, Geraint
 Day, Martyn
 De Cordova, Marsha
 De Piero, Gloria
 Debbonaire, Thangam
 Dent Coad, Emma
 Dhesi, Mr Tanmanjeet Singh
 Docherty-Hughes, Martin
 Dodds, Anneliese
 Doughty, Stephen
 Dowd, Peter
 Drew, Dr David
 Dromey, Jack
 Duffield, Rosie
 Eagle, Ms Angela
 Eagle, Maria
 Edwards, Jonathan
 Efford, Clive
 Elliott, Julie
 Ellman, Mrs Louise
 Elmore, Chris
 Esterson, Bill
 Evans, Chris
 Farrelly, Paul
 Field, rh Frank
 Fitzpatrick, Jim
 Flint, rh Caroline
 Flynn, Paul
 Fovargue, Yvonne
 Frith, James
 Furniss, Gill
 Gaffney, Hugh
 Gapes, Mike
 Gardiner, Barry
 George, Ruth
 Gethins, Stephen
 Gibson, Patricia
 Gill, Preet Kaur
 Glindon, Mary
 Godsiff, Mr Roger
 Goodman, Helen
 Grady, Patrick
 Grant, Peter
 Gray, Neil
 Green, Kate
 Greenwood, Lilian
 Greenwood, Margaret
 Griffith, Nia
 Grogan, John
 Haigh, Louise
 Hamilton, Fabian
 Hanson, rh David
 Hardy, Emma
 Harman, rh Ms Harriet
 Harris, Carolyn
 Hayes, Helen
 Hayman, Sue
 Healey, rh John
 Hendry, Drew
 Hepburn, Mr Stephen
 Hill, Mike
 Hodgson, Mrs Sharon
 Hoey, Kate
 Hollern, Kate
 Hopkins, Kelvin
 Hosie, Stewart
 Howarth, rh Mr George
 Huq, Dr Rupa
 Hussain, Imran
 Jarvis, Dan
 Jones, Gerald
 Jones, Graham P.
 Jones, Mr Kevan
 Jones, Sarah
 Jones, Susan Elan
 Kane, Mike
 Kendall, Liz
 Khan, Afzal
 Killen, Ged
 Kinnock, Stephen
 Kyle, Peter
 Laird, Lesley
 Lake, Ben
 Lammy, rh Mr David
 Lavery, Ian
 Law, Chris
 Lee, Ms Karen
 Leslie, Mr Chris
 Lewell-Buck, Mrs Emma
 Lewis, Clive
 Linden, David
 Lloyd, Stephen
 Lloyd, Tony
 Long Bailey, Rebecca
 Lucas, Caroline
 Lucas, Ian C.
 Lynch, Holly
 MacNeil, Angus Brendan
 Madders, Justin
 Mahmood, Mr Khalid
 Mahmood, Shabana
 Malhotra, Seema
 Mann, John
 Marsden, Gordon
 Martin, Sandy
 Maskell, Rachael
 Matheson, Christian
 Mc Nally, John
 McCabe, Steve
 McCarthy, Kerry
 McDonagh, Siobhain
 McDonald, Andy
 McDonald, Stuart C.
 McDonnell, rh John
 McFadden, rh Mr Pat
 McGinn, Conor
 McGovern, Alison

McInnes, Liz
 McMahon, Jim
 McMorrin, Anna
 Mearns, Ian
 Monaghan, Carol
 Moon, Mrs Madeleine
 Morden, Jessica
 Morgan, Stephen
 Morris, Grahame
 Murray, Ian
 Nandy, Lisa
 Newlands, Gavin
 Norris, Alex
 O'Hara, Brendan
 Onasanya, Fiona
 Onn, Melanie
 Onwurah, Chi
 Osamor, Kate
 Peacock, Stephanie
 Pearce, Teresa
 Pennycook, Matthew
 Perkins, Toby
 Phillips, Jess
 Phillipson, Bridget
 Pidcock, Laura
 Platt, Jo
 Pollard, Luke
 Pound, Stephen
 Rashid, Faisal
 Rayner, Angela
 Reed, Mr Steve
 Rees, Christina
 Reeves, Ellie
 Reeves, Rachel
 Reynolds, Jonathan
 Rimmer, Ms Marie
 Rodda, Matt
 Rowley, Danielle
 Ruane, Chris
 Russell-Moyle, Lloyd
 Ryan, rh Joan
 Saville Roberts, Liz
 Shah, Naz
 Sharma, Mr Virendra
 Sheerman, Mr Barry
 Sheppard, Tommy

Sherriff, Paula
 Shuker, Mr Gavin
 Skinner, Mr Dennis
 Slaughter, Andy
 Smeeth, Ruth
 Smith, Angela
 Smith, Cat
 Smith, Eleanor
 Smith, Jeff
 Smith, Laura
 Smith, Nick
 Smith, Owen
 Smyth, Karin
 Snell, Gareth
 Spellar, rh John
 Stephens, Chris
 Stevens, Jo
 Stone, Jamie
 Streeting, Wes
 Sweeney, Mr Paul
 Tami, Mark
 Thewliss, Alison
 Thomas-Symonds, Nick
 Thornberry, rh Emily
 Timms, rh Stephen
 Trickett, Jon
 Twigg, Derek
 Twigg, Stephen
 Twist, Liz
 Umunna, Chuka
 Vaz, Valerie
 Walker, Thelma
 West, Catherine
 Western, Matt
 Whitehead, Dr Alan
 Whitfield, Martin
 Williams, Hywel
 Williams, Dr Paul
 Williamson, Chris
 Wilson, Phil
 Yasin, Mohammad
 Zeichner, Daniel

Tellers for the Ayes:
Vicky Foxcroft and
Colleen Fletcher

NOES

Afolami, Bim
 Afriyie, Adam
 Aldous, Peter
 Allan, Lucy
 Allen, Heidi
 Amess, Sir David
 Andrew, Stuart
 Argar, Edward
 Atkins, Victoria
 Bacon, Mr Richard
 Badenoch, Mrs Kemi
 Baker, Mr Steve
 Baldwin, Harriett
 Barclay, Stephen
 Baron, Mr John
 Bebb, Guto
 Bellingham, Sir Henry
 Benyon, rh Richard
 Beresford, Sir Paul
 Berry, Jake
 Blackman, Bob
 Blunt, Crispin
 Boles, Nick
 Bone, Mr Peter
 Bottomley, Sir Peter
 Bowie, Andrew
 Bradley, Ben
 Bradley, rh Karen
 Brady, Mr Graham
 Bridgen, Andrew
 Brokenshire, rh James
 Bruce, Fiona
 Buckland, Robert
 Burghart, Alex
 Burns, Conor
 Burt, rh Alistair
 Cairns, rh Alun
 Campbell, Mr Gregory
 Cartledge, James
 Cash, Sir William
 Caulfield, Maria
 Chalk, Alex
 Chishty, Rehman
 Chope, Mr Christopher
 Churchill, Jo
 Clark, Colin

Clark, rh Greg
 Clarke, rh Mr Kenneth
 Clarke, Mr Simon
 Cleverly, James
 Clifton-Brown, Geoffrey
 Coffey, Dr Thérèse
 Collins, Damian
 Costa, Alberto
 Courts, Robert
 Cox, Mr Geoffrey
 Crabb, rh Stephen
 Crouch, Tracey
 Davies, Chris
 Davies, David T. C.
 Davies, Glyn
 Davies, Mims
 Davies, Philip
 Davis, rh Mr David
 Dinénage, Caroline
 Djanogly, Mr Jonathan
 Docherty, Leo
 Dodds, rh Nigel
 Donaldson, rh Sir Jeffrey M.
 Donelan, Michelle
 Double, Steve
 Dowden, Oliver
 Doyle-Price, Jackie
 Drax, Richard
 Duddridge, James
 Duguid, David
 Duncan, rh Sir Alan
 Duncan Smith, rh Mr Iain
 Dunne, Mr Philip
 Ellis, Michael
 Ellwood, rh Mr Tobias
 Eustice, George
 Evans, Mr Nigel
 Evennett, rh David
 Fabricant, Michael
 Fernandes, Suella
 Field, rh Mark
 Ford, Vicky
 Foster, Kevin
 Fox, rh Dr Liam
 Frazer, Lucy
 Freeman, George
 Fysh, Mr Marcus
 Garnier, Mark
 Gauke, rh Mr David
 Ghani, Ms Nusrat
 Gibb, rh Nick
 Gillan, rh Mrs Cheryl
 Girvan, Paul
 Glen, John
 Goldsmith, Zac
 Goodwill, Mr Robert
 Gove, rh Michael
 Graham, Luke
 Graham, Richard
 Grant, Bill
 Grant, Mrs Helen
 Gray, James
 Grayling, rh Chris
 Green, Chris
 Green, rh Damian
 Greening, rh Justine
 Grieve, rh Mr Dominic
 Griffiths, Andrew
 Gyimah, Mr Sam
 Hair, Kirstene
 Halfon, rh Robert
 Hall, Luke

Hammond, rh Mr Philip
 Hammond, Stephen
 Hancock, rh Matt
 Hands, rh Greg
 Harper, rh Mr Mark
 Harrington, Richard
 Harrison, Trudy
 Hart, Simon
 Hayes, rh Mr John
 Heald, rh Sir Oliver
 Heappey, James
 Heaton-Harris, Chris
 Heaton-Jones, Peter
 Henderson, Gordon
 Herbert, rh Nick
 Hermon, Lady
 Hinds, Damian
 Hoare, Simon
 Hollingbery, George
 Hollinrake, Kevin
 Hollobone, Mr Philip
 Holloway, Adam
 Howell, John
 Huddleston, Nigel
 Hughes, Eddie
 Hunt, rh Mr Jeremy
 Hurd, Mr Nick
 Jack, Mr Alister
 James, Margot
 Javid, rh Sajid
 Jayawardena, Mr Ranil
 Jenkin, Mr Bernard
 Jenrick, Robert
 Johnson, rh Boris
 Johnson, Dr Caroline
 Johnson, Gareth
 Johnson, Joseph
 Jones, Andrew
 Jones, rh Mr David
 Jones, Mr Marcus
 Kawczynski, Daniel
 Keegan, Gillian
 Kennedy, Seema
 Kerr, Stephen
 Knight, rh Sir Greg
 Knight, Julian
 Kwarteng, Kwasi
 Lamont, John
 Lancaster, Mark
 Latham, Mrs Pauline
 Leadsom, rh Andrea
 Lee, Dr Phillip
 Lefroy, Jeremy
 Leigh, Sir Edward
 Letwin, rh Sir Oliver
 Lewer, Andrew
 Lewis, rh Brandon
 Lewis, rh Dr Julian
 Lidington, rh Mr David
 Little Pengelly, Emma
 Lopez, Julia
 Lopresti, Jack
 Lord, Mr Jonathan
 Loughton, Tim
 Mackinlay, Craig
 Maclean, Rachel
 Main, Mrs Anne
 Mak, Alan
 Malthouse, Kit
 Mann, Scott
 Masterton, Paul
 Maynard, Paul

McLoughlin, rh Sir Patrick
 McPartland, Stephen
 McVey, rh Ms Esther
 Menzies, Mark
 Mercer, Johnny
 Merriman, Huw
 Metcalfe, Stephen
 Miller, rh Mrs Maria
 Milling, Amanda
 Mills, Nigel
 Milton, rh Anne
 Mitchell, rh Mr Andrew
 Moore, Damien
 Mordaunt, rh Penny
 Morgan, rh Nicky
 Morris, Anne Marie
 Morris, David
 Morris, James
 Morton, Wendy
 Mundell, rh David
 Murray, Mrs Sheryll
 Murrison, Dr Andrew
 Neill, Robert
 Newton, Sarah
 Nokes, Caroline
 Norman, Jesse
 O'Brien, Neil
 Offord, Dr Matthew
 Opperman, Guy
 Paisley, Ian
 Parish, Neil
 Patel, rh Priti
 Paterson, rh Mr Owen
 Pawsey, Mark
 Penning, rh Sir Mike
 Penrose, John
 Percy, Andrew
 Perry, Claire
 Philp, Chris
 Pincher, Christopher
 Pow, Rebecca
 Prentis, Victoria
 Prisk, Mr Mark
 Pritchard, Mark
 Purslove, Tom
 Quin, Jeremy
 Quince, Will
 Raab, Dominic
 Redwood, rh John
 Rees-Mogg, Mr Jacob
 Robertson, Mr Laurence
 Robinson, Gavin
 Robinson, Mary
 Rosindell, Andrew
 Ross, Douglas
 Rowley, Lee
 Rudd, rh Amber
 Rutley, David
 Sandbach, Antoinette
 Scully, Paul
 Seely, Mr Bob
 Selous, Andrew
 Shannon, Jim
 Shapps, rh Grant

Sharma, Alok
 Shelbrooke, Alec
 Simpson, David
 Simpson, rh Mr Keith
 Skidmore, Chris
 Smith, Chloe
 Smith, Henry
 Smith, rh Julian
 Smith, Royston
 Soames, rh Sir Nicholas
 Soubry, rh Anna
 Spelman, rh Dame Caroline
 Spencer, Mark
 Stephenson, Andrew
 Stevenson, John
 Stewart, Bob
 Stewart, Iain
 Stewart, Rory
 Streeter, Mr Gary
 Stride, rh Mel
 Stuart, Graham
 Sturdy, Julian
 Sunak, Rishi
 Swayne, rh Sir Desmond
 Swire, rh Sir Hugo
 Syms, Sir Robert
 Thomas, Derek
 Thomson, Ross
 Throup, Maggie
 Tolhurst, Kelly
 Tomlinson, Justin
 Tomlinson, Michael
 Tracey, Craig
 Tredinnick, David
 Trevelyan, Mrs Anne-Marie
 Truss, rh Elizabeth
 Tugendhat, Tom
 Vaizey, rh Mr Edward
 Vara, Mr Shailesh
 Vickers, Martin
 Villiers, rh Theresa
 Walker, Mr Charles
 Walker, Mr Robin
 Wallace, rh Mr Ben
 Warburton, David
 Warman, Matt
 Watling, Giles
 Whately, Helen
 Wheeler, Mrs Heather
 Whittaker, Craig
 Whittingdale, rh Mr John
 Wiggins, Bill
 Williamson, rh Gavin
 Wilson, Sammy
 Wollaston, Dr Sarah
 Wood, Mike
 Wragg, Mr William
 Wright, rh Jeremy
 Zahawi, Nadhim

Tellers for the Noes:
 Rebecca Harris and
 Mike Freer

Question accordingly negated.

Clause 40

HIGHER RATES FOR ADDITIONAL DWELLINGS

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

The Temporary Chair (Albert Owen): With this it will be convenient to discuss the following:

That schedule 11 be the Eleventh schedule to the Bill. Clause 41 stand part.

Amendment 2, in clause 8, page 4, line 16, at end insert—

“(4A) Regulations under this section may not increase any person’s liability to income tax.”

This amendment provides that the power to make regulations in consequence of the exemption from income tax in respect of payments of accommodation allowances to, or in respect of, a member of the armed forces may not be exercised so as to increase any individual’s liability to income tax.

Amendment 3, in page 4, line 17, leave out from “section” to “may” in line 18.

This amendment is consequential on Amendment 2.

Clause 8 stand part.

New clause 4—*Review of Relief for First-Time Buyers*—

“(1) The Commissioners of Her Majesty’s Revenue and Customs shall undertake a review of the impact of the relief for first-time buyers introduced in Schedule 6ZA to FA 2003.

(2) The review shall consider, in particular, the effects of the relief on—

- (a) the public revenue,
- (b) house prices, and
- (c) the supply of housing.

(3) The Chancellor of the Exchequer must lay a copy of a report of the review under this section before the House of Commons no later than one calendar week prior to the date which he has set for his Autumn 2018 Budget Statement.”

This new clause requires a review to be published prior to the Autumn 2018 Budget on the impact of the relief for first-time buyers, including its effects on house prices and on the supply of housing.

New clause 10—*Annual Report on Relief for First-Time Buyers*—

“(1) The Chancellor of the Exchequer must prepare and lay before the House of Commons a report for each relevant period on the operation of the relief for first-time buyers introduced in Schedule 6ZA to FA 2003 not less than three months after the end of the relevant period.

(2) The report shall include, in particular, information in respect of the relevant period on—

- (a) the number of first-time buyers benefiting from the relief,
- (b) the number of purchases benefiting from the relief,
- (c) the average age of first-time buyers benefiting from the relief,
- (d) the effects on the operation of the private rented sector,
- (e) the effects on council housing and other social housing,
- (f) the effects on the supply of affordable housing, and
- (g) the effects on the operation of collective investment schemes under Part 17 of the Financial Services and Markets Act 2000 in the provision of cooperative housing.

(3) For the purposes of this section, “relevant period” means—

- (a) the period from 22 November 2017 to 5 April 2018,
- (b) each period of 12 months beginning on 6 April during which the relief is in effect, and
- (c) the period beginning on 6 April and ending with the day on which the relief ceases to have effect.”

This new clause requires an annual report on the operation of the relief for first-time buyers, including information on the beneficiaries and effects on different aspects of housing supply.

New clause 5—*Parliamentary Scrutiny of Regulations Relating to Armed Forces’ Accommodation Allowance*—

“(1) Section 717 of ITEPA 2003 (regulations made by Treasury or Commissioners) is amended as follows.

(2) In subsection (3), leave out “subsection (4)” and insert “subsections (3A) and (4)”.

(3) After subsection (3), insert—

“(3A) No regulations may be made under section 297D unless a draft has been laid before and approved by a resolution of the House of Commons.”

This new clause requires that regulations setting conditions relating to the availability of the income tax exemption in relation to armed forces’ accommodation allowance shall be subject to the affirmative procedure.

Mel Stride: The Budget set out an ambitious plan to tackle the housing challenge—a plan that will raise housing supply by the end of this Parliament to its highest level since the 1970s. However, the Government also recognise that we need to act now to help young people who are trying to get on to the housing ladder. This Bill therefore introduces a permanent relief in stamp duty land tax for first-time buyers, which I will turn to shortly. Alongside that, I will also cover clauses 8 and 40, which respectively introduce an income tax exemption for accommodation payments made to members of the armed forces and make minor changes to the higher rates of stamp duty land tax.

Home ownership among young people has been falling. Today, the average house in London costs almost 12 times average earnings, nearly 10 times average earnings in the south-east and more than eight times average earnings in the east.

Kelvin Hopkins (Luton North) (Ind): Does the right hon. Gentleman not accept that the only solution to the housing crisis is to build millions more houses, not to pump demand into the demand side, which just pushes up prices in the end?

Mel Stride: The hon. Gentleman makes an important point. We announced plans in the Budget along the exact lines that he has suggested in order to free up the supply side and to increase supply to 300,000 units by the mid-2020s. In the last 12 months, we have achieved 217,000 new builds, so we are on our way, although it will take time. He is quite right that the supply side matters.

9.45 pm

Sammy Wilson (East Antrim) (DUP): Does the Minister accept that, although it is important to increase the supply of houses, this measure has been welcomed by young people who see this as at least an opportunity for them to be able to get a deposit for a house and to have fewer up-front costs?

Mel Stride: My hon. Friend is entirely right. The point about up-front costs—alongside the costs of conveyancing, surveyors and so on—is a critical one, particularly for young people getting on to the housing ladder.

Gareth Snell: Average wages in Stoke-on-Trent are £100 a week lower than the national average, and the average house price is only £123,282, so will the Minister tell me the tangible benefits of lifting the stamp duty threshold to £300,000 for my constituents in Stoke-on-Trent?

Mel Stride: There is not an area or region of the country that will not see benefits for first-time buyers. [HON. MEMBERS: “Yes, there is.”] No, I am afraid that that is simply not the case. This measure will benefit first-time buyers in every single region of the country. It is the case that property is a lot more expensive in some parts of the country than in others. Arguably, that is where the particular need is. As I have said, the average house price in London is 12 times average earnings, and it is 10 times average earnings in the south-east.

John Spellar (Warley) (Lab): Can the Minister give us any indication of his Department’s estimate of the cost of this measure and of the incidence—how it falls—in different regions of the country? In other words, how much is it going to cost globally and what other housing could the Government have built with that money? Equally importantly, how much of this will be in the south-east and how much in other regions?

Mel Stride: In addition to what I just said about every region seeing benefits, I can tell the right hon. Gentleman that the average benefit for the average first-time buyer will be around £1,700, which is a significant amount. For people purchasing a property at the £300,000 to £500,000 level, the benefit is no less than £5,000, which is a considerable sum.

Lloyd Russell-Moyle (Brighton, Kemptown) (Lab/Co-op): Does the Minister disagree then with the Office for Budget Responsibility, which says that the measure will actually increase house prices by 0.3%? Is the OBR wrong?

Mel Stride: As the hon. Gentleman may know, the figure of 0.3% takes a static view of this policy and its effect on house prices. It does not take into account the supply side changes that I have mentioned. As we increase supply, prices will inevitably begin to fall. There is no single solution to this challenge and no magic bullet.

Alison McGovern: Will the Minister give way?

Gareth Snell: Will the Minister give way?

Mel Stride: I will make a little progress, if I may.

The Budget announced an ambitious package of new policies to tackle the housing challenge, including planning reform; spending; and a new agency, Homes England, to intervene more actively in the land market. Together with the reforms in the housing White Paper, the housing package announced in the Budget means that we are on track to raise annual housing supply by the end of this Parliament to its highest level since 1970 and to 300,000 a year on average by the mid-2020s. That means that housing supply is on track to be higher over the 2020s than in any previous decade. However, it will take time to build these new homes, and the Government want to act now to help those young people who are aspiring to take their first step on to the housing ladder. That is why the Bill permanently abolishes stamp duty for first-time buyers purchasing a property for £300,000 or less. First-time buyers purchasing a house that is between £300,000 and £500,000 will save £5,000. To ensure that this relief is targeted at those who need it most, purchases above £500,000 will not benefit from the relief.

Gareth Snell: I thank the Minister for taking a second intervention from me. To my earlier point, though, there are fewer than 15 properties currently on the market in Stoke-on-Trent between the value of £250,000 and £300,000. I say again: the average wage in Stoke-on-Trent is £100 a week less than the national average. How will young people in Stoke-on-Trent benefit, when the housing supply does not exist and the wage level will simply not allow them to purchase a property of that value?

Mel Stride: The figures the hon. Gentleman chose to use were, I think, a range between £250,000 and £300,000, and he says there are 15 properties in that category. Of course, stamp duty kicks in at £125,000, so it is the range from £125,000 to £300,000 that we would actually be considering in that example.

First-time buyers are typically more cash-constrained than other buyers, and stamp duty requires cash up front, on top of a deposit and conveyancing fees, for purchases over £125,000. The Government think it is right to reduce the up-front costs that first-time buyers need to pay, giving them an advantage over the rest of the market.

Alison McGovern: I thank the Minister for giving way, but he simply did not answer the question from my right hon. Friend the Member for Warley (John Spellar), who quite legitimately asked him where the money from this cut is going. The Minister talked about the average gain that will be made. Will he tell us the average benefit to a first-time buyer in the west midlands?

Mel Stride: As I say, the average across the piece will be £1,700 per average first-time buyer. I also stated quite clearly that, in every region of the country, there will be those who benefit from this measure.

John Spellar: I thank the Minister for giving way, but surely his Department must have done an analysis, first, to convince the Treasury of how much this would cost and, secondly, to work out how much this would affect each region—in other words, how much benefit was going to the south-east, how much to London, how much to Yorkshire and how much to the west midlands. Why is he so reluctant to open up about those figures?

Mel Stride: What I am able to tell the right hon. Gentleman is that, as I have said, the average benefit will be £1,700 for the average first-time buyer. Every region in the United Kingdom will see benefit from this measure, and those regions—particularly in the south and south-east—where the ratio of salaries required to mortgage levels is particularly high will especially benefit.

However, the other thing we need to do as a Government, as I have already stated, is to make sure we get the supply of housing right. That is why we will be moving from the current level of 200,000 new builds a year up to 300,000 in the middle of the 2020s.

Ian Paisley: It is important to put on the record that Northern Ireland probably benefits disproportionately as a result of this measure, compared with any other part of the United Kingdom. The average house price in Northern Ireland is £128,650—in some areas west of the Bann, it is about £109,000—so hitting house prices over £300,000 would involve such a limited market.

Many, many people in Northern Ireland are going to benefit from this, and I welcome the move the Government have made.

Mel Stride: I thank my hon. Friend for those comments, which illustrate the point that there are benefits accruing across all regions of the United Kingdom.

The changes made by this Bill include the largest ever increase in the point at which first-time buyers become liable for stamp duty. This relief will help over 1 million first-time buyers who are taking their first steps on the housing ladder during the next five years. It provides immediate support while our wider housing market reforms take effect.

The changes made by clause 41 ensure that over 95% of first-time buyers who pay stamp duty will benefit by up to £5,000, including 80% of first-time buyers in London. That means that over 80% of first-time buyers will pay no stamp duty at all, and it saves the buyer of an average first property nearly £1,700, as I have said.

In summary, this change to SDLT will help millions of first-time buyers getting on to the housing ladder. Together with the broader housing package we have announced, we are delivering on our pledge to make the dream of home ownership a reality for as many people as possible.

Lloyd Russell-Moyle: Will the Minister give way?

Mel Stride: I am going to make further progress.

I will now move on to other changes relating to stamp duty. Clause 40 brings forward some minor changes to the higher rates of stamp duty land tax for additional properties, which will improve how the legislation works. The changes help in a number of circumstances, including in relation to those affected by divorce or the dissolution of a civil partnership, where they have had to leave a matrimonial home but are required to retain an interest in it, and in relation to the interests of disabled children, where a court-appointed trustee buys a home for such a child.

We will also close down an avoidance opportunity. The Government have become aware of efforts to avoid the higher rates by disposing of only part of an interest in an old main residence to qualify for relief from the higher rates on the whole of a new main residence. This behaviour is unacceptable, and the Government have acted to stop it with effect from 22 November.

Clause 8 introduces a new income tax exemption for payments made to members of the armed forces to help them to meet accommodation costs in the private market in the UK. The exemption enables them to receive a tax-free allowance for renting accommodation or maintaining their home in the private sector. The allowance will also be free of national insurance contributions. That measure will be introduced through regulations at a later date. By using the private market, the Ministry of Defence will be able to provide access to similar accommodation, but with more flexibility.

Opposition Members have tabled amendments 2 and 3 to the armed forces accommodation clause, and I look forward to hearing about them in the debate. The amendments seek to prevent the Treasury from laying regulations that would increase the liability of a member of the armed forces to income tax. I am happy to

reassure the Committee that the Government do not intend to use the power to increase tax liabilities either now or in the future. The regulation-making power is retrospective so that the allowance can be provided tax free before regulations take effect. As a standard safeguard, the Bill expressly provides that the Government would not retrospectively increase tax liabilities. I hope that, in the light of that, hon. Members will not press their amendments.

New clause 5, also tabled by Opposition Members, would require the House to expressly approve any regulations made under the clause. The Bill provides for regulations to be made under the negative procedure. Regulations made under the clause will align the qualifying criteria for the proposed exemption with the Ministry of Defence's new accommodation model once more details are available. Any future regulations will ensure that the tax exemption reflects changes to the model. It would be a questionable demand on Parliament's time, particularly over the next two years, for it to be called on to expressly approve regulations in these circumstances. The negative procedure provides an appropriate level of scrutiny. I therefore urge the Committee to reject the new clause.

The stamp duty relief for first-time buyers is a major step to help those getting on to the property ladder, and one that has been widely welcomed. The other changes made by these clauses provide relief from some tax costs associated with housing for several groups that deserve them. The clauses also tackle avoidance. I commend clauses 41, 40 and 8, and schedule 11, to the Committee.

Jonathan Reynolds: This country is in the grip of a severe housing crisis that the Conservatives have allowed to spiral out of control over the past seven years. Making sure that people have a roof over their heads and can raise their families somewhere safe, decent and affordable is more than just a matter of sound public policy—it is surely a yardstick of a decent society. At the moment, we are falling short of this yardstick to a degree that is shameful for one of the world's most affluent nations.

Now, after seven years of Tory government, the Government say that they have noticed the problem, yet it is on the brink not of being resolved but rather exacerbated. The Chancellor's autumn Budget, from which the measures in the Bill are drawn, falls woefully short in addressing the scale of what is needed. Since 2010, house building has fallen to its lowest level since the 1920s, rough sleeping has risen year on year, rents have risen faster than incomes and there are almost 200,000 fewer homeowners in the UK.

Lucy Frazer: Can the hon. Gentleman confirm whether Labour built houses when it was in office or house building fell when Labour was in office?

Jonathan Reynolds: Labour's record in office is 2 million more homes, 1 million more homeowners, and—something that is particularly important to me as a Labour councillor during some of that time—an incredible investment in social housing. In local government, we used to ask whether we could ever fulfil the backlog in repairs that the Thatcher and Major Governments had created, but we did, and it made a tremendous difference to people's lives.

[Jonathan Reynolds]

The one headline-grabbing move that the Chancellor made in the autumn Budget was the abolition of stamp duty land tax for first-time buyers up to the value of £300,000. I acknowledge that this was a Labour policy included in our manifesto for the June 2017 general election, but we were very clear in that manifesto that the measure should be proposed only if there were accompanying measures to increase supply. Without these, stamp duty land tax cuts risk further inflating a housing bubble that is snatching the idea of home ownership out of reach for the younger generation.

10 pm

Mrs Anne Main (St Albans) (Con): In St Albans, we are very grateful for the Chancellor's abolition of stamp duty. Is the hon. Gentleman saying that the Labour party is against it, and that he does not wish it to happen?

Jonathan Reynolds: I have just explained that the policy was our idea to begin with, but it is effective only if it is accompanied by measures to increase supply.

Rachel Maclean: The hon. Gentleman says that he will support the policy if it is accompanied by measures to increase supply. That is exactly what the Chancellor has introduced in the Budget, so will the hon. Gentleman support the measure, or is he against cutting stamp duty for first-time buyers?

Jonathan Reynolds: No, we are not, as I have just explained, but there have to be measures that genuinely increase supply. I will explain to the hon. Lady that the measures in this Budget do not in any way contribute to that, and we will get on to the Office for Budget Responsibility's definition.

Lucy Frazer: The Budget states that 300,000 houses will be built every year. That is a measure to increase house building, so will the hon. Gentleman commit to supporting the stamp duty measure?

Jonathan Reynolds: Members have become accustomed to the fact that the number of homes that the Government claim to build is not always the actual number that are built. I will get to some of that record of failure later in my speech.

Mr Kevan Jones (North Durham) (Lab): Does my hon. Friend think it is a bit ironic that when a similar measure was proposed in 2015, it was derided as a gimmick by the then Chancellor?

Jonathan Reynolds: My hon. Friend is entirely correct. As we know, sometimes the situation in the Government means that they tend to look around for ideas, and they often find best practice in the Labour party.

Sammy Wilson: Does the hon. Gentleman accept that the additional capital that is being put into housing, the attack on companies that engage in land banking and the aid to enable small builders to build more houses are all supply side measures?

Jonathan Reynolds: We will get on to whether those measures will be effective, based on the assessments that have been made. I am old enough to remember when a tax on land banking was described as Venezuelan-style socialism, so it is good to see some permutation of that idea among Government Members.

The analysis by the OBR on the likely outcome of the policy shows that it will push up prices by 0.3% in 2018.

John Spellar: My hon. Friend is talking about land banking by the big house builders. Is not the evidence of that the utterly obscene bonus being paid to the chief executive of Persimmon, which is so outrageous that the chairman of the company has seen fit to resign in disgust?

Jonathan Reynolds: My right hon. Friend identifies another feature of a dysfunctional market. That will be corrected only by a change in Government policy, but we have not seen one in the Bill.

Conservative Ministers' review of a previous stamp duty cut concluded that the tax relief, in itself, had "not had a significant impact on improving affordability for first time buyers".

That is why Labour has tabled an amendment calling for the publication of a review prior to the 2018 Budget on the impact of the relief on first-time buyers, including its effect on house prices and the supply of houses.

The Minister, as usual, talked an extremely good game on funding for new housing, which he said would help to ameliorate the supply issue. On further scrutiny, however, we find that no measures in the 2017 Budget will directly increase house building. Only one third of the £44 billion announced in the Budget is genuinely new, and there is no extra Government investment in new affordable homes. That builds on a legacy of failure. Let us remind ourselves that not one of the 200,000 starter homes promised by the Tories three years ago has yet been built. That lack of action is having a serious impact across every part of our society. During the Government's seven years in power, homelessness has doubled. Shockingly, recent statistics from the Department for Communities and Local Government show that nearly 80,000 households were homeless in September; that includes 120,000 children. The situation is extraordinarily urgent.

Mr Kevan Jones: Does my hon. Friend agree that one of the mistakes that former Chancellor Osborne made was the cap on rents, which threw into complete chaos the planning of social landlords and housing associations in budgeting for building new houses? It had the effect of reducing the supply, rather than increasing it.

Jonathan Reynolds: Absolutely. A combination of policy measures—not just the failure on new housing completions, but a range of other measures—has contributed to this toxic situation. We see it perhaps most visibly in Greater Manchester—I live there and represent part of it—than in any other part of the country, and thank goodness that we in Greater Manchester have a Labour Mayor in Andy Burnham who is so determined to make a difference on this matter. If Labour was in power, we would set up a taskforce, led by the Prime Minister, to end this, and we would start by setting out plans to make available at least 4,000 homes for people with a history of rough sleeping.

The homelessness statistics obviously include the hundreds of families who tragically lost their homes in the Grenfell Tower disaster in June, four-fifths of whom are still living in temporary accommodation. Although Labour welcomes the additional funding for mental health services for those affected by Grenfell, we have profound concerns about the fact that no new money has been allocated for fire safety throughout the country. The Government ignored calls to fit sprinklers to all social housing tower blocks in 2013, after the disastrous and fatal events that happened at Lakanal House and Shirley Towers, so it remains the case that only 2% of tower blocks in the UK have sprinklers installed. That figure should be of serious concern to us all.

We can see that the measures included in the Bill fall far short of what is needed to fix the housing crisis in Britain. We want in particular to discuss one measure that the Opposition are concerned may be being used as a fig leaf for just another cut. This is in regard to clause 8, the income tax exemption for the armed forces accommodation allowance, which the Minister mentioned. The explanatory note to the clause states that this is “to allow members of the armed forces to give up their entitlement to accommodation in exchange for an allowance to be used to rent or maintain accommodation in the private market.”

Labour is concerned that this manoeuvre is designed to force more servicemen and women into the private rental sector, as part of a Government shift towards selling off the military housing stock in which armed forces personnel would ordinarily be housed.

Lucy Frazer: The hon. Gentleman has mentioned that Andy Burnham is the Mayor of the area he represents. Does he remember that, in 2010, when Andy Burnham was standing for the leadership, he said:

“These issues are important, particularly stamp duty as it stands in the way of young people getting on in life”?

Jonathan Reynolds: I commend the hon. and learned Lady for googling that so fast. I do not think that Andy Burnham’s resolution to tackle homelessness should be laughed at; it is admirable. As someone who has lived in Greater Manchester for nearly 20 years now, I see the scale of the social and urban decay on the streets around us. Anyone who travels to Manchester and moves a short distance in any direction from Manchester Piccadilly station will see what an appalling state of affairs we have reached. It is simply the case that every time the Conservatives are in power, they increase homelessness. For me, that is the most visible sign of a Conservative Government in office, and I commend any politician—Andy Burnham is leading on this for us in Greater Manchester—who makes the difference.

Gareth Snell: The shadow Minister is making an excellent contribution. I want to point out, as he has in relation to Andy Burnham in Greater Manchester, that continual cuts to local government are forcing many local authorities to disinvest in their homelessness prevention services. For example, Stoke-on-Trent—a Conservative-run council—is cutting £1 million out of its homelessness prevention budget in the next five years. What does he say about such a situation, and what does he think could solve it?

Jonathan Reynolds: I agree with the point my hon. Friend has made. The fact is that we know the impact that a series of Government measures have had, and we

can reverse or improve on them. Fundamentally, we can change the availability of housing stock, but we can also create a policy framework that prevents people from being made homeless in the first place, and that is what we need to do.

Lloyd Russell-Moyle: Does my hon. Friend agree that some of the wider measures, such as forcing through universal credit and local housing allowance caps, are forcing large numbers of people out on to the streets?

Jonathan Reynolds: Absolutely. There have been 13 consecutive cuts to housing association budgets, the cumulative impact of which is exactly as my hon. Friend describes. As constituency MPs, we are left requesting our local housing association simply to try to absorb the costs of this Government policy failure. In many cases, the housing association does so, but there is ultimately a cost. The cost is taking away available resources to build further houses, thus getting us into a situation in which the problem is never truly resolved.

I will return to the armed forces accommodation allowance. The Ministry of Defence has a target in the 2015 national security strategy and strategic defence and security review to sell off 30% of its estate by 2040, but the Conservatives have a track record of making poor decisions on selling off service family housing in the name of short-term savings. Annington Homes bought most of the service family accommodation from the Ministry of Defence for £1.6 billion in 1996. A 999-year lease was granted back to the Ministry of Defence at a discount, with the stipulations that the MOD would be responsible for maintenance and that Annington Homes could terminate individual leases and had the right to include five-yearly rental reviews and a breakpoint at 25 years. The National Audit Office has said that the MOD has therefore not benefited from the rise in house prices since the agreement and, in fact, has paid higher rental costs to Annington Homes. In 2016, Annington’s annual statement estimated its property portfolio to be worth £6.7 billion.

Mr Kevan Jones: Having tried to get out of the Annington Homes contract when I was responsible for armed forces housing, may I say that the situation is worse than my hon. Friend describes? The MOD is still paying not only for empty houses, but for houses that have been demolished. It was the worst deal possible for the taxpayer.

Jonathan Reynolds: I am grateful to my hon. Friend for sharing his expertise with the Committee. It truly is an appalling record of failure.

As every Member knows, there are enormous problems in the private rented sector in respect of affordability, quality and security of tenure. By forcing service families into the private rented sector, we risk reducing the quality of their accommodation and their quality of life. It might therefore impact on recruitment and retention rates.

The Government have so far offered little detail on which members of the armed forces will be entitled to the new allowance or what the rate will be and have not said whether the Treasury has done an impact assessment on local housing supply. The proposal ignores the fact that there is not a supply of affordable housing to buy or rent near many military bases.

[Jonathan Reynolds]

It seems clear that the Government are attempting to rush the proposal through to make short-term savings, without considering the potential repercussions. Labour is demanding more consultation with armed forces personnel and a full and robust impact assessment of any proposed changes. Clear communication with armed forces families must be a top priority throughout this process and their long-term interest must be considered, as well as the long-term value for money for the taxpayer. Committing to sell this Government-owned housing risks shackling the public purse to ever-rising rents, as well as poor outcomes for armed forces personnel.

Given Labour's concerns over the lack of detail over the armed forces allowance and any potential safeguards for members of the armed services in the private rental sector, Her Majesty's Opposition have tabled an amendment that calls on the Government to publish a review of the measure to Parliament before it is enacted.

Overall, the measure forms part of a housing package that barely scratches the surface in addressing the country's housing crisis. All the measures are too minimal to make a serious difference to the housing pressures that people face and too late to make up for the Government's lack of action over the past seven years.

Robert Courts: It is a great pleasure to speak in this debate. I only wish to make some very brief comments because I have already spoken this evening and I am conscious of the fact that other Members wish to speak.

I will make a few comments about the armed forces exemption that we have just been discussing, because it has particular relevance to my constituency, where a great amount of the Royal Air Force is based at Brize Norton. We are awaiting the redevelopment of the two REEMA sites, which are particularly important. Already, a great number of Royal Air Force and Army personnel live either on the base or outside it, in particular in Bampton, Witney, Carterton and Brize Norton village.

I am glad that the Government have proposed this welcome measure. It falls into a similar bracket as the Armed Forces (Flexible Working) Bill, which we have discussed in the House over the past few weeks and months. It is important that we understand that expectations are changing. The armed forces offer must be able to stand alongside what can be received in the civilian world. This measure has the potential to provide exactly that.

At the moment, there is the anomaly that if personnel live in Ministry of Defence accommodation, it is essentially provided tax free, but if an armed forces allowance is given, there is taxation on it. That is how the rules work at the moment, so clearly personnel would be disadvantaged. We have to accept that in many cases, armed forces personnel wish to live outside a base, perhaps close to where their spouse works or where their children go to school. I welcome the measure because it moves us a step along the road towards realising that.

Sir Mike Penning (Hemel Hempstead) (Con): The people who serve in our armed forces today—I have some experience of this—are looking for a different model and a different way of life for their families to grow up in. In the old days, they would have been in the garrisons or the ports. My constituency is further from

the sea than anywhere else in the country, yet I have Royal Marines bringing their families up in the town. They are penalised for doing that because of the way the scheme works now. The new scheme will help them and they tell me that they are looking forward to it.

10.15 pm

Robert Courts: I am very grateful to my right hon. Friend for making that point. His constituency is very similar to mine in that respect. I welcome this measure and I anticipate that my constituents will as well.

Those brief comments are the only ones I wish to make. I very much welcome this measure because it is in the interests of west Oxfordshire, in particular Brize Norton. It helps to bring forward the offer to which my right hon. Friend refers. We have to accept that there is a change in expectation on the part of many members of the armed forces and this is welcome.

Sandy Martin: I am concerned about the lack of impact that financial incentives for first-time buyers appear to be having on encouraging housebuilding. The recent pay-offs for Persimmon Homes executives are surely good evidence that a substantial proportion, if not all, of the Government's money is going into exceptional profits for private housebuilders, rather than genuinely making homes more affordable. We need to know that any money or tax incentives that the Government put into housing will genuinely help people to achieve the housing they need.

The cost of housing for residents is not just about the building itself, but the costs of running the building. New houses are still being built which make short-term savings for the builders at the cost of a long-term expense for their owners or tenants, and also at a long-term cost to the environment. Ipswich Borough Council had a substantial plan to install solar PV panels on all suitable roofs on its substantial council housing estate. It was all set to go in 2013 when the Government moved the goalposts and blew a hole in the business case. The Government seem to be willing to promise vast sums as guarantees for new nuclear power stations, but they are not willing to use the extensive potential tax powers at their disposal either to incentivise housebuilders to install photovoltaics in original buildings or to adequately incentivise owners to install them on existing buildings.

Increasing the number of solar panels on the roofs of this country would be one of the most cost-effective ways of generating the electricity we need. It would be more beneficial to the residents of those buildings. It would take effect far sooner than waiting for the construction of nuclear power stations and it would predominantly employ working people and small businesses in this country.

Many of us were hoping that the Government would have found further substantial incentives for solar panels in the Bill. I can only hope that a review of the operation of housing finances and an equality impact assessment of the way the Bill will affect low-paid people might encourage the Government to look again at how they can make housing less expensive for those who live in it.

Alison McGovern: I want to talk about the cut to stamp duty for first-time buyers, but before I do so I would like to take the opportunity to briefly remind Ministers on the Treasury Bench that in March my constituency suffered a terrible disaster: the gas explosion

in New Ferry. The Department for Communities and Local Government currently has Wirral Council's plan for the rebuild. I trust that, in the context of discussing new housing, Treasury Ministers will look kindly on the plan should it come before them.

I want to argue against the cut to stamp duty and for the Opposition amendment, which calls for a review of the policy, and a review of the place of first-time buyers in the housing market and the supply of housing. My argument against this specific policy is, first, that it looks set to fail against the targets the Government have set themselves; and secondly, that in the current economic context it is simply the wrong policy priority. Perhaps we might consider this policy if we were experiencing the same growth as other countries in Europe or we had dealt with our budget deficit, but even if it was not set to work against what the Government have tried to achieve, it would still be the wrong policy because it is not the country's priority.

I imagine this policy coming before Treasury Ministers during the Budget preparations and their thinking to themselves, "Well, this might be attractive on the face of it, but ought we not to ask our bevy of economists here in the Treasury what the likely impact might be?" The hon. Member for Spelthorne (Kwasi Kwarteng) just rolled his eyes at me, and he did so because he knows as well as I do—we have debated it often enough—that the advice from the OBR was entirely predictable.

It was entirely predictable that anyone looking at the policy in the current economic climate would say that we have clear, credible evidence from previous changes to stamp duty that the value of this tax change will accrue not to first-time buyers but to those who already own properties. That is what the OBR says, and it is what advice from the specialists in the Treasury would have told Ministers. I do not know—I have no evidence of this—but I have confidence in the Government Economic Service and I think they would have told Ministers that.

Furthermore, it is very unlikely that the Treasury does not have the full analysis requested by my right hon. Friend the Member for Warley (John Spellar). All Members across the House know in their own minds whether their constituencies will benefit from this, and all members of the Cabinet know whether constituents in their constituencies—which are largely in the south-east of England—will benefit. Those of us who have watched house prices in our constituencies barely grow at all in the past 10 years will know that our constituents will benefit very little from this very expensive tax change.

Mrs Main: I am listening carefully to the hon. Lady, because obviously I have a constituency in one of the higher value areas. I am confused. The shadow Minister just said that the stamp duty cut was not appropriate because the right measures were not in place for affordable housing, whereas she seems to be saying that a stamp duty cut is not what she would like to see. Which is it? Does she think that the stamp duty cut should not happen at all? I would like a simple yes or no answer.

Alison McGovern: I thank the hon. Lady for that intervention, but I have already answered her question. I said that in better economic circumstances this might be something that we might want to do, but it is not a priority for now. I answered her question before she even asked it.

Given what the OBR has said, I ask Ministers once again to look at that and at the evidence. The value of this tax cut will not go to first-time buyers. That is absolutely clear. If Ministers think that they can come back to this House after having a review and persuading the OBR that the Treasury is correct and the OBR is wrong, then fine, we can look at it, but I see no reason to think that, and here is why. When we asked the Chancellor about this measure in the Treasury Committee, he gave the same line as the Minister just gave at the Dispatch Box. He said, "Ah, yes, but the OBR assessment—their model—doesn't take into account our reforms, which will make a huge difference to the supply of housing."

Anybody can look at page 28 of the Budget—at the Budget scorecard. This year, the stamp duty land tax cut will cost us £125 million. How much extra will we spend on the housing infrastructure fund? A big fat zero. Next year, 2018-19, the stamp duty land tax cut will cost us a whopping £560 million. How much extra will we spend on the housing infrastructure fund? A big fat zero. In fact, according to the Budget we will not spend anything on extending the housing infrastructure fund until 2019-20, when we will spend £215 million. In the same year, we will spend £585 million on the tax cut. And so it goes on, and on. We are frontloading a tax cut and pushing back spending on housing infrastructure. How can the Chancellor come to this House and say, "Oh no, the OBR has got it all wrong, because we are going to build all these houses and that will sort out the housing market"? Honestly, Mr Owen, I do not know what he is talking about.

Sammy Wilson: Does the hon. Lady not accept that, for a variety of reasons—planning permissions, procurement, or whatever—the capital expenditure cannot be turned on immediately? There is always a delay. It is not a question of "pushing it off"; it is simply a fact of life.

Alison McGovern: The hon. Gentleman seems to be arguing that it takes a little bit of time for capital expenditure to get going. That is an argument for us to increase capital expenditure now, and wait until we have increased supply to make the tax cut. It is the front-loading of the tax cut versus pushing off our investment until sometime in the future.

In proposing the stamp duty land tax cut, the Government have admitted that they have no further ambitions to rebalance our economy between the regions, and no further ambitions to tackle the disgraceful inequality between different parts of the country. In the north-west and the north-east, house prices have grown barely at all, whereas in the south-west, for example, they have shot up and wages have been held disgracefully low. This policy gives money to those who already have assets. It is a charter for inequality, and if it is ever to be implemented, it should not be implemented now.

The number of children in poverty is due to increase by nearly half a million: there will be 400,000 more children in poverty over the period of this Budget. The Government may say, "That is unfortunate, but benefits have to be frozen, and we need to focus on investment so that we can build our way out of these difficult economic circumstances." This tax cut, however, is not investment. It is just a revenue cut—a tax giveaway—at

[Alison McGovern]

a time when we could be ensuring that child poverty does not increase. The two-child policy that the Government have stuck to is an absolute disgrace. It shames our country that we are saying, “If you are the third child in a family, in poverty, the Government have nothing to say and will do nothing to help you.”

If the Tories who are now in power actually believed their rhetoric of compassionate conservatism, they would agree with me that if there were ever a time for this tax cut, it would not be now. Let me leave them with this comment. They may think that they can get on with this, and that they will have decent headlines on the front pages of the newspapers because newspaper editors might like the idea of first-time buyers being able to buy properties that they, perhaps, own. They may think that they will get a fair wind because tax cuts of this kind are popular.

I will tell you what is really unpopular in our country, Mr Owen. As we heard earlier from my hon. Friend the Member for Stalybridge and Hyde (Jonathan Reynolds), what is really unpopular in our country is having to step over rough sleepers while walking home. What is really unpopular in our country is having to watch other parents taking paper into schools because our schools cannot even afford the basic necessities. And what is deeply unpopular in our country is watching the number of food banks grow because jobs do not pay enough.

People will remember that while all that was going on, the Tories were busy cutting stamp duty for people who could afford to buy houses. I do not think they will ever forget that.

Mr Kevan Jones: I agree with the hon. Member for Witney (Robert Courts) and the right hon. Member for Hemel Hempstead (Sir Mike Penning) about the armed forces allowance. In my experience, as in theirs, the modern member of the armed forces, whether male or female, wants choice. I have nothing against that, but I think that this is the wrong way of providing it. As we heard from my hon. Friend the Member for Stalybridge and Hyde (Jonathan Reynolds), the problem now is that much of our military housing stock was locked into what was a terrible deal for the taxpayer during the last year of the Major Government, who sold most of the housing stock in England.

John Spellar: May I correct my hon. Friend? In the last few months of the Major Government, Michael Portillo, in a hugely criticised deal at the time, basically gave Nomura the deal of the century.

10.30 pm

Mr Jones: My right hon. Friend is right: the taxpayer got about £1 billion and it has been a shoddy deal, because not only did it lock us into a long-term contract, but it locked us into a ludicrous situation whereby, once houses became surplus and were given back to Annington Homes, the taxpayer had to refurbish them and also in some cases—when they were having to be knocked down, for example—if they were within the wire of a base, we were still paying the rents on what were basically empty spaces. I had a look at this when I had ministerial responsibility in the Ministry of Defence, and I am sure my friend the right hon. Member for Hemel Hempstead

(Sir Mike Penning) did as well. We must not blame Nomura; it made a great deal for itself, but it was a bad deal for the taxpayer.

The right hon. Gentleman and the hon. Member for Witney (Robert Courts) raised an interesting point: the way our armed forces operate these days has changed. Many more people travel long distances at weekends: it is not unusual for servicemen and women who live in the north-east to travel to the south coast at weekends and back again. When Labour was in government, we put a lot more money into single living accommodation; that was the way forward.

We have been promised the new housing model by the MOD, but it has not yet materialised. I was working on that at the time, because I, like the right hon. Gentleman and the hon. Gentleman, recognised that the fit we have at the moment does not work. The Army did not like it, because the Army—or a certain general—held the very traditional view at the time that we needed the regiment around the base.

I cannot understand why this is being done in advance of that new housing model being brought forward. The hon. Member for Witney raised a point in respect of his area that I have also looked at: if we are going to bring in this change, we will have to bring it in over a number of years and provide housing locally, to ensure there is a supply of housing locally for those who want to live locally. We were looking at working with local housing associations and others to provide that.

There is nothing wrong with the model of this housing allowance, therefore, but if it is done in the vacuum in which it is being done, it can lead to situations whereby people take their housing allowance and then find that they are at the mercy of the over-inflated local housing market in and around some of our garrison towns and ports.

Sir Mike Penning: The hon. Gentleman—my friend—and I agree on most things, but no one is going to force people into doing this. We must wait for the model to come forward, and I would not vote for something where we forced people into such a scheme, as the Opposition Front Bench claimed. But my friend is wrong to say we will have to address this just around the localities: we will have to do that, but these people often want to find accommodation in their own home towns, so they can be around their family structure. That is the way the armed forces are now, rather than just having the garrisons, and the super-garrisons, which are coming.

Mr Jones: I do not disagree with the right hon. Gentleman, but unless we do some work on where we are going to house these people and families, we will be throwing them out to the market. That is why the last Labour Government introduced the early support for members of the armed forces who wish to purchase their own property, a move that was cancelled in the first Budget in 2011. There is a mixture here: some members of the armed forces want to buy, while others will want to rent as they move around.

To do this without any thought about how we are going to provide the housing behind it is a little strange, and I cannot understand why this measure is being brought in now. The right hon. Gentleman said people are not going to be forced, and I agree, but if they think it is attractive and then suddenly realise it is not, will they be able to go back?

Instead of having a piecemeal approach like this one, or putting the cart before horse, we should have waited for the new housing model before this proposal was brought forward. As part of this mix, I would also like people to be able in some cases to opt not for rental allowance, but for support for mortgage payments; we introduced that, but it was cancelled in the first Budget in 2011.

Jim Shannon (Strangford) (DUP): I am doing the armed forces parliamentary scheme, which gives me the opportunity to speak to Army, Royal Navy and Royal Air Force personnel. The issue that comes up all the time is accommodation for families. If we do not get the accommodation right for families, we will not retain the personnel. We need to retain the personnel, so does the hon. Gentleman agree that we need to work on those issues and that the introduction of this policy could provide an opportunity to ensure that Army personnel can be retained and that the accommodation is up to standard?

Mr Jones: I do agree with the hon. Gentleman. Anyone with a close involvement with the armed forces, as he has, will know that we rely on those men and women to go on operations and that a key issue for morale is to ensure that their families are supported during those times.

I am a bit wary about this proposal for another reason. When the Australians introduced this type of rent allowance, they did it gradually, over a 10-year period. There was therefore a transition period with new starts and other people coming in. The proposals in the Bill seem a bit piecemeal, and if they are not done in a thought-out way, we could end up in a situation in which Annington Homes retracts the existing accommodation and people's options become limited. Again, I think this is the right move forward but it is not being done in the right way. Anything that the Treasury can do to extract the Ministry of Defence from the Annington Homes contract would be universally welcomed—[*Interruption.*] The right hon. Member for Hemel Hempstead is shaking his head. He has obviously looked the same thing as me. Let us wait and see what the new housing model delivers, but let us hope that it adopts a joined-up approach that will be of benefit to members of our armed forces.

I want to turn now to stamp duty. My right hon. Friend the Member for Warley (John Spellar) asked the Minister which regions would benefit the most from this proposal. The Minister, as usual, sidestepped the answer, but it is in fact quite clear. The average house price in County Durham is £138,000. In London, it is £488,000, so it is quite clear where the money will go. As my hon. Friend the Member for Wirral South (Alison McGovern) said, the Government are completely ignoring the idea of trying to eradicate inequalities throughout the regions. Indeed, they will actually increase them through these moves.

There is a broader point, however. I passionately believe that people who aspire to own their own home should be able to do that, and we should be able to help them to do it. The problem with this Government, however, is that they have one trick in their armoury, which is the idea that the private sector should deliver all this. They believe that the only way to achieve the

mythical 300,000 new homes is to allow the private sector to deliver them. Well, I am sorry, but if they are going to rely on the private sector to do that by supplying 300,000 new homes for purchase, that will not deliver the homes that we need in most areas—not just in London but throughout the regions.

John Spellar: Does my hon. Friend agree that the underlying problem is that the private sector supply side is becoming increasingly dysfunctional? Indeed, it is becoming an oligopoly, and many of the companies involved are no longer construction companies but just land banks.

Mr Jones: They are indeed. My hon. Friend the Member for Ipswich (Sandy Martin) mentioned the example of Persimmon earlier. Many of those companies are no longer housebuilders in the traditional sense. They are employment agents who employ contractors to do things. In my constituency, some of the complaints about new builds are pretty horrendous, and I think that that experience is shared across the House.

Gareth Snell: Where private developers are developing houses, they are all too often quick to run to the district valuer to argue that affordable and social housing makes development schemes unaffordable, so fewer affordable social houses are being built through private development.

Mr Jones: My hon. Friend makes a good point. Added to that is the fact that the definition of “affordable” in London is completely out of reach for most people.

The Government have this one idea that we are going to solve our housing problem through the private sector. I accept that it has a part to play, but the social sector, meaning both councils and very good housing associations, could step up to the mark and actually provide houses where we need them. If we look at the amount of money that is going into the subsidy, as mentioned by my hon. Friend the Member for Wirral South, we would not even have to spend money directly on social housing. We could provide new housing by just underwriting the debt of some of the social housing providers. In my area, Derwentside Homes and Cestria have now come together as an organisation called Karbon—I emphasise the k for the *Hansard* reporters, but I think it is a stupid name—which has been able to do small-scale developments by borrowing against its assets. If it had Government support for that borrowing, it could do a lot more.

Helping local authorities to take a share in things by putting land into deals or by setting up their own corporations of social landlords and councils could lead to the development of the houses that we need. Social housing is not a static model. People think that social houses are just for rent, but Karbon has a good subsidiary called Prince Bishops Homes, which allows people to start by renting and then, as their circumstances change, purchase the house and convert their rental into a mortgage. We need to look at schemes like that. Are they expensive in terms of what my hon. Friend the Member for Wirral South referred to? No, I do not think they are, and they will provide housing where we need it. I accept the particular pressure on housing in London, but there is pressure everywhere, not just from first-time buyers, but people who want to rent for the first time.

[Mr Kevan Jones]

If the Government put their ideological baggage away and said, “Are we actually going to do what we say and produce the houses that people need?” they could do things in a different way. The Minister can talk about 300,000, half a million or a million homes—I say the same to my Front-Bench team—and it is fine to pluck figures out of thin air, but delivering them is a different thing altogether. If we look back at the history of housing in this country, we only actually build large numbers of houses when we have direct Government intervention, and we need that direct intervention now. It is easy for the Government to argue that the previous Labour Government failed here, but we did not. We actually transformed a lot of social housing. Two housing associations in my constituency received over £100 million to bring their stock of homes up to a decent standard, which was transformative for residents and tenants. Houses with 40-year-old bathrooms had them changed. There were new rooms, new central heating systems, new kitchens and more energy-efficient measures. I am not going to shy away from talking about what the Labour Government did when we were in power to change the lives of many people in this country.

Turning to land banking, there is evidence that certain companies are using land banks. In some cases, companies submit planning applications and then just sit on the land. I welcome any approach to deal with that, but we need to be a bit more imaginative about allowing local government to be a bit more forceful with their planning powers. When Labour was in government, I was a huge critic of something called the regional spatial strategy, describing it once as Soviet-style five-year planning. It was too blunt an instrument.

We need to allow Country Durham and other areas like mine to expand housing, because we are increasingly becoming commuter belt for Tyneside and Teesside. Somehow restricting the allocation of housing to the urban conurbations fails to understand that, without new houses, a lot of villages and communities in my constituency will struggle to survive. More powers should be given to local authorities not only to form local plans but to implement them, too.

10.45 pm

My final point would, again, be easy to implement. As a few other Governments have, this Government distrust local government, which should be given real powers to issue compulsory purchase orders on empty properties. One property in my constituency has been empty for nearly 10 years without any use, but it is a perfectly good house.

I am not suggesting for one minute that we take houses off people in a draconian way but, where houses are sitting empty on somebody’s books after having been bought in a basket of property—where the houses are not a top priority—we need to give local councils the ability to try to bring them back into use. If it were done in a targeted and effective way, it could increase the housing supply in most areas without building a single extra new house.

John Spellar: I start by welcoming the service accommodation proposals. I echo the comments of my hon. Friend the Member for North Durham (Mr Jones) on the short-term gain taken by the Ministry of Defence

and the Treasury in a bid to shore up the finances of the Major Government, which did them absolutely no good in the 1997 election. Service personnel and their families have been suffering from the impact of that ever since.

On the basic question of the stamp duty measure, I suppose that it could be welcomed, superficially, as a reversal of the intergenerational transfer of wealth, but in fact, as my hon. Friend the Member for Wirral South (Alison McGovern) said, the reverse is the case, as the main beneficiaries will be the existing owners of housing. In a tight housing market with a large amount of stock and limited flow, the net effect of adding extra liquidity into the system is most likely to be an increase in the price of housing.

The other beneficiaries will be not just individual householders who seek to trade down, or even up, but private sector landlords who have been buying up property and forcing up prices. Many youngsters are not able to get together the sort of deposit that is now required unless they can go to the bank of mum and dad. With the average house price in London at nearly £500,000, they are having to find a deposit of some £50,000. We are targeting a considerable public subsidy towards one small group without actually dealing with the problem.

It was very instructive that the Minister was unable—or probably unwilling—to give the figures I asked for about how much the measure will cost in aggregate and how the costs will break down by region. It is inconceivable that such analysis was not carried out as the policy was drawn up and ground through the mills of the Treasury. To save me from tabling a parliamentary question, I urge the Minister to come up with those figures in his winding-up speech. I think that the figures will show a considerable disparity between regions, which is not uncommon under this Government, much as they seek to hide it. Just recently, a letter from the Secretary of State for Transport told us that we had it all wrong and the average spend on transport was roughly equal between the north and the midlands, and London and the south. The only issue was, as my hon. Friend the Member for North Durham found out, that the Government had omitted to include the £32 billion—I believe that is the figure—for Crossrail from the London figures, because that had somehow been designated as a national scheme.

Mr Kevan Jones: I can inform my right hon. Friend that it was actually worse than that, because the Government had also deemed the north as being the north-west, the north-east and Yorkshire.

John Spellar: I do not get involved in those arguments.

In essence, we are seeing major transfers of wealth to areas that the Government see as their political homeland. However, let us also look at the big house builders, as they are euphemistically called—really they are land bankers and, as my hon. Friend said, employment agencies. They also indulge in a number of other unsavoury practices. Several of them have now been exposed for their involvement in the racket of escalating leaseholds, which they have now been forced to back down from. They have had to pay considerable sums to buy back those leases from individuals—speculators—who bought them and were then exploiting residents on that basis. Is that not a symptom and a symbol of the dysfunctional nature of our housing market? The Government are not tackling that in any particular way.

Nor are the Government tackling the increasingly oligopolistic nature of the house building industry. There has been a significant decline in medium and small builders, who used to be the backbone of the building industry and of many towns. Building, by its nature, is subject to cycles, and banks have been incredibly reluctant to lend money to small builders, who have steadily either gone out of business, or been absorbed into the big builders. That has flowed into the lack of training that has taken place, because so many of the big house builders are mainly just the name outside a project and are not particularly interested in the small sites—brownfield sites—around our towns. With the breakdown in training, we then have the cry from those same builders that need to bring in more and more builders from abroad because of insufficient supply in this country. That is because over several years, if not decades, they have not been training people.

Nor do the Government have any programme, as far as I can see, that is equivalent to the better homes programme which, as a number of colleagues have said, contributed enormously, not only to bringing many properties back into effective use, but to improving the lives of many of our constituents. Finally, what we see here is figures being plucked out of the air. This is reminiscent not of an efficient market, but very much of Soviet planning, with declarations of 300,000 houses but no visible means by which that will actually be achieved.

Lloyd Russell-Moyle: I will try to be brief, because we all want to get to the vote and then move on, but I will say that the measures we are considering are far too little and far too late. Homelessness has doubled in Britain, and in Brighton it has tripled, with 10% of adults now on the housing register. How do these proposals help them? The measures will increase house prices for first-time buyers. I know the Minister says that he has better data than the OBR, but I tend to believe the OBR, which was set up by the Conservative Government to provide independent analysis, over the books that are cooked in the Treasury—[*Interruption.*] Yes, the books that are cooked in the Treasury. What we need are clear supply-side measures—[*Interruption.*] The evidence for cooked books is that the OBR does not believe the Government's figures. The evidence comes from the independent regulator. Let me get back to what I want to say, otherwise I will be distracted and we will be here for longer.

We clearly have a problem with young people and first-time buyers getting into the property market. In my constituency today, only five studio flats are on the market for less than £200,000. With average earnings in Brighton lower than the average for the rest of Britain, the introduction of a stamp duty waiver will make not one jot of difference, because people cannot afford to raise money for a deposit and to go to banks to ask them to lend. What we really need is decent social and council housing so that people can move into secure tenancies. I asked the Prime Minister whether she would lift the housing revenue account cap. We see in the Bill that there will be a lift to the value of £1 billion, if councils apply, but of course £22 billion would be made available, at no direct cost to the Government, if they just lifted the cap completely. Why will they not? Because they are scared—they are chicken—to allow working people to have decent homes. Clearly they want to keep people subjugated and in poor-quality rented private property. That is the only conclusion I can draw from their miserable set of proposals.

Another thing we need is planning regulation that is stronger, not weaker. Until very recently, I sat on my local council's planning committee. Time and again we were toothless in enforcing the social and affordable housing requirements. We do not need to give councils less power to enforce those requirements; we need to give them more powers to enforce them. The measures in the Bill to try to deregulate the planning sector go in completely the opposite direction.

I could make other points, but I am not going to talk anymore—let us go home. It is quite clear that I will be voting against the Government's measures, because they are absolutely useless for dealing with homelessness and house building. In fact, they will make matters worse.

Ruth George (High Peak) (Lab): I echo my hon. Friend the Member for Stalybridge and Hyde (Jonathan Reynolds) in saying that I am proud of Labour's record on housing. I am proud of how we invested in 2 million more new homes, increased home ownership by 1 million, and made sure that more than 1 million homes were brought up to a decent standard, fit for human habitation, which is what we need to see now.

Since 2010, we have seen home ownership fall by 200,000 as house prices have risen by an average of 32%. Of those homes that have been built, less than 20% have been affordable, as councils' rights to impose affordable limits have, as my hon. Friend the Member for Brighton, Kemptown (Lloyd Russell-Moyle) said, been taken away, with the rug pulled out from under their feet. What have we had instead? We have had £10 billion invested in the Help to Buy scheme, which even Morgan Stanley said has almost entirely gone towards raising house prices and increasing the share prices of the biggest house builders.

In my constituency, those house builders are not content with all the assistance from Help to Buy. Almost all their new homes are sold on leasehold—or fleecehold, as it has been called—so people do not feel that they actually own the home in which they live, despite having paid an inflated price for it. They still have to pay ground rent; they are still being fleeced with maintenance charges; and they still have to pay fees to a third party. It does not feel like home ownership any more. This is actually private rental as well as home ownership.

11 pm

With the lack of housing supply and the decrease in home ownership, we have seen the number of households in private rented accommodation soar to more than 5 million, and the figure is set to rise to 6 million by 2021. That would not be a problem if private landlords were forced to make their homes fit for human habitation and if, in an era when we are moving nearly 8 million households on to universal credit, we had landlords who had faith in the Government's universal credit system. Landlords' right of redress to reclaim rent arrears has been removed under universal credit, so it is no wonder that 73% of them do not feel comfortable that the Department for Work and Pensions will enable them to recoup their arrears.

Stephen Pound (Ealing North) (Lab): I hope my hon. Friend will forgive me for interrupting her flow. She is making a precise and pertinent point. Would she not wish to encourage all people of good heart here present

[Stephen Pound]

to support the Bill that has been presented by my hon. Friend the Member for Westminster North (Ms Buck) on this very subject?

Ruth George: Absolutely. I hope that Members on both sides of the House will give their encouragement to that Bill so that we can make homes fit for human habitation.

On the subject of universal credit, whether or not homes are fit for human habitation, unfortunately landlords are not prepared to rent. A representative of a lettings agency came to my surgery just last week and showed me the books for its tenants. At the moment, 20 tenants are on universal credit—we still have not seen it rolled out—of whom 18, or 90%, are in huge arrears. Nine of them—45%—have had to be evicted because landlords cannot get any redress for arrears. They cannot afford to see those arrears build up. Now that they no longer claim mortgage interest relief, they know that they will have to pay a big tax bill come the end of January, so they need to ensure that they can make their homes pay.

This Government's housing policy is simply racking up disaster on disaster. Homelessness is doubling and home ownership is falling, and universal credit is yet to come. We needed big ideas from the Chancellor, as the Secretary of State for Communities and Local Government told him in no uncertain terms. We see nothing in this Bill but tinkering at the edges that will do nothing to help solve the enormous housing crisis in this country.

Mel Stride: We have been debating important measures. Clause 8 introduces an income tax allowance for members of the armed forces to help them to meet the cost of accommodation in the private market in the UK. Clause 40 makes sensible legislative adjustments to the additional rate of stamp duty land tax to ensure that people in some specific—often disadvantaged—circumstances are not unduly penalised. Clause 41 announces the Government's abolition of stamp duty land tax for first-time buyers purchasing properties under £300,000. This key part of the Government's drive to ease the burden on young first-time buyers will go a significant way towards levelling the playing field in those people's favour. It is notable, and equally lamentable, that this particular policy, which predominantly assists the young, appears to be something that the Labour party rejects and indeed derides. I commend the clauses and schedule to the Committee.

Question put and agreed to.

Clause 40 accordingly ordered to stand part of the Bill.

Schedule 11 agreed to.

Clauses 41 and 8 ordered to stand part of the Bill.

New Clause 4

REVIEW OF RELIEF FOR FIRST-TIME BUYERS

“(1) The Commissioners of Her Majesty's Revenue and Customs shall undertake a review of the impact of the relief for first-time buyers introduced in Schedule 6ZA to FA 2003.

(2) The review shall consider, in particular, the effects of the relief on—

- (a) the public revenue,
- (b) house prices, and
- (c) the supply of housing.

(3) The Chancellor of the Exchequer must lay a copy of a report of the review under this section before the House of Commons no later than one calendar week prior to the date which he has set for his Autumn 2018 Budget Statement.”—
(Jonathan Reynolds.)

This new clause requires a review to be published prior to the Autumn 2018 Budget on the impact of the relief for first-time buyers, including its effects on house prices and on the supply of housing.

Brought up, and read the First time.

Question put, That the clause be read a Second time.

The Committee divided: Ayes 226, Noes 313.

Division No. 76]

[11.4 pm

AYES

Abbott, rh Ms Diane	Dromey, Jack
Abrahams, Debbie	Duffield, Rosie
Alexander, Heidi	Eagle, Ms Angela
Ali, Rushanara	Eagle, Maria
Allin-Khan, Dr Rosena	Edwards, Jonathan
Amesbury, Mike	Efford, Clive
Antoniazzi, Tonia	Elliott, Julie
Ashworth, Jonathan	Ellman, Mrs Louise
Bailey, Mr Adrian	Elmore, Chris
Barron, rh Sir Kevin	Esterson, Bill
Beckett, rh Margaret	Evans, Chris
Benn, rh Hilary	Farrelly, Paul
Betts, Mr Clive	Fitzpatrick, Jim
Blomfield, Paul	Flint, rh Caroline
Brabin, Tracy	Flynn, Paul
Bradshaw, rh Mr Ben	Fovargue, Yvonne
Brennan, Kevin	Frith, James
Brown, Lyn	Furniss, Gill
Brown, rh Mr Nicholas	Gaffney, Hugh
Bryant, Chris	Gapes, Mike
Buck, Ms Karen	Gardiner, Barry
Burden, Richard	George, Ruth
Burgon, Richard	Gill, Preet Kaur
Butler, Dawn	Glendon, Mary
Byrne, rh Liam	Godsiff, Mr Roger
Cadbury, Ruth	Goodman, Helen
Campbell, rh Mr Alan	Green, Kate
Campbell, Mr Ronnie	Greenwood, Lilian
Carden, Dan	Greenwood, Margaret
Champion, Sarah	Griffith, Nia
Charalambous, Bambos	Grogan, John
Coaker, Vernon	Haigh, Louise
Cooper, Julie	Hamilton, Fabian
Cooper, Rosie	Hanson, rh David
Cooper, rh Yvette	Hardy, Emma
Coyle, Neil	Harman, rh Ms Harriet
Crausby, Sir David	Harris, Carolyn
Creasy, Stella	Hayes, Helen
Cruddas, Jon	Hayman, Sue
Cryer, John	Healey, rh John
Cummins, Judith	Hepburn, Mr Stephen
Cunningham, Alex	Hill, Mike
Cunningham, Mr Jim	Hodgson, Mrs Sharon
Dakin, Nic	Hoey, Kate
David, Wayne	Hollern, Kate
Davies, Geraint	Howarth, rh Mr George
De Cordova, Marsha	Huq, Dr Rupa
De Piero, Gloria	Hussain, Imran
Debonnaire, Thangam	Jarvis, Dan
Dent Coad, Emma	Jones, Gerald
Dhesi, Mr Tanmanjeet Singh	Jones, Graham P.
Dodds, Anneliese	Jones, Mr Kevan
Doughty, Stephen	Jones, Sarah
Dowd, Peter	Jones, Susan Elan
Drew, Dr David	Kane, Mike

Kendall, Liz
 Khan, Afzal
 Killen, Ged
 Kinnock, Stephen
 Kyle, Peter
 Laird, Lesley
 Lake, Ben
 Lammy, rh Mr David
 Lavery, Ian
 Lee, Ms Karen
 Leslie, Mr Chris
 Lewell-Buck, Mrs Emma
 Lewis, Clive
 Lloyd, Tony
 Long Bailey, Rebecca
 Lucas, Caroline
 Lucas, Ian C.
 Lynch, Holly
 Madders, Justin
 Mahmood, Mr Khalid
 Mahmood, Shabana
 Malhotra, Seema
 Mann, John
 Marsden, Gordon
 Martin, Sandy
 Maskell, Rachael
 Matheson, Christian
 McCabe, Steve
 McCarthy, Kerry
 McDonagh, Siobhain
 McDonald, Andy
 McDonnell, rh John
 McFadden, rh Mr Pat
 McGinn, Conor
 McGovern, Alison
 McInnes, Liz
 McMahan, Jim
 McMorrin, Anna
 Mearns, Ian
 Moon, Mrs Madeleine
 Morden, Jessica
 Morgan, Stephen
 Morris, Grahame
 Murray, Ian
 Nandy, Lisa
 Norris, Alex
 Onasanya, Fiona
 Onn, Melanie
 Onwurah, Chi
 Osamor, Kate
 Peacock, Stephanie
 Pennycook, Matthew
 Perkins, Toby
 Phillips, Jess
 Phillipson, Bridget
 Pidcock, Laura
 Platt, Jo
 Pollard, Luke
 Pound, Stephen
 Rashid, Faisal

Rayner, Angela
 Reed, Mr Steve
 Rees, Christina
 Reeves, Ellie
 Reeves, Rachel
 Reynolds, Jonathan
 Rimmer, Ms Marie
 Rodda, Matt
 Rowley, Danielle
 Ruane, Chris
 Russell-Moyle, Lloyd
 Ryan, rh Joan
 Saville Roberts, Liz
 Shah, Naz
 Sharma, Mr Virendra
 Sheerman, Mr Barry
 Sherriff, Paula
 Shuker, Mr Gavin
 Skinner, Mr Dennis
 Slaughter, Andy
 Smeeth, Ruth
 Smith, Angela
 Smith, Cat
 Smith, Eleanor
 Smith, Jeff
 Smith, Laura
 Smith, Nick
 Smith, Owen
 Smyth, Karin
 Snell, Gareth
 Spellar, rh John
 Stevens, Jo
 Stone, Jamie
 Streeting, Wes
 Sweeney, Mr Paul
 Tami, Mark
 Thomas-Symonds, Nick
 Thornberry, rh Emily
 Timms, rh Stephen
 Trickett, Jon
 Twigg, Derek
 Twigg, Stephen
 Twist, Liz
 Umunna, Chuka
 Vaz, Valerie
 Walker, Thelma
 West, Catherine
 Western, Matt
 Whitehead, Dr Alan
 Whitfield, Martin
 Williams, Hywel
 Williams, Dr Paul
 Williamson, Chris
 Wilson, Phil
 Yasin, Mohammad
 Zeichner, Daniel

Tellers for the Ayes:
Vicky Foxcroft and
Colleen Fletcher

NOES

Afolami, Bim
 Afriyie, Adam
 Aldous, Peter
 Allan, Lucy
 Allen, Heidi
 Amess, Sir David
 Andrew, Stuart
 Argar, Edward
 Atkins, Victoria

Bacon, Mr Richard
 Badenoch, Mrs Kemi
 Baker, Mr Steve
 Baldwin, Harriett
 Barclay, Stephen
 Baron, Mr John
 Bebb, Guto
 Bellingham, Sir Henry
 Benyon, rh Richard

Beresford, Sir Paul
 Berry, Jake
 Blackman, Bob
 Blunt, Crispin
 Boles, Nick
 Bone, Mr Peter
 Bottomley, Sir Peter
 Bowie, Andrew
 Bradley, Ben
 Bradley, rh Karen
 Brady, Mr Graham
 Bridgen, Andrew
 Brokenshire, rh James
 Bruce, Fiona
 Buckland, Robert
 Burghart, Alex
 Burns, Conor
 Cairns, rh Alun
 Campbell, Mr Gregory
 Cartledge, James
 Cash, Sir William
 Caulfield, Maria
 Chalk, Alex
 Chishti, Rehman
 Chope, Mr Christopher
 Churchill, Jo
 Clark, Colin
 Clark, rh Greg
 Clarke, rh Mr Kenneth
 Clarke, Mr Simon
 Cleverly, James
 Clifton-Brown, Geoffrey
 Coffey, Dr Thérèse
 Collins, Damian
 Costa, Alberto
 Courts, Robert
 Cox, Mr Geoffrey
 Crabb, rh Stephen
 Crouch, Tracey
 Davies, Chris
 Davies, David T. C.
 Davies, Glyn
 Davies, Mims
 Davies, Philip
 Davis, rh Mr David
 Dinenage, Caroline
 Djanogly, Mr Jonathan
 Docherty, Leo
 Dodds, rh Nigel
 Donaldson, rh Sir Jeffrey M.
 Donelan, Michelle
 Double, Steve
 Dowden, Oliver
 Doyle-Price, Jackie
 Drax, Richard
 Duddridge, James
 Duguid, David
 Duncan, rh Sir Alan
 Duncan Smith, rh Mr Iain
 Dunne, Mr Philip
 Ellis, Michael
 Ellwood, rh Mr Tobias
 Eustice, George
 Evans, Mr Nigel
 Evennett, rh David
 Fabricant, Michael
 Fernandes, Suella
 Field, rh Mark
 Ford, Vicky
 Foster, Kevin
 Fox, rh Dr Liam
 Frazer, Lucy

Freeman, George
 Fysh, Mr Marcus
 Garnier, Mark
 Gauke, rh Mr David
 Ghani, Ms Nusrat
 Gibb, rh Nick
 Gillan, rh Mrs Cheryl
 Girvan, Paul
 Glen, John
 Goldsmith, Zac
 Goodwill, Mr Robert
 Gove, rh Michael
 Graham, Luke
 Graham, Richard
 Grant, Bill
 Grant, Mrs Helen
 Gray, James
 Grayling, rh Chris
 Green, Chris
 Green, rh Damian
 Greening, rh Justine
 Grieve, rh Mr Dominic
 Griffiths, Andrew
 Gyimah, Mr Sam
 Hair, Kirstene
 Halfon, rh Robert
 Hall, Luke
 Hammond, rh Mr Philip
 Hammond, Stephen
 Hancock, rh Matt
 Hands, rh Greg
 Harper, rh Mr Mark
 Harrington, Richard
 Harrison, Trudy
 Hart, Simon
 Hayes, rh Mr John
 Heald, rh Sir Oliver
 Heapey, James
 Heaton-Harris, Chris
 Heaton-Jones, Peter
 Henderson, Gordon
 Herbert, rh Nick
 Hermon, Lady
 Hinds, Damian
 Hoare, Simon
 Hollingbery, George
 Hollinrake, Kevin
 Hollobone, Mr Philip
 Holloway, Adam
 Howell, John
 Huddleston, Nigel
 Hughes, Eddie
 Hunt, rh Mr Jeremy
 Hurd, Mr Nick
 Jack, Mr Alister
 James, Margot
 Javid, rh Sajid
 Jayawardena, Mr Ranil
 Jenkin, Mr Bernard
 Jenrick, Robert
 Johnson, rh Boris
 Johnson, Dr Caroline
 Johnson, Gareth
 Johnson, Joseph
 Jones, Andrew
 Jones, rh Mr David
 Jones, Mr Marcus
 Kawczynski, Daniel
 Keegan, Gillian
 Kennedy, Seema
 Kerr, Stephen
 Knight, rh Sir Greg

Knight, Julian
 Kwarteng, Kwasi
 Lamont, John
 Lancaster, Mark
 Latham, Mrs Pauline
 Leadsom, rh Andrea
 Lee, Dr Phillip
 Lefroy, Jeremy
 Leigh, Sir Edward
 Letwin, rh Sir Oliver
 Lewer, Andrew
 Lewis, rh Brandon
 Lewis, rh Dr Julian
 Lidington, rh Mr David
 Little Pengelly, Emma
 Lopez, Julia
 Lopresti, Jack
 Lord, Mr Jonathan
 Loughton, Tim
 Mackinlay, Craig
 Maclean, Rachel
 Main, Mrs Anne
 Mak, Alan
 Malthouse, Kit
 Mann, Scott
 Masterton, Paul
 Maynard, Paul
 McLoughlin, rh Sir Patrick
 McPartland, Stephen
 McVey, rh Ms Esther
 Menzies, Mark
 Mercer, Johnny
 Merriman, Huw
 Metcalfe, Stephen
 Miller, rh Mrs Maria
 Milling, Amanda
 Mills, Nigel
 Milton, rh Anne
 Mitchell, rh Mr Andrew
 Moore, Damien
 Mordaunt, rh Penny
 Morgan, rh Nicky
 Morris, Anne Marie
 Morris, David
 Morris, James
 Morton, Wendy
 Mundell, rh David
 Murray, Mrs Sheryll
 Murrison, Dr Andrew
 Neill, Robert
 Newton, Sarah
 Nokes, Caroline
 Norman, Jesse

O'Brien, Neil
 Offord, Dr Matthew
 Opperman, Guy
 Paisley, Ian
 Parish, Neil
 Patel, rh Priti
 Paterson, rh Mr Owen
 Pawsey, Mark
 Penning, rh Sir Mike
 Penrose, John
 Percy, Andrew
 Perry, Claire
 Philp, Chris
 Pincher, Christopher
 Pow, Rebecca
 Prentis, Victoria
 Prisk, Mr Mark
 Pritchard, Mark
 Pursglove, Tom
 Quin, Jeremy
 Quince, Will
 Raab, Dominic
 Redwood, rh John
 Rees-Mogg, Mr Jacob
 Robertson, Mr Laurence
 Robinson, Gavin
 Robinson, Mary
 Rosindell, Andrew
 Ross, Douglas
 Rowley, Lee
 Rudd, rh Amber
 Rutley, David
 Sandbach, Antoinette
 Scully, Paul
 Seely, Mr Bob
 Selous, Andrew
 Shannon, Jim
 Shapps, rh Grant
 Sharma, Alok
 Shelbrooke, Alec
 Simpson, David
 Simpson, rh Mr Keith
 Skidmore, Chris
 Smith, Chloe
 Smith, Henry
 Smith, rh Julian
 Smith, Royston
 Soames, rh Sir Nicholas
 Soubry, rh Anna
 Spelman, rh Dame Caroline
 Spencer, Mark
 Stephenson, Andrew
 Stevenson, John

Stewart, Bob
 Stewart, Iain
 Stewart, Rory
 Streeter, Mr Gary
 Stride, rh Mel
 Stuart, Graham
 Sturdy, Julian
 Sunak, Rishi
 Swayne, rh Sir Desmond
 Swire, rh Sir Hugo
 Syms, Sir Robert
 Thomas, Derek
 Thomson, Ross
 Throup, Maggie
 Tolhurst, Kelly
 Tomlinson, Justin
 Tomlinson, Michael
 Tracey, Craig
 Tredinnick, David
 Trevelyan, Mrs Anne-Marie
 Truss, rh Elizabeth
 Tugendhat, Tom
 Vaizey, rh Mr Edward
 Vara, Mr Shailesh

Vickers, Martin
 Villiers, rh Theresa
 Walker, Mr Charles
 Walker, Mr Robin
 Wallace, rh Mr Ben
 Warburton, David
 Warman, Matt
 Watling, Giles
 Whately, Helen
 Wheeler, Mrs Heather
 Whittaker, Craig
 Whittingdale, rh Mr John
 Wiggin, Bill
 Williamson, rh Gavin
 Wilson, Sammy
 Wollaston, Dr Sarah
 Wood, Mike
 Wragg, Mr William
 Wright, rh Jeremy
 Zahawi, Nadhim

Tellers for the Noes:
 Rebecca Harris and
 Mike Freer

Question accordingly negatived.

To report progress and ask leave to sit again.—(*Graham Stuart.*)

The Deputy Speaker resumed the Chair.

Progress reported; Committee to sit again tomorrow.

Business without Debate

COMMITTEES

Madam Deputy Speaker (Mrs Eleanor Laing): With the leave of the House, we will take motions 2 and 3 together.

Ordered,

HUMAN RIGHTS (JOINT COMMITTEE)

That Mark Pritchard be discharged from the Joint Committee on Human Rights and Alex Burghart be added.

REGULATORY REFORM

That Mark Menzies be discharged from the Regulatory Reform Committee and Mr Simon Clarke be added.—(*Bill Wiggin, on behalf of the Selection Committee.*)

RBS Rural Branch Closures

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

11.19 pm

Ian Blackford (Ross, Skye and Lochaber) (SNP): I begin by declaring an interest as a customer of the Royal Bank of Scotland. I hold an account in one of the branches that has been slated for closure.

The Proclaimers might put it this way: Bannockburn no more. Beaully no more. Biggar no more. Carnwath no more. Castlebay no more. Comrie no more. Douglas no more. Greta no more. Inveraray no more. Kilwinning no more. Melrose no more. Stepps no more. Tongue no more. Those are 13 locations that RBS is clearing out of in Scotland—abandoning its customers and leaving those places with no local bank. We do not accept that those and the other branches of which the closure has been announced should be shutting their doors, and we demand that RBS reverse its plans.

In those 13 communities in which RBS has announced closures, it is the last bank in town. RBS made a commitment that it would not close the last branch in any location, but here it is, isolating 13 communities that will be left with no branch banking facilities. RBS now says that the commitment not to close the last bank in town no longer applies. The pronouncement that RBS would not close the last bank in town was right when it was made in 2010, and it remains the right thing to do in 2017.

Drew Hendry (Inverness, Nairn, Badenoch and Strathspey) (SNP): In addition to the towns and villages that my right hon. Friend has just mentioned, branches in Grantown, Aviemore and Nairn in my constituency—they are vital to the tourism industry—are also scheduled for closure. One fifth of the highlands economy is made up of tourism, and it is mostly cash-based. Does he agree that it is not good enough for the UK Government to stand by while what the Federation of Small Businesses calls a “hammer blow” is delivered to small businesses in the highlands?

Ian Blackford: I absolutely agree with my hon. Friend. Of course, it is not just about those 13 branches. There is justified anger in many communities surrounding the 62 branches signalled for closure in Scotland and the 259 in the United Kingdom. RBS is turning its back on communities throughout the United Kingdom, and it will find that those communities call on it to think again.

RBS is a bank that we all have a stake in. We collectively own just short of 73% of the company. We rightly bailed the bank out in 2008, at a cost of £45 billion. We own RBS. We saved RBS in order that it could continue to offer banking services to our communities, to individuals and to businesses.

Stephen Gethins (North East Fife) (SNP): I thank my right hon. Friend for the powerful case that he is making. Is he aware that the closures that were recently announced are not the only ones? Some months ago, many of us campaigned against closures in Cupar, Leven and Anstruther, which have also been left without RBS branches.

Ian Blackford: I absolutely agree with my hon. Friend. The closures have a cumulative effect.

Several hon. Members rose—

Ian Blackford: I know that many people want to intervene, but I will try to make some progress because of the time. I will take some interventions later.

Angus Brendan MacNeil (Na h-Eileanan an Iar) (SNP): Just before my right hon. Friend makes some progress, will he give way?

Ian Blackford: Nice try. Having a bank on the high street that collects and issues cash and provides other banking services is instrumental to the economic wellbeing of all our communities. Individuals and businesses rely on the access in person to banking services. Why did we save RBS, if there is no recognition that there is a liability on the bank to serve its customers and communities? Customers who have been loyal to RBS for generations find branches being closed on them. That is happening to people such as Cyril French, who lives in Plockton and is a customer of RBS at the Kyle branch. Cyril is 87 and has Alzheimer's. The staff at the RBS branch are of enormous assistance to him when he goes on his weekly visit to the branch. What is Cyril to do if the bank closes? The next nearest RBS branch would be in Portree on the Isle of Skye, more than 40 miles away. On highland roads, this would take more than an hour, and he would have to be taken there either by family members or by his carer. Is that what Cyril should have to endure to visit a local bank?

Let us think about the local businesses that rely on the bank for depositing and collecting cash. Where are they to go? Let us take businesses such as the thriving Eilean Donan Castle in Lochalsh, which uses the Kyle branch. It is 43 miles from the next nearest RBS branch in Portree. Eilean Donan Castle is a thriving tourist destination, with over 540,000 visitors a year. It deposits millions of pounds of cash a year at the Kyle branch. Its insurance policy demands that it has as many as three staff members to take the cash to the bank. The impact on it of their having to drive to Portree rather than Kyle would be considerable in terms of time and staff resource.

When customers visit their local branch, they will often do other shopping, go for a coffee and such like. The closure of the last branch in Beaully in my constituency will drive valuable business away from the town. Personal customers and businesses will go to Dingwall or Inverness and will more than likely take their other business with them to these places. Closing the last bank in town has a similar effect to the removal of services such as local schools, and it undermines the sustainability of our communities.

Brendan O'Hara (Argyll and Bute) (SNP): As my right hon. Friend knows, there are three Royal Bank of Scotland branches in my Argyll and Bute constituency—in Campbelltown, Inveraray and Rothesay—which are earmarked for closure. Is he aware of the profound anger and the sense of betrayal that is felt by rural communities across Scotland at these brutal closures? The bank closures are completely undermining the great work, being done by so many, of saying to the rest of the UK and the rest of Europe that rural Scotland is open for business. These bank closures must stop.

Ian Blackford: I agree with my hon. Friend. That is why I say to the Royal Bank of Scotland that it should please listen to the justifiable anger that there is throughout the country. RBS has been a much-loved institution, and one that has been cherished by our communities. We are appealing to RBS to think again, to stop and to reverse these closures.

Jim Shannon (Strangford) (DUP): I congratulate the right hon. Gentleman on bringing this matter to the House for consideration. I have had five banks close in my constituency: three Ulster Bank branches, one Trust Bank branch and one Bank of Ireland branch. Does he agree—many in the House will suspect this to be the case—that people, especially elderly people, will not use banking services, but will keep their money in their house? Is there not a fear that that will lead to more robberies, more violence and more unrest?

Ian Blackford: I hope that that is not the case, but the hon. Gentleman raises a justifiable concern about the safety of our elderly citizens in their community, and it is another good reason why RBS should think again.

Caroline Flint (Don Valley) (Lab): I think all of us want to make sure that small branches in our rural and semi-rural areas are kept open. Does the right hon. Gentleman agree not only that, when these branches close, funds for small businesses shut down, but that, when the last bank in a community closes, as in Bawtry in my constituency, it is a major blow to the community the bank serves?

Ian Blackford: The right hon. Lady is absolutely correct. The bank manager, in particular, is a valued member of the community. He understands the community he works in and he understands the businesses, and that link is a vital one to retain.

Lloyd Russell-Moyle (Brighton, Kempton) (Lab/Co-op): Will the right hon. Gentleman give way?

Ian Paisley (North Antrim) (DUP): Will the right hon. Gentleman give way?

Ian Blackford: I must make some progress, but I will try to take interventions later.

The scale of the closure announcement is breathtaking, and RBS needs to think again. It simply goes too far. I say to RBS tonight: let us work together and put these closures on hold. Let us work with RBS to sustain its ability to do business in its branches in the rural communities. Let us understand the challenges that it faces and rally community support to enable RBS to remain an integral part of our communities.

RBS is trying to create a picture of these branches as a relic of the past, saying that demand for branch banking has declined and that customers are not utilising the branches. Let me tell the House about the reality for the branches in my constituency that are earmarked for closure. I obtained these figures, which are for the last calendar year, from RBS: Mallaig has 1,001 customers with 10,098 transactions; Kyle has 2,436 customers with 25,000 transactions; and Beaulieu has 3,439 customers with 29,000 transactions. These are not small numbers. Almost 7,000 of my constituents in Ross, Skye and Lochaber rely on RBS providing branch banking services in branches that are earmarked for closure.

Neil Gray (Airdrie and Shotts) (SNP): I congratulate my right hon. Friend on securing this debate. RBS has closed the Shotts branch in my constituency and is about to close the Airdrie branch, having given customer numbers that many in my constituency dispute. He is making a very important point. If my constituents are to have any confidence in the closures, RBS needs to be transparent about the number of customers using the branches.

Several hon. Members *rose*—

Ian Blackford: I will come on to that aspect, but I must apologise that to get through my remarks, I will not take any interventions for the rest of my speech.

I received the numbers that I issued a couple of minutes ago from RBS two weeks ago. I have asked repeatedly for the relevant figures for all the branches in Scotland that are earmarked for closure. RBS has refused to release the figures. It has published figures for bank use detailing only those that use the bank every week of the year. According to RBS, only 11 customers use Mallaig on a weekly basis, 27 visit Beaulieu and 51 use Kyle. We know the reality. As opposed to the 51 regular customers trumpeted for Kyle, there are actually 25,000 transactions. If we focused on the so-called 51 customers, we might be sympathetic to the demands from RBS to close the bank, yet the fact that there are 25,000 transactions a year allows me to conclude that the branch is still relatively busy.

Why doesn't RBS come clean and tell us the number of transactions in all the threatened branches? I ask the Minister to put pressure on Royal Bank of Scotland to come clean and tell us the truth about the number of transactions in all the branches in Scotland and throughout the United Kingdom. It is a disgrace that RBS has not released the full figures and I stand here asking RBS to do so publicly: do not hide behind so-called commercial confidentiality; it simply will not wash.

Dr Lisa Cameron (East Kilbride, Strathaven and Lesmahagow) (SNP): Will my right hon. Friend give way?

Ian Blackford: One last time.

Dr Cameron: I have been contacted by extremely vulnerable constituents regarding the closures that are planned for Strathaven and Lesmahagow, including those with learning disabilities and disabled members of the community who find it difficult to travel or use the internet. Does my right hon. Friend not think that RBS is letting down the most vulnerable in our constituencies?

Ian Blackford: My hon. Friend makes a valid point. That brings me back to why I hope RBS reflects on what it has done. It has simply gone too far. Let us work together to protect the interests of our communities, and particularly the vulnerable citizens within them.

RBS has given the figures for three branches in my constituency. It should publish the others and let us see the full picture of the demand for branch banking. Let us have an honest debate. RBS needs to be transparent. I can tell RBS that people in all the affected communities are angry and want it to engage properly with them. RBS has simply not thought this through properly.

There has been no public consultation on the closure plans. Why not? Yesterday in the *Sunday Mail*, RBS stated:

“We are not required to consult with communities in advance.”

It went on to say:

“We find that many customers wished they had used other ways to bank earlier when they get comfortable.”

The sheer arrogance of those statements is breathtaking. Let me say clearly to RBS: customers want to use branch banking; stop spinning and treat customers with respect.

I thank the Unite union, which has been in touch with me over the past few days. I state publicly that I will work with Unite and the workforce to seek to limit job losses. Here again, RBS has to come clean. I am indebted to an RBS whistleblower who has contacted me in the light of public statements that RBS has made. It is claimed by RBS that the full-time equivalent job losses in Scotland are 165. I am informed that the actual number of workers being cut is 321. I am told UK-wide the figure is 1,446 jobs against the 685 on a full-time equivalent basis that has been published. The expected redundancies across the UK in a worst-case scenario are 971, including 97% of the 216 customer service officers in the branches affected; 86% of the 246 associate personal bankers; 84% of the 126 customer service managers; and 49% of the personal bankers. It is clear that the chances of redeployment within the RBS network will be slim for a lot of staff members.

Those figures are in a paper forwarded to me in a document about restructuring the branch network. I have told RBS I have been given details of the figures contained within the report. RBS is not only turning its backs on its customers—it is turning its back on its staff members. We are talking about valuable jobs in the rural economy. We are talking about a loss of opportunities for young people in rural economies. The leaked report goes on to say:

“Our personal banking strategy is to give our customers choice and offer outstanding service that is effortless every day and brilliant when it matters.”

I do wonder who could write such meaningless management-speak. When branches are closed, there is a withdrawal of service. Spinning to say outstanding service is being delivered is simply unacceptable. RBS has even had the gall to say customers would get a better service. How? One suggestion from RBS is to use post offices. In Munloch on the Black Isle, RBS shut its branch. “Not to worry,” it said, “you can use the post office.” The only problem was that the post office shut six months later. Somewhere along the line, RBS has to take responsibility for its own customers and not pass the right of service on to a third party. They are RBS customers.

The intended closure of the branch in Castlebay in Barra would be funny if it was not so serious. There will be no bank on the island of Barra. It reminds me of the line from “Whisky Galore”, the Ealing comedy: “There is no whisky.” The cruelty in this case is that there will be no bank. The journalist Rita Campbell of the *Press and Journal* made a trip last week from Barra to the nearest bank in Lochboisdale, a journey of 62 miles, including a six-mile ferry crossing. It took seven hours and 10 minutes to reach Lochboisdale and return to Barra. How can RBS treat its customers in such a shameful way? RBS must reverse the closure of the branch in Barra and elsewhere.

We must also press the UK Government to accept their responsibilities. Collectively, we own RBS. Above all else, RBS was saved to provide banking services to our communities. We paid a heavy price to bail out RBS. There are taxpayers in every community that is threatened with the ending of banking services. Can I ask the Minister what notice the Government were given, as the majority shareholder, of the closure plans? What discussions have the Government had with RBS? Will the Government summon Ross McEwan, the chief executive officer, to the Treasury and tell RBS that in the interests of all our communities the closure plan must be stopped? It will not wash.

The Government have to accept their responsibilities as the majority shareholder. I say to the Minister: do not rise to your feet and tell us it cannot be done, it is a commercial decision and the Government cannot intervene. The Government have intervened before. When it was announced that Stephen Hester, the previous CEO, was leaving RBS, the then Chancellor George Osborne was interviewed on the “Today” programme and said the following:

“Let’s be clear, it was a decision of Stephen Hester and the board but, of course, as the person who represents the taxpayer interest, and we have got a huge stake in the Royal Bank of Scotland because the previous government put a huge amount of taxpayers’ money into it, of course my consent and approval was sought.”

Just dwell on the words:

“my consent and approval was sought.”

It was right for the Government to give their approval on a member of the management team and it is right for the Government to give their approval or not on decisions that would remove access to branch banking from many of our citizens. It is clear that the Government can act. The Government must act. A failure to halt is a failure to act in the national interest and the interest of our citizens. It would, Minister, be an abrogation of responsibility.

Yesterday, the Secretary of State for Scotland—I can see him sitting on the Front Bench, and I welcome him to the debate—was quoted in the *Sunday Mail*. He said:

“Branches are a lifeline for many people, especially in rural areas. RBS needs to remember its responsibilities to customers and reconsider these harmful moves.”

On this occasion, I agree with the Secretary of State, and I hope that he will join me in asking the Government to take their responsibilities seriously. If the office of Secretary of State for Scotland has any authority, this call from the Secretary of State must result in a halt being called to the plans. Does the Secretary of State for Scotland have any authority with the Treasury? Will the Minister act tonight? Call in the RBS management and put a stop to these closures.

Tonight, the Minister has it in his gift to listen to these calls and act. Stand up and be counted or, like RBS, the UK Government will be turning their back on our constituents.

11.41 pm

The Economic Secretary to the Treasury (Stephen Barclay): I commend the right hon. Member for Ross, Skye and Lochaber (Ian Blackford) for securing the debate. The strength of feeling generated on both sides of the House by this announcement from RBS is evident from the high attendance at a relatively late hour.

Ian Paisley *rose*—

Stephen Barclay: I will happily give way, but obviously the right hon. Member for Ross, Skye and Lochaber has taken 22 minutes of a 30-minute debate, so time is somewhat limited.

Ian Paisley: I appreciate the fact that the Minister has given way, and he is absolutely right to focus on the interest across the House. The leader of the Scots Nats has tonight managed to unite this House—Unionist, nationalist, Conservative and Labour—on an issue that affects all our constituents, from the highlands and islands to the west of Ulster. Many banks are closing. Ulster Bank, which is of course a sister company of the Royal Bank of Scotland, is closing many branches. Is it not time for the Government to put in place a special measure to have a national review of where banks that they own—and that the taxpayer owns—are situated?

Stephen Barclay: The hon. Gentleman is right; this is an issue on which many Members of the House from all parties have strong feelings. Indeed, I have been lobbied extensively by many of my colleagues who are in the Chamber this night, including in particular my hon. Friends the Members for Berwickshire, Roxburgh and Selkirk (John Lamont) and for Ochil and South Perthshire (Luke Graham), who have been vociferous in speaking up for their constituents on this issue.

Luke Graham (Ochil and South Perthshire) (Con): As my hon. Friend knows from our representations, we do not believe that the Royal Bank of Scotland is serving our constituents or its customers appropriately. Furthermore, the mitigating factors it is proposing, such as offering digital online services and post office services, do not work in our communities where the broadband is poor and the post offices are too small or insufficient for our local population.

Stephen Barclay: As a rural constituency MP, I recognise the importance of bank branches in our communities and, specifically, many of the challenges of travel in rural communities. Of course, RBS will have noted the comments about the staff impact made by the right hon. Member for Ross, Skye and Lochaber, and he will be well aware that RBS has a duty to consult its staff. I expect that it will be keen to respond to him on the specific allegation he made in the House this evening.

Ged Killen (Rutherglen and Hamilton West) (Lab/Co-op): I am alarmed this evening to hear the number of staff who might be made redundant, but I am also concerned about the staff in the remaining branches. There have been six bank closures in my constituency and businesses are contacting me to say that in the local branches they are now going to they are waiting more than 30 minutes to get to the counter. Obviously, there is now a massive impact on the staff in those branches. Does the Minister share my concerns?

Stephen Barclay: The reality is that the picture will be more nuanced, because RBS is investing more than £8 million in its branch network this year. It is investing more than £11 million next year. Indeed, it is relevant to point out in response to the concerns raised that customers will often vote with their feet. The right hon. Member

for Ross, Skye and Lochaber mentioned Kyle twice. I understand that there is a branch of Lloyds 0.05 miles from the bank that is closing there, and another branch within walking distance of the one that is closing in Aviemore, which he also mentioned.

Douglas Ross (Moray) (Con): We heard earlier that the right hon. Member for Ross, Skye and Lochaber had united the House, and he has, but it would have been nice if he had taken some interventions from Conservative Members, because I think that they might have been helpful. The Minister mentioned customers voting with their feet. Does he agree that it was deplorable of RBS, when it was closing the Forres branch, to tell my constituents to go to Nairn, only for the Nairn branch to be closed by RBS a few weeks later? Surely, that is deplorable behaviour, which no one can accept.

Stephen Barclay: As my hon. Friend will know, the decision made by RBS was an operational decision, independent of the Government. It is the RBS board that makes the strategic and management decisions, including decisions in respect of its network. That framework has been endorsed by the Labour, Liberal Democrat and Conservative parties.

Several hon. Members *rose*—

Stephen Barclay: I am going to make some progress. The right hon. Member for Ross, Skye and Lochaber has left me only three more minutes in which to do so.

On 4 December, I had a conversation with the Scottish Government Minister for Business, Innovation and Energy, in which he recognised that the branch network decision had been a commercial decision. In its manifesto, written only this summer, the SNP said that RBS should be returned to the private sector and should deliver as much value as possible to the taxpayer.

Simon Hart (Carmarthen West and South Pembrokeshire) (Con): Will the Minister give way?

Stephen Barclay: I will give way one last time.

Simon Hart: I shall be very brief. A number of Members of Parliament find it very difficult to engage with RBS and NatWest about closures when they tell us that it is all about footfall—about the number of people who go into their branches. Employees tell us one thing and the banks tell us another. Perhaps the Government would have more influence than us in establishing what the true figures are. Let them mislead Ministers publicly rather than us privately: that would be helpful to all Members.

Stephen Barclay: My hon. Friend refers to the true figures. The banking market is changing. As he will know, the use of cash has fallen by a fifth in the past decade. The number of branch visits has fallen by a third since 2011. More than a third of UK adults regularly use banking apps. Three fifths of customers are interacting with their current accounts via mobile apps, and more than 600,000 customers over 80 are registered with internet banking. The House must address the reality that the way people bank is changing, and that trend will accelerate as Open Banking comes on stream in January and FinTech progresses. I know from my recent

visit to Edinburgh that a number of additional FinTech jobs will be created. The issue is not whether it is possible to prevent changes in the banking market, but how the impact on RBS customers can be mitigated.

As for the representations made by Members, RBS has given six months' notice—more than the three months required by the access to banking standard—to hold discussions, in which I urge Members in all parts of the House to engage, about how facilities such as mobile banking can be used to mitigate some of the impacts. One of the key sources of mitigation is the post office network, in which the Government have invested significantly: 7,000 more branches have been modernised in the past three years alone. There are more post office branches than there are branches in the entire network of all the banks combined, and 99% of retail customers and 95% of commercial customers now have access to banking services at post offices. One form of mitigation will be for customers to vote with their feet—*[Interruption.]*

Madam Deputy Speaker (Mrs Eleanor Laing): Order. Members must stop shouting. The Minister is just finishing his speech.

Stephen Barclay: I was left a bare eight minutes in which to respond, Madam Deputy Speaker, and I have been generous in taking interventions. I have very little time in which to make some final progress.

At the time of the autumn Budget, recognising the importance of this issue and the concerns expressed by Members on both sides of the House, I wrote both to the Post Office and to UK Finance, which represents banks, to further raise public awareness of the banking services offered by the Post Office and, indeed, to ensure that we receive value for money from the £2 billion that the Government will have invested in the post office network between 2011 and 2018. The Government also introduced the access to banking standard, to ensure that customers are properly notified of the alternatives that are available. It is important for us to use the time that we now have in the six months between this announcement and branch closures to ensure that customers can use other services or use post offices as an alternative.

11.50 pm

House adjourned without Question put (Standing Order No. 9(7)).

Westminster Hall

Monday 18 December 2017

[MR CHARLES WALKER *in the Chair*]

Enslavement of Black Africans (Libya)

4.30 pm

Paul Scully (Sutton and Cheam) (Con): I beg to move,

That this House has considered e-petition 205476 relating to the enslavement of black Africans in Libya.

It is a pleasure to serve under your chairmanship, Mr Walker. I would like to read the petition into the record. It reads:

“Put pressure on Libya to take action to stop enslavement of Black Africans.

CNN has released video footage of black Africans being sold into slavery in Libya. I am asking the UK government to put pressure on the Libyan government to take immediate action to stop these criminals from selling more people, to set current prisoners free, arrest the criminals and end this.”

I am delighted to welcome the petitioner, Constance Mbassi Manga, who has done a fantastic job in raising this issue and getting so many signatures in such a short space of time. I am delighted that she is able to join us today.

As of this morning, 265,272 people had signed the petition within only about three weeks of it going live, which is a real testament to people’s strength of feeling. It is interesting: the likes of Cara Delevingne, Naomi Campbell and Rihanna, and a whole load of rappers who are far too cool for me to even know who they are, have taken up this issue, put it on social media and shared it. All of that, including the petition system, is really part—not the end—of a campaign to make people aware of the horrific things going on in another part of the world that they might otherwise not have been aware of at all. Hopefully, as well as raising awareness, we can start to effect change.

It was international Human Rights Day a week last Sunday. A number of us were out and about, raising issues; I was talking about the situation that the Rohingya Muslim community face in Burma, the Tamils, the Ahmadiyya Muslims and a number of other issues that are close to me and to my constituents, given the various diaspora groups in my constituency. Only a week later, we are talking about something that we thought had long since passed. When the Prime Minister was Home Secretary, she brought in the Modern Slavery Act 2015—a fantastic achievement—which recognised that slavery still existed in hidden pockets of this country. However, this is not hidden; it is absolutely brazen and out-and-out across parts of Libya and its migrant routes. It has to stop.

I was chatting to the Minister a little while ago—I do not know if he will remember this—and we shared the view that when people believe that another group of people are subhuman, there is no depth to which they will not stoop in their treatment of them; they are treated worse than animals. People started being aware of this situation when the International Organisation

for Migration started to hear stories and went to document people’s experiences, write reports and share what those voices were saying. However, it was only when CNN covered the issue a few weeks ago that it really came to the public’s wider awareness.

I want to read one piece of documented evidence from the IOM to illustrate what is happening. One of the operations officers in Niger reported on the rescue of a Senegalese migrant. He referred to him as SC, to protect his identity. SC was returning to his home after being held captive for months.

“According to SC’s testimony, while he was trying to travel north through the Sahara, he arrived in Agadez, Niger, where he was told he would have to pay 200,000 CFA—about \$320—to continue north towards Libya. A trafficker provided him with accommodation until the day of his departure, which was to be by pick-up truck.

The journey—over two days of travelling—through the desert was relatively smooth for this group. IOM has often heard from other migrants on this route who report seeing the remains of others abandoned by their drivers—and of trucks ransacked by bandits who siphon away their fuel.

SC’s fate was different. When his pick-up reached Sabha in south-western Libya, the driver insisted that he hadn’t been paid by the trafficker, and that he was transporting the migrants to a parking area where SC witnessed a slave market taking place. ‘Sub-Saharan migrants were being sold and bought by Libyans, with the support of Ghanaians and Nigerians who work for them’,”

the IOM reported.

John Howell (Henley) (Con): My hon. Friend is making an excellent speech. He mentioned Nigeria; when I visited it as the Prime Minister’s trade envoy, I had a discussion about this problem. We all agreed that if we did not help to get sub-Saharan Africa right, the catastrophe waiting to happen in Europe would be colossal, as more and more Nigerians put themselves in the hands of unscrupulous traffickers on the way to Libya and the Mediterranean coast. Does he agree that that is a realistic view of the situation?

Paul Scully: I understand my hon. Friend’s expertise and knowledge of the area and totally agree with him. There is a real risk. We can tackle the atrocities of the slave trade in Libya, and Libya’s power vacuum, but ultimately the biggest threat to that part of the world and many others is migration—and not necessarily just migration through conflict. Economic reasons, climate reasons and any number of other reasons are moving such a mass of people, which causes other situations.

Royston Smith (Southampton, Itchen) (Con): On the power vacuum in Libya, the UK Government continue to support the Government of national accord, yet we hear that these things are becoming very much worse. Would it not be right for the UK to consider whether the Government of national accord are perhaps not the answer?

Paul Scully: I am grateful for the intervention. I will be interested to hear from the Minister on we can do to work towards democratic elections, and to create a mainstream Government in Libya, which clearly has not had one for many years. It is only by having a mainstream, democratically elected Government that we will be able to have a long-term view, whichever party makes up that Government. It will not necessarily

[Paul Scully]

be for us to pick a horse, run the country or tell it what to do, but we can help support it. We can work with the African Union and a local offering to help Libya create its own destiny and future, which hopefully will be much safer and a lot more secure.

Let me get back to SC. He was bought, and then brought to his first prison. The IOM said it was

“a private home where more than 100 migrants were held as hostages. He said the kidnappers made the migrants call their families back home, and often suffered beatings while on the phone so that their family members could hear them being tortured. In order to be released from this first house, SC was asked to pay...about \$480...which he couldn't raise. He was then 'bought' by another Libyan, who brought him to a bigger house—where a new price was set for his release...about \$970...to be paid via Western Union or MoneyGram to someone called 'Alhadji Balde', said to be in Ghana.

SC managed to get some money from his family via mobile phone and then agreed to work as an interpreter for the kidnappers, to avoid further beatings. He described dreadful sanitary conditions, and food offered only once per day. Some migrants who couldn't pay were reportedly killed, or left to starve to death.

SC told IOM that when somebody died or was released, kidnappers returned to the market to 'buy' more migrants to replace them. Women, too, were 'bought' by private individuals—Libyans, according to this witness—and brought to homes where they were forced to be sex slaves.”

It was Nima Elbagir and CNN's groundbreaking report, and those pictures, that really brought the situation home to so many people in the west. CNN heard from its contact that two auctions were going on at the same time. Some people in the Libyan Government would say that those things happen only sporadically, but on this occasion there were two at the same time, and the one that was filmed was an overflow auction, because there were so many people to be sold. There was also a big buyer in town wanting to buy people—that is what I said: “buy people”—as commodities or merchandise, to work on farms. It is atrocious, and while I am speaking I am reflecting on the words I use. That episode brought the matter home. Officers from the International Organisation for Migration said:

“What we know is that migrants who fall into the hands of smugglers face systematic malnutrition, sexual abuse and even murder. Last year we learned 14 migrants died in a single month in one of those locations, just from disease and malnutrition. We are hearing about mass graves in the desert.”

The total population of migrants in Libya, based on estimates provided by embassies, is about 750,000, mainly coming from Egypt, Niger, Sudan, Nigeria, Bangladesh, Syria and Mali. Previously, under the Gaddafi regime, there were about 1.1 million; I think that that was the estimate. They were predominantly there as cheap labour. Of the 750,000 who are there now, about 450,000 at least do not see Libya as their final destination. They see it as being on a migration route to Europe and beyond. Those are the people in connection houses, who have been trafficked. They are the people who are beaten and whipped with wires—hundreds of thousands of people. They experience extreme insecurity in Libya, including arbitrary arrest by non-state actors, detention for indefinite periods of time, bonded labour, harassment and general exploitation.

There were other pictures on CNN of not the auction but the detention centres. That aspect of the matter is of huge concern, and I want to ask the Minister for his views. The people held there share small mattresses, and

are effectively in a cage. That brings me back to what I said when I began my speech: they are treated worse than animals. How can we have reached a situation where that is anywhere close to the case?

The 450,000 people who come through Libya, seeing it as part of their migration route, go to the north coast, to a crossing point, pay another trafficker to get them into a boat, and go predominantly to Italy—to Lampedusa, a small island that simply cannot cope. I went, as a member of the Council of Europe, to Lesbos, to see some of the hotspots there where the Syrian refugees come from. There were a number of north Africans there and some were protesting and throwing things at the bus I was on, wondering why the Syrians were getting preferential treatment. Having seen what they go through to get there, it is possible to understand their concern.

We need to look at how the Italy-Libya deal is framed. I understand that it is a bilateral arrangement supported by the EU, but that it is being contested in the Libyan courts by human rights organisations based in Libya. I want to ask the Minister how robust the memorandum of understanding between the countries is, when there are reports of Libyan coastguards taking bribes to release migrants to traffickers. A second question leads on from that. The Department for International Development is doing fantastic work, as it tends to do. It is a world leader in the aid and support it gives. However, it is supporting more than 20,000 emergency interventions, involving healthcare, psycho-social support, hygiene kits and safe shelter. Can we be sure that we have robust accountability, to ensure that any support we give is not being fed into and supporting the cycle of trafficking, and that it is focused absolutely on the things I have specified?

It is good to hear that the IOM has managed to up its repatriation flights. The target originally was for 1,000 people a month to be taken back to their place of origin; that has gone up, and it is expected that 15,000 people will be repatriated to their original country this month alone. That is a good sign of the direction in which things are going.

I wonder whether DFID can get involved, either directly or through leverage of support from elsewhere, in trying to get accurate numbers. Together with the power vacuum, a problem that hampers what is being done is the fact that no one really knows the extent of the problem. There is work using various methodologies, but there is more to be done to get accuracy. Can we, for example, build up a phone network so that families from around the relevant part of sub-Saharan Africa can report in and talk about their loved ones—where they are, what has happened, the last time they saw them, and so on—so that we can begin to get more accurate figures?

Of course the UK Government will have a competing agenda. We want accountability, clearly, but as my hon. Friend the Member for Southampton, Itchen (Royston Smith) says, there is a need for stability and preparation for elections; we need to give support on the route towards elections, to get rid of the power vacuum. It is only a question of enforcement—everyone knows that slavery is illegal already, and there is nothing to be done to change the rule, but someone is needed on the ground to arrest the people in question and hold them to account, bringing them to court and applying the full

force of the law to them. If, for any number of reasons, there is no one on the ground to do that at the moment, it will not happen.

Royston Smith: Slavery these days is completely different from the way people would have imagined it some years ago. Many of the people who are trafficked get themselves to the traffickers to get somewhere else. Should we be looking at the possibility of DFID or others educating people in their country, village or town of origin, so that they do not embark on the journey in the first place? Does my hon. Friend agree that that would be helpful?

Paul Scully: I absolutely agree, because it is a matter of pull factors, and stopping people having to make the choice to migrate over such a treacherous route. They have so far to go: there are human traffickers; people may just be ditched at the side of the road as I have described, or sold out of a bus in the back of a car park, and then sold on again and beaten with wires; they may then be on the Mediterranean on a boat—and the technique used with those small boats is that as soon as a navy cutter comes to the rescue, they are deliberately capsized to tip the people in the water. The rescuers have to pluck them out of the water; they cannot just pull the boat somewhere. To return to the Greek example, while I was there I met a Yazidi Christian—someone on a different migrant route—with a 10-day-old child. They had gone through that whole process. How the child, who by then was aged three months, was still alive, I shall never know. Those are the most treacherous circumstances, so anything that can be done to stop the migration in the first place must be the only course of action.

John Howell: I want to pick up on the previous intervention. I think that there is a huge role for British companies in educating people in their country. I went to see Unilever in Nigeria; it has eradicated modern slavery from its whole supply chain, and that has had a big effect in the effort to convince Nigerians that they should stay and make something of themselves in their own country. Unless we do that, we shall run into a lot of problems.

Paul Scully: My hon. Friend makes a typically insightful point, and it is right to use some of our big companies working in the areas in question to provide education and secondary industries. As we move into looking at trade agreements with Africa but while we are also a member of the EU, we could seek tariff reduction as well. Obviously a big concern is tariffs on the least developed countries, but with the slightly better-off countries such as Nigeria, the “Everything but Arms” rules do not apply. They are charged a lot in tariffs on coffee and chocolate and similar things, and cannot build up the secondary industries that would help to develop gainful employment, so that people would have a stake in their own area and not feel the need to leave to find a better life.

I have talked about the Modern Slavery Act 2015, and it is nearly 200 years since the Slavery Abolition Act 1833 that William Wilberforce worked for. Only last year there was a remake of the seminal television programme of the book “Roots” by Alex Haley. I watched the original version, but the one I watched last year seemed to be of a time gone by. There have been other fantastic films about slavery that have also really

hammered their point home, but they give the sense that “This happened so long ago; isn’t it wonderful that we have stamped it out?”—but we have not; that is the news. It is still going on every day.

I ask the Minister to answer my questions. Finally, what more we can do as a country to support Libya, improve conditions and ultimately end the need for detention camps there?

4.50 pm

Lyn Brown (West Ham) (Lab): It is a pleasure to serve under your chairmanship, Mr Walker. As we heard in the extremely powerful opening remarks from the hon. Member for Sutton and Cheam (Paul Scully), there is incontrovertible evidence that slavery—that brutal and dehumanising exploitation—is taking place in Libya today.

As we know, modern slavery is shamefully common in our world and exists in our country. However, the images and words that have come out of Libya in recent weeks are shocking and have historical resonance: the victims are black Africans and the people who have enslaved them are not. The people who have been bought and sold in Libya have been violated in so many ways; they have experienced much violence and they have been betrayed and cheated at every step of their journey.

The personal stories make clear that the victims have paid, borrowing and scraping together money to start a journey to Europe because they believed an evil deception—but that was only the start of their exploitation. They are left utterly alone, terrified and without support in an unstable foreign country and under the control of people who care only about extracting every penny that they can from their “merchandise”. Foka, a Cameroonian, described the beatings he witnessed and endured at the hands of the traffickers, as he and others were cowed and forced to submit:

“There was torture like I’ve never seen. They hit you with wooden bats, with iron bars... They hang you from the ceiling by (your) arms and legs and then throw you down to the floor. They swing you and throw you against the wall, over and over again”. Foka’s injuries were still visible when he made that statement.

The traffickers are not only exploiting young migrants through slave labour but making money from ransoms, as we have heard. Sometimes, to coerce a ransom payment, a migrant is forced to call a parent or relative and then beaten while the relative listens. The story of Victory, a young Nigerian man, is illustrative. First, he paid people smugglers, who lied and said they would get him to Europe. He then endured weeks of slave labour in Libya once he could no longer pay them, and he was then forced to find a ransom payment to set him free. His mother had to beg and borrow the money to save his life. Victory’s ransom was more than 1 million Nigerian naira, which would take 56 years to earn on the local minimum wage. Victory had already spent his life savings to pay the people who exploited him, and now his family may literally face a lifetime of debt while his exploiters continue to escape justice.

As we have heard, Mohammed Abdiker, of the United Nations migration agency, said that migrants who fall into the hands of smugglers face

“systematic malnutrition, sexual abuse and even murder... 14 migrants died in a single month in one of those locations, just from disease and malnutrition. We are hearing about mass graves in the desert.”

[Lyn Brown]

The UN estimates that there are anything from 700,000 to 1 million migrants currently in Libya, with 70% from sub-Saharan Africa. Evidence shows that 30% of adults and 40% of children have been forced to work against their will. That is a massive number. So many people enslaved—so many children.

I would like the Government to outline what we are doing to stop the enslavement and sale of human beings in Libya and the trafficking of people towards the Mediterranean. I understand that France is to work with the UN's sanctions committee for Libya to identify individuals or organisations involved in trading human beings. That committee can require UN member states to freeze assets owned or controlled by individuals on its list and can impose a travel ban. Does the Minister support that proposal, and will he work to ensure that that committee has all the information it needs?

Action against slave traders must be the priority; they have to be shut down. However, there is obviously a broader context. Large numbers of desperate people from sub-Saharan Africa are stuck in Libya. That was not their intended destination, and it is getting harder and harder for them to move on, partly because of the actions taken by our Government, in concert with many other European Governments, to make it harder for migrants to cross the Mediterranean.

Those actions have generally been taken with good intentions, motivated by a desire to shut down trafficking routes. However, shutting down the traffickers who run routes up and down the Mediterranean is clearly only half done at best; the terrible re-emergence of slavery in Libya is testament to and a consequence of that. If we want to reduce harm by closing those routes, that strategy cannot stop at the shores of north Africa—action needs to be taken in Libya and, equally, in countries to its south.

Social media is a critical tool for the perpetrators of modern slavery. It is how traffickers advertise, spread lies and recruit victims, and it enables them to run their amoral trade. Social media companies, whether they like it or not, have a role to play in disrupting this trade, and I hope the Minister will comment on any conversations he has had with those companies in his remarks.

Paul Scully: The hon. Lady rightly raises social media. However, does she agree that social media has also played a positive role in getting this petition out and this issue raised? The one caution I urge is that some of the photos doing the rounds to raise awareness of the slave trade are actually not related to the slave trade. It is important that, when we share photos, we share accurate photos, which is not always easy to do.

Lyn Brown: I am sure the hon. Gentleman is absolutely right: social media can play a very useful role in our society. However, we need to understand that it can be used by completely unscrupulous people to lure others into slavery and ultimately, possibly, to their deaths. Social media companies have to accept responsibility for what they do and find ways to help us to close down those traffickers.

The UN has understandably requested urgent funding—I presume the Government are considering that request—and 1,300 new resettlement places across the world for the

most vulnerable African migrants in Libya. Niger has offered to take that number temporarily before the end of January, but a more permanent solution has to be found. The current situation is simply dire—so many people are vulnerable to slavery and all the abuses that go with it. Those people matter. African lives matter, and they need us to be their allies by taking action to end this today. This is not a situation that we can simply take note of and move on from.

Who these hope-filled, naïve, ambitious, desperate migrants were before they fell prey to the traffickers is no longer important. All are refugees now, needing help and a route out. We could and should do more to help them. I look forward to hearing from the Minister on how we plan to do just that.

4.59 pm

Eleanor Smith (Wolverhampton South West) (Lab): It is a pleasure to serve under your chairmanship, Mr Walker. I want to thank the hon. Member for Sutton and Cheam (Paul Scully) for introducing the debate and the 265,272 members of the public who signed the petition, who include 663 people from my constituency.

I was disturbed to see in November's CNN footage that two black men were being sold as slaves—I could not believe that that was happening in this day and age, in the 21st century. As black descendants of slaves, we thought that that had been abolished. The footage showed a detention centre where rescued and escaped slaves were staying, and a young man explained his story. I am aware that the Minister has raised concerns with the Libyan Government about the human rights situation in Libya, but how can we be sure that the Libyan Government will do something about it given that they are struggling to establish their own authority?

Afzal Khan (Manchester, Gorton) (Lab): I have been listening to the debate, and I thank the hon. Member for Sutton and Cheam (Paul Scully) for introducing it. What we have seen is shocking and horrific. At the heart of it is what is happening in Libya. Where we are now is due to poor planning. Does my hon. Friend agree that the Minister needs to do a lot more to help stabilise the situation in Libya? In our various institutions we have a lot of expertise—and we have a special duty, in the light of the role we have played in Libya being where it is.

The other issue is that our friends in the middle east are playing around with their rivalries, and innocent people are paying the price. Again, we should be using our influence to tell them to stop playing rivalry games in Libya. We need to see more stability in Libya and to stop what is happening.

Eleanor Smith: I totally agree. That was not in my speech, so I am glad my hon. Friend added it.

Although the Prime Minister has made tackling modern slavery a foreign policy priority, my question to the Government is: how will they actively tackle human trafficking and modern day slavery in Libya?

5.2 pm

John Howell (Henley) (Con): The number of refugees in the world is colossal; I think it is in the region of 60 million people. It is certainly more than the population

of Britain. We need to remember that when we discuss the refugee situation and how to stop making it worse in the future. We have the opportunity in Africa to get the situation right the first time, and I hope we will take that opportunity.

In my intervention, I mentioned that I spend a lot of my time in Nigeria as the Prime Minister's trade envoy. That is not just about trade; it goes right across the spectrum of political and DFID-related activities that occur in that country. I would like to say a little bit more about the conversations I had the last time I was there, because it is a very good example of how we can get it right if we try.

Nigeria has enormous problems with a terrorist group in the north-east and has contributed hugely to human trafficking in Africa. It has the potential to make an even bigger contribution, which I would not wish to encourage. Why would that occur? Why would people leave their homes and move away from where they live to entrust themselves to unscrupulous people traffickers on the coast of Libya? There are several reasons. One is clearly the terrorist situation in the country. The only way we will deal with that is not a military option but by ensuring that the growth we want to see in the country is shared out across it to the people who are participating in generating that growth. That goes to the heart of the second group of people involved, which is the population at large.

Unless we help to get sub-Saharan Africa right, which means contributing to the activities that Governments want to carry out to improve their countries so that growth can spread more evenly and more people can participate in it, the effect on Europe could be colossal. I mention Europe in that context because that is where we are and the perspective from which we are looking at the situation. We have to redouble our efforts as a Government and with companies there to ensure that that happens.

Many British companies are looking at the market in sub-Saharan Africa, and the Prime Minister's emphasis on tackling modern slavery is providing an enormous competitive advantage to those companies. They can turn up in the Nigerian market and say, "We fully subscribe to the Prime Minister's modern slavery agenda." The people in Africa absolutely rise to that challenge, and it is really heart-warming to see.

As I mentioned, I have been to discuss this issue with Unilever, which is part-Dutch but principally a British company. It has been very successful in stamping out modern slavery from its entire supply chain. That company works, among other areas, in the agricultural sphere, in which many poor people are in need of something to live for and aspire to. It is a great triumph to have got rid of modern slavery, because that is just the sort of thing that will make the country right and ensure that people there have something to live for when they get up in the morning and go to work. I am very pleased to have been able to help with that.

I know there is a lot to do in the world in this area. For instance, there is a crisis that I do not think we have ever talked about in this Chamber: the second largest group of displaced people in the world is actually not in Syria or in Africa, but in Colombia.

I do not underestimate what we have to do to tackle this problem, but unless we are prepared to put the effort into tackling it and making sure our companies

do the same, we will never solve it. That will not only be to the loss of Africa, which is an immensely rich and opportunistic continent—I mean that in the nicest possible sense of the word—with so much going for it, but it will also affect us. We all ought to bear that in mind. There is an element of self-interest in this, as there always has to be. By putting the emphasis on this issue and getting it right, we will help to make sure that the African situation does not extend into mass migration, with many millions of people putting themselves into the hands of unscrupulous people traffickers.

5.9 pm

Marsha De Cordova (Battersea) (Lab): It is a pleasure to speak under your chairmanship, Mr Walker. I pay tribute to every single individual who has signed the petition. It is also a pleasure to speak in the same debate as my hon. Friends the Members for West Ham (Lyn Brown) and for Wolverhampton South West (Eleanor Smith).

The recent news coverage of slavery in Libya and the slow and steady stream of harrowing footage emerging from the region, including cameraphone images, have shocked many of us. I have been contacted by a number of my constituents, many of whom identify as being from the African diaspora, who are outraged at what is going on. This is modern-day chattel slavery, and a window into practices that form part of a particularly traumatic collective memory for many communities. That human beings are again going through such horrific violence and injustice in 2017 is deeply concerning.

There has been an international spotlight on these practices since CNN broadcast its footage, but the reality is that they are not new. As more and more migrants make their way towards the Mediterranean, criminal elements have sought to exploit vulnerable migrants. That is of course not unique to north Africa. The trafficking of migrant women and children takes place in Europe as well as on the shores of Libya, but what Libya shows is how such wickedness and criminality can grow amid political turmoil.

The conditions that lead to migrants being exploited will not go away any time soon. Demographic changes on the African continent and climate change will see more and more migrants looking for opportunities in Europe. Just as "Fortress Europe" relied on Gaddafi to detain migrants, we now see a complex partnership between the EU and the Libyan authorities that seems to prioritise protecting European borders over the human rights of refugees and migrants.

Amnesty International has made some key demands to end these practices—demands that I support. I hope that the Government act on them and support Amnesty in its approach to the crisis. First, there is a clear demand by Governments that the arbitrary detention of refugees and migrants in Libya arbitrary. The second demand is that international partners work together to investigate all allegations of torture and other ill treatment of refugees and migrants in Libya, and to ensure that the suspected perpetrators are prosecuted in a transparent and fair trial to put an end to the vicious cycle of abuse. The other demands are for EU states to review how they co-operate on migration policies; to prioritise protecting the human rights of refugees and migrants instead of trapping people in Libya; and to recognise formally the United Nations High Commissioner

[*Marsha De Cordova*]

for Refugees and allow the organisation to carry out its full mandate, including the protection of asylum seekers and refugees.

The stories and images from Libya are shameful, and I hope that the Government act to end these practices. In the words of my hon. Friend the Member for West Ham, African lives matter.

5.13 pm

Chris Law (Dundee West) (SNP): It is a pleasure to speak under your chairmanship, Mr Walker. I begin by thanking those who initiated the petition and have secured over a quarter of a million signatures—an incredible feat. It is vital that we bring this hugely important issue to the forefront in Parliament today, and from what I have heard in the previous speeches, all of us in this Chamber feel very passionate about this matter.

As we have heard today, the world's most vulnerable people, fleeing war and poverty back home, are being abused and auctioned off as slaves in Libya. According to reports, the trade works by preying on the tens of thousands of vulnerable people who risk everything to get to Libya's coast and then across the Mediterranean into Europe. That has been described as the deadliest route on earth. The International Organisation for Migration, which provides services and advice on migration to refugees, estimates that there are up to 1 million migrants in Libya, and more than 2,000 have died at sea this year attempting to travel that route.

Most of the migrants in Libya are fleeing armed conflict, persecution or severe poverty in sub-Saharan Africa. Their journey usually begins with a deadly trek through vast deserts to Libya and then involves either braving the Mediterranean sea on rickety boats headed to Europe or struggling to survive in one of the overcrowded detention centres in Libya, many of which are run by smugglers. As a result, many of those detention centres are the scene of widespread torture, rape and forced labour, according to the United Nations. When they get too crowded, people are sold off like goods in an open market. Testimony from the International Organisation for Migration states that

“they get off the bus and they are quickly put into a kind of murder machine, an extortion machine. They are robbed of their possessions...They are forced, they are tortured...And then they are sold. Unbelievable, but they are sold in open, public auctions: \$400 for a labouring man, maybe a bit more for a woman who can be put in the sex trade. And this is what's happening across the country.”

As we have heard today, recent news footage of scenes reminiscent of the 19th century, when the slave trade was rife, shows auctioneers advertising a group of west African migrants as

“big strong boys for farm work”

and referring to the migrants in Arabic as “merchandise”. That disturbing footage has served as a wake-up call for some and has rightly sparked outrage across the globe. Hundreds of thousands of people have now signed the petition demanding that more be done to stop the sale of vulnerable people in Africa. On 9 December, thousands of protesters descended on the Libyan embassy in London in an anti-slavery march. That followed protests across Europe, including in Stockholm, Paris and Brussels.

Libya is by no means unique: modern-day slavery is widespread around the world. It is happening in developed as well as undeveloped countries. There are estimated to be—wait for it—more than 40 million people in modern slavery in the world today. Forty million people; that is just under two thirds of the population of the UK. What is particularly shocking is that it is happening in the open, particularly in Libya, where people can go to a farmhouse, place a bid and end up “owning” a fellow human being.

The UK Government's response to modern slavery has been slowly improving in the past few years. An example of that is the passing of the Modern Slavery Act 2015, which of course is very welcome. However, it is time for the Government to go further, with concerted, co-ordinated global action, and to lead from the front. Tackling forced labour, modern slavery and human trafficking should be an absolute priority for the UK Government, both here and abroad. I ask the Minister to tell us here today what further steps the UK Government will take in order to lead the international approach to tackling this crisis.

Experts say that reports of slavery coming out of Libya from human rights groups and non-governmental organisations have been falling on deaf ears for a very long time. The UK Government must put pressure on Libyan leaders to stop the illegal markets, and those committing these unspeakable crimes must be brought to justice. We would like to see all UN member states working together to implement and enforce a protocol against human trafficking and slavery. That is not just a moral duty for the UK; it is a duty based on the active role that this Government has played in recent years and in conjunction with NATO in Libya.

This slavery did not come about in a vacuum. The atrocities revealed in the recent footage are the direct result of NATO's military intervention to topple Gaddafi, which created a lawless society. There are now three Governments: one in the east, one in the west and one backed by the UN, none of which are able to govern. The UK Government had next to no strategy to support and reconstruct post-Gaddafi Libya. Indeed, a report by the Select Committee on Foreign Affairs stated that those failures led to the country becoming a failed state on the verge of all-out civil war. It is against that backdrop that the slave trade is booming. The human rights situation in Libya can be improved only under the stability of a united and representative Government, and the UK Government must work alongside international partners to support UN efforts towards that goal.

Furthermore, the EU goes to great lengths to stop migrants coming into its territory. That even includes training the Libyan coastguard to stop boats reaching Italy. As a partner of the EU, the UK is complicit with the EU as it has pushed to tighten its borders and has not provided alternative safe routes for migrants and refugees.

Amnesty International, in relation to its report published last week, said:

“European governments have not just been fully aware of these abuses...they are complicit in these abuses.”

In other words, it is nothing short of a policy of containment. Amnesty International went on to say:

“European governments have shown where their true priorities lie: namely the closure of the central Mediterranean route, with scant regard to the suffering caused”.

The reality is that that has led to hundreds of thousands of refugees and migrants finding themselves trapped in Libya and exposed to horrific abuses, some of which we have heard about today. We will not be able to put an end to the tragedy in the Mediterranean if we do not create significant legal migration routes. It is also important to address the root causes of the crisis if it is to be resolved. We must ensure that people can find a dignified future in their home country. The UK Government need to work with the international community to co-ordinate efforts to tackle the root causes of large movements of people, including forced displacement, unmanaged migration, human trafficking and, of course, the ever increasing slave trade. Will the Minister therefore illustrate in some detail what steps the UK has taken to influence its EU partners to develop safe routes for people fleeing war, armed conflict and persecution?

In short, what we have heard today is that the reports coming from Libya are of violations of human rights and human dignity on an unthinkable scale, and I am sure that all of us in this Chamber agree that they have no place in our world. It goes without saying that the UK cannot stay silent or stand by in the face of such inhumane atrocities, as it has done in the past and continues to do. It is therefore time for the UK to join the international community and act now through multilateral diplomacy with the EU, NATO and the UN Security Council, where the UK still has significant influence, and to take all measures to end slavery in Libya and help to rebuild and reconstruct a stable and secure country.

5.20 pm

Fabian Hamilton (Leeds North East) (Lab): It is a pleasure, as always, to serve under your chairmanship, Mr Walker.

I would like to start by congratulating, as other hon. Members have, those who organised the petition that has prompted this very important and timely debate, especially Constance Mbassi Manga. I understand that as of 2 pm today, 265,278 signatures had been received, of which 666—I do not know whether that is significant—were from my constituency.

I also want to congratulate the hon. Member for Sutton and Cheam (Paul Scully), who opened the debate. He read us the text of the petition, and it is important to remember what is in that. He talked about the Modern Slavery Act, which other hon. Members have referred to. It is a very important piece of legislation that I hope will help to pave the way for this country being a prime mover in the abolition of slavery worldwide. He also pointed out that what is happening in Libya is not hidden, and it has to stop—all hon. Members have agreed with that. He mentioned the role of the International Organisation for Migration, which I will speak of again in a minute, and talked of the inhumane treatment of human beings who are being bought and sold as commodities. Sadly, 200 years since Wilberforce and the abolition of slavery in the UK, slavery still exists in other parts of the world. The hon. Gentleman also asked what more we can do for Libya.

My hon. Friend the Member for West Ham (Lyn Brown) talked of her shock, and the violence towards and the betrayal of those cheated by an evil deception and left utterly alone and terrified in a foreign country, where they suffer torture, beatings and violence by

traffickers. She also talked of the systematic abuse of those migrants and of their murder. The UN estimates that there are about 700,000 migrants in Libya at the moment. It is estimated that 40% of the children are forced into labour, as she mentioned. What are the Government going to do? She said something that has been echoed by many speakers this afternoon: “African lives matter.” All lives matter.

We then heard from my hon. Friend the Member for Wolverhampton South West (Eleanor Smith), who mentioned her shock, as a black descendant of slaves, that this can still be happening in the world. There was also an intervention from my hon. Friend the Member for Manchester, Gorton (Afzal Khan), who said that we have to do something about the state of Libya.

The hon. Member for Henley (John Howell) talked of his role as the Prime Minister’s trade envoy to Libya and, I imagine, the Maghreb countries as well—I do not know.

John Howell: Just Nigeria.

Fabian Hamilton: Just Nigeria; okay, sorry. The hon. Gentleman asked why people would leave their homes and trust themselves to unscrupulous traffickers in Libya, but we have had the answer this afternoon from many hon. Members who have contributed. He said that unless we get sub-Saharan Africa right, the effect on Europe could be colossal. I agree with him, but it is absolutely vital that we destroy this appalling practice of slavery not just because of the effect that it will have on us in Europe, but for the sake of the welfare of our fellow human beings on that continent.

John Howell: I did make it clear in my speech that we need to get rid of slavery both for the sake of Africans’ lives, and for the sake of our lives. It is a win-win situation.

Fabian Hamilton: I entirely accept that. I do not think that any hon. Member in this room or in this House would condone what is going on, not just because of the effect on us but because of the effect on those individuals, families, communities and nations. I totally accept that.

My hon. Friend the Member for Battersea (Marsha De Cordova) made a very powerful contribution. She talked of the harrowing footage that CNN showed, which shocked us all. She said that her constituents were extremely upset because many of them have that collective memory of slavery, and that she was shocked it was still happening in 2017. She said that these practices are, of course, not new and that this exploitation of the vulnerable has grown under the political turmoil. She also mentioned that climate change had a role in migration, as other hon. Members have done. She asked whether the Government could make their feelings felt on ending the arbitrary detention of migrants in Libya, and also talked of a vicious cycle of abuse.

I am sure that, like the petition organisers, everyone in this House was utterly appalled at the video footage of the apparent slave auction. That was something that we felt had been left behind in the world in a previous century, but sadly and tragically it is very much still with us today.

On its website, CNN talked about the United Nations-backed Libyan Government of national accord, or GNA, who apparently say that they are keen to address violations

[*Fabian Hamilton*]

against illegal immigrants but call on regional and global partners to provide assistance. The website says:

“Libya ‘is going through difficult times which affected its own citizens as well. It is, therefore, not fair to assume responsibility for the consequences of this immigration, which everyone unanimously agreed that addressing this phenomenon exceeds the national capacities,’ the GNA statement read. ‘We affirm again that the practical solution is to address the real reasons that drive people to leave their home countries, treat them and develop final solutions for them,’ it continued.”

CNN went on—this was back in November—to say:

“On Tuesday, Libya’s Ministry of Foreign Affairs reiterated that a committee has been established to investigate the auctions but asked ‘the international community to intensify in a spirit of responsibility and joint co-operation to assist Libya.’”

It says, as we know and have heard this afternoon from many hon. Members, that:

“In recent years, Libya has been flooded by migrants hoping to travel to Europe. The United Nations estimates there are now between 700,000 and a million migrants in the country. Those who have crossed the Mediterranean have shared stories about beatings, kidnappings and enslavement. The UN Secretary-General António Guterres said Monday”—

I guess that is Monday last week—

“he was ‘horrified’ at reports of migrants being sold as slaves, which could amount to crimes against humanity.”

They certainly do, from what we have heard this afternoon. The website continues:

“Guterres called on the international community to unite on the issue and said the auctions were a reminder of the need to manage migration flows in a humane manner that addresses the root causes, increases opportunities for legal migration”—

which has been referred to by many hon. Members this afternoon—and, most importantly,

“cracks down on smugglers... Mohammed Bisher, head of the government’s Anti-Illegal Immigration Authority, said detention facilities are overwhelmed and he urged countries from which migrants travel to take more responsibility. ‘We are 278 million Libyan dinars (nearly \$210 million) in debt. We have to provide food, medicine, transportation... If the African Union wants to help, they can help,’ Bisher told CNN. Bisher said Italy has been providing some assistance, co-ordinating with Libyan officials and, in some cases, helping with deportation but more needs to be done.”

The Guardian reports:

“The latest reports of ‘slave markets’ for migrants can be added to a long list of outrages [in Libya].”

It says that Mohammed Abdiker, IOM’s head of operation and emergencies, says:

“The situation is dire. The more IOM engages inside Libya, the more we learn that it is a vale of tears for all too many migrants.”

It continues:

“Even growing international awareness of the problems migrants face is being exploited. IOM has had credible reports of criminals posing as aid groups that help migrants to lure in people who have escaped or bought their freedom and want to return home.”

How horrific is that, Mr Walker?

“The organisation is working to spread awareness across west Africa of the horrors of the journey through the personal stories of those who return. Though most migrants know the boat trips to Europe are extremely risky, fewer realise they may face even worse dangers in Libya before even reaching the coast.

“Tragically, the most credible messengers are migrants returning home with IOM help,’ said spokesman Leonard Doyle. ‘Too often they are broken, brutalised and have been abused. Their voices carry more weight than anyone else’s.’”

In the short term, it is clear that action is needed from Her Majesty’s Government, including protests and maybe even sanctions. My hon. Friend the Member for West Ham made some suggestions, as did my hon. Friend the Member for Battersea. We must ensure that the Libyan Government stamp out such practices and that humanitarian assistance is provided for individuals from other countries left displaced and destitute in Libya after the civil war, including, where possible, help to return home.

In the medium term, it is obvious that Libya needs stability and order. It needs to move away from its current lawlessness in which life is cheap and human labour is bought and sold—not in the interests of British corporate investors, as the Foreign Secretary has argued, but in the interests of the Libyan people themselves, to whom we owe an enormous debt.

I would like to mention somebody who is about to leave the Foreign Office: our current ambassador to Libya, Peter Millett, whom I am fortunate enough to know extremely well. Just two and a half months ago, I had the opportunity to meet him in Tunis, where he is based because it is too dangerous for him to be in Tripoli. He briefed me on the current state of lawlessness, disorganisation and effective lack of any governance in the country to which he is supposed to be ambassador. Tragically, and sadly for me, he is leaving the service at the end of December, but I know that he will carry on being an important factor. He will continue to lobby and talk about the horrors that he has seen with his own eyes and about what he thinks can be done. He will be a great asset to our country long after he leaves the service.

That brings me to the long term. It behoves all of us in this House to reflect on the shocking failure to prepare for the aftermath of our intervention in Libya in 2011. I believe that it was a lesson unlearned from Iraq and repeated even while the Chilcot inquiry was conducting its work. It was as a direct consequence of that failure to plan for the aftermath, and the abandonment of Libya to civil war, anarchy and the scourge of Daesh, that so many Africans from neighbouring countries—whether there as mercenary soldiers, migrant workers or refugees from other related conflicts—were left penniless, helpless and defenceless against exploitation by slavery gangs. We must all take our share of the responsibility for their plight. We must do whatever we can now to alleviate it. That is the very least that we can do.

5.33 pm

The Minister for the Middle East (Alistair Burt): It is a pleasure to serve under your chairmanship, Mr Walker. I thank all colleagues who have taken part in this debate, as well as my hon. Friend the Member for Sutton and Cheam (Paul Scully) for opening it. Like everyone else, I also thank those who have worked so hard to raise the petition. I think we would all say that the fact that so few colleagues are here does not reflect the level of interest in the House; this debate has landed on a particularly busy day in the House. I venture to suggest that almost every single Member of the House of Commons would have wanted to listen to the speeches made today, and probably to make one themselves. Those who have done so much work to raise the petition should not doubt that they have done a great job. The way in which the House has conducted itself in this debate and the speeches that have been made reflect colleagues’ concern.

The hon. Member for Leeds North East (Fabian Hamilton), who spoke for the Opposition, did my job in running through the speeches. I thank him; I will not repeat the process because he summarised extremely well what colleagues said. I am coming to the substance of the debate, but I take issue with the statements about the intervention in Libya and the aftermath. I was there; I was the Minister responsible at the time. The hon. Gentleman praised Peter Millett; I know how hard diplomats worked in the immediate aftermath of the events that removed Gaddafi. There were elections. We worked to create a civil administration out of nothing, because Gaddafi had left nothing. There was an absolute commitment by those in Libya. They wanted no boots on the ground. There was a limit to what they wanted from the outside world. We tried. The circumstances are clear now: the efforts were not successful, despite all the work that was put in.

There was no abandonment of Libya, but the depth of the damage done by 40 years of Gaddafi and the failure to create any institutions left a bigger hole than probably anyone understood at the time. There were a series of consequences, for which it is impossible to pin blame purely and simply, beyond on those who created the misery in the first place and who were overthrown. That is of only partial consequence now. What is important is to deal with what is happening at present, and that has been the substance of the debate.

Chris Law: I want to touch on that important point. We learned some painful lessons around Iraq. In terms of our involvement in Libya, was there preparedness and thought about medium to long-term plans and strategies at the end of the conflict, whatever its outcome, or was it a posthumous question at the end of, “Oh God, here we are now—what do we do next?”

Alistair Burt: During the conflict, nobody quite knew how it would end, because the circumstances were happening on the ground, militias were forming and so on. NATO played a part after the Arab League made a presentation to the UN demanding intervention because Benghazi was going to be attacked and people were going to be slaughtered. Let us not forget the reasons why the intervention happened in the first place: the determination to save civilian lives in Benghazi, prompted by the Arab League and the UN, was highly significant.

All the way through the conflict, the sense was “What happens next?” That is why people went in afterwards to seek to build a civil administration and prepare the ground for elections. Those took place, and a Government were established, but the fallout since then has been a combination of pressure from Islamist forces that came into the process afterwards and the inability of those who formed the militias to agree among themselves about how to support the politicians in civil Government. It was thought through, but it could not be imposed.

People themselves must create their own institutions. I remember people at the time praising the fact that there were not boots on the ground determined to do it for the Libyan people—they were doing it for themselves. It was thought through, but for every particular conflict and difficulty, it seems that a new adverse reaction is created, and that is what we are living through now. I will come to that and what we are trying to do, because it is most important.

Anyone who has seen the horrific footage of slave markets in Libya cannot possibly have been unaffected by it; it is appalling. I also put on the record our admiration for the journalists who got the footage. When I saw the pictures of them going into that place, my first thought was, “They’re going to be killed.” How could anyone go into those circumstances unarmed, knowing that the people conducting the auction were who they were and what the outcome was likely to be. If they treated the lives of those whom they were buying and selling with such disdain, what would they think of reporters who were there to expose them? We thank the CNN crew who did such a remarkable job.

We will always remember some of the things that came out of the footage, such as the talk of merchandise, as the hon. Member for West Ham (Lyn Brown) mentioned. The hon. Member for Battersea (Marsha De Cordova) spoke of wickedness, as did my hon. Friend the Member for Sutton and Cheam. We discussed the fact that once someone has a mindset of treating someone else as not human, there is virtually nothing that they will feel unable to do. That has been the scourge of the region and other parts of the world for too long.

The Government share the deep concern and alarm expressed about modern slavery, the formation of the conditions that have produced the migration, and what migrants face in Libya today. As the hon. Member for Dundee West (Chris Law) reminded us, we must not forget that the men, women and children enslaved in Libya typically began their journeys hundreds or even thousands of miles away. They are likely to have fallen foul of traffickers and organised criminal gangs that pay no heed either to the desperate human suffering caused by their despicable trade or to international borders. That is why our work to help the victims of traffickers, prevent others from falling victim to them and shut down the trafficking networks that exploit migrants must be carried out on an international scale, as all hon. Members have said.

Let me first brief hon. Members on the UK Government’s work to tackle modern slavery globally and then focus on the situation in Libya. My right hon. Friend the Prime Minister has identified modern slavery as

“the great human rights issue of our time”.

She sponsored the Modern Slavery Act 2015, which more than one hon. Member has referred to this afternoon. Eradicating modern slavery is one of our top foreign policy priorities. As we know, modern slavery exists here, too, although not to the degree that we saw on those awful videos. It is everywhere, and tackling it is a cause that unites decent people everywhere.

It is not acceptable that slavery still exists in the 21st century. We reckon that this vile trade generates around £150 billion a year for traffickers and organised criminal groups. As a criminal enterprise, it is second only to the drugs trade. Trafficking of people is horrific and criminal, but it generates huge amounts of money and that is why it goes on.

We are pressing for concerted and co-ordinated global action. We are strengthening the international consensus to support migrants, tackle modern slavery and take a comprehensive approach to migration. The hon. Member for Dundee West asked what we were doing internationally. At the UN General Assembly in September, the Prime

[*Alistair Burt*]

Minister convened world leaders to launch a call to action to end modern slavery. She also committed to using UN sanctions to target people traffickers and strengthening the ability of Libyan law enforcement agents to tackle these criminals. The hon. Member for West Ham is absolutely correct that if the people responsible can be identified individually, there are sanctions that can be applied. Most of us would like very serious sanctions to be used against them.

We are also doubling our aid spending on modern slavery to £150 million. That money will be used to address the root causes of slavery, strengthen law enforcement capacity in transit countries and provide support for the victims of these horrific crimes. Their ordeal does not end when they are released; it goes on in their memory.

The UK is committed to addressing illegal migration across the Mediterranean, including through work in Libya and further upstream. Hon. Members mentioned the need to bring different elements together; the UK supports a comprehensive approach that addresses the drivers of illegal migration and reduces the need for dangerous onward movements. That includes not only breaking the business model of smugglers and the trafficking rings that prey on the desperation of migrants, but providing vital protection to victims. The UK's National Crime Agency is working with Libyan law enforcement, enhancing its capability to tackle the people-smuggling and trafficking networks.

Our new £75 million migration programme will specifically target migrants travelling from west Africa to Libya via the Sahel. It will provide critical humanitarian assistance and protection; assist those along the way who may wish to return home; give information about the dangers ahead; and offer vulnerable people meaningful alternatives to treacherous journeys through Libya and Europe. It will also include a scale-up of reintegration support in countries of origin, particularly for those returning from Libya.

The UK is conscious of the links between migration, people-smuggling and modern slavery. We are increasingly building modern slavery programming into our migration work. We have also assisted vulnerable migrants with voluntary returns. UK bilateral funding has helped more than 1,400 individuals to escape the challenging circumstances in Libya and return home. The hon. Member for Leeds North East spoke about the voices of those involved; as the recent programme demonstrated, it is those voices that are most powerful in dissuading others from leaving.

If I may make a wider point, a significant amount of our international development contribution of 0.7% of gross national income is designed to be used in countries where we want to support the provision of alternatives for people who feel that their smartphone shows them a different life. We must not neglect how easy it now is for people to find out what is happening elsewhere. There are safer alternatives to leaving, but that can happen only when international development work of the kind that we are engaged in bears fruit.

Lyn Brown: I am sorry to interrupt the Minister's flow, because what he is saying is really helpful, but two questions emerge from it. First, the UN has asked for

additional funding; does he know of any additional money that we are contributing to deal with the slave trade? Secondly, advertisements are encouraging young people in sub-Saharan Africa to leave their homes in search of a better life via traffickers. Has any contact been made with social media companies to get hold of the people advertising those routes and deal with them?

Alistair Burt: The answer to the hon. Lady's second question is that I do not know. I pick up on what she says as something new, and I am not aware of any specific action we have taken on it; I am confirmed in that view by a brief glance at my officials. However, it is a really interesting point. I am also not aware of what is being done internationally. As we have all discussed, this is not a problem that the UK can deal with on its own, and no one is asking us to. The point about the process of persuading people and contacting social media is very interesting; social media are capable of so much good, but can cause so much ill when used carelessly. I will look into that matter specifically and ensure that the hon. Lady and other hon. Members are aware of what action we might take.

As the Prime Minister made clear last year, we stand ready to support the UN further. I have no new figures, but a £150 million programme was recently announced and additional money is going through. Part of that goes to UN agencies that we work with on enforcement issues and humanitarian support.

Hon. Members also mentioned Libya's stability. Ensuring Libya's stability and helping the Libyan Government of national accord to restore unity, take control of their southern and coastal borders, and rebuild the economy is the best way to tackle the organised criminal groups that are making Libya a transit route for illegal migration. Let me update the House on the present state of affairs in Libya with respect to the Government and reconstruction.

I was pleased that the hon. Member for Leeds North East referred to Peter Millett, who will indeed retire quite soon and who has had the most difficult time in recent years, having been unable to work in Libya. Like the hon. Gentleman, I have visited him, both in the compound in Libya and in Tunisia.

The Government of national accord are supported by a UN resolution. We are working with them and with UN Special Representative Ghassan Salamé on the negotiations to move the governmental process forward, which have reached a critical stage. The Libyan political agreement is being adapted and extended. Ghassan Salamé is spending his time trying to bring the various parties together to put the right names into the presidential council and work through a political process that is exceptionally difficult because of huge vested interests and a degree of distrust between the parties. The UN special representative and our own ambassador have worked so hard to address those difficulties. The ambassador was recently in Benghazi; he was able to get into eastern Libya for the first time in some years and talk to people there.

Libya is still a divided country in many ways, and the political process is absorbing a huge amount of time. Of course, that means that law enforcement agencies on a national scale are very difficult to drive and control, because on the ground both money and guns talk louder than a national Government. We would be foolish to think anything else. We therefore have to continue to

strengthen that national Government, so that they have both the authority and the physical ability to enforce what needs to be done about these gangs.

The Libyan Government have indeed been strengthened. I saw Libya's Deputy Prime Minister recently to express our concern about what the television coverage has shown of the auctions. The Libyan Government had committed to establishing a commission to look further into the issue and see what they could do, and the United Kingdom and other countries need to be clear that we will support the enforcement efforts they need to take. Commissions are one thing, but everybody in this Chamber wants to see some action, which can only be carried out with international support for those who are driving it forward.

To achieve further and long-term sustainable progress, we also need to invest upstream in countries of origin and transit. Africa continues to account for the largest percentage share of UK bilateral official development assistance expenditure allocated to a specific country or region. It received approximately £2.9 billion in 2016, or 51% of our bilateral ODA spend, and much of that money is designed to take away the root drivers of migration. I have no doubt that the determination to do that is strongly shared by every Member of the House, including all those who are here today.

The African Union can indeed play its part. The recent summit agreed to establish a joint European Union-African Union-United Nations migration taskforce aiming to accelerate assisted voluntary returns, to bring sub-Saharan nationals back to their own countries from Libya and to provide resettlement for the most vulnerable, including those we saw in the cages and at the auctions. Again, that can be done only by combined work, and we are engaged in that work. The first meeting of the taskforce took place in Brussels just at the end of last week, and the UK strongly endorses ongoing efforts by the EU, the AU and the UN to address the trafficking and exploitation of vulnerable people upstream in Africa, including the declaration on assisted voluntary returns at the recent EU-Africa summit. We also look forward to receiving further information on the new joint migration taskforce, following the agreement reached at that summit.

Colleagues have mentioned support for Nigeria. So far, the UK has committed £2 million to establish a joint border taskforce in Lagos by partnering with the Nigerian Government. That taskforce is designed to identify and protect potential victims of trafficking, and to arrest and prosecute traffickers in line with international compliance standards. The taskforce's centre will support and expand on the 335 prosecutions that have already been made by Nigeria's national agency for the prohibition of trafficking in people, and it is linked to efforts to combat illicit financial crime, including through asset seizures.

We have also announced a further £12 million to tackle modern slavery in Nigeria. That funding will help to support victims, build criminal justice capacity and promote alternative livelihoods. My hon. Friend the Member for Henley (John Howell) was right to say that commercial practices can play a part. Just as companies have been concerned in the past to make sure that fair trade was part of their ethos as they worked to provide commodities, so they must be absolutely and completely vigilant about slavery and illegal trafficking, and there must be the harshest sanctions against those that breach those rules; there is no doubt about that.

I will just deal with a couple of further issues. First, I will make clear it again that we do engage the Government of Libya and the Libyan authorities on the issue of migration and modern slavery. In August, the Foreign Secretary urged Prime Minister Sarraj to respect the human rights of migrants, and as I have said, I raised the human rights situation with Deputy Prime Minister Ahmed Maiteeq just a few days ago. Again, however, we do not underestimate the difficulties that the Libyan authorities face, which can be resolved only when the political situation in Libya is itself resolved.

Humanitarian support is also vital, because we must also deal with that strand of the issue. Since October 2015, we have allocated more than £175 million in response to the Mediterranean migration crisis, including substantial support for Libya. I mentioned earlier that migrants who find themselves in slavery in Libya come from many hundreds of miles away. That is why we have to take a comprehensive approach to migration, addressing the root causes as well as working to alleviate the conditions that migrants face.

We have a flagship programme to address some of the drivers of modern slavery in Nigeria's Edo state, which is the country's trafficking hub. As I said earlier, our work with the joint border force in Lagos and the work that I announced earlier also make a difference. We have a new £75 million programme, as I mentioned earlier, focusing on the route from west Africa through the Sahel to Libya. That includes a new £5 million allocation of support in Libya, which was announced today by the Secretary of State for International Development. That is designed to provide humanitarian aid and protection to migrants and refugees, some of whom are in detention, as part of the work we announced at the June European Council.

Also this year, our aid and development programmes have supported more than 20,000 emergency interventions for migrants and refugees in Libya, as my hon. Friend the Member for Sutton and Cheam mentioned in his opening remarks, providing everything from food to healthcare, from hygiene kits to emotional support and safe shelter. We have also provided tailored services for women and girls, to protect them from the heightened risks that they face of trafficking and sexual and gender-based violence.

At the December European Council, the Prime Minister also announced a further €3 million for the EU trust fund for the north of Africa window, which includes countries such as Libya. The funding will be used to protect vulnerable migrants in north Africa, to tackle the root causes of irregular migration and to create opportunities for people to find jobs.

We are committed to ending modern slavery wherever we find it, in this country or abroad. In Libya, that is a complex task. It requires us to convince migrants to build a bright future for themselves at home, which we will do only by helping to strengthen economies right across the continent of Africa. It also requires a Libyan Government to emerge who control all of Libya in the interests of all Libyans, as well as a concerted international effort to put the traffickers behind bars. We are working to accomplish those goals, so that these shocking slave markets can finally be consigned to the past. It also requires the human heart to be changed, so that people are no longer treated as "the other" and no longer can the wickedness of slavery live.

[Alistair Burt]

I remember speaking just a few years ago in the Wilberforce debates, as we discussed the passage of our anti-slavery legislation, and I realised even then, as we spoke to different audiences, that slavery was still going on. Indeed, it was reckoned at the time that there were more slaves in the world then than there had been in Wilberforce's time. To be dealing with this issue today is especially distressing. African lives matter; all lives matter; and this House says so.

5.57 pm

Paul Scully: Thank you very much, Mr Walker, for calling me to wind up the debate, and I also thank the Minister for his typically comprehensive and open response to the questions that have been put to him today. It does not take experiments such as the Stanford prison experiment and other psychological research experiments to see how bestial people can be to other people. We need only look at Rwanda, the situation in parts of Rakhine state in Burma and obviously the slave trade that we are discussing here today to see such bestial behaviour happening every day.

I will also just say thanks again to Constance Mbassi Manga and the signatories to the petition; to the supporters

who have raised the issue on social media to bring it to the public fore; and to Nima Elbagir from CNN and her team who, as we have heard, bravely reported this story. I spoke to Nima this morning and she is really fired up for following up the story, to make sure that some action comes out of it.

This has been a very good debate, and I will not go through what has been said, as I must be brief. I will just say that, although there have been calls on our time today from the main Chamber and elsewhere, we have hopefully done what we aimed to do, which was to tell the story of the people in Libya who are on the frontline and who are suffering. We must tell those human stories to raise the profile of the issue and to add depth to the coverage of it, so that we can try to find solutions. I very much thank everybody who has taken part in the debate today.

Question put and agreed to.

Resolved,

That this House has considered e-petition 205476 relating to the enslavement of black Africans in Libya.

5.58 pm

Sitting adjourned.

Written Statements

Monday 18 December 2017

BUSINESS, ENERGY AND INDUSTRIAL STRATEGY

Energy Council

The Parliamentary Under-Secretary of State for Business, Energy and Industrial Strategy (Richard Harrington): My noble Friend, the Parliamentary Under-Secretary of State for the Department for Business, Energy and Industrial Strategy (Lord Henley) has made the following statement:

The Energy Council will take place on 18 December in Brussels.

The Council will aim to agree a total of four general approaches on elements of the clean energy package. These are on the regulation on governance of the energy union; the directive on renewable energy; the regulation on electricity; and the directive on electricity.

The day meeting will also include information from the Commission about recent developments in the field of external energy relations and a presentation from the Bulgarian delegation on their upcoming presidency.

[HCWS364]

Industrial Action: E-balloting

The Parliamentary Under-Secretary of State for Business, Energy and Industrial Strategy (Margot James): Section 4 of the Trade Union Act 2016 makes provision for the Secretary of State to commission an independent review concerning electronic balloting for the purposes of ballots held under section 226 of the Trade Union and Labour Relations (Consolidation) Act 1992.

It was announced that Sir Ken Knight would be undertaking the independent review on 3 November 2016.

The Government were particularly keen to understand the electronic and physical security of electronic balloting methods, including the risks of interception, impersonation, hacking, fraud and, misleading or irregular practices, as well as whether any system could safeguard against the risk of intimidation of union members and protect anonymity of ballot responses. During the review Sir Ken Knight issued a call for evidence and conducted a number of roundtables with key stakeholders to hear their views.

The review is published today and I would like to place on record my thanks to Sir Ken for his work. Under the terms of the Trade Union Act 2016, the Secretary of State is now required to consider the review and, in preparing his response, must consult relevant organisations, including professionals from expert associations to seek their advice and recommendations. Accordingly, we will now consider Sir Ken's review and respond in due course.

Copies of the review will be laid before both Houses.

[HCWS365]

TREASURY

Cash Ratio Deposits

The Chief Secretary to the Treasury (Elizabeth Truss): Cash ratio deposits (CRDs) are non-interest bearing assets deposited with the Bank of England by banks

and building societies. They are used by the Bank to finance its policy functions, in particular its efforts to secure price stability and the stability of the financial system in general, from which these institutions are key beneficiaries.

The CRD scheme was extended to include building societies, and was placed on a statutory basis, when the Bank of England Act became law in 1998. The scheme has been reviewed every five years since. The last review in 2013 resulted in the CRD ratio being increased from 0.11 % to 0.18%, following a public consultation. As part of the 2013 review, the Government committed to reviewing the scheme again within five years. The Treasury, working closely with the Bank, will now begin that review.

The review will include an assessment of the detailed arrangements of the scheme as well as the continuing suitability of the scheme itself compared to alternative sources of funding. It will also address the impact of the scheme on the eligible institutions. The broad conclusions of the review will be the subject of a public consultation.

[HCWS361]

ECOFIN

The Chancellor of the Exchequer (Mr Philip Hammond): A meeting of the Economic and Financial Affairs Council (ECOFIN) was held in Brussels on 5 December. EU Finance Ministers discussed the following items:

Early morning session

The Eurogroup President briefed Ministers on the outcomes of the 4 December meeting of the Eurogroup, and the Commission provided an update on the current economic situation in the EU. The Chair of the European Fiscal Board (EFB) presented to Ministers the annual report from the EFB. Ministers also exchanged views on the proposed US tax reforms.

Strengthening of the Banking Union

The Council took note of progress reports on the European deposit insurance scheme, and the banking package, and received information from the Commission on the state of play of the action plan to tackle non-performing loans. This was followed by an exchange of views.

Current financial services legislative proposals

The Council presidency provided an update on current legislative proposals in the field of financial services.

VAT administrative co-operation

The Commission provided information on its proposals relating to measures on VAT administrative co-operation.

Council conclusions on "The EU list of non-co-operative jurisdictions for tax purposes"

Ministers agreed Council conclusions on the EU's list of non-co-operative jurisdictions for tax purposes.

Council decisions on the implementation of the stability and growth pact

Ministers agreed a Council decision to close the UK's excessive deficit procedure (EDP), and a decision and recommendation on Romania's compliance with EU fiscal rules.

European Semester 2018

The Council presidency presented the annual growth survey 2018 and the alert mechanism report 2018, and discussed a Council recommendation on the economic policy of the euro-area.

EIB proposal to establish a European development bank

Ministers received information on a proposal to create a new subsidiary to the European investment bank that will be dedicated to development.

[HCWS362]

COMMUNITIES AND LOCAL GOVERNMENT**Building Safety Programme**

The Secretary of State for Communities and Local Government (Sajid Javid): Earlier this year, the Home Secretary and I asked Dame Judith Hackitt to carry out an independent review of building regulations and fire safety. I am pleased to inform the House that Dame Judith has published her interim report today. It is available at: www.gov.uk/government/publications/independent-review-of-building-regulations-and-fire-safety-interim-report, and copies are being placed in the Libraries of both Houses.

The publication of Dame Judith's interim report is an important milestone. The Home Secretary and I welcome the report, its findings, and the extensive engagement Dame Judith has carried out with industry, residents, building control bodies, fire and rescue services, Government and other key partners.

It is my intention to update the House further regarding the publication of this report in an oral statement this afternoon.

This interim report provides a strong foundation for the next phase of the review. We will continue work with Dame Judith and other partners over the coming months as she finalises her recommendations and I look forward to updating the House on Dame Judith's final report in the spring.

[HCWS359]

DEFENCE**Armed Forces Covenant: Annual Report**

The Secretary of State for Defence (Gavin Williamson): I am today laying before the House the 2017 armed forces Covenant annual report. The Armed Forces Act 2011 set out the requirement for the Defence Secretary to report progress annually to Parliament. The Covenant is a promise by the nation to ensure that those who serve, or have served, and their families are treated fairly and suffer no disadvantage. The sacrifices made by serving personnel, veterans and their families should be recognised accordingly. The report describes what the Government, and wider society, have done to uphold the principles of the Covenant across the UK.

The Covenant is not only a debt owed by the nation to the armed forces community, it is also a mutually beneficial partnership between the military family and the wider society that they serve. The annual report highlights just some of the excellent initiatives being taken in local communities to deepen relationships and that the publication of the report today coincides with the announcement of 02 as the 2,000th business signing of the Covenant demonstrates the ongoing success in building partnerships with the private sector.

A consistent theme of this year's report is a drive toward co-ordinating services across the core areas of the Covenant. The launch of the Veterans' Gateway, funded by the Covenant and delivered by a Royal British Legion led-consortium, and the work of the Department of Health-led Transition Intervention and Liaison Services, in close co-ordination with Defence, are just two examples of working across organisational boundaries to provide a more coherent and focused service to the people that need it the most.

In the public sector new guidance for local authorities published this year will help to improve the consistency of delivery at a local level. As well as identifying examples of best practice the guidance explains how local support groups and organisations can share resources to help integrate military and civilian communities.

The mobile nature of service life can lead to disadvantage in a number of areas, one of which is access to education. The inclusion of service children as a target group for universities in their fair access agreements, acknowledges this and the ability to identify service children when moving between schools will help to minimise the impact to their education.

The Government's new ministerial Covenant and Veterans Board will also ensure a more co-ordinated approach, confirming that providing support to service personnel, veterans and their families remains a top priority, and the report also sets out the key commitments for 2018.

The report has been compiled in consultation with other Government Departments, the devolved Administrations, and the external members of the Covenant reference group.

I am grateful to them all for their contributions, and their continued support as together we ensure our armed forces community receive the support they deserve.

[HCWS360]

FOREIGN AND COMMONWEALTH OFFICE**National Action Plan on Women, Peace and Security: Annual Report**

The Secretary of State for Foreign and Commonwealth Affairs (Boris Johnson): I wish to inform the House that the Foreign and Commonwealth Office, together with the Department for International Development and the Ministry of Defence, are today publishing the 2017 annual report on progress against the UK's third National Action Plan on Women, Peace and Security.

Published on 12 June 2014 (HC Deb, 16 June 2014, c. 72-4WS) the National Action Plan sets out the Government's objectives on the Women, Peace and Security agenda for the period 2014-2017. It provides the direction to our work to put women and girls at the centre of conflict prevention, response and resolution.

The report published today outlines our progress against the National Action Plan over the last 12 months, including our work in our six focus countries of Afghanistan, Burma, the Democratic Republic of Congo, Libya, Somalia and Syria as well as an overview of our wider progress on the Women, Peace and Security agenda over the three year life of the National Action Plan and the commitments we made in October 2015 at the UN Security Council High Level Review of Resolution 1325 on Women, Peace and Security.

The progress report has been published on gov.uk. I am placing electronic copies in the Parliamentary Libraries.
[HCWS363]

WORK AND PENSIONS

Automatic Enrolment

The Secretary of State for Work and Pensions (Mr David Gauke): The Government have published their “Automatic Enrolment Review 2017: Maintaining the Momentum” as a Command Paper (CM 9546). A copy of the accompanying analytical report, which underpins this review, has been placed in the House Library.

Since 2012, over 9 million people have been automatically enrolled into a workplace pension and over 900,000 employers have met their duties. The workplace pension participation rate for eligible men and women in the private sector is now equal. By 2019/20 we estimate an extra £20 billion a year will go into in workplace pension savings as a result of automatic enrolment. This is helping people achieve greater financial security in later life, and encouraging a culture of saving.

The review sets out our ambition to build on the success of automatic enrolment to date, with a comprehensive and balanced package of proposals to continue to normalise pension saving, namely:

- confirming that automatic enrolment should continue to be available to all eligible workers regardless of who their employer is; making saving the norm for young people, by lowering the age for automatic enrolment from 22 to 18, to bring an extra 900,000 people into workplace pensions;

- supporting all those who are automatically enrolled, particularly those with low earnings and multiple jobs, to save more for retirement by removing the lower earnings limit so that their contributions are calculated from the first pound of earnings.

Recognising the diversity of the 4.8 million classified as self-employed, for whom a single saving intervention might not be effective, we will work to implement our manifesto commitment by testing targeted interventions aimed at the self-employed, which are set out in the review report, to identify the most effective options to increase pension saving among self-employed people.

We will also work to ensure that the rules around automatic enrolment for those working in atypical ways or in non-standard forms of employment are clear, and that enforcement of the automatic enrolment duties for employers remains robust. The Government’s forthcoming response to Matthew Taylor’s review of modern working practices, which is due to be published shortly, is relevant to this work. My Department will continue to work closely with the Department for Business, Energy and Industrial Strategy, HMT and HMRC to ensure suitable alignment and clarity is achieved across our policies.

The review also calls upon the pensions industry, employers, and the wider advisory and intermediary community to work with Government on better, simpler,

engagement. Our aim is to help savers understand the benefits of workplace pension saving, so that they are better able to plan for security in retirement.

It is the Government’s ambition to implement changes to the automatic enrolment framework in the mid-2020s, subject to discussions with stakeholders around their detailed design in 2018/19, finding ways to make the changes affordable, and followed by formal consultation with a view to introducing legislation in due course. The discussions with stakeholders will allow us to build consensus on the shape and design of the package, helping develop our detailed plans and implementation timetable, which can then form part of the formal consultation.

The Government are grateful to the review’s external advisory group, chaired by and made up of experts from within the pensions industry, and those representing member interests and employers. This group has provided invaluable insights and constructive challenge in shaping the review.

The 2017 review also outlines findings from the statutory review of the alternative quality requirements for defined benefit schemes (under section 23A of the Pensions Act 2008), and the alternative quality requirements (under section 28 of the Pensions Act 2008).

Annual thresholds review

Running concurrently with this review of automatic enrolment, the statutory annual review of the automatic enrolment earnings thresholds has been completed for the 2018/19 tax year.

The Government will lay an Order before Parliament in the new year which will include the following thresholds for 2018/19: £6,032 for the lower earnings limit of the qualifying earnings band and £46,350 for the upper limit of the qualifying earnings band.

The automatic enrolment earnings trigger will remain frozen at £10,000.

This will ensure that a period of stability and consistency is maintained ahead of the increases in contributions from April 2018, while also ensuring that those, for whom it makes economic sense to save, continue to be brought into workplace pensions and have the opportunity to build up meaningful savings.

A copy of the automatic enrolment earnings trigger and qualifying earnings band for 2018/19: supporting analysis has been placed in the House Library. These papers will be available today on www.gov.uk website.

“Automatic Enrolment Review 2017: Maintaining the Momentum” sets out a clear direction of travel to build on the successes of the policy to date, and move forward the Government’s ambition for a more robust and inclusive savings culture; specifically supporting younger generations, lower earners, and women with the opportunity to build up pension assets for a more secure retirement.

[HCWS366]

Employment, Social Policy, Health and Consumers Affairs Council

The Minister for Employment (Damian Hinds): The Employment, Social Policy, Health and Consumer Affairs Council met on 7 December 2017 in Brussels. As Minister of State for Employment, I represented the UK.

The Council agreed a partial general approach on the long-term care and family benefits chapters of the revision of regulations on co-ordination of social security systems—(883/04 and 987/09). The UK explained its abstention due to a parliamentary scrutiny reservation.

The Council agreed a general approach on the European Accessibility Act. The UK supported the aims of the proposal but registered an abstention, reflecting concerns about the clarity of text.

The Council received a progress report on the draft directive on equal treatment (Art. 19) and the draft directive on work-life balance.

The Council gave political agreement to the directive implementing a social partner agreement on the implementation of amendments to the Maritime Labour Convention.

As part of the semester process the European Commission presented the annual growth survey 2018, the draft joint employment report, the alert mechanism report and the draft recommendation on the economic policy of the euro area. They also sought the views and gained the approval of member states on the employment and social aspects of the recommendation on the euro area.

The Council adopted Council conclusions on the following three topics: the future of work: making it e-easy; enhancing community-based support and care for independent living; and on enhanced measures to reduce horizontal gender segregation in education and employment.

Under any other business, the Commission presented information on the EU action plan 2017-2019 on tackling the gender pay gap and on concluding the year of focused actions to eliminate gender-based violence. The Swedish delegation and the Commission presented

information on the Social summit (Gothenburg, 17 November 2017) and the Bulgarian delegation presented the work programme of its incoming presidency.

[HCWS357]

Personal Independence Payment

The Minister for Disabled People, Health and Work (Sarah Newton): Later today, I will publish Command Paper 9540 “Government’s response to the Second Independent Review of the Personal Independence Payment (PIP) Assessment”. The review was carried out by Paul Gray and published on 30 March 2017.

Alongside this, the Department is publishing interim findings from wave 2 of the PIP claimant survey which focuses on the assessment and decision stages of the PIP claim, and seeks claimants’ feedback and experiences of these.

The response outlines my Department’s intentions in relation to the recommendations suggested by Paul Gray in his second independent review. It also provides an update of the actions my Department has taken against the recommendations identified in the first independent review.

My Department has accepted or partially accepted all of the recommendations in the latest review.

PIP is a modern benefit, which can be flexible and responsive to change, where we identify improvements to be made. While this completes the legal obligation to review the implementation of PIP, we remain committed to understanding how the benefit is working and to continuous improvement in this space. Furthermore we remain committed to working closely with claimants and the organisations who represent them, and will continue to do so.

This response will be laid before Parliament and made available on the www.gov.uk website.

[HCWS358]

Petitions

Monday 18 December 2017

OBSERVATIONS

DIGITAL, CULTURE, MEDIA AND SPORT

Superfast Broadband for Wellpond Green and Westland Green in Hertfordshire

The petition of residents of Wellpond Green and Westland Green in Hertfordshire,

Declares that the villages were added to the Connected Counties/BT Openreach programme for superfast broadband for implementation by March 2017; further that many residents discontinued negotiations with an alternative supplier offering the same timetable; and further that Connected Counties then re-modelled the programme so that residents would not be connected until 2019 causing great inconvenience.

The petitioners therefore request that the House of Commons to urge the Government and BDUK to facilitate immediate connection of superfast broadband.

And the petitioners remain, etc.—[Presented by Sir Oliver Heald, *Official Report*, 18 October 2017; Vol. 629, c. 959.]

[P002065]

Observations from The Secretary of State for Digital, Culture, Media and Sport (Karen Bradley):

Broadband delivery in Hertfordshire and Buckinghamshire is managed by the Connected Counties project team, with support provided by Broadband Delivery UK (BDUK) within the Department for Digital, Culture, Media and Sport. Connected Counties are managing their contracts with BT to deliver the maximum superfast coverage with the available funding as quickly as possible. They have therefore aimed to avoid prioritising particular communities over others. BDUK supports this approach.

We are petitioned that the communities of Wellpond Green and Westland Green had been advised of indicative timescales of March 2017 for the delivery of a broadband structure near to the villages. However, we are told that technical difficulties were experienced that led to this not being deployed at that time. The structure is now scheduled to be completed during this financial year.

As a result of good contract management by Connected Counties, efficiency savings of £2.4 million have been realised from their first contract with BT. Connected Counties agreed a contract extension with BT in May 2017 to use this funding to deliver additional coverage across Hertfordshire and Buckinghamshire. This is expected to include provision of superfast broadband coverage to the entire communities within Wellpond Green and Westland Green by deploying additional structures closer to the communities. The deployment will be programmed within the overall contract delivery schedule which will continue through to 2019. Connected Counties and BT believe this is the most efficient deployment schedule for the project as a whole, and this is supported by BDUK.

Superfast broadband coverage is on track to reach 95% of UK premises by the end of the year and will continue to go further beyond that. For premises not covered by superfast broadband the Government will ensure universal broadband of at least 10Mbps.

TRANSPORT

HS2 viaduct through Trowell

The petition of residents of Trowell,

Declares that they are opposed to the proposed viaduct through Trowell which is part of the HS2 Phase 2 project and will be 60 feet high in some places to cross over the M1 motorway, the A609 and an existing railway viaduct. The proposals will cause significant disruption to Trowell's residents during construction and the resulting viaduct would dominate over homes in the village, as well as being taller than the church spire.

The petitioners therefore request that the House of Commons urges HS2 Ltd. to dispense with proposals to build a viaduct in Trowell and come up with alternative solutions that will have less impact on residents.

And the petitioners remain, etc.—[Presented by Anna Soubry, *Official Report*, 28 November 2017; Vol. 632, c. 295.]

[P002084]

Observations the Parliamentary Under-Secretary of State for Transport (Paul Maynard):

HS2 will drive economic growth outside of London, creating opportunities for skills and employment across the East Midlands region and acting as a catalyst for regeneration in our city and town centres.

I recognise, however, that the construction and operation of HS2 will impact communities alongside the route. I would therefore welcome views from local stakeholders about the route alignment past Trowell. HS2 Ltd will work with the community to reduce the impacts of the line, and where needed, identify appropriate mitigation measures.

I also draw the community's attention to the 2018 consultation on the working draft environmental statement (WDES), which will contain further detail on construction and mitigation around Trowell. I would strongly encourage the community to engage with this, and with HS2 Ltd representatives as the project progresses.

Ruabon Station

The petition of residents of the village of Ruabon in the constituency of Clwyd South,

Declares that Ruabon railway station is currently inaccessible to a number of potential users as the only method of using platform 2 is by crossing a footbridge which is difficult for passengers with mobility issues or luggage to carry, and impossible for wheelchair users.

The petitioners therefore request that the House of Commons call on the Government to speed up plans to improve access to the Ruabon railway station either by replacing the existing bridge with one that allows easy access for all users, or to add a wheelchair accessible entrance to platform 2.

And the petitioners remain, etc.—[Presented by Andrew Jones, *Official Report*, 05 December 2017; Vol. 632, c. 1003.]

[P002088]

Observations the Parliamentary Under-Secretary of State for Transport (Paul Maynard):

We are committed to improving station accessibility and have therefore continued with the Access for All programme, first launched in 2006, which installs accessible routes at selected stations.

Ruabon has never been nominated for the programme, but we will be making further funding available for station accessibility in the next Rail Control Period (2019-24) and will be announcing further details as soon as possible.

For Ruabon to be considered for inclusion in the programme it would need strong support from the industry and the Welsh Assembly Government. It would also benefit from an element of third party funding to help weight the business case.

In the meantime if any passenger is unable to use the station the operator will provide alternative transport, such as an accessible taxi to Chirk or Wrexham, both of which have been made accessible under Access for All. This is at no additional cost to the passenger.

Stop HS2 Phase Two in Trowell

The petition of residents of Trowell,

Declares that they are opposed to the HS2 project in its entirety. They believe that HS2 Phase Two will provide no benefits to Trowell and the financial cost of the project would be better spent elsewhere, including improving existing railway routes and other transport networks.

The petitioners therefore request that the House of Commons ask HS2 Ltd. to stop plans to build HS2 Phase Two and look at more reasonable alternatives.

And the petitioners remain, etc.—[Presented by Anna Soubry, *Official Report*, 28 November 2017; Vol. 632, c. 139.]

[P002085]

Observations from the Parliamentary Under-Secretary of State for Transport (Paul Maynard):

High Speed Two (HS2) is a new high speed rail network for the UK, connecting London with major cities in the Midlands and the north of England. It is a Y-shaped network that will be delivered in several stages. Trains will also run beyond the Y network to serve places such as Liverpool, Preston, the East Midlands, Newcastle and Scotland.

By providing direct intercity services on dedicated high speed lines, there will be extra space for more trains on the existing heavily congested West Coast Mainline (WCML), Midlands Main Line (MML) and East Coast Main Line (ECML). This presents a once in a generation opportunity to improve services on these routes, including passenger services to locations not directly served by HS2, and freight services. This will improve passenger experience by reducing overcrowding on peak time trains and also allow train operators to run more varied and frequent services.

The Government have considered the impacts of HS2 in great detail as the scheme has progressed. We have produced and published several updated versions of the business case for HS2 to support major programme milestones and decisions. These business cases specifically examined reasonable alternatives to HS2. The 2013 Business Case supported the introduction of the Phase 1 Bill (now an Act). It set out three core objectives for the scheme:

Provide sufficient capacity to meet long-term rail demand and to improve resilience and reliability on the network;

Improve connectivity by delivering better journey times and making travel easier;

And therefore boost economic growth across the UK.

My Department also welcomes the ambitious HS2 growth strategy put forward by the East Midlands (EM) leaders. They aim to capitalise on the economic benefits of HS2 through the development of an innovation hub, garden settlement and better local transport connections at Toton, less than 4 miles away from Trowell. Government is now working with the EM councils on their proposals as we move towards the deposit of a hybrid Bill in 2019.

In July 2017 the Government published its most recent update to the Business Case to support the introduction of the Phase 2a Bill to parliament and the Secretary of State's decision on the route for the rest of Phase 2 to Leeds and Manchester.

The 2017 Economic Case estimates HS2 (the full Y) will bring over £92 billion of benefits—£75 billion to transport users and £18 billion of wider economic benefits - delivering more than £2 of benefits (£2.30) for every £1 of investment. We are confident that the scheme represents good value for money and is in line with other major rail schemes.

Ministerial Corrections

Monday 18 December 2017

EDUCATION

Teacher Recruitment and Retention

The following is an extract from Questions to the Secretary of State for Education on 11 December 2017.

9. **Matt Rodda** (Reading East) (Lab): What recent assessment she has made of trends in teacher recruitment and retention. [902851]

The Secretary of State for Education (Justine Greening): Teacher numbers are at an all-time high: there are 15,500 more teachers than there were in 2010; postgraduate recruitment is at its highest level since 2012-13; and in 2015-16 we welcomed back 4,200 teachers into the classroom, which is an 8% improvement on the 2011 figure. However, we are absolutely not complacent; we continue to invest in teacher recruitment and are actively addressing the issues that teachers cite as a reason for leaving the profession.

[Official Report, 11 December 2017, Vol. 633, c. 13.]

Letter of correction from Justine Greening:

An error has been indentified in the response that I gave to the hon. Member for Reading East (Matt Rodda) during Questions to the Secretary of State for Education.

The correct response should have been:

The Secretary of State for Education (Justine Greening): Teacher numbers are at an all-time high: there are 15,500 more teachers than there were in 2010; postgraduate recruitment is at its highest level since 2012-13; and in 2015-16 we welcomed back **14,200** teachers into the classroom, which is an 8% improvement on the 2011 figure. However, we are absolutely not complacent; we continue to invest in teacher recruitment and are actively addressing the issues that teachers cite as a reason for leaving the profession.

WOMEN AND EQUALITIES

BAME Women

The following is an extract from Questions to the Minister for Women and Equalities on 23 November 2017.

Gerard Killen: Does the Minister accept the figures contained in the “Intersecting Inequalities” report by the Women’s Budget Group and the Runnymede Trust, showing the disproportionate impact of tax and benefit changes on women from black and minority ethnic backgrounds, and will the Government issue an official response?

Justine Greening: I am aware of that work. Part of the challenge is that we need to see much more clearly the broader picture in relation to how Budgets and Government decisions affect BAME women. The analysis that the hon. Gentleman mentions does not take into account the impact of the national living wage, the changes we have made to childcare—introducing 30 hours’ free care—the work that we are doing on reducing the gender pay gap, the introduction of shared parental leave or the introduction of increased flexible working. The Institute for Fiscal Studies has been very clear that “what is possible falls a long way short of a full gender impact assessment”,

and that is the underlying weakness in the analysis. *[Official Report, 23 November 2017, Vol. 631, c. 1167.]*

Letter of correction from Justine Greening:

An error has been identified in the response I gave to the hon. Member for Rutherglen and Hamilton West (Gerard Killen).

The correct response should have been:

Gerard Killen: Does the Minister accept the figures contained in the “Intersecting Inequalities” report by the Women’s Budget Group and the Runnymede Trust, showing the disproportionate impact of tax and benefit changes on women from black and minority ethnic backgrounds, and will the Government issue an official response?

Justine Greening: I am aware of that work. Part of the challenge is that we need to see much more clearly the broader picture in relation to how Budgets and Government decisions affect BAME women. **The analysis that the hon. Gentleman mentions does not take into account the work that we are doing on reducing the gender pay gap, the introduction of shared parental leave or the introduction of increased flexible working.** The Institute for Fiscal Studies has been very clear that “what is possible falls a long way short of a full gender impact assessment”, and that is the underlying weakness in the analysis.

ORAL ANSWERS

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