

Monday
23 April 2018

Volume 639
No. 125



HOUSE OF COMMONS
OFFICIAL REPORT

PARLIAMENTARY
DEBATES

(HANSARD)

Monday 23 April 2018

House of Commons

Monday 23 April 2018

The House met at half-past Two o'clock

PRAYERS

[MR SPEAKER *in the Chair*]

Mr Speaker: I am sure that the whole House would want to join me in sending their Royal Highnesses the Duke and Duchess of Cambridge our warmest congratulations on the birth of their son.

Oral Answers to Questions

DEFENCE

The Secretary of State was asked—

Defence Industry

1. **Julie Elliott** (Sunderland Central) (Lab): What steps he is taking to support the UK defence industry. [904859]

The Secretary of State for Defence (Gavin Williamson): I would very much like to associate the Government with your comments and warm wishes, Mr Speaker.

I am sure that the whole House will also wish to join me in offering our sincere condolences to the family and friends of Sergeant Matt Tonroe, who died while on operations on 29 March. He served his country with great distinction, and his service will never be forgotten.

The strategic defence and security review created a national security objective to promote our prosperity, and we are committed to supporting a thriving and internationally competitive defence sector. We have published our national shipbuilding strategy and refreshed the defence industrial policy, and work is under way to develop a combat air strategy. Exports are central to our approach, and British industry, working with the Government, is looking at how we can exploit opportunities.

Julie Elliott: The defence industry supports over 100,000 jobs directly in the UK, and many more indirectly. Will the Secretary of State put in place some meaningful measures to consider economic and employment practices when making contract decisions?

Gavin Williamson: I would be very happy to look at those options. I hate to correct the hon. Lady, but actually a quarter of a million people are working in the defence industry, supporting not just the UK, but exports as well. I encourage her to have a dialogue with my hon. Friend the Member for Ludlow (Mr Dunne), who is doing a piece of policy work on how we can work more closely with industry in promoting prosperity.

James Gray (North Wiltshire) (Con): While it is of course quite right that the Government should do everything that they can to support the British defence industry, the truth of the matter is that it is an international business. In our area of the south-west, Boeing, Airbus

and Leonardo—all foreign-owned—are the main employers and contributors. The F-35, which is a fantastic aeroplane, is made in America, but 15% of the total value of that plane comes into Britain, enabling us to buy the planes ourselves.

Gavin Williamson: My hon. Friend makes a very important point about the international nature of our defence industry. We have to be looking more and more at how we can develop partnerships with international businesses and, when we are looking at procurement decisions, how we can deliver not just best value for the MOD, but the very best for jobs here in the United Kingdom.

Mr Kevan Jones (North Durham) (Lab): What discussions has the Secretary of State had with the Treasury about the awarding of contracts? The Treasury takes the view that the lowest price is the best way forward but, in many cases, money will come back to the Treasury straightaway in tax and national insurance contributions, so should not that be taken into account when we award contracts?

Gavin Williamson: The hon. Gentleman raises a very thoughtful point about how we approach the whole defence procurement argument with regard to the real benefits to UK plc. We should start to look at this. There are different approaches in various countries, and Germany's approach is quite different from the United Kingdom's. We need to think about what lessons we could learn as a Government and what approaches we can adopt.

Mr Philip Hollobone (Kettering) (Con): While we are developing new armoured vehicles, ships and planes, what progress is being made on exporting those platforms overseas?

Gavin Williamson: One of the Department's key aims and priorities is to promote prosperity for the whole United Kingdom, and a key element of that is exports. In the past 10 years, we have seen over £70 billion of exports. We have had the recent, very positive news of Qatar signing up to £5 billion for the Typhoon. Good progress is being made with the Kingdom of Saudi Arabia and further progress is being made with Belgium. We are in very detailed discussions with the Australian Government over Type 26 frigates, and we hope that we may be able to make some progress on persuading them to consider buying those in future.

Martin Docherty-Hughes (West Dunbartonshire) (SNP): Mr Speaker, let me join you in congratulating the Countess and Earl of Strathearn on the birth of a healthy child, especially today, on the feast day of George, the patron of England.

Will the Secretary of State join me and Scottish National party Members in welcoming NATO allies to Scotland for Exercise Joint Warrior? Beyond the all-too-rare sight of complex warships in Scottish waters, does he agree that this is a suitable time to remind ourselves of the centrality of the north Atlantic to the security of these islands? Will he reassure all hon. Members that that centrality will be reflected in the modernising defence review?

Gavin Williamson: I reassure the hon. Gentleman that there is nothing unusual about British warships being all around the coast of the United Kingdom. Of course, we are very proud of the naval base at Clyde and the central role that it plays in our nuclear deterrence. We are conscious of the increasing threat that Russia poses in the north Atlantic, which is why we have been making investment, including in Poseidon aircraft and with the announcement of £132 million to be spent at RAF Lossiemouth. I was pleased that my hon. Friend the Member for Moray (Douglas Ross) was able to join me at Lossiemouth just the other week to highlight that important investment.

Martin Docherty-Hughes: I thank the Secretary of State for his reply. May I also associate SNP Members with his earlier comments about Sergeant Tonroe?

One of the ships in the Clyde—actually in Glasgow—last week was Her Danish Majesty's ship Niels Juel which, like all frontline support ships of the Danish royal navy, was designed and built in Denmark. When small northern European countries of 5 million people can design and build all their naval support vessels at home, it is astonishing that this Government cannot—or maybe will not—do the same. Will the Secretary of State address the crucial issues of national security and taxpayer value that underline last week's plea from shipbuilding unions?

Gavin Williamson: At the moment, the Prince of Wales is under construction at Rosyth—that is a major investment—and our commitment to the eight Type 26 frigates is also to be celebrated. Just the other week, I was at Govan to see the major investment that we are making there. I thought the hon. Gentleman would celebrate that investment in Scottish shipbuilding, rather than trying to detract from it.

Wayne David (Caerphilly) (Lab): Mr Speaker, may I associate the loyal Opposition with your comments regarding the royal birth? We extend our condolences to the family of Sergeant Matt Tonroe.

Within the next few weeks, the Government will have to make the final decision on how to handle the order for the fleet solid support ships. Given that that huge contract could be worth 6,700 jobs for British shipyards, with huge benefits for the supply chain, does the Secretary of State accept that there is a very strong case for awarding the contract to British shipyards?

Gavin Williamson: I thank Her Majesty's loyal Opposition for their comments.

We have one of the greatest commitments to shipbuilding in this country, and we see that in terms of not only the Type 26, but the Type 31e. There is a great opportunity for shipyards right across the United Kingdom to take part in these contracts, and we will look at every stage at how we can do the very best for jobs and opportunities.

CBRN Capability

2. **Mrs Pauline Latham (Mid Derbyshire) (Con):** What steps his Department is taking to invest in chemical, biological, radiological and nuclear defence capability. [904860]

12. **Jeremy Quin (Horsham) (Con):** What steps his Department is taking to invest in chemical, biological, radiological and nuclear defence capability. [904870]

The Secretary of State for Defence (Gavin Williamson): The Department regularly looks at CBRN capability as part of the annual financial planning round. The Ministry of Defence will consider its overall CBRN capability as part of the modernising defence programme.

Mrs Latham: I thank the Secretary of State for his answer. Will he update the House on the continuing contribution of MOD personnel now that the urgent response to the Russian chemical attack in Salisbury has moved into the recovery and clean-up stage? Can he confirm that our armed forces have everything that they need to continue to keep all our constituents safe from such attacks in the future?

Gavin Williamson: Very much so. It is pleasing to be able to report the progress that Detective Sergeant Nick Bailey and Sergei and Yulia Skripal have made since that attack. Let us not forget the important role that the Ministry of Defence and our armed forces played in assisting the police with their investigations. More than 170 armed forces personnel were involved and, due to our unique capabilities, 192 British service personnel will be involved in the clean-up operation in Salisbury.

Jeremy Quin: I am aware from constituency work locally for Thales that the UK has invested in a state-of-the-art biological surveillance system. Given the horrific nerve-agent attack on British soil, will the Secretary of State confirm that there are sufficient resources in his Department to deal with such attacks, whether they are at home or, indeed, against our forces overseas?

Gavin Williamson: I can confirm that that is the case. We are stepping up our investment and putting a substantial amount into our capabilities and facilities at Porton Down, which will ensure that we continue to preserve our world-leading position and expertise in this field.

Mr Speaker: I call Rachel Maclean.

Rachael Maskell (York Central) (Lab/Co-op) *rose*—

Mr Speaker: I am sorry—Rachael Maskell; I beg your pardon. I do not wish to confuse York and Redditch, and I apologise to the hon. Lady. I feel that I know her very well, and I should not have made that mistake. I call Rachael Maskell.

Rachael Maskell: Thank you, Mr Speaker.

May I ask the Government how they work with the UN Security Council and organisations such as the Organisation for the Prohibition of Chemical Weapons to identify stockpiles of chemical, biological, radiological and nuclear weapons across the globe, and what steps they have taken to achieve de-escalation?

Gavin Williamson: We have always worked incredibly closely with those organisations, and it is a shame that nations such as Russia have not always had such a positive and collaborative relationship with them. We share our expertise and knowledge with them, and we have been incredibly open with them to make sure that

they have a clear understanding of the threats and dangers that this country faces as a result of Russia's hostile act.

Jo Swinson (East Dunbartonshire) (LD): We need to invest in our defence capabilities against changing and emerging threats in warfare, including the unchecked use of lethal autonomous weapons. Has the Secretary of State seen last week's House of Lords report on artificial intelligence, which concludes that the UK's definition of lethal autonomous weapons is "clearly out of step with the definitions used by most other governments"?

That makes it harder to reach an agreement on regulation, so will he commit to reading that report and revising the definition?

Gavin Williamson: As has been pointed out, there is currently no defined international agreement, and that is something towards which we need to work rapidly. I am very committed to trying to reach that agreement at the earliest possible stage.

Veterans

3. **Alan Mak** (Havant) (Con): What recent discussions he has had with military charities on improving support for veterans throughout the UK. [904861]

The Parliamentary Under-Secretary of State for Defence (Mr Tobias Ellwood): As we mark 100 years since the end of world war one, it is appropriate once again to underline our appreciation of the charities that support the armed forces community. You will be aware, Mr Speaker, that many household names such as the Royal British Legion, Blesma, Combat Stress and SSAFA were formed around that time to look after the thousands of injured returning to Britain. I meet and engage with charities weekly, as does the Secretary of State, who last week visited Tedworth House, the excellent recovery centre run by Help for Heroes.

Alan Mak: The Royal British Legion plays a key role in supporting our veterans, including on Armed Forces Day, when we celebrate their role across the country. Will the Minister join me in congratulating the Royal British Legion on its work, and will he visit the Havant branch when his diary allows?

Mr Ellwood: How could I refuse such an invitation? I should be delighted to do so. May I underline my hon. Friend's support for Armed Forces Day? I hope all hon. Members will consider what they can do in their area for that important event.

Gavin Robinson (Belfast East) (DUP): May I associate my party with the wonderful news shared by Baron and Baroness Carrickfergus?

The Minister should know that the Defence Committee is looking at the support available for serving and former personnel. Does he recognise the geographical difficulties and legacy of security concerns that affect veterans who live in Northern Ireland?

Mr Ellwood: When I had the pleasure of attending the Defence Committee, I was able to discuss those matters. I also had the pleasure of visiting Belfast, where the hon. Gentleman will know that I took a look at what support needs to be provided and furthered to

deal with the particular situation there. I hope that that will be ongoing, and that the Secretary of State or I can visit in the near future.

Bob Stewart (Beckenham) (Con): May I ask the Ministry of Defence to give more support to Care After Combat, the excellent charity that goes into prisons and helps people who have been much affected by combat?

Mr Ellwood: I am grateful to my hon. Friend for raising the importance of working with those who are in prison. COBSEO, the confederation that looks after all the armed forces charities, is bringing together clusters of support in the justice sector. I met those charities, and we are seeing what more we can do to provide support for people who are in prison.

Gerald Jones (Merthyr Tydfil and Rhymney) (Lab): The Government's disgraceful treatment of the Windrush generation has caused deep anxiety and distress to those who have emigrated from Commonwealth countries and served in our armed forces. It cannot be right that veterans who fought for this country are now frightened that they could be deported due to the callous immigration policy that the Prime Minister has spearheaded, so will the Minister outline what concrete action the Ministry of Defence is taking to help to rectify this scandalous state of affairs?

Mr Ellwood: The hon. Gentleman makes an interesting observation. The Government have apologised, and will continue to apologise, to those affected by the current situation. A taskforce has been set up in the Home Office to deal with it and, as I said at the weekend, we apologise for what we have done. I hope that previous successive Governments will do the same, because it was a collective effort whereby bureaucracy got in the way and did not look after those people, who are very much Britons and should be allowed to continue to live here. If any veterans are affected, I would be more than delighted to look into the situation and make sure that we underline our support for those people, who are very much British citizens.

Russian Military Activity

4. **Gillian Keegan** (Chichester) (Con): What assessment he has made of the implications for his policies of recent Russian military activity. [904862]

The Secretary of State for Defence (Gavin Williamson): Russian military activity has been more assertive over the last few years. Russia has pursued a 10-year programme of military modernisation that has bolstered its armed forces. We recognise the importance of responding with allies and partners, and that has been the strength in our united action following the Salisbury attack. We are enhancing our deterrence and defence policies, especially through NATO, to prevent Russian aggression.

Gillian Keegan: The National Cyber Security Centre describes Russia as

"our most capable hostile adversary in cyberspace"

and recently released a joint technical alert with the FBI and the Department of Homeland Security about malicious cyber-activity carried out by the Russian Government. Will my right hon. Friend give an update on the progress

he has made to improve our active cyber-defence to protect Government networks, industry and individuals from high-volume cyber-attacks?

Gavin Williamson: My hon. Friend is absolutely correct to highlight that increasing threat. The Government have committed to spending £1.9 billion to ensure that our defences are in the best possible place. As the nature of warfare starts to change, and as the threats increase, we have to be realistic about the fact that the two realms of cyber and conventional forces will increasingly start to merge. We should not just think about the importance of defending ourselves in terms of cyber-security; it is also about conventional forces.

John Woodcock (Barrow and Furness) (Lab/Co-op): Russian submarines are increasingly aggressive, so is the contract for Astute boat 7 signed and is the Secretary of State alive to the need to accelerate future capability research so that we can get back on top in this arena?

Gavin Williamson: I very much hope to be able to update the House and the hon. Gentleman in the not-too-distant future. We are very conscious of the importance of our deterrence, which is absolutely pivotal for keeping this country safe, and our submarines in the north Atlantic are absolutely central to that.

Dr Julian Lewis (New Forest East) (Con): When the threat from Russia receded at the end of the cold war, we understandably cut our defence budget to 3% of gross domestic product. Given events—from Salisbury to Syria—demonstrating that, sadly, that threat is now reappearing, should we not seek to get back to that sort of level of defence expenditure, and will the Secretary of State lay that pertinent fact in front of the Chancellor of the Exchequer?

Gavin Williamson: My right hon. Friend tries to tempt me. We have to be realistic about the fact that the threat picture is changing. It has escalated considerably since 2010—even from 2015—and we have to make sure that we have the right capabilities. That is why we are carrying out the modernising defence programme: to deliver the right types of capabilities for our armed forces to deal with the increasing threat that we face. We have to be realistic about the challenges—those posed by Russia are far greater than the challenges that were presented as an insurgency in Iraq and Afghanistan—and how we get the right mix of military equipment and capability to deal with that increased threat.

Mr Speaker: The Secretary of State cannot be accused of excluding from his answers any consideration that might in any way, at any time, to any degree, be considered material, for which we are immensely grateful. However, there is a premium on time, because we have a lot of questions to get through.

Nia Griffith (Llanelli) (Lab): Given the increased activity of Russian submarines in our waters and our reliance on allies for maritime patrol support, will the Secretary of State now admit that it was a gross mistake to cut our maritime patrol aircraft in 2010 without a planned replacement, leaving us without that capability for nearly a decade?

Gavin Williamson: I suppose, having spent time in the Whip's Office, that the freedom to get on the Floor is a shock and we become too verbose.

I do not accept that it was a mistake and I am proud that we are investing so much in the new Poseidon aircraft to make sure that we have the new, exciting capability that will be able to support our forces in the north Atlantic.

Mr Speaker: The Secretary of State is uncaged, and there is much to be said for that.

Nia Griffith: I remain concerned that the Government have not learnt the lessons of the past when it comes to cutting capabilities, leaving serious gaps in our defences only to have to replace them further down the line. Will the Secretary of State confirm today that the modernising defence programme will not cut our Albion class amphibious warships before their out-of-service dates of 2033 and 2034?

Gavin Williamson: There are many right hon. and hon. Opposition Members who care incredibly passionately about our armed forces and will do all they can to support them: I know that the hon. Lady is very much one of them. But when we talk about the risks and threats that are posed to our armed forces, I sometimes think that we should be worried about the Leader of the Opposition a little more than anything else.

In the modernising defence programme we are looking at all our capabilities and how we ensure that we are able to adapt to the increasing challenges and threats, but I will not prejudge that programme. We will look at the evidence and the information that comes from the public and the wider defence community.

Recruitment: Capita

5. **Sir Desmond Swayne** (New Forest West) (Con): What discussions he has had with the service chiefs on armed forces personnel working with Capita to improve recruitment. [904863]

14. **Mary Robinson** (Cheadle) (Con): What discussions he has had with the service chiefs on armed forces personnel working with Capita to improve recruitment. [904872]

The Minister for the Armed Forces (Mark Lancaster): I discuss armed forces recruitment regularly with the principal personnel officers of each service and with the Chief of the General Staff. Implementation of the recruitment improvement plan is a priority and I am monitoring it very closely.

Sir Desmond Swayne: How will the Minister recruit and train sufficient engineers?

Mark Lancaster: My right hon. Friend makes a very important point. This is precisely why, in the Royal Navy, for example, we have associations with technical colleges. In my own corps, the Royal Engineers, we have a tremendous offer, in which young recruits are enrolled as apprentices and trained not only as infantry soldiers but in specialist engineering trade skills, such as brick laying, electrical and carpentry.

Mary Robinson: A constituent of mine, Mr Lamb, served in the Army for 43 years, the last 13 being spent in recruitment. Contract changes meant that in January this year he was discharged 72 days before his 60th birthday and his planned retirement date. He tells me that, despite senior officers seeking to find him employment, the date was fixed and he lost 72 days of his pension. Will the Minister look carefully at how Capita is fulfilling its contract so that recruitment personnel are not disadvantaged?

Mark Lancaster: My hon. Friend is a champion for her constituents. As she knows, I wrote to her on 26 March regarding this matter. I would be delighted to meet her again if she has any further questions she wishes to raise with me.

In general terms, we work closely with Capita. I have mentioned before at the Dispatch Box how we are looking at moving to a more regional recruiting mechanism and ensuring that we have young role models.

John Spellar (Warley) (Lab): I congratulate the right hon. Member for New Forest West (Sir Desmond Swayne) on asking this question on the day Capita has announced a loss of half a billion pounds. That comes as no surprise when we look at the mess it is making of the recruitment project, which is not a channel for recruitment but a logjam. There are huge delays, with many people losing interest in the meantime. Will the Minister admit that the contract has failed and that it is time to bring it back in-house?

Mark Lancaster: I do not accept that. I have looked at this incredibly carefully. I have met the chief executive of Capita on several occasions and we continue to work very closely with Capita, which is investing large amounts of money. There have been challenges—there is no doubt about that—with the introduction of the new defence recruiting system. The manual workarounds have not worked, but I have seen at first hand now how most of those issues have been addressed and I am confident that, in future months, we will move forward with this contract.

Ian C. Lucas (Wrexham) (Lab): Does the Minister think that decisions such as moving the Royal Electrical and Mechanical Engineers HQ from the proud military town of Wrexham to yet another base in the M4 corridor incentivises recruitment in places such as north Wales, or puts people off?

Mark Lancaster: It is important that, through the Army 2020 review, we begin to bring units together because that gives greater stability. What I would say to the hon. Gentleman's constituents is that it is not only the REME that they can join in the armed forces.

Mr Mark Francois (Rayleigh and Wickford) (Con): Capita's performance on Army recruiting has been distinctly sub-optimal, such that throughout the Army it is now almost universally known by the unfortunate nickname of "Crapita." Given the company's half-a-billion pound loss this morning, given that it has debts of £1.7 billion, and given that it is rumoured to be preparing a £700 million rights issue, what assurance can the

Minister give the House that we have a plan B in place in case it were unfortunately to go the way of Carillion/Amey?

Mark Lancaster: May I start by thanking my right hon. Friend, not least for his report, "Filling the Ranks"? It has made a major contribution to addressing some of the issues that we have faced over recruitment, some of which are way beyond the realms of any contract with Capita and are a result of the changing dynamics of the British population. But I accept his broader point that there have been challenges within this contract. If he is asking me if I am confident that we have a business continuity plan in case things go absolutely awry, which I do not think they will, then yes.

Mr Barry Sheerman (Huddersfield) (Lab/Co-op): Does the Minister agree that the armed forces used to have a reputation for having the best trainers in our country? They were admired everywhere. Is he also aware that the number of people coming to our armed forces with the highly specific engineering skills that we need—my father was a Royal Engineer—is dire at the moment? We need recruitment, and we need it now.

Mark Lancaster: The hon. Gentleman builds on the point made by my right hon. Friend the Member for New Forest West (Sir Desmond Swayne). We have a number of schemes in place, such as partnerships with technical colleges and ensuring that all new recruits are enrolled on apprenticeships. There are few careers where someone can start with minimal qualifications and leave with a level 6 apprenticeship—that is degree level—in engineering. I am very proud that the armed forces continue to offer that opportunity to our young people.

Type 26 Frigates

6. **Paul Blomfield (Sheffield Central) (Lab):** What the timetable is for the commissioning of the new Type 26 frigates. [904864]

The Parliamentary Under-Secretary of State for Defence (Guto Bebb): The Secretary of State for Defence visited the Clyde last Thursday to witness the completion of the first Type 26 units. This unit will form part of the first ship, HMS Glasgow, which is due to be accepted by the summer of 2025. The Royal Navy will then train and prepare her and she will enter service in 2027. HMS Cardiff, HMS Belfast and the remaining five ships will then follow.

Paul Blomfield: The Minister will know that Sheffield companies have been key to the Royal Navy's supply chain since we provided the tools to build wooden battleships such as HMS Victory. He will also know that there have been three HMS Sheffields, serving with distinction from the Arctic to the Mediterranean in the second world war, but the last was decommissioned in 2003. Does he agree that it would now be right to recognise the city's contribution to the Navy by naming one of the Type 26 frigates, "HMS Sheffield"?

Guto Bebb: I thank the hon. Gentleman for his question. Indeed, he has written on this issue to the Secretary of State. The process by which ships are named is understood by the hon. Gentleman, and I agree entirely that the city

of Sheffield has every right to be considered as a potential city to be named after in terms of the Type 26s, but the process will be followed as per the usual manner.

Johnny Mercer (Plymouth, Moor View) (Con): The Minister will be aware that, on Monday, after much talk between Plymouth and Portsmouth, I launched a campaign to have the Type 26s port based in Plymouth. Will he meet me and a leadership team from Plymouth to outline why this key city in the nation's crown deserves to have the ships port based there?

Guto Bebb: I would of course be more than delighted to meet my hon. Friend and a delegation from Plymouth. I was very pleased to visit Plymouth and was very impressed with what I saw—for example, the work on the refurbishment of the Type 23—so it would be a pleasure to meet that delegation from the great city of Plymouth.

Chris Stephens (Glasgow South West) (SNP): Given that the Type 26s are currently being built by the greatest shipbuilders in the world, at the Govan shipyard, will the Minister also confirm the timetable for the Type 31 frigate and whether that will be built in Govan, too?

Guto Bebb: The Type 31 process is well under way. We are pleased with the number of consortia that have shown an interest in the Type 31, and I hope that the Clyde shipbuilders will be putting in a very good price, which will ensure that the Type 31 will be delivered on time and on schedule.

Andrew Percy (Brigg and Goole) (Con): If we are to have an HMS Sheffield, we must certainly have an HMS Goole, because we are, after all, a port. More importantly, with Australia and Canada both likely to make decisions on the Type 26 this year—in the coming weeks or months—does my hon. Friend agree that getting those contracts will ensure we have sea-to-sea-to-sea interoperability? Does he also agree that having four of the “Five Eyes” powers on the same platform—New Zealand might also get it—would send a powerful message?

Guto Bebb: I agree entirely with my hon. Friend. The Type 26 presents us with an important opportunity for partnership working with Australia, Canada and perhaps New Zealand. The campaign in Australia has been strong, positive and upbeat, and I sincerely hope it will be successful.

Future Accommodation Model

7. **Judith Cummins** (Bradford South) (Lab): What recent steps his Department has taken to develop the future accommodation model. [904865]

23. **Matthew Pennycook** (Greenwich and Woolwich) (Lab): What recent steps his Department has taken to develop the future accommodation model. [904881]

The Parliamentary Under-Secretary of State for Defence (Mr Tobias Ellwood): As the House will be aware, we are developing new accommodation options for service personnel. The programme is called the future accommodation model and we hope to run a pilot towards the end of the year.

Judith Cummins: There are serious problems in the private rented sector surrounding affordability, quality and security of tenure. Does the Minister share my concern that splitting our forces communities by pushing service families into the private rented sector risks reducing their quality of accommodation and life, as well as impacting on retention and recruitment rates?

Mr Ellwood: I must correct the hon. Lady: nobody will be forced to do anything, but the option will be available to them. We are providing more choice for our armed forces personnel, who can choose to stay on the base, rent or indeed get on the housing ladder and purchase a property. Of course, house prices vary up and down the country, so we need to make sure that there is a process to ensure a subsidised capability so that nobody is left out of pocket. However, there is a choice; nobody will be forced into any of this accommodation.

Matthew Pennycook (Greenwich and Woolwich) (Lab): Service families in Woolwich are understandably anxious about what the future accommodation model might mean for them, but the immediate concern for many is the poor service they regularly receive from CarillionAmey. What are Ministers doing here and now to improve the quality of the subcontracted maintenance and repairs service?

Mr Ellwood: The hon. Gentleman's question gives me licence to clarify the longevity of what is happening at Woolwich. He will be aware that there is a proposal to close the base itself by 2028 and that the Royal Anglians will move, as will the Royal Horse Artillery. There is time between now and then, however, and we need to make sure we look after our armed forces personnel. He will also be aware that we have had problems with the CarillionAmey deal—the previous Defence Secretary called the company in to say that things were not up to par—but we are working to ensure that the contracts are met.

Dr Andrew Murrison (South West Wiltshire) (Con): Does my right hon. Friend agree that most young people in the armed forces want not to rent but to buy, and can he say what more can be done to support the Forces Help to Buy scheme, which appears to be quite successful?

Mr Ellwood: My hon. Friend is absolutely right. The Help to Buy scheme is a critical part of the programme we are rolling out. The pilot scheme will begin at the end of the year. The feedback from the armed forces federations is that it will give armed forces personnel and their families the choice they are calling for.

Leaving the EU: Defence and Military Aerospace Industry

8. **Mr Adrian Bailey** (West Bromwich West) (Lab/Co-op): What assessment he has made of the effect on the defence and military aerospace industry of the UK leaving the EU. [904866]

The Parliamentary Under-Secretary of State for Defence (Guto Bebb): The Ministry of Defence is working closely with the defence industry to understand the implications

and opportunities presented by the UK's departure from the European Union. Through our future partnership with the European Union, we want to explore how our industries can continue working together to deliver the capabilities that we need. It is, however, worth noting that current major European collaborative capability projects, such as Typhoon, are managed bilaterally or with groups of partners rather than through the EU.

Mr Bailey: Last month, we heard that the UK could no longer participate in the Galileo satellite programme post Brexit. That is a huge blow for our industry as a whole and our defence capabilities in particular. Will the Minister tell us exactly what he is doing about it?

Guto Bebb: I agree that the issue of Galileo is concerning. We have made representations at the highest level to both the European Union and the French Government. We believe that this is an important issue and that the UK's contribution to the Galileo programme is significant. I think the hon. Gentleman will agree, however, that the European Commission's comment that the UK would be a security risk is simply unacceptable.

Richard Benyon (Newbury) (Con): Does my hon. Friend agree that it is crucial that any synergies in terms of industrial strategy across military expenditure should be concentrated on NATO, where there is a plethora of different weapons systems and pieces of equipment? It is much more important to concentrate on the fact that Britain is remaining a key player in the NATO alliance.

Guto Bebb: I entirely agree with my right hon. Friend that NATO is the mainstay of our defence capabilities, and I also agree that the relationship with NATO partners is significant and important for the future. From an industrial capability perspective, however, I think that the Prime Minister made a clear commitment to our willingness to work with our European partners in the future, and I hope that they will demonstrate the same good will in return.

Graham P. Jones (Hyndburn) (Lab): Protecting our sovereign military aerospace capability is very important. However, the Typhoon orders will last only until 2026; we have no new orders for the Hawk until the Qatar deal comes through; and Taranis is being kept in a big hangar and we do not really know what is happening with it. What is the position of our UK aerospace defence industries? The lead time is at least 10 years. What discussions has the Minister had about the sixth-generation strike fighter, for example?

Guto Bebb: The hon. Gentleman will be reassured to know that my right hon. Friend the Secretary of State will meet the Qatari Defence Minister later this afternoon to discuss the Typhoon and Hawk orders. However, the hon. Gentleman is right to highlight the long time that it takes to develop new capabilities. We launched the combat air strategy so that we would have an idea of how we should proceed. The United Kingdom has a huge capability in this sphere and we need to build on it.

Stephen Kerr (Stirling) (Con): The United Kingdom's defence expenditure accounts for about 20% of total EU defence expenditure. What is being done to encourage our allies to up their defence spending?

Guto Bebb: I entirely agree with the sentiments expressed by my hon. Friend. I think it is fair to say that when Ministers—including me—meet our opposite numbers from the European Union, they stress the need for other EU countries that are in NATO to fulfil the 2% obligation. It is interesting to note that some of the Baltic states, for example, are very clear about their commitment, but we need some of the larger players in Europe to fulfil their obligations as well.

Departmental Funding

9. **Bambos Charalambous (Enfield, Southgate) (Lab):** What recent discussions he has had with the Chancellor of the Exchequer on the adequacy of funding for his Department. [904867]

15. **Mr Marcus Fysh (Yeovil) (Con):** What recent discussions he has had with the Chancellor of the Exchequer on future funding for his Department. [904873]

17. **Leo Docherty (Aldershot) (Con):** What recent discussions he has had with the Chancellor of the Exchequer on future funding for his Department. [904875]

19. **Eleanor Smith (Wolverhampton South West) (Lab):** What recent discussions he has had with the Chancellor of the Exchequer on the adequacy of funding for his Department. [904877]

The Secretary of State for Defence (Gavin Williamson): I have regular discussions with the Chancellor and, as the Prime Minister announced last month, the Ministry of Defence will benefit from an extra £800 million in the current financial year, including £600 million for the Dreadnought submarine programme. The Government are committed to spending at least 2% of GDP on defence, and the defence budget will rise by at least 0.5% above inflation in every year of this Parliament. The modernising defence programme will ensure that our armed forces have the right processes and capabilities to address evolving threats.

Bambos Charalambous: In a recent report, the Defence Committee said:

“We seriously doubt the MOD's ability to generate the efficiencies required to deliver the equipment plan.”

How can we have confidence in the Government's ability to deliver, even with an enhanced budget, when the modernising defence programme is seemingly focused on efficiencies and the budget is already over-reliant on projected savings?

Gavin Williamson: Part of the reason behind the modernising defence programme is to look at how we can drive inefficiencies out of the system, ensure that we deliver on the commitments we need to make, and see how to respond to the changing threat environment. That is why we took the decision to take defence out of the national security capability review, as we recognised that we need flexibility in the system to deal with the changing threat picture.

Mr Fysh: One way to ensure that we have enough money to spend on defence is to take full account of British industry's opportunities and contribution when making procurement decisions. End-to-end helicopter

manufacturing in the south-west is a strategic asset supporting more than 10,000 jobs and £700 million-worth of exports. Will the Secretary of State discuss with me developing a specific defence industrial strategy for helicopters?

Gavin Williamson: My hon. Friend is a strong advocate on this issue and a defender of jobs in his constituency. We are committed to spending more than £3 billion with Leonardo over the next 10 years, but I would be very happy to meet him to discuss how we can develop our strategy. It is about not just manned rotary but unmanned rotary. What are the options and opportunities that we can exploit to ensure that our world-leading industry continues to hold that top spot?

Leo Docherty: I am very grateful for the progress that the Secretary of State is making in securing additional funding for defence. As these discussions continue, will he reassure the House that the needs of our enhanced forward presence in Estonia will be taken into consideration and that they will receive the fire power and protection they need?

Gavin Williamson: I can assure my hon. Friend of that. I recently visited our enhanced forward presence in Estonia and it is pleasing to be able to announce that we will be adding to that presence, with more Wildcats stationed there to support operations. An additional 70 personnel will join them.

Eleanor Smith: The National Audit Office found that the MOD had not included £9.6 billion of forecast cost in the 2017 equipment plan, including the cost of buying the Type 31e frigates. Does the Secretary of State think that that kind of mismanagement is likely to help his discussions with the Chancellor about additional funding?

Gavin Williamson: Our armed forces are looking closely at everything we have committed towards investing in. With a changing threat environment, we are looking at how we can do things more efficiently, at how we can make our money go further and at what we will need to deal with those increasing threats. I am confident that we can put a strong argument to the whole of Government on the importance of defence to our nation's security.

Social Mobility

10. **Stephen McPartland** (Stevenage) (Con): What plans he has to use membership of the armed forces to promote social mobility. [904868]

The Parliamentary Under-Secretary of State for Defence (Mr Tobias Ellwood): The armed forces aim to attract talent from the widest possible base from across the UK. The skills, education, training and experience, as well as enhanced reverence for our country, enable recruits to progress as far as their aptitude will take them, regardless of their socio-economic background, educational status or ethnicity.

Stephen McPartland: We know that in many of our cities at the moment young people feel trapped and that their only life choice is which gang to join. Will my right hon. Friend explain what the armed forces will do to help reach into those communities and help those young people transform their life chances?

Mr Ellwood: My hon. Friend raises an important issue. I recall that as a platoon commander I got to know my soldiers very well and they came from a variety of backgrounds, some very tough. They were forever grateful for the sense of purpose and the second chance—the new direction—that the armed forces provide. Whether someone is born with a silver spoon in their mouth or has a penchant for pinching them, they will be treated with the same discourteous irreverence by the sergeant major when they arrive on the parade square and will be knocked into something of which both the armed forces and the nation can be proud.

Jamie Stone (Caithness, Sutherland and Easter Ross) (LD): When a young person leaves school, perhaps in a deprived area, and joins the armed forces and makes a success of that career, what encouragement is given to them to go back to that school and say, “I was at this school—I know where you smoke the fags behind the bike sheds—and you too can make a success of a career like mine”?

Mr Ellwood: I am pleased the hon. Gentleman has raised that issue. We are looking at ways of encouraging and rewarding those who go back to their peer groups to say, “I have benefited from the armed forces.” Let us not forget that those who sign up to wear the uniform are not only of benefit and service to the armed forces themselves; they take away with them the transitional skills of leadership, determination, grit, tenacity and teamwork that can be transferred into society as a whole. Everybody benefits from a life in the armed forces.

Simon Hoare (North Dorset) (Con) *rose*—

Mr Speaker: I must call the hon. Gentleman, because I think he comes from the wing of the Conservative party that went to state school, pays mortgages and buys its own furniture.

Simon Hoare: Thank you, Mr Speaker; we are definitely in the EPNS family.

I welcome everything that my right hon. Friend has said from the Dispatch Box. Following up on what the hon. Member for Caithness, Sutherland and Easter Ross (Jamie Stone) said, rather than just using those who have been in the military, what opportunities are there to use active champions who are currently serving in our armed forces to take that message of social mobility into schools and colleges in areas that really need to hear it and would benefit from hearing it?

Mr Speaker: Well done, young Hoare!

Mr Ellwood: My hon. Friend raises an important issue. We are looking to improve recruitment and retention, and one aspect of that is the cadetship programme, which is growing every year. The programme invites those who already have a connection in the armed forces to go back to tell the communities where they started how they have benefited from their service in uniform.

Departmental Staff: Wages and Conditions

11. **Catherine West** (Hornsey and Wood Green) (Lab): What steps he is taking to improve wages and conditions for staff in his Department who are on low pay. [904869]

The Parliamentary Under-Secretary of State for Defence (Mr Tobias Ellwood): The Ministry of Defence strives to attract the brightest and best from across the country, and whether they are in uniform as part of the civil service or serving in our armed forces, they deserve to have fulfilling jobs that are fairly rewarded.

Catherine West: In response to a recent parliamentary question, the Secretary of State for Work and Pensions informed me that cleaners in her Whitehall Department were being paid the London living wage. However, when I asked the same question of the Secretary of State for Defence, I was referred to an earlier answer in which his Ministers admitted that they did not know how much MOD cleaners were being paid. Will the Minister take this opportunity to clarify why he does not know the salary levels of the low-paid staff in his Department, and will he pledge not only to find out but to ensure that all the cleaners in his Whitehall Department are paid the London living wage?

Mr Ellwood: The hon. Lady asks a detailed but important question. There are 3,000 staff who are paid the national minimum wage, and I will certainly look into the details regarding the cleaners, because there seems to be a discrepancy in the answers she has been given. I will resolve to sort that out for her.

Alex Chalk (Cheltenham) (Con): Cyber-security experts at GCHQ in my constituency are at the frontline of our nation's defences as never before, and although they did not join up for the money, their skills are much in demand in the private sector. Does my right hon. Friend agree that paying our cyber-experts fairly has never been more important to national security?

Mr Ellwood: My hon. Friend raises an important point, which we are looking at in case we require transferable skills from other units. There are two approaches: we can either grow the skill set from the start, or we can outsource and look to working with other companies. When it comes to cyber-security, it is important that we have the talent to allow us to ensure that our cyber offensive and our cyber defensive are very strong. To that end, we need to ensure that we pay people the correct salaries.

Several hon. Members rose—

Mr Speaker: Order. Colleagues need not worry. Their questions will be reached, but the Chair has to react to the development of events, to which I and some colleagues are privy and others are not. If you are not already confused, you will now be.

Baltic States: NATO

16. **David Hanson (Delyn) (Lab):** What steps he is taking to provide military support to NATO allies in the Baltic states. [904874]

The Minister for the Armed Forces (Mark Lancaster): Don't worry, Mr Speaker; I will endeavour to speak very slowly, for a change, and maybe at length.

We have a strong and enduring defence relationship with our allies in the Baltic states. Since April last year, UK forces have been deployed in Estonia as part of

NATO's enhanced forward presence. The UK acts as the framework station in Estonia, leading a defensive but combat-capable multinational battlegroup to deter aggression. The UK also contributes to the US-led enhanced forward presence battlegroup in Poland.

David Hanson: This might be an opportunity to give a lecture on Estonian, Lithuanian and Polish relations with the UK—while keeping you happy in your Chair, Mr Speaker. In the meantime, I very much welcome what the Secretary of State has said about the increased support to the Baltic states. Will the Minister also look at the possibility of giving training and support to members of the Baltic states' armed forces in the UK? He will be aware that a recent parliamentary question revealed the fact that no one from Lithuania, Latvia or Poland had attended the MOD's highest profile UK-based courses. Is that not something that we should try to rectify?

Mark Lancaster: I would be delighted to look at that. Indeed, I am sure that the House will be delighted to know that the one request I received from just about every nation when I was travelling in east Africa last week was for further places on UK training courses—our Royal College of Defence Studies, our advanced command and staff course, our higher command and staff course, or even at Sandhurst. Places on such courses are incredibly valued by overseas nations. Unfortunately, demand exceeds supply, but I will look carefully at what more we can do to support our Baltic colleagues.

Armed Forces: Capacity

18. **Liz Twist (Blaydon) (Lab):** What recent assessment he has made of trends in the size of the UK armed forces. [904876]

24. **Gill Furniss (Sheffield, Brightside and Hillsborough) (Lab):** What recent assessment he has made of trends in the size of the UK armed forces. [904882]

The Minister for the Armed Forces (Mark Lancaster): We are committed to maintaining the overall size of the armed forces. The services are meeting all their current commitments, keeping the country and its interests safe.

Liz Twist: According to a recent National Audit Office report, at the current rate of recruitment the RAF estimates that it will be another 20 years before it has enough pilots. What urgent steps is the Minister taking to rectify that?

Mark Lancaster: I do not recognise those figures. We have just done a review of the pilot training scheme and will shorten and simplify the process, which has not changed much in the past 30 years. Owing to successes in selling our aircraft overseas, some of our pilot training system is occupied by overseas pilots, so we need to look carefully at how to find a balance to ensure that, with the limited capacity available, we can continue to train all the pilots we need.

Gill Furniss: A recent NAO report found a 26% shortfall in the staffing of intelligence analysis in the armed forces, but those specialists are crucial to our national security and to our fight against cyber-crime. Given the

threats of information warfare from a variety of disparate groups—from terrorist organisations to states such as Russia—does the Minister agree that we cannot keep our country safe on the cheap?

Mark Lancaster: We are certainly not keeping our country safe on the cheap, which is why we have committed to spending more than 2% of GDP, and our defence budget will continue to rise from £36 billion this year. However, I agree with the hon. Lady that we need to find innovative solutions when it comes to recruiting cyber-specialists, which is precisely why we are now doing that in the reserves. We have changed the rules about who can join and their backgrounds, which has proven to be a tremendous success.

Wildlife Poaching

20. **John Mann** (Bassetlaw) (Lab): What assessment his Department has made of the effectiveness of the training that it provides to African rangers in tackling wildlife poaching. [904878]

The Minister for the Armed Forces (Mark Lancaster): Last year, the Department deployed the British Army to Malawi for four months to run counter-poaching training in support of the Foreign Secretary's aim to combat the illegal wildlife trade. It is a role that plays to the strengths of our young commanders and soldiers, who are experts in fieldcraft, tactics and intelligence fusion. It is a testament to the quality of their training of the rangers that arrests in Liwonde, Malawi, have increased by 50%.

John Mann: With our ivory trade ban and our summit this autumn, what an opportunity we have not only to assist the work in Africa, but to give some of our armed forces real experience in training and, potentially, the use of drones. Could we not expand this training opportunity alongside this autumn's summit?

Mark Lancaster: After the success of the pilot project, which has been funded for three years, I am delighted to report that we will indeed be doing exactly that and will be expanding the programme to two more wildlife parks in Malawi. That sits exactly within the priorities of Her Majesty's Government's Africa strategy, which runs across three Departments.

Jeremy Lefroy (Stafford) (Con): Has the Minister also had discussions with the Government of the United Republic of Tanzania, where huge numbers of elephants have been lost over the past 20 years, particularly in the Selous game reserve? If he has not had such discussions, perhaps they could be offered to the United Republic of Tanzania.

Mark Lancaster: Indeed, poaching is responsible for the deaths of approximately 20,000 elephants every year, which is why I am delighted that the pilot project seems to have made such a positive impact over the past year. As I have already mentioned, we will be looking to expand the project as part of the Government's Africa strategy.

Departmental Expenditure: Aid

25. **Patrick Grady** (Glasgow North) (SNP): How much and what proportion of his Department's expenditure he estimates will count towards the Government's 0.7% of GDP aid spending target in 2018-19. [904883]

The Secretary of State for Defence (Gavin Williamson): I must confess that I did not expect to get to this question.

Mr Speaker: You are not the only one!

Gavin Williamson: Official development assistance, or aid, exists to support the welfare or economic development of recipient countries. As such, military activity can be reported as aid only in certain very limited circumstances, as defined by the OECD. Nevertheless, the Ministry of Defence budget assumes £5 million a year—0.01% of the budget—for activity that may be counted as aid.

Patrick Grady: Thank you for getting through the Order Paper, Mr Speaker.

Can the Secretary of State confirm that none of the money spent financing the recent military action in Syria will be in any way counted towards the aid budget?

Gavin Williamson: I can confirm that is the case. Sometimes with a certain element of sadness, much of what the Ministry of Defence and our armed forces do cannot be counted towards aid expenditure. Our peacekeeping in South Sudan and our hurricane relief operation in the Caribbean alone come to £100 million-worth of expenditure. None of that can be counted as humanitarian aid and support, which I think all of us in this House would agree it most certainly is.

Topical Questions

T1. [904884] **Robert Courts** (Witney) (Con): If he will make a statement on his departmental responsibilities.

The Secretary of State for Defence (Gavin Williamson): I would like to thank all our armed forces who played a leading role in the recent targeted strike to degrade and deter the Syrian regime's ability to use chemical weapons. Their skill and professionalism, alongside our US and French allies, is second to none.

Robert Courts: For reasons of development time and capability, the combat air strategy cannot come soon enough. Will Ministers please confirm that the modernising defence review will include consideration of potential national partners so that the export consequences, as well as the workshare ramifications of potential partnering with the United States, Europe or an eastern partner, can be assessed, and assessed in good time?

Gavin Williamson: I am afraid that I probably will not be able to give my hon. Friend quite the answer he wants, as we probably will not be looking at that as part of the modernising defence programme but, as part of our combat air strategy, we are looking at how we can develop those alliances. We may have to start looking further afield and not just to our traditional European

allies. There is a world market out there—how can we develop new relationships with different countries and develop our future sixth-generation combat aircraft with them?

Nia Griffith (Llanelli) (Lab): Can the Secretary of State confirm that the welfare of armed forces personnel and their families is still a core responsibility of his Department?

Gavin Williamson: Yes, I can.

Nia Griffith: I thank the Secretary of State for that answer. Taking that as a yes, how is it that more than half a million pounds of LIBOR funds has been spent by the MOD in support of armed forces welfare, when the Under-Secretary of State for Defence, the right hon. Member for Bournemouth East (Mr Ellwood)—the Minister for defence people—has said categorically that

“LIBOR funding should not be used to fund Departmental core responsibilities”?

Is it not time for the Secretary of State to admit that it was a serious misjudgment to use LIBOR funds in such a scandalous way? When will his Department be paying back that money?

Gavin Williamson: I am sure the hon. Lady is very well aware that the Ministry of Defence does not actually administer LIBOR funding—that is the Treasury. So much of the LIBOR funding has made such a difference, not just to those who have ceased to serve in our armed forces but to those who continue to serve. We are very grateful for the positive impact of that funding on so many of our services.¹

T3. [904887] **Mrs Pauline Latham** (Mid Derbyshire) (Con): Will the Minister inform the House of how the new veterans gateway is rolling out the provision of support to those calling the helpline, now that it has been running for a year?

The Parliamentary Under-Secretary of State for Defence (Mr Tobias Ellwood): I pay tribute to the large number of charities that support our military sector and our armed forces community. There are more than 400 charities and it can be unclear where individual personnel should turn. The gateway has been fundamental in providing help to individuals who are unsure of where to turn for support. I am delighted that I will be visiting the gateway in the next couple of months.

T2. [904885] **John Grogan** (Keighley) (Lab): Given the historical and continuing defence ties between the United Kingdom and Korea, will Ministers do all they can to encourage the remarkable peace process that is gathering pace and the aim of ridding the entire peninsula of nuclear weapons?

Gavin Williamson: We continue to work closely with our allies, not just South Korea, but Japan and the United States, in trying to bring about a peaceful solution to the challenges on the Korean peninsula. We are also proud that we have HMS Sutherland conducting operations in the theatre and supporting all our aims to get a peaceful resolution to the challenges we face in Korea.

T8. [904893] **Colin Clark** (Gordon) (Con): In addition to the 20,000 MOD personnel in Scotland and the £1.6 billion spent by the Department with Scottish

industries, supporting 10,500 private sector jobs, we have had the Secretary of State cutting turf at RAF Lossiemouth. Will he confirm that the new Poseidon submarine hunters will play a vital strategic role for the UK and NATO alliance?

Gavin Williamson: It goes to show our commitment to and investment in Scotland, which I know my hon. Friend and his colleagues on our Benches have been championing continuously. We have not only the investment in the Poseidon aircraft, but the welcome news that another Typhoon squadron will also be based at Lossiemouth going forward.

T4. [904888] **Stephen Lloyd** (Eastbourne) (LD): All of us in this Chamber, across all parties, respect those who are willing to put their life on the line for our nation. I had a meeting a week or so ago with a homeless former veteran who had come down from the north of England to Eastbourne. Clearly, this man had served our country for many, many years and, sadly, he also had mental health issues. My office and I are trying to support him as best we can. I want to ask the Secretary of State, first, whether there is something within the MOD and the armed services that allows people in this situation to go directly for support. Secondly, is this tracked in any way, so that the MOD would know these individuals and their issues?

Mr Speaker: I must say to the hon. Gentleman, with all courtesy and friendliness, that I was about to offer him an Adjournment debate on the matter—until I realised he had just conducted it.

Mr Ellwood: The support for veterans does not just come from the MOD; it comes from a wide variety of Departments across Whitehall. That is one reason why we have set up the veterans board, which is chaired by the Defence Secretary and brings together the other representatives—the Secretaries of State from those Departments. Clearly, we need local councils to do more to recognise the homelessness issue and the housing issue, to make sure that those who have served are not disadvantaged because of their service.

Anna Soubry (Broxtowe) (Con): On 1 July 1918, 134 workers, mainly canary girls, were killed in a terrible explosion at the national shell-filling factory in Chilwell, in my constituency. Will the Minister please ensure that the Defence Infrastructure Organisation makes good the memorial at the Chetwynd barracks in good time for the centenary commemorations, which the community very much wants to support?

Mr Ellwood: It is appropriate for the whole House to pay tribute to all those who supported the war effort, including the canary girls. They were known as that because putting together the munitions turned their hands, and indeed their complexions, rather yellow. It is important that we pay that tribute, and I will certainly endeavour to look into where the memorial is and get back to my right hon. Friend.

T6. [904890] **Julie Elliott** (Sunderland Central) (Lab): Although ships are no longer built in the north-east, many companies in the engineering supply chain are

based there. What steps will the Government take to ensure that work comes to the north-east in future defence contracts?

The Parliamentary Under-Secretary of State for Defence (Guto Bebb): I thank the hon. Lady for her question. One example we can offer is the current Boxer programme, which is at the assessment phase. Currently, we expect more than 60% of that to be onshore and going to the UK, but there are opportunities to increase that further. I have already had discussions with several companies based in the north-east on that very project.

Andrea Jenkyns (Morley and Outwood) (Con): Following on from what has been said earlier about the cadet force, does the Minister agree that the cadets are a great introduction to military life, because as well as giving children positive role models, they help to promote social mobility? Will he update the House on what steps the Department is taking to encourage the participation of state schools in the cadet movement?

Gavin Williamson: What our cadets do is extraordinary, right across the country, and we have had a roll-out of 500 new cadet units this year. This is about the ability to promote social mobility and giving youngsters an opportunity to really succeed in life—that is what our armed forces do. The cadet units are a brilliant way of giving young people the opportunity to get a taste of military life and they provide those role models. The question we need to be asking is: can we be doing more to inspire young people in our schools? I think the answer to that is a most certain yes.¹

T7. [904892] **Liz McInnes (Heywood and Middleton) (Lab):** In their future partnership paper, the Government said:

“The UK will remain a committed partner and ally to its friends across the continent”.

Does the Secretary of State think that the decision to withdraw the offer of leadership of the EU battlegroup reinforces or undermines that statement?

Gavin Williamson: Let us be absolutely clear: Britain has been guaranteeing the security of continental Europe since long before the creation of the European Union. Let us also be clear that the foundation of Europe's security is NATO, not the European Union. Our commitment to the security of continental Europe is unwavering, and we will play a leadership role in European battlegroups in the future, but another country will have the opportunity to do that this coming year.

Kirstene Hair (Angus) (Con): I was delighted to welcome the Secretary of State to RM Condor in my constituency last week to see the fantastic work of the Royal Marines. I was equally delighted at his recent announcement about trying to mitigate the tax from the SNP Government in Scotland that is unfairly put on our brave service personnel. Can my right hon. Friend give me an update on progress in that area?

Gavin Williamson: I thank my colleagues who have campaigned so hard to highlight the fact that 70% of service personnel based in Scotland will be worse off as a result of the Scottish Government's “Nat tax”, which they are placing on our brave service personnel. We hope to be able to report back on the conclusions to that in the next six weeks. We do not want anyone who serves in our armed forces to be worse off as a result of the taxes being placed on them by the SNP.

Christian Matheson (City of Chester) (Lab): Has the Secretary of State had a chance to review the misguided policy of his predecessor to close the Dale barracks in Chester, which has only recently been refurbished and enjoys high satisfaction rates among the soldiers stationed there and their families?

Mr Ellwood: The hon. Gentleman will be aware that there is a tough rationalisation programme going on. The MOD owns 2% of the UK, which is more land than we need, and there is a requirement for us to build housing on it as well. We are having to take some very tough decisions in certain areas that hon. Members will be concerned about. I am more than happy to meet the hon. Gentleman to discuss his case one-to-one.

Wayne David (Caerphilly) (Lab): On a point of order, Mr Speaker.

Mr Speaker: If it turns out to be a genuine point of order, I would have to imagine, albeit wrongly in this case, that it was a leap year, but we will have a go, if it flows directly, as I am advised, from Defence questions and is in no sense a cheeky continuation of existing argument, but is a genuine search for a ruling from the Chair on a procedural matter.

Wayne David: I can say that I have never been cheeky in my life, Sir. At the last Defence questions, the Minister of State was unable to answer my question about why the Type 31 frigates were not included in the MOD's equipment plan. The Minister promised that I would receive a written answer. Six weeks later, I have still not received an answer. Mr Speaker, can you advise me what on earth I have to do to get a reply from the Government?

Mr Speaker: That is plainly unsatisfactory. No Member should have to wait six weeks for a reply. As colleagues of any experience in the House will know, the Leader of the House takes particular responsibility for chasing Ministers to ensure that replies are timely and preferably substantive. If the hon. Gentleman received an assurance on the Floor of the House that he would receive such a reply and all these weeks later he has not, that is completely unsatisfactory. I sense that he knows that he has probably found his own salvation by raising the matter on the Floor of the Chamber this afternoon in a way that will not go entirely unnoticed.

Voter ID Pilots

3.44 pm

Cat Smith (Lancaster and Fleetwood) (Lab) (*Urgent Question*): To ask the Minister for the Cabinet Office if she will make a statement on the Government's policy on voter ID pilots taking place at the local government elections on 3 May.

The Parliamentary Secretary, Cabinet Office (Chloe Smith): The British public deserve to have confidence in our democracy. There is clearly the potential for electoral fraud in our system and that undermines confidence and promotes perceptions of vulnerability. When fraud is committed in elections, it is not a victimless crime; people's votes are stolen or someone is elected who should not have been elected.

Earlier this year, the Government announced that they would be conducting pilots for voter identification at the local elections in May this year in line with our manifesto commitment to legislate to ensure that a form of ID must be presented before voting. Voter ID is part of the Government's commitment to improve the security and the resilience of the electoral system that underpins our democracy and will promote greater confidence in our democratic processes.

In making these changes, we will bring our electoral system in line with others such as that in Northern Ireland or Canada, which operate successful programmes, and recognise that there is an increasing expectation that someone's vote should be protected and carefully guarded. We already ask that people prove who they are in order to claim benefits, to rent a car or even to collect a parcel from the Post Office, so this is a proportionate and reasonable approach. Democracy is precious and it is right to take that more robust approach to protect the integrity of the electoral process.

The independent Electoral Commission has, since 2014, pushed for the introduction of ID to strengthen the system, and it has welcomed the voter ID pilots as a positive first step towards implementing its own recommendation that an accessible, proportionate voter identification scheme should be introduced in Great Britain. In a recent report for Democratic Audit UK, academic Stuart Wilks-Heeg stated that, after the scheme was introduced in Northern Ireland, there was no evidence to suggest a fall in turnout, but that there was plenty of evidence that fraud declined sharply.

Indeed, it was the previous Labour Government who introduced photo ID at polling stations across Northern Ireland in 2003, and, as I have said, it has not affected turnout there, and it has helped to prevent election fraud. The Labour Minister at the time said:

"The measures will tackle electoral abuse effectively without disadvantaging honest voters",

ensuring that

"no one is disfranchised".—[*Official Report*, 10 July 2001; Vol. 371, c. 740.]

The opportunity to pilot voter ID in May 2018 was offered to all local authorities in Great Britain, and five—Woking, Gosport, Bromley, Watford and Swindon—have committed to do so. Proxy voters in Peterborough will also be required to show ID before they can vote on 3 May 2018. I personally have taken the opportunity to speak to each local authority about the design of their

pilots and the methods that they have applied to ensure that their electors are aware of voter identification and that each elector's needs are understood. Local authorities will notify every eligible voter by including information of the ID requirement on their poll card.

No one will need to buy ID documents to be able to vote, and the ID requirements will not be limited to a passport or driving licence. In these pilots, voters can use a wide variety of ID, from marriage certificates and passports to bus passes and bank cards, depending on where they live. If voters do not have the required ID, local authorities are providing alternative or replacement methods to ensure that no one is disenfranchised. Everybody eligible to vote will have the chance to do so.

These pilots will help to identify the best way of implementing voter ID, and we look forward to each authority's findings. I have responded to the recent letter from the chair of the Equality and Human Rights Commission, and I will make a copy of it available in the Library of both Houses. All local authorities involved have completed equality impact assessments, and the Electoral Commission will be independently evaluating the pilots, with results published this summer.

We want to ensure that our elections are as accessible as possible, and that there are no barriers to democratic participation. We have recognised that, for example, people with a disability face different issues when registering and voting. We have run a call for evidence to hear directly about their experiences to enhance the Government's understanding, so that we can help those people to register and cast their vote. We have also recently made it easier for survivors of domestic abuse to register to vote anonymously for fear of revealing their address to an ex-partner, as there were fears that that was preventing survivors from registering to vote.

The aim of the pilots is to protect voting rights, and it comes in the context of protecting and improving our democracy. Pilots are important in order to find out what works best. Electoral fraud is unacceptable on any level, and its impact on voters can be significant. It takes away an elector's right to vote as they want—whether through intimidation, bribery or impersonating someone in order to cast their vote. The Cabinet Office, in partnership with the Electoral Commission and Crimestoppers, launched the "Your vote is yours alone" campaign only last month to encourage people to report electoral fraud if they see it.

I am passionate about protecting our electoral system. The impact of electoral fraud is real and it is criminal. It steals something precious from a person and undermines the entire system for everyone. I do not want to see our democracy dumbed down; it is rather a shame that the Labour party appears to.

Mr Speaker: I am most grateful to the Minister, who allocated herself twice the amount of time available. I generously indulged her in that, but some latitude must now also apply to the shadow Minister.

Cat Smith: Thank you for those comments, Mr Speaker, and for granting this urgent question.

The Minister talked widely about the system in Northern Ireland, but the Electoral Commission recommended that, as in Northern Ireland, these trials include measures such as free voter ID cards, which have not been rolled

[Cat Smith]

out by this Government. That means that the trials taking place in the English local government elections are very different from what is already occurring in Northern Ireland; it is a false comparison.

It was revealed yesterday that the Equality and Human Rights Commission wrote to the Cabinet Office raising serious concerns about the Government pilots. The commission warned that ID requirements will have a disproportionate impact on ethnic minority communities, older people, trans people—who may not have ID in the right gender or name—and people with disabilities, and that some voters will be disenfranchised as a result. Will the Minister confirm that the measures being piloted in May do not violate article 1 of the European convention on human rights? What assessment has she made to support this position?

The Windrush scandal has demonstrated that it is difficult for some communities to provide official papers. This could prevent legitimate voters from taking part in our democratic process, which we all value. It is the same hostile environment all over again, shutting our fellow citizens out of public life. Have the Government conducted an assessment of whether any of the Windrush generation will be denied their right to vote on 3 May?

According to the Equality and Human Rights Commission, the Government failed to carry out adequate equality impact assessments. This echoes the same concerns raised by a coalition of more than 40 leading charities and academics earlier this year that called on the Cabinet Office to abandon the pilots. How can the Government justify their position given this widespread condemnation?

Let us be in no doubt that electoral fraud is a serious crime, and it is vital that the police have the resources they need to bring about prosecutions. However, the Equality and Human Rights Commission raised a valid concern that there was only one conviction for electoral fraud involving impersonation, following the 45 million votes cast last year. That is one vote out of the 45 million votes cast. What steps will the Government take to ensure that the pilot schemes are proportionate to the level of electoral fraud, and that they are not using a sledgehammer to crack a nut?

We cannot allow this Government to pilot discriminatory measures that could disenfranchise legitimate voters who already face a multitude of barriers to democratic engagement. I urge the Minister to abandon the Government's plans for trialling voter ID on 3 May.

Chloe Smith: As I set out very fully—I am very grateful to you, Mr Speaker, for allowing me to make my remarks in full—I have answered the EHRC very carefully and laid that answer in the Libraries of both Houses so that people can read the full background to these pilots and the parliamentary process that they have gone through. I can confirm that it is my belief that this policy does not violate the first article of the ECHR and that these are not discriminatory measures.

The hon. Lady asked me about the Windrush affair. The relevance of that to this matter is that those from a Windrush background are already eligible to be on the electoral roll in the sense that British citizens and qualifying Commonwealth voters can vote in all elections. I am

conscious that a statement on Windrush is to follow, so it would not be helpful if I detained the House by discussing that issue in the detail that it deserves.

The hon. Lady suggested that these pilots are not proportionate. I am concerned if Labour Members think that any level of crime is not worth going after. Is that what we are hearing from them? There is considerable concern about a lack of confidence in our democratic system that is increased when we see a perception of electoral fraud. This policy is designed to increase confidence in our system and to make it harder for someone to commit such a crime against another person. Electoral fraud is not some kind of victimless crime; it hurts a person—a victim—who has had their voice taken away.

I wonder whether Labour Members have instead come here with a different purpose in mind. Do they perhaps think that they are going to lose votes through this policy? I have here a letter written to a local newspaper—it happens to be the *Norwich Evening News*, a very fine organ—from a Labour party councillor who is concerned that this policy is going to affect “those most likely to vote Labour.”

Is not that the real story that we see in Labour Members' concern? Are these not crocodile tears because they are concerned that they are going to lose votes that they perceive they own? I think that is a disgrace.

John Redwood (Wokingham) (Con): Is there anything in these pilots, if successful, that would help with the problem of people voting more than once, which some people thought occurred in the last general election? I fully support the initiative to have more honest voting.

Chloe Smith: This policy does not directly address the particular concern that my right hon. Friend raises, but I understand why he does so. I share his concern about allegations of any type of electoral fraud, and it would be a matter of electoral unlawfulness if a person were to vote twice in the same election.

Alison Thewliss (Glasgow Central) (SNP): Happy St George's Day to you, Mr Speaker, and to all Members of the House.

This voter ID pilot is nothing more than an expansion of the hostile environment—it is Windrush part 2. The Equality and Human Rights Commission has said that this will disproportionately affect people with protected characteristics. It will affect older people, transgender people, people with disabilities both physical and non-physical, and ethnic minorities. This is an absolutely ridiculous situation. This Government are using a sledgehammer to crack a nut. The Scottish National party fully accepts that electoral fraud is unacceptable, but it is also infinitesimally small, and those who are perpetrating such things are already being brought to justice.

The Electoral Commission's figures indicate that 3.5 million people in the UK—7.5% of the electorate—do not have any form of photo ID. Are the Government going to pay for them to have photo ID? If not, this is a barrier that is being put in the way of people exercising their democratic rights. Just at the end of last month, the Government put up the fees for passports to £85 per person for a paper passport and £75.50 for an online passport, further putting the price of getting these voter ID documents beyond the reach of most ordinary working people.

In the case of right to rent, all those who analysed this Government policy said that it would increase discrimination, and that has been found to be so. Those with protected characteristics, particularly ethnic minorities, have found it harder to rent, and the policy is discriminatory. Will the Minister pay due attention to the findings of the pilots, and will she bring them before this House for full discussion and full scrutiny before she moves this forward any further?

Chloe Smith: I fear the hon. Lady did not catch the part of my opening remarks where I made it clear that passports and driving licences are not the only type of identification being asked for in these pilots, and nobody will need to purchase ID documents to be able to vote. Indeed, the authorities in question are using a range of ID, some of which is photographic and some of which is the kind of routine identification someone would use to be able to pick up a parcel from the post office or indeed, as I saw this morning when some constituents came into this place, to sit in the Gallery and participate in democracy here.

The key point is that these pilots are doing something that people regard as proportionate and reasonable by using routine identification that we already use in everyday life. Indeed, we would use ID to apply for benefits and to do a range of other things under Government services. We would, of course, also use ID to register to vote in the first place. This is only another part of the same voting process for which we already ask people to prove who they are.

The hon. Lady asked me whether I would bring the pilot results back to the House. I can confirm that I will be keen to ensure that the House is updated on the progress of the pilots, and I will be considering them in terms of my ministerial responsibility. As I said, the Electoral Commission is conducting its own independent evaluation of the pilots and will publish that this summer.

My final point is that the independent Electoral Commission supports the introduction of ID to strengthen the system. The Electoral Commission thinks that it is important to have a proportionate voter ID scheme such as I have described to protect our voting system's integrity. The hon. Lady seems to be overlooking that rather important supporter.

Mr Marcus Jones (Nuneaton) (Con): If I buy an item and am out when it is delivered, I have to go down to the Royal Mail sorting office with photo ID to collect that item. Why is it so unreasonable that I have to prove who I am to exercise my democratic right—something money cannot buy?

Chloe Smith: That is precisely right. We are talking about a precious and intangible thing: the right to vote as we think fit and the right to enjoy confidence in the democratic system. That is what these pilots are about. My hon. Friend allows me to repeat the point that I would very much like to go out to citizens of the pilot areas. If anyone is concerned that they might not have the ID that is being spoken about, they should speak to the local authority, which will organise alternative arrangements. That is the crucial point—nobody who is eligible to vote will miss the chance to do so.

Ms Angela Eagle (Wallasey) (Lab): The Minister is making a pretty poor job of defending the indefensible. Is it not the case that what she is setting out today is not

only a huge hammer to crack a nut but actually, in disguise, a blatant attempt at voter suppression, by making it very difficult indeed for those who already have difficulties to vote? Many of those people come to visit me in my advice surgery because they cannot prove their identity to access benefits; she now wants to take their democratic rights off them.

Chloe Smith: We are talking about people who are already eligible to vote then being able to confirm who they are when they come to do so. I am concerned that I have just heard from the hon. Lady that she does not even stand by the previous Labour Government's decision to do this in Northern Ireland, which has not damaged turnout and has reduced the impact of fraud. Why does she stand against reducing electoral fraud?

Robert Neill (Bromley and Chislehurst) (Con): Bromley is one of the pilot areas. My hon. Friend the Minister might like to know that in every single case where a person has contacted the local authority to ask if they have the requisite ID, they have had it, and certificates have not been necessary; that Bromley residents will have had five mailings, which is more than any ever before at a local election, and there has been specific targeting of older people through 500 community organisations and more; and that not one person I have spoken to on the doorstep has had any difficulty with the system, and many welcome it. Does she accept that this is a wholly bogus attempt by the Opposition to discredit an entirely sensible pilot?

Chloe Smith: It is incredibly important that electors hear that reassurance from their Member of Parliament, and I am pleased that my hon. Friend has been able to put that on the record. I can confirm that Bromley is offering the choice of photographic and non-photographic identification, and electors can also apply for a certificate of identity, free of charge, from the local authority. That is the crucial point. Every elector who is eligible can secure alternative arrangements should they need them. What we are hearing from the Opposition is a self-interested argument. Instead of doing voters down they should talk our democracy up.

Dr David Drew (Stroud) (Lab/Co-op): Will the Minister apply the same criteria to postal voters and postal voting?

Chloe Smith: I can confirm that in addition to the five pilots that we are primarily discussing there are three pilots to strengthen postal and proxy voting processes, and I am equally supportive of those.

David Evennett (Bexleyheath and Crayford) (Con): The Minister has done a really good job in explaining the pilots and taking no notice of the scaremongering from the Opposition. Will she confirm that she remains absolutely committed to increasing the participation of traditionally under-represented groups in our electoral system?

Chloe Smith: I certainly will. I mentioned earlier the case of people who have been obliged to register to vote anonymously. It is extremely important that we come together in a cross-party manner in the House, as we did for anonymous voting, so that we can help people to

[Chloe Smith]

register to vote in a way that secures their safety. We are talking about a way to improve the voting system overall and protect people from a type of crime—electoral fraud. It is incredibly important that we look at all citizens' interests in having a system in which they can be confident.

Wera Hobhouse (Bath) (LD): May I first congratulate the Duke and Duchess of Cambridge on the birth of their third child?

Will the councils taking part in the pilot register and publish the number of people who are turned away because they do not have the correct identification, and will they identify in that number how many are legally entitled to vote?

Chloe Smith: I would certainly expect the authorities to have the capability to be aware of such data. As I have laid out, the Electoral Commission will conduct a full evaluation and I have no doubt that we will make sure that we can assess a range of data. I was a little concerned to hear one of the hon. Lady's colleagues on television yesterday saying that the Liberal Democrats would accept a low level of electoral fraud. I am very concerned to hear Opposition parties in the House say that it is okay to have a certain level of crime and that they would not support sensible, proportionate measures that will protect the voting system for everyone.

Justin Tomlinson (North Swindon) (Con): The fantastic elections team in Swindon is proud to have been selected for one of the pilots. Despite all the heckling and scaremongering from the Opposition, not all hope is lost for the Labour party, as only last week, the North Swindon Labour party used exactly the same voter ID scheme for the selection of my latest parliamentary opponent.

Chloe Smith: I think that that is a lesson in doing what you say and saying what you do.

Stewart Hosie (Dundee East) (SNP): In her opening statement, the Minister spoke about potential electoral fraud. In her first answer, she spoke about perceptions of fraud. The measures are wholly disproportionate to deal with perception and potential, because any obstacle will drive people off the register. As her Government say that they support frictionless trade, why does she not abandon the proposal and continue to support frictionless democracy?

Chloe Smith: We are doing something that other parts of the world already do very successfully. I have named Canada and mentioned Northern Ireland. We are talking about something that is entirely proportionate and reasonable, and that produces successful elections in trusted democracies. The real issue is that people should be able to have confidence in the system, as I said earlier. It has been hard to have confidence in the system in the past, given examples such as the electoral fraud in Tower Hamlets, which was extensive and of grave concern to many people. We are looking at measures that will help people in places like Tower Hamlets and around the entire country have greater confidence in their voting system.

Mrs Anne Main (St Albans) (Con): I feel I am living in a parallel universe where it is somehow discriminatory to introduce the pilots now but not in Northern Ireland in 2003. I heard about the five leaflets informing voters. What was done to ensure that those who do not have English as a first language were made aware of the need to find voter ID?

Chloe Smith: That is an excellent question. As I said earlier, each local authority conducting the pilots has been sure to communicate to voters in the way that will work best. That supports why we are doing this as local pilots: because returning officers in given areas know their electorates best. I have confidence that each pilot authority has communicated locally and the use of other languages will have been taken into account where required.

Paula Sherriff (Dewsbury) (Lab): Further to the excellent points made by my hon. Friend the Member for Lancaster and Fleetwood (Cat Smith), will the Minister please confirm how many prosecutions have been undertaken regarding people voting twice or inappropriately?

Chloe Smith: People voting twice is not what this policy is about. I wish that the hon. Lady and the hon. Member for Lancaster and Fleetwood (Cat Smith) on the Front Bench knew their policies better.

Ben Bradley (Mansfield) (Con): We have heard countless stories about voter fraud in 2017, so does my hon. Friend agree that, far from showing the issue to be small scale, as Opposition Members seem to be suggesting, the fact that there has been only one conviction shows just how difficult it is to enforce a law when there is no identification requirement at polling stations?

Chloe Smith: It is right to make that broader point. We want a democracy in which everybody can have confidence. Voting twice in one election is absolutely illegal. It is, indeed, an example of an electoral crime; there are other examples as well, including bribery and impersonation. We need to make sure that everybody can have confidence in their system and, crucially, that those who would be victims of such a crime are protected from it. The idea that we should simply allow a crime to happen until it reaches a certain level is ludicrous.

Ellie Reeves (Lewisham West and Penge) (Lab): Bromley, the borough in which I live and which I represent, is taking part in the voter ID pilot in May, and its own equality impact assessment has drawn particular attention to the impact on voters with protected characteristics, mainly older people and trans people. I listened to the hon. Member for Bromley and Chislehurst (Robert Neill) and I have to say that we get a very different picture when talking to Bromley residents in Penge and Crystal Palace. With only one convicted case of electoral fraud following the 2017 election, why do the Government continue to insist on imposing these disenfranchising changes on Bromley voters?

Chloe Smith: I really want to address this idea of one prosecution. Members making that point are overlooking the larger examples, such as Tower Hamlets, which I have already mentioned and which are the kind of thing that gives rise to a lack of confidence in our system. I do

not think that local residents would expect to hear from Members of Parliament that their system should not be protected. I would prefer to hear, ringing out from this Chamber today, that the people of Bromley, Gosport, Swindon, Watford, Woking and the three areas doing postal and proxy improvements can have confidence in their system. They should speak to their local authorities if they feel that they may not have the ID spoken of, because they will not be disenfranchised, arrangements will be made and the local authority will ensure that they have the chance to cast their vote.

Several hon. Members *rose*—

Mr Speaker: Order. I note the alacrity with which the hon. Member for Corby (Tom Pursglove) springs to his feet, which is all the more remarkable in light of his achievement in running the marathon yesterday. I take this opportunity to congratulate all right hon. and hon. Members on both sides of the House who undertook that mission so successfully for their respective charities. I call the hon. Gentleman.

Tom Pursglove (Corby) (Con): I have to say that it is a bit of a struggle today.

Most voters would think that these pilots are fair and reasonable, and want confidence in the result. Does the Electoral Commission think the same?

Chloe Smith: The Electoral Commission has been calling for this change since 2014. The Government are responding to that call for change by introducing policies that ask voters to produce a proportionate and reasonable form of identification, such as they would do for other routine activities in daily life. We think that is the right thing to do and we are pleased to be able to work alongside the Electoral Commission and Crimestoppers, as I mentioned, to combat electoral fraud.

Andy Slaughter (Hammersmith) (Lab): We have a very robust electoral system in this country, and the Minister is insulting highly competent electoral registration officers by purporting to solve a problem that does not exist. The 38% turnout in the last local elections in Hammersmith ranged from 13% in deprived areas to 50% in prosperous areas. Why does she not do something to increase turnout, especially in deprived areas, rather than trying to suppress it?

Chloe Smith: This policy is in no way about suppressing votes. It is a huge shame that any voters listening to this debate today will hear one side of the House talking their prospects down and saying that they are somehow unable to produce the kind of ID that we routinely produce in everyday life. The five co-operating local authorities have come forward to run the pilots because they can best serve their citizens by doing so and providing alternative arrangements.

Mr Robert Goodwill (Scarborough and Whitby) (Con): Has the Minister had the same experience on the doorstep as I have, with voters who have mislaid their polling cards finding it hard to believe that they can turn up to vote without any form of identification?

Chloe Smith: Yes, I have had that experience, and I would be surprised if many Members had not heard that from voters. The widespread assumption among voters is that ID is needed already. What we are doing is

bringing Great Britain's electoral system into line with other parts of the world, including Northern Ireland—inside the UK, of course—and Canada, which already run such a system successfully with turnout remaining up and evidence of fraud down.

Mr Paul Sweeney (Glasgow North East) (Lab/Co-op): The Minister mentions Canada, but in the last general election my constituency had the lowest turnout in the UK, and that is combined with a low registration rate. If this policy is rolled out at a general election, how on earth will it help my constituents, many of whom are already at the margins of society? We need to engage them and bring them back into participating in our democracy. How will this approach help when evidence from the United States suggests that it suppresses votes?

Chloe Smith: That is quite wrong. The evidence does not suggest that this suppresses votes. The evidence says that turnout has remained up. I quoted the evidence in the Northern Ireland example, and I have cited how it has reduced electoral fraud while not damaging turnout. Let us have the debate on the evidence.

The hon. Gentleman asks how I can help his constituents. I suggest that we need to work together to ensure that more register to vote. To be fair to him, he has given both parts of the voting process—low registration rates and turnout rates—and the key is to ensure that we have higher registration rates. That is why the Government have set out a full democratic engagement plan, to drive registration rates up across all the groups in our society who register least. I am following through on that and I am passionate about doing so. Today we are talking about the policy that ensures that, once registered, those people have the confidence in the system to go and vote to complete the process.

Matt Warman (Boston and Skegness) (Con): The many thousands of eastern European voters in my constituency are too little registered and turnout again is low. However, when we on the doorstep were encouraging them to register, one of them asked me, "What do I need to bring with me to vote?", and when I told her that she needed literally nothing, she asked me, "Do you value your democracy so little?" Is it not an extraordinary situation that it is harder to collect a parcel than it is to vote?

Chloe Smith: That powerful anecdote entirely speaks for itself. We are seeking to strengthen our democracy and give it the kind of value that it deserves.

Nick Smith (Blaenau Gwent) (Lab): Just 45% of 18-year-olds are on the electoral register, so will the Government ensure that schools and further education colleges give details of students approaching voting age to electoral registration officers?

Chloe Smith: I think the hon. Gentleman is making an argument for what is known as automatic registration—in other words, that a person is placed on the register without their consent, necessarily. I support instead the system of individual electoral registration. It is important that people can individually register to vote and take responsibility for their own vote. Indeed, the introduction of IER has helped with another concern about our electoral system—that prior to its introduction,

[Chloe Smith]

the head of a household could simply register everyone in a household without their consent. I do not think that is very good for some of the groups that we might be debating today. We all need to work together to encourage young people to register to vote and to make sure that they are aware of how they need to go about doing that. I am looking forward to doing more of that kind of work this year—the suffrage centenary year—including through a national democracy week, and I hope that the hon. Gentleman joins me, too.

Chris Green (Bolton West) (Con): Does my hon. Friend agree that no matter what part of British society someone identifies with, their interest in having confidence in the electoral system—our democratic system—is equal, so the Opposition should stop using this issue to create artificial divisions?

Chloe Smith: That is right. I am disappointed that the Opposition seem to have come here today to argue that this is a divisive idea. It is them who are being divisive when they say that citizens might not be able to use a proportionate and very reasonable system that we already use in everyday life to collect a parcel and to apply for benefits or various other Government services through someone showing who they are to be eligible to register to vote. All that together means that we should talk up our system, rather than talk people down.

Gavin Newlands (Paisley and Renfrewshire North) (SNP): Is it not the case that if the Government were serious about tackling the public's poor faith in the democratic process, they would be better served by stopping Cabinet Ministers making ludicrous electoral claims, such as saying that there would be £350 million a week extra to be spent on the NHS post-Brexit, instead of disenfranchising 7.5% of the electorate?

Chloe Smith: This is not in any way about disenfranchisement; it is about eligible voters being able to continue to cast their votes. That is the very definition of enfranchisement.

Jeremy Quin (Horsham) (Con): There is a risk that we are running down the Canadian experience—the last time I looked at Canada, it was a modern, vibrant democracy. What have we learned from its experience? I believe that it uses a similar system.

Chloe Smith: What we have learnt from the other systems around the world that use identification is that that maintains a successful democracy. To give the Northern Ireland example again, the system has reduced electoral fraud and maintained turnout. Again, as my hon. Friend points out, we see this in countries such as Canada—proud partners in the Commonwealth and greatly respected by many Members across this House—and it is sad that in coming here today to talk down British democracy, others are also having a pop at those countries.

Liz McInnes (Heywood and Middleton) (Lab): Does the Minister agree that the problem is not with people voting more than once but with people not voting at all? What is she doing to increase voter participation?

Chloe Smith: As I mentioned earlier, the Government are delivering on a suite of plans to increase registration rates among the least registered in our society. I have already given the example of domestic abuse survivors, and I will give the example again of those with disabilities, in respect of whom we have made adjustments and heard evidence about how we can go further. We also have plans to assist frequent home movers, overseas voters and those in the age groups that are least likely to vote—that touches on the point made by the hon. Member for Blaenau Gwent (Nick Smith), who has since left the Chamber. We need to do a range of things to improve, protect and open up our democracy. This narrow policy today is one of the ways we are protecting our democracy. I would be delighted were the Opposition to find it in themselves to abandon their own narrow self-interest, which they have demonstrated in coming here today and by having their councillors write to local newspapers and say this is all about those most likely to vote Labour, and instead come together with us to improve our electoral system.

Henry Smith (Crawley) (Con): As somebody who was unsuccessful in a parliamentary election by 37 votes, I take the security of the ballot extremely seriously, as do my constituents. There has been a lot of concern in recent months about threats and undue influence in the democratic process in this country and in polls in other democracies. Does the Minister think that at this time the electorate are looking for a more secure ballot, as would be achieved through voter ID?

Chloe Smith: That is absolutely right. Others in this place have been arguing for some time that we ought to be doing this, and I again give the example of the Electoral Commission, which has been calling for it since 2014. It is important that we all come together at a time when it feels like there is concern or a lack of trust on all sides. We need to come together as a country, trust and take pride in our elections and take simple, reasonable and proportionate measures such as this to save people from being the victims of electoral fraud and to increase confidence in the overall system.

Gavin Robinson (Belfast East) (DUP): Since the age of 18, I have participated in 16 elections, and on each occasion I have been required to produce photographic identification without any fear of disfranchisement or discrimination—even for elections to this place, under exactly the same system used for Labour Members. The Minister is right to proceed with the pilot, but, having formerly been a Minister in the Northern Ireland Office and responsible for the Electoral Office of Northern Ireland, will she look very carefully at the free provision of photographic electoral cards, which are available to all in Northern Ireland and should follow from this pilot scheme in England?

Chloe Smith: I am really pleased to hear from a voice with evidence and experience in this debate—that has been a little missing from some contributions. I welcome the hon. Gentleman's reflection, which is based on personal experience, and note that all the authorities involved in the pilots are producing some form of alternative ID already. That is the baseline for the pilots. Nobody who is eligible to vote will be prevented from doing so, because the authorities are providing that as a

backstop measure, should it be needed. That gives us plenty of food for thought for how the pilot may be taken forward, if appropriate.

Simon Hoare (North Dorset) (Con): As the lessons of these welcome pilots are learned, may I encourage my hon. Friend also to consider reviewing, refreshing and reissuing the guidance provided for that activity which is permitted immediately outside a polling station and for some activities that take place within?

Chloe Smith: My hon. Friend reminds us of some of the electoral malpractice that has happened in this country. I can give the example again of Tower Hamlets, where some of the things he refers to have been seen. *[Interruption.]* Opposition Members ask, “Anywhere else?” Do they think that what happened in Tower Hamlets was okay? Do they think it was fine and that we should just move on without taking measures? Do they not agree with the kind of measures proposed by Sir Eric Pickles in his review of electoral law—to answer my hon. Friend’s question—and that we should take forward ways to improve and protect our voting system?

Alan Brown (Kilmarnock and Loudoun) (SNP): The Conservatives are obsessed with electoral fraud and students potentially voting twice, but the Electoral Commission estimates that there were only 28 cases of fraud in 2017. A much more fundamental issue is the behaviour of the main UK parties. In 2015, the Conservatives, Labour and the Liberal Democrats were all fined by the Electoral Commission for submitting wrong election spending returns. The commission says that fines are no longer fit for purpose. The same behaviour was repeated in 2017, and the Conservatives have been shielding the Democratic Unionist party over the dodgy 2016 donations. When will the Government act in relation to the behaviour of the main UK parties?

Chloe Smith: I think I can safely say that that question was not to do with voter ID pilots.

Mr Philip Hollobone (Kettering) (Con): Is it not sensible, before rolling out any policy nationally, to test it at a local level first?

Chloe Smith: I think that that is right. We should recognise that we are piloting these approaches, and I look forward to learning from the local authorities involved what has worked in their areas and what lessons it might hold for any further moves.

David Morris (Morecambe and Lunesdale) (Con): Recently, the Electoral Commission told the Public Administration and Constitutional Affairs Committee, on which I serve, that of postal votes put into a ballot box, more than 1,000 would be deemed abnormal. What measures are in place to prevent such behaviour? Obviously postal votes are for posting, not for putting in the box on the day.

Chloe Smith: As my hon. Friend knows, it is legitimate to take a postal vote to a polling station on the day, but I understand that he has recently found unusual evidence of the extent to which that may have been happening. I know that what is in his mind is how much verification can have taken place of the high numbers of such postal votes, and I encourage him to go on trying to find out exactly what seems to have happened in his area.

As I have said throughout this afternoon’s exchanges, it is extremely important for us all to have confidence in our electoral system. That means that we must be able to test ways of improving our protection in the system, which will in turn mean that fewer people become victims of electoral crime. I record my thanks not only to the five authorities that are conducting the ID trials, but to the three that are testing ways of improving the postal and proxy voting processes.

Michael Tomlinson (Mid Dorset and North Poole) (Con): I welcome the Minister’s statement and her commitment to combating fraud. Contrary to Labour Members’ assertions, is it not the case that this will not deter people who are entitled to vote from doing so and will not reduce turnout, but that what it will do is reduce and deter electoral fraud?

Chloe Smith: That is precisely what the pilots are intended to do. They are intended to test, in a proportionate and reasonable way, practices that already take place throughout the world and have continued to support thriving and flourishing democracies.

Windrush

4.33 pm

The Secretary of State for the Home Department (Amber Rudd): From the late 1940s to the early 1970s, many people came to this country from around the Commonwealth to make their lives here and to help rebuild Britain after the war. All Members will have seen the recent heartbreaking stories of individuals who have been in the country for decades struggling to navigate an immigration system in a way that they should never, ever have had to.

These people worked here for decades. In many cases, they helped to establish the national health service. They paid their taxes and enriched our culture. They are British in all but legal status, and this should never have been allowed to happen. Both the Prime Minister and I have apologised to those affected and I am personally committed to resolving this situation with urgency and purpose.

Of course, an apology is just the first step we need to take to put right the wrong these people have suffered, but before I get on to the steps we will be taking I want to explain how this situation has arisen. The Immigration Act 1971 provided that those here before it came into force should be treated as having been given indefinite leave to enter or remain in the UK, as well as retaining a right of abode for certain Commonwealth citizens. Although the Empire Windrush docked in the port of Tilbury in 1948, it is therefore everyone that arrived in the UK before 1973 who was given settlement rights and not required to get any specific documentation to prove those rights. Since 1973, many of the Windrush generation would have obtained documentation confirming their status or would have applied for citizenship and then a British passport.

From the 1980s, successive Governments have introduced measures to combat illegal immigration. The first NHS treatment charges for overseas visitors and illegal migrants were introduced in 1982. Checks by employers on someone's right to work here were first introduced in 1997, measures on access to benefits in 1999 and civil penalties for employing illegal migrants in 2008, and the most recent measures in the Immigration Acts of 2014 and 2016 introduced checks by landlords before property is rented and checks by banks on account holders.

The public expect us to enforce the immigration rules approved by Parliament as a matter of fairness to those who abide by the rules, and I am personally committed to tackling illegal migration because I have seen in this job the terrible impact it has on some of the most vulnerable in our society. But steps intended to combat illegal migration have had an unintended, and sometimes devastating, impact on people from the Windrush generation, who are here legally, but who have struggled to get the documentation to prove their status. This is a failure by successive Governments to ensure these individuals have the documentation they need—*[Interruption.]*

Mr Speaker: Order.

Amber Rudd: This is why we must urgently put it right, because it is abundantly clear that everyone considers people who came in the Windrush generation to be

British, but under the current rules this is not the case. Some people will still just have indefinite leave to remain, which means they cannot leave the UK for more than two years and are not eligible for a British passport. That is the main reason we have seen the distressing stories of people leaving the UK more than a decade ago and not being able to re-enter.

I want to enable the Windrush generation to acquire the status they deserve—British citizenship—quickly, at no cost and with proactive assistance through the process. First, I will waive the citizenship fee for anyone in the Windrush generation who wishes to apply for citizenship. This applies to those who have no current documentation, and also to those who have it. Secondly, I will waive the requirement to carry out a knowledge of language and life in the UK test—*[Interruption.]*

Mr Speaker: Order.

Amber Rudd: Thirdly, the children of the Windrush generation who are in the UK are in most cases British citizens. However, where that is not the case and they need to apply for naturalisation, I shall waive the fee. Fourthly, I will ensure that those who made their lives here but have now retired to their country of origin can come back to the UK. Again, I will waive the cost of any fees associated with the process and will work with our embassies and high commissions to make sure people can easily access this offer. In effect, that means that anyone from the Windrush generation who now wants to become a British citizen will be able to do so, and that builds on the steps that I have already taken.

On 16 April, I established a taskforce in my Department to make immediate arrangements to help those who needed it. This included setting up a helpline to get in touch with the Home Office. Let me be quite clear that this helpline and the information shared will not be used to remove people from the country. Its purpose is to help and support.

We have successfully resolved nine cases so far and made 84 appointments to issue documents. My officials are helping those concerned to prove their residence and they are taking a proactive and generous approach so that people can easily establish their rights. We do not need to see definitive documentary proof of date of entry or of continuous residence. That is why the debate about registration slips and landing cards is misleading. Instead, the caseworker will make a judgment based on all the circumstances of the case and on the balance of probabilities.

Previously, the burden of proof on some of the Windrush generation to evidence their legal rights was too much on the individual. Now we are working with this group in a much more proactive and personal way in order to help them. We were too slow to realise that there was a group of people who needed to be treated differently, and the system was too bureaucratic when these people were in touch.

The Home Office is a great Department of State—*[Interruption.]*

Mr Speaker: Order.

Amber Rudd: It works tirelessly to protect us. It takes millions of decisions each year that profoundly affect peoples' lives, and for the most part it gets these right.

But recent events have shown that we need to give a human face to how we work and exercise greater judgment, where and when it is justified. That is why I will be establishing a new customer contact centre, so that anyone who is struggling to navigate the many different immigration routes can speak to a person and get appropriate advice. This will be staffed by experienced caseworkers who will offer expert advice and identify a systemic problem much more quickly in the future. I will also be putting in place 50 senior caseworkers across the country to ensure that, where more junior members of staff are unsure about a decision, they can speak to someone with experience to ensure that discretion is properly exercised.

There has also been much concern about whether the Home Office has wrongly deported anyone from the Windrush generation. The Immigration Act 1971 provides protection for members of this group if they have lived here for more than five years and if they arrived in the country before 1973. I am now checking all Home Office records going back to 2002 to verify that no one has been deported in breach of this policy. This is a complex piece of work that involves manually checking thousands of records. So far, 4,200 records have been reviewed out of nearly 8,000 that date back to 2002, and no cases have been identified that breach the protection granted under the 1971 Act. This is an ongoing piece of work and I want to be absolutely certain of the facts before I draw any conclusions. I will ensure that the House is informed of any updates, and I intend to have this data independently audited once my Department has completed its work, to ensure transparency.

It was never the intention that the Windrush generation should be disadvantaged by measures put in place to tackle illegal migration. I am putting additional safeguards in place to ensure that this will no longer happen, regardless of whether they have documentation or not. As well as ensuring that the Home Office does not target action against someone who is part of the Windrush generation, I will also put in place greater protection for landlords, employers and others conducting checks in order to ensure that we are not denying work, housing, benefits and services to this group. These measures will be kept carefully under review, and I do not rule out further changes if they are needed.

Now I will turn to the issue of compensation. As I said earlier, an apology is just the first step we need to take to put right these wrongs. The next and most important task is to get those affected the documents that they need. But we also do need to address the issue of compensation. Each individual case is painful to hear, but it is so much more painful, and often harrowing, for the people involved. These are not numbers, but people with families, responsibilities and homes—I appreciate that. The state has let these people down, with travel documents denied, exclusions from returning to the UK, benefits cut and even threats of removal—this, to a group of people who came to help build this country; people who should be thanked.

This has happened for some time. I will put this right and where people have suffered loss, they will be compensated. The Home Office will be setting up a new scheme to deliver this which will be run by an independent person. I will set out further details around its scope and how people will be able to access it in the coming weeks.

I am also aware that some of the individual cases that have come to light recently relate not to the Windrush generation but to people who came to the UK after 1 January 1973. These people should have documentation to confirm their right to be here, but I recognise that some will face similar issues in documenting their rights after spending so many years in this country. Given that people who have been here for more than 20 years will usually go on a 10-year route to settlement, I am ensuring that people who arrived after 1973, but before 1988, can also access the Windrush taskforce, so they can get the support and assistance needed to establish their claim to be here legally. I will consider further, in the light of the cases that come forward, whether any policy changes are needed to deal fairly with these cases.

I have set out urgent measures to help the Windrush generation document their rights, how this Government intend to offer them greater rights than they currently enjoy, how we will compensate people for the hardship they have endured and the steps I will take to ensure this never happens again. None of that can undo the pain already endured, but I hope that it demonstrates the Government's commitment to put these wrongs right going forward.

4.45 pm

Ms Diane Abbott (Hackney North and Stoke Newington) (Lab): I thank the Home Secretary for advance sight of her statement. Many people, both in this House and outside, think that the events involving the Windrush generation are one of the biggest scandals in the administration of home affairs for a very long time. The Home Secretary said that the situation “should never have been allowed to happen”, but she is the Home Secretary and she allowed it to happen. These cases cannot come as a surprise to her because many of my Opposition colleagues have been pursuing individual cases for some time. She is behaving as though it is a shock to her that her officials are implementing regulations in the way that she intended them to be implemented. The Home Secretary must understand that the buck ultimately stops with her.

Ministerial maladministration sometimes occurs because officials act in error, and sometimes it is a question of unforeseen circumstances, but the problem with the plight of the Windrush generation is that it was foreseeable and it was foreseen. People inside the Department and Members of this House have tried to draw the Government's attention to it. The key was the Immigration Act 2014, which removed protections for Commonwealth citizens, who had up until then been exempt from deportation. I spoke about that and explained the situation to Ministers, my right hon. Friend the Member for Tottenham (Mr Lammy) voted against it, and the current leader of the Labour party, my right hon. Friend the Member for Islington North (Jeremy Corbyn), voted against it, but Ministers paid no attention.

Four years ago, an internal Home Office memo found that the “hostile environment” could make it harder for foreign nationals to find homes and could provoke widespread discrimination. Furthermore, the then Tory Secretary of State for Communities and Local Government said:

“The costs and risks considerably outweigh the benefits.”

[Ms Diane Abbott]

Let me repeat those costs for the benefit of the Home Secretary: patriotic Commonwealth citizens treated like liars; benefits cut; healthcare denied; jobs lost; and people evicted from their housing. Whether they were deported, refused re-entry or detained, these people were separated from family and friends in breach of their human rights. This was a system where people who had come here, very often as young children, were required to show four pieces of original documentation for each year they were supposedly in this country. Who could have believed that that was a sustainable or fair situation? As I said, the situation we are in is not a surprise to Ministers or their officials because Member after Member has written to the Home Office to try to draw its attention to these cases.

There are elements of the Home Secretary's statement that I welcome. I welcome the waiving of the citizenship fee; I welcome the waiving of the requirement to carry out the knowledge of language and life in the UK test—some of these people, having been in the UK all their life, would almost certainly pass that test with flying colours. I welcome the waiving of the naturalisation fee for children and, in particular, I welcome allowing people who have retired from this country to return, with the cost of their fees waived.

The Home Secretary talks about the problems of legislation, but she is not suggesting changes in legislation. It would be easy, for instance, to restore the protections for Commonwealth citizens that existed prior to 2014. There is no detail on compensation, but she will understand that Opposition Members will be pursuing the point. It is important that the compensation is not a token sum but properly reflects the actual costs and the damage to family life caused by this policy.

I am glad that Ministers have thought better of their early position of refusing to provide data on deportations. They told my hon. Friend the Member for Wolverhampton North East (Emma Reynolds) in January that providing information on deportations and detention would "require a manual check of individual records which could only be done at disproportionate cost."

I am glad that the Home Secretary has thought better of that position and is now undertaking a manual check of deportations, but what about people in detention? I visited Yarl's Wood and met women in exactly this position who have been detained for very many months.

The Home Office must know who it has in detention. [Interruption.] The Home Secretary shakes her head: you must know who you have in detention, and you must know why they are there. I am asking the Home Secretary to produce the figures on those members of the Windrush generation who are in detention.

As for the Home Secretary's new customer care centre, we will see how that works. Will it have new staff, or will the staff be transferred from elsewhere in immigration and nationality? I share her care for illegal immigrants, many of whom are exploited by employers. The women are subjected to domestic violence. They live frightened and miserable lives. We are pursuing this issue because of our concern for our constituents who are Commonwealth citizens and legally here.

The Home Secretary need not believe this ends here. Coming up behind the Windrush cohort is a slightly later cohort of persons from south Asia. In the next few years,

even though they have lived here all their life, even though their children are British and even though they have worked all their life, they will be asked for four pieces of data for every year they have been here, and they will be subjected to the same humiliation as the Windrush generation.

There was a meeting in the House of Commons on Thursday night for people in the community who are concerned about this issue. We had advertised the meeting for just two days and 500 people came. They packed out four Committee Rooms, and we had to turn away hundreds more. The Home Secretary must understand how upset communities are about what has happened to this generation. They feel it reflects something of the way this Government regard the entire community. [HON. MEMBERS: "Rubbish!"] Well, let me say this: my parents, brothers, sisters and cousins have largely worked in the national health service, in factories and in London transport, and I always remember one of my uncles saying to me with tremendous pride that he had never missed a day of work. This is a generation with unparalleled commitment to this country, unparalleled pride in being British and unparalleled commitment to hard work and to contributing to society, and it is shameful that this Government have treated that generation in this way.

Amber Rudd: I am pleased to hear there are some areas on which the right hon. Lady and I agree. On this side of the House, as on the other side of the House, our appreciation of the value of these citizens, our admiration for the work they have done here and our respect for them remain undimmed. We are absolutely committed to that. I am pleased, too, that she has welcomed the substantial nature of the changes I have put in place to address the urgent problem of now: the fact that this cohort of people need to have their documentation put in place.

The right hon. Lady challenged me on some of the comments I made earlier. I just want to be clear again, if I may, that this group of people should have had their legal status formally given to them a long time ago. She will have seen, as I did, that some of the references of the individuals who have been so heartbreakingly let down were made before 2010; they happened when people tried to travel—[Interruption.] She may have voted against some of those provisions, but this has not just happened overnight. Unfortunately, the fact is that this group of people, whose proper, formal legal status should have been put in place any time from 1973, fell foul of that, bit by bit, more and more, as Government after Government took different and more formal steps to make sure that we protect people from illegal migration. There is legal migration and there is illegal migration, and the group we are talking about were part of legal migration. The steps I am putting in place now are going to make sure that they have the formal status that they should have had a long, long time ago.

Mrs Helen Grant (Maidstone and The Weald) (Con): My right hon. Friend has already given a heartfelt apology, which was exactly the right thing to do, but will she please outline again the steps she is taking to make sure that a situation such as this never happens again?

Amber Rudd: I thank my hon. Friend for her question. One question that comes back again, which the right hon. Member for Hackney North and Stoke Newington

(Ms Abbott) also brought up, is how we make sure this does not happen again. I believe that this is a unique group of people who should have had legal status given to them a long time ago. One of the proposals that I am putting in place, to have a contact centre, will help to address the question of how we ensure that this does not happen again. By virtue of having a more personal engagement with a certain number of cases, the Home Office will see the shape of the problems that are emerging, rather than seeing them, as many of us did, as a small handful of individual cases.

Joanna Cherry (Edinburgh South West) (SNP): I thank the Secretary of State for her statement and I welcome some of the measures she has announced today, but really these urgent measures are desperate firefighting, rather than dealing with the true causes of the problems she has faced. These problems are not about the implementation of a policy; nor are they about the mistakes of officials. These problems are about the policy itself. It is clear that this situation, which has affected the Windrush generation and which may affect others to come, has arisen from, first, the ludicrous immigration targets set by the Prime Minister when she was Home Secretary and, secondly, the “hostile environment” strategy the Prime Minister designed to try to meet those targets. The Joint Council for the Welfare of Immigrants and Liberty is demanding that an independent commission be set up to review the workings of the Home Office and the legal framework of the “hostile environment” policy. I want to know whether the Home Secretary will accede to that demand.

Business, including the director general of the CBI, has asked for an immigration policy that puts people first, not numbers. EU nationals currently in the UK can see from the example of the Windrush generation that decades of contributions to these islands have made absolutely no difference to the application of the “hostile environment” policy and they are right to fear for their position after Brexit. What comfort can the Home Secretary give those EU nationals?

In the meantime, the Home Secretary has used Home Office staff as a shield to hide from criticism and, in turn, she is being used by the Prime Minister, not for the first time, as a human shield to protect the Prime Minister from the repugnant consequences of policies that the Prime Minister authored. The time has come for this Home Secretary to bite the bullet: will she emerge from the shadow of the Prime Minister, scrap her predecessor’s “hostile environment” policy and unrealistic immigration targets, and instead commit to an ethical, evidence-based immigration policy? Or, if, as a member of the current Government, she feels unable to do that, will she stop acting as a human shield for the Prime Minister, have the decency to resign and go to the Back Benches to fight against these disgraceful immigration policies, which are bringing these islands into disrepute across the world?

Amber Rudd: The hon. and learned Lady has raised a number of interesting points, which I would like to address. First, the compliant environment is there to enforce UK laws, and it is right that it does that. It is right that we have a system which, as I said in my statement, started a long time ago to ensure that illegal workers are not exploited in the UK. We must make the important distinction between what is legal and what is illegal. The compliant environment endeavours to stop illegal working being able to flourish.

The hon. and learned Lady asked about EU citizens. We have prepared a new form of identification that will be simple and easy to use and that anticipates the sort of problem that occurred in this case. All EU citizens will be able to have their own identification, so the more than 3 million people who will be eligible, as well as those who come during the implementation period, will be able to access that and have secure identification, which will be so important. I want to make sure that we can reassure those EU citizens that they are welcome and can stay and that this case has absolutely no bearing on what would happen to them.

I also reassure the hon. and learned Lady, and the rest of the House, that most other European countries have some form of registration system for other EU citizens. We do not have that in this country, but most EU citizens are familiar with the requirement to register in order to be part of the community and to enjoy the sort of rights that we do.

Sir Nicholas Soames (Mid Sussex) (Con): The whole House will have heard my right hon. Friend’s whole-hearted apology for this very regrettable incident, which quite clearly should have been dealt with a very long time ago. Does she agree that what most affects the interests of immigrants and residents of this country is that the system should work really well? Will she assure me that, in future and following Brexit, people will have the confidence in our immigration system to allow a full and generous regime, to the benefit of all?

Amber Rudd: I thank my right hon. Friend, and he is right. I recognise the importance of restoring confidence in the system. My Department makes over 3 million decisions a year on visas; 2.7 million are allowed. This is a substantial system, most of it operates quickly, effectively and efficiently, and I will oversee a system with European Union registration that is as quick and effective.

Mr David Lammy (Tottenham) (Lab): The Home Secretary will appreciate that everybody in the Caribbean is there because Britain and other European countries brought them from Africa to the Caribbean. That is the whole point of the Caribbean region. I and others are in this country because our parents were born under the British empire. When she says that people can apply for citizenship if they want it, does she understand that that citizenship was theirs all along? We, as West Indian and Caribbean, have given so much, over so many hundreds of years.

I welcome, of course, what the Home Secretary has said today, but I remind her that many others were also born under the empire. They are from countries such as Bangladesh, Pakistan, India, Nigeria, Ghana and Uganda. Many of these people have temporary leave to remain or indefinite leave to remain. It is unfair; they were born under empire; many have been here for generations. So in her review and in looking closely at policy, will she look particularly at all those Commonwealth people? If the Commonwealth is to mean anything, it is to mean common wealth.

Amber Rudd: I thank the right hon. Gentleman, honestly, for the work that he has done on this issue. I welcome that he has brought such clarity and passion and so much to this. It is important to me that he accepts that and works with us on a satisfactory response. I do understand the citizenship point, which is why I tried to

[Amber Rudd]

make a distinction in my statement between the legal status and the way that people understand their neighbours. As Home Secretary, I must engage with the legal status, and the steps that I have taken address exactly that point. It is in fact that legal status, and the steps to it, that have so put off some people from applying for it. I hope that we will be able to address that. The Windrush generation have brought this to our attention, but the steps that I have set out today will affect all citizens from the Commonwealth within that timeline.

Mrs Kemi Badenoch (Saffron Walden) (Con): I thank my right hon. Friend for her statement and particularly for her tone in dealing with this very difficult situation. I also welcome her announcement that a team is being set up to ensure that the Windrush generation can evidence their right to access services. Will she provide detail on how quickly cases are being processed?

Amber Rudd: I was in Croydon today to see for myself the members of the taskforce and to talk to them about the speed at which this matter is being addressed. Although I made a statement last week that said that, from the point of getting information, we hope to deliver the outcome within two weeks, I am reassured that most of the cases—small numbers for now—are being turned round very quickly indeed. The approach that I have asked for, which is for the people who are working on this taskforce to lean in and to assist with the problem, has absolutely been acted on.

Yvette Cooper (Normanton, Pontefract and Castleford) (Lab): Of course the Home Office should be waiving citizenship fees and providing compensation for Windrush families, but I have been contacted today by someone from Kenya who says that they were turned away from the helpline because they were not part of the Windrush. There are many other people who came as here children with their families who are still having their legal rights denied.

The Home Secretary is also not addressing the wider problems. The Home Affairs Committee has warned repeatedly about failures and errors in decision making, about people being pursued who are legally here and about the fact that half of appeals, not just in Windrush cases, are being upheld because the Home Office is getting things wrong. There is a real and widespread concern that there is a culture of disbelief in the Home Office and that changes to the burden of proof have been created by the Government's net migration target and the desire to get as many people to leave as possible. Will she remove all of that concern by saying now that she will get rid of the net migration target, as the Select Committee has advised?

Amber Rudd: Let me answer the first part of the right hon. Lady's question. On engagement with high commissions internationally, that is exactly what I am doing. I recognise that it has not been completed yet, but I have met, for instance, the high commissioners from all the Caribbean countries to find out how we can work more closely with them. UK Visas and Immigration has offices internationally, and I will make sure that they all have the information that they need so that we can ensure that citizens who are in different former Commonwealth countries can engage satisfactorily with us.

The vast majority of children who were born here to people of the Windrush generation will have birth certificates and will be eligible, but we have a system in place to make sure that they are assisted as well. I encourage any MPs who have constituents who fall into that group to phone the taskforce as well.

The right hon. Lady asks me to talk more widely about net migration targets, but I will resist that at the moment. The key thing here—[*Interruption.*] Even though some Opposition Members would like to broaden this, the key thing is to make the careful distinction between legal and illegal. This has gone wrong where people who should be legal have not been treated as such, and that is why I am putting it right.

Mr Philip Hollobone (Kettering) (Con): I welcome the Home Secretary's statement and also thank the Prime Minister for her apology, but may I make the point that my constituents in Kettering, while recognising the value of the Windrush generation 100%, want the Government to crack down as hard as they can on illegal immigration? Will she assure me that she will not take her eye off the ball when it comes to tackling illegal immigration to this country?

Amber Rudd: I agree that we must make this distinction and have a robust approach to illegal migration, which does not help people. I have met victims of slavery who have been trafficked here illegally. I do not want to have an environment where illegal migration flourishes. I remember that Labour once had some rather nice red mugs made that said "controlling migration" on the side, so I am sure that Labour Members would support us ensuring that illegal migration is attacked and treated completely differently.

Marsha De Cordova (Battersea) (Lab): According to the Migration Observatory, up to 50,000 people are too scared and anxious to clarify their own status for fear of being stripped of their rights, detained or deported. After the manner in which they have been treated, does the Home Secretary appreciate their scepticism? Will she re-introduce the provision that exempted those from the Windrush generation and which her Government removed in 2014, and legislate for any other assurances that have been made to the Windrush generation?

Amber Rudd: Let me address the two points raised by the hon. Lady: the 2014 issue and the matter of wider engagement with the community. I have taken advice on this. The exemption was removed in 2014 because it was not necessary. The people who arrived pre-1973 already had that right. [*Interruption.*] Before the Opposition take this any further, I ask them to have a look at the legal advice. The exemption was taken out in 2014 because it was not necessary; those people had rights under the 1971 legislation. It was the information to confirm it that was needed. That particular provision did nothing to solve the problem. The hon. Lady's second point was about communication and ensuring that we give people the confidence to come forward. I want that to happen, so we are going to engage more with non-governmental organisations, citizens advice bureaux and groups that engage much more proactively with the target community. The high commissioners over here have been advising us how to do that. I will ensure that we go out and

proactively find the people in that community who need our support so that we can get them the rights that they deserve.

Anna Soubry (Broxtowe) (Con): I commend the Home Secretary for her statement and her actions, as well as for her openness and honesty, and the apology that she and the Prime Minister have given. But we are still not being honest in this place. The Labour party did not vote against the Immigration Act 2014. *[Interruption.]* I know that the right hon. Member for Hackney North and Stoke Newington (Ms Abbott) did because she has told us. We all know what she has done, but her party's position was to abstain. Let us now have an open and honest acceptance of this point. What other conclusion can we come to but that we would have these problems with the Windrush people, when we have a whole media who stoke up and prey on the prejudices, fears and concerns of many of our constituents? This is the natural consequence. Both our parties have a position that we will not support membership of the single market, for no other reason than that we do not believe in the free movement of people. We are not being honest.

However, Mr Speaker, you do not want speeches; you want questions. Perhaps we should have that debate, though. My question to the Home Secretary is this: will she now ensure that there is a change of culture among her officials so that they now see people as people, not numbers?

Amber Rudd: My right hon. Friend makes such an important point. This is absolutely about a change of culture, which I will be trying to ensure trickles down the Department. Let me be quite clear that I am not blaming anybody else. I am saying that I want to ensure that there is more time, focus and resources so that there can be more engagement with individuals, rather than just numbers.

Fiona Onasanya (Peterborough) (Lab): Will the Home Secretary confirm that compensation will be paid for loss of income, loss of benefits, legal fees, Home Office application fees, air fares, emotional distress and any other costs that have arisen from this debacle?

Amber Rudd: I can confirm that we are setting up a compensation scheme, and I will be consulting on what shape it should take, what it should cover, and how long it should be for. No doubt the hon. Lady will want to participate in that. It is too early for me to give any more detail because I want to get it right on behalf of the Government, but I can assure her that there will be an opportunity to let me know what she thinks.

Bill Grant (Ayr, Carrick and Cumnock) (Con): This is just a brief question, Mr Speaker, and not a speech. Can my right hon. Friend confirm that the members of the Windrush generation, who have done so much for this country—we are indebted to them—will now be able to become British citizens at no extra cost?

Amber Rudd: I can reassure my hon. Friend on that. I share his view about how much the Windrush citizens have done—and continue to do in so many cases—for this country, and there will be no extra cost.

Pete Wishart (Perth and North Perthshire) (SNP): I was one of the 18 Members of Parliament who voted against the “hostile environment” Immigration Bill back in 2014. It was a nasty, pernicious Bill that gave legislative ballast to the issues that we are dealing with today. Those of us who spoke out against that Bill warned of its consequences, and yet, for some inexplicable reason, Labour failed to oppose it. What other Home Office initiatives does the “hostile environment” culture inform, and how far does it reach within the Secretary of State's Department? Given what has been discovered on her watch and what has been unleashed, does she not really think that the honourable thing for her to do is to consider her position and to resign?

Amber Rudd: The reason why the compliant environment is important—*[Interruption.]* The hon. Gentleman may be aware that that is the phrase, for good reason, that the Government use to show that what we are doing is promoting compliance with UK law, but in a way that tries to protect individuals and is sympathetic. I want to make sure that we are not a country that allows illegal migration to flourish. If that happens, more people will be trafficked here, more people will be abused, and more people will be forced to work in really terrible conditions. It is an important, valid part of what this Government are doing. As for my position, I want to put this right. I believe that I can do that, and I hope that I will win the confidence of the House when I achieve it.

Jeremy Quin (Horsham) (Con): Will my right hon. Friend reconfirm that she will be putting in place a communications strategy that ensures that the welcome changes that she has made are broadly known, and soon?

Amber Rudd: That is exactly what I hope to do. I will make sure that we pick the sorts of communication and the sorts of engagement with people that are more likely to win confidence among people in the community who have not wanted to come forward. High commissioners have been giving me certain amounts of advice, and publications have been coming forward with advice. I am absolutely committed to making sure that people grow in confidence regarding their engagement with the Home Office. I think that the most effective way of people gaining the confidence I want them to have, and coming forward to the Home Office for a swift resolution to their status, is by hearing from other people that this is the case. Only last Thursday, two people got their papers and said they were going to go out and attend the event mentioned by the right hon. Member for Hackney North and Stoke Newington (Ms Abbott), where they said they were going to speak and show their commitment and enthusiasm for the fact that they had got their papers. They also said that they would be telling their family members and friends that this was a proactively personal and helpful engagement.

Stephen Doughty (Cardiff South and Penarth) (Lab/Co-op): The history of empire and Commonwealth runs deeply through the docks communities of Cardiff South and Penarth. The impact of the contributions of generations of Africans, Caribbean people, Somalis, Yemenis, Pakistanis, Indians and Bangladeshis runs throughout my communities for everyone to see. Does the Home Secretary accept that the “hostile environment”

[Stephen Doughty]

policy has affected not just the Windrush generation but generations of people from other communities? A constituent of mine was wrongly deported to Somalia even though he was a British citizen, and this was addressed only after documents were provided by my office. Will the Home Secretary commit to offering compensation and support to all those beyond the Windrush generation who have also been affected by her Department's "hostile environment" policy?

Amber Rudd: I would gently say to the hon. Gentleman that there are two separate approaches—one to legal people and one to illegal people. The purpose of the compliant environment is to make sure that illegal people do not flourish here. Legal people—those we are talking about today, like the Windrush cohort—should have their documents put in place. They will be able to apply to be British citizens under the law, even though everyone considers them as British citizens as part of their communities. In terms of the particular case he raises, he had better write to my office with specific details and I will look into it.

Sir Hugo Swire (East Devon) (Con): Any attempt to lay any of this at the door of the current Home Secretary is plainly absurd and ridiculous. Will my right hon. Friend confirm that there were examples going on and there was still a problem as early as 2000 to 2005, under a Labour Government?

Amber Rudd: I want to thank my right hon. Friend for his comment but also say that I do take responsibility for this, and I want to be the person to put it right. He is right—those of us who have seen the cases recently know—that there are plenty of examples of people who were not able to return when they went to Caribbean countries where their parents had lived from pre-2010. This is not something that has just suddenly appeared; this has been going on a long time. This cohort should have been dealt with a long time ago, and then we would not be in this position, but this Government will put it right.

Lucy Powell (Manchester Central) (Lab/Co-op): Let us hope that this is a wake-up call for culture and practice in the Home Office, because as the MP with one of the biggest immigration caseloads in the region, I have to say to the Home Secretary that that culture and practice have changed markedly over the last two or three years. She is right to say that judgment is part of that problem, but in that context, can she reassure my constituents that the burden of proof will be changed? There are many people who are not fully legal but are not illegal, and the burden of proof is on them, rather than on the Home Office, to prove they are illegal. Can she address that key issue?

Amber Rudd: That is a very fair question. I recognise that there needs to be a cultural change in the Home Office's approach to individuals. There are two steps I have taken immediately that will be coming into place. One will be a contact centre in July. The hon. Lady will know from experience that it is difficult to phone up to get advice. Everybody thinks they have to get legal advice. We will put the phone advice in place. I will also put in place 50 senior caseworkers, so that when junior

caseworkers might think they need to make a certain decision, they will be able to refer up to a senior caseworker who has more discretion. Those two elements will be an important start in addressing her particular concern.

Simon Hoare (North Dorset) (Con): Having raised the issue of compensation with my right hon. Friend the Home Secretary in the urgent question last week, may I say how much I welcome what she has added to that today? That will be welcomed across the House. Can she confirm two things? First, can she confirm that the telephone lines she referenced will be free for those who use them? Secondly, as some Opposition Members seem to be trying to rewrite the pages of history, can she confirm that the phrase emanating from the Home Office of creating a "hostile environment" for illegals was created under the last Labour Government?

Amber Rudd: My hon. Friend is absolutely right; the phrase "hostile environment" was used, I think, by two former Labour Home Secretaries. I welcome his point about compensation, and he is right that there will be no charge for the individuals who call these lines. That is an important part of making sure that people do not feel there is any barrier between them and the help and support and the papers that I want to make sure they get.

Tom Brake (Carshalton and Wallington) (LD): The Windrush scandal and the heartbreaking stories that the Home Secretary referred to a few moments ago are a direct consequence of the hostile immigration environment of the then Home Secretary and now Prime Minister. It started with the "Go home" vans and ended with the threatened deportation of British citizens. Can the Home Secretary guarantee that as the "hostile environment" is dismantled, hundreds of British citizens such as my constituent Mrs A, who came here as a child in 1960 from India and is currently stateless, will finally—no ifs, no buts—be granted British citizenship?

Amber Rudd: We are not dismantling our arrangements to make sure that illegal migration does not flourish. I do not believe that the right hon. Gentleman or his constituents would want us to do that. What we have is a situation where we have legal migration and illegal migration, and where there is illegal migration I believe that our constituents and our country expect us to enforce that. As for the individual case he raised, I cannot give immigration advice across the Floor of the House, and I advise him to write to me for further information.

Thangam Debbonaire (Bristol West) (Lab): Last week, the Home Secretary said that I should tell my constituents that they could trust the Home Office. I have arranged a community meeting this Saturday, and Home Office officials have been helpful, for which I am grateful. However, the Home Secretary leads a Department in which there is a culture of disbelief. I hold her, not her staff, responsible. How will she change that culture so that people in Bristol West can truly trust the Home Office, which I want them to be able to do?

Amber Rudd: I have spoken to my staff, and I am aware that they are going to assist the hon. Lady in Bristol West. As the hon. Member for Manchester Central (Lucy Powell) mentioned, I hope that the hon.

Lady will notice a difference in Home Office assistance going forward. Bristol West will have the benefit not only of the arrangement that she has put in place but of staff going to attend to provide support in that analysis. I hope that that will be appreciated by the people who need it in her constituency.

Matt Warman (Boston and Skegness) (Con): It is of course right that we listen to and compensate the people of the Windrush generation who made a peerless contribution, and who have clearly been put in a very difficult situation. Should we not also listen to people such as the Prime Minister of Jamaica who, after the Commonwealth Heads of Government meeting last week, said that he was confident that justice would be done?

Amber Rudd: That is a fair point. I am aware that many of the people who are leading the countries concerned are relieved and content that the Government have put in place the right measures. I recognise that we need to do more to convince individuals in MPs' constituencies that that is taking place. This morning, for instance, I met another high commissioner who went out of their way to say how pleased they were with the new arrangements that have been put in place.

Several hon. Members *rose*—

Mr Speaker: Ah, a choice between two distinguished chess players who are related. I call Maria Eagle.

Maria Eagle (Garston and Halewood) (Lab): It is clear that the Home Secretary has used the phrase, "compliant environment", more frequently than she has used the phrase, "hostile environment", but whether it is compliance or hostility, does she accept that that policy has led to this debacle? She mentioned people who came after 1973 but before 1988. Will it still be her policy that those people have to produce four original pieces of evidence for every year they have been here to get the status that is theirs by right?

Amber Rudd: No, it is not that policy. To be fair, I was in Croydon today talking to some of the caseworkers, and I challenged them on whether they would expect that before we put in these arrangements, and they said no, they would not. It has not been the case that people with this sort of evidence have been expected to produce that in the past. I hope that that message will go out loud and clear to the hon. Lady's constituents and others: they do not need that sort of information and, yes, for the '73 to '88 cohort, they, too, will be able to access the new service, which will help to link in with other Government Departments to assist with swifter resolution.

Michael Tomlinson (Mid Dorset and North Poole) (Con): I welcome the statement from the Home Secretary, particularly her personal commitment to resolving the issue and the steps that she has put in place. Does she not agree that it is sensible in principle that checks should be made on people seeking homes, jobs and healthcare?

Amber Rudd: Of course, those checks should be put in place—my hon. Friend is absolutely right. They were put in place by Labour in 2008, and other checks were put in place even earlier than that. It is the case in most

European countries that if someone goes for a job or rents a property, they have to show evidence. The purpose of the accelerated, swift process is to make sure that the people who are so valued by this country have the evidence that they need.

Liz Saville Roberts (Dwyfor Meirionnydd) (PC): My constituent, Suzanne Kavaz, was four months old when she arrived from Cyprus in 1959. Cyprus was in the British empire until independence in 1960. Her application for a passport has been in limbo for 18 months, and she has lost work because of a lack of identity evidence, even though she had a passport in the past. When does a "hostile environment", combined with implicit tolerance of austerity-workload fatigue and a culture of concealment, become textbook institutional racism?

Amber Rudd: I am sorry that the hon. Lady has chosen to interpret the problem in that way. I cannot comment on her individual case, but I simply advise her to ask her constituent—or she can do it herself—to contact my office so that we can make sure that the right steps are put in place and, if appropriate, she does not have to wait any longer.

Tom Pursglove (Corby) (Con): Last week my right hon. Friend set out the expectation that all cases would be resolved within a fortnight. Will she update the House on progress, and does she anticipate that that timescale will hold?

Amber Rudd: My hon. Friend makes a very good point. I was in Croydon this morning to make sure that I could have full confidence in the timetable set out and that we have sufficient people on the casework team to turn it around as swiftly as our expectations. That remains the case. The number of calls coming in and the number of face-to-face interviews taking place are manageable. I hope that that will remain the case, but I will not stop putting resources in to ensure that this group are properly addressed and get the first-class service I want them to have.

Dr Rupa Huq (Ealing Central and Acton) (Lab): It is estimated that 50,000 people—a relatively small number—are caught in this indignity, incompetence and "It'll be all right on the night" policy. None of them have presented themselves at my surgery because they have instructed solicitors, so will the Home Secretary commit to reimburse in full the legal fees incurred by those people? Will she also ensure that none of the much larger group of 3 million EU citizens—13,000 of them in Ealing Central and Action alone—suffer the same demeaning treatment of being denied services or, worse still, receiving a knock at the door from deportation, as has happened to the Windrush generation?

Amber Rudd: I can reassure the hon. Lady on the issue of EU citizens. We have put in place a thorough, simple, effective system, which will go live later this year. We have extensively tested it with EU citizen groups and I have a team over at the European Parliament this week, engaging with European parliamentarians to make sure that it is right. It has been prepared in a way that will be very straightforward to use and it anticipates the need that was not anticipated in the case of the Windrush cohort.

[Amber Rudd]

On the compensation for which the hon. Lady asks, as I have said, we are launching the compensation scheme, but I need to consult on it first, appoint someone independently and make sure that it addresses the issues she raises. On the actual applications being made now to the taskforce, while I was there this morning I listened in to some calls and the way in which the callers are engaging with the border people helping them has been very constructive. They do not need to have lawyers: in this process we have put in place, there will be no need for lawyers to engage.

Ms Angela Eagle (Wallasey) (Lab): It is astonishing that, faced with one of the largest scandals we have seen in the way in which a specific group of British citizens have been treated by the Home Secretary's Department, she has not seen fit to take proper responsibility and resign. Will she tell us, in the light of her failure to resign, what on earth is her concept of ministerial responsibility?

Amber Rudd: It is my committed intent to make sure that I put this right. I believe that the measures that I have set out today will address that, but I will make sure that it remains a priority. That, I believe, is what people would expect of me as a Minister.

Dan Carden (Liverpool, Walton) (Lab): May I pick up on just one of the policies brought in by this Government as part of their compliant, hostile environment, namely the right to rent, the measure forcing landlords to check the immigration status of tenants? The former Communities Secretary, Eric Pickles, actually advised the Home Office back in 2013 that those landlords

"who are already rogues will not obey the law—and will make...money...by increasing rents/compromising on health and safety for tenants who cannot complain."

Was it not clear then that that policy would never work, and should it not be scrapped now, along with the "hostile environment"?

Amber Rudd: The legislation to which the hon. Gentleman refers is in the Immigration Act 2014 and it is, of course, the case that Labour did not oppose it. We did a consultation on the back of some of the comments on it. A substantial consultation was done in the midlands, and as a result of that we had the confidence to go ahead with it.

Mr Pat McFadden (Wolverhampton South East) (Lab): This is what happens when we have a national debate and a Government mentality that always sees migration in negative terms as something to be feared and resisted. Any Government have the right to take measures against illegal immigration, but the point is that the Windrush generation were not illegal. They came here legally, they worked here legally and they have stayed here legally. What more can the Home Secretary do not only to address the legitimate grievances of the Windrush generation, but to prevent this from being repeated with legal migration from elsewhere, be it the sub-continent or the European Union?

Amber Rudd: I thank the right hon. Gentleman for that question. He is right that we need to make sure that systems are put in place so that, should this happen again,

the Home Office spots that sooner than it did in this case. I recognise the fact that that needs to be done by a more personal approach, which I set out in my statement. I will also make sure that we put in systems that look at some of the group results. Sometimes what we have is a situation in which individual caseworkers see one thing and the consequences are not being compiled and reported on. I recognise the point he makes, but I believe that we are putting in place points to address it.

Mr Paul Sweeney (Glasgow North East) (Lab/Co-op): As a new Member of Parliament representing a constituency with one of the highest immigrant populations in Scotland, I have had the eye-opening experience of constituents coming to my office in tears because they are in terrible situations, with the Home Office essentially playing God with their lives and tormenting them for years in many cases. Is not that a repudiation of the Prime Minister's calls to deport first and hear appeals later? That is at the heart of the Home Office's toxic "hostile environment" policy and its latest manifestation. Will the Home Secretary take responsibility for the fact that she has disenfranchised British citizens through the changes to the Immigration Act 2014? These people do not need to produce paperwork: they are British citizens. When will she show some moral courage and resign because of the toxic legacy of this Home Office policy?

Amber Rudd: I simply do not recognise the hon. Gentleman's interpretation of how the Home Office approaches immigration. Plenty of people who have tier 1 or tier 2 visas tell us that the UK visa application system is faster than any they have seen before. Many elements of our immigration system support business and are swift and effective, and we should all be proud of them.

Jessica Morden (Newport East) (Lab): A constituent with no papers was made to battle and spend thousands of pounds on legal advice before obtaining a biometric residency permit, but is now being told by potential employers and public bodies that they will not accept it. What is the Home Secretary doing to ensure that public bodies and employers know what to do in relation to ID requirements?

Amber Rudd: One of the missives that I have sent out already as a result of this is instructions to the type of organisations that would otherwise lead on assessing landlords and businesses to make sure that they take a more proactive approach to investigations. We have also told them that they will not face penalties where this group are concerned, so we have tried to lessen their sense of urgency about getting it right. It is important to make sure that we have a system in place where employers cannot employ illegal migrants otherwise they will face fines, but because of this particular situation we have given out particular instructions. As long as employers have done some due diligence, they should not treat these people harshly.

Andy Slaughter (Hammersmith) (Lab): What message has the Home Secretary for my constituent, Nikita Wiggins, whom I saw in my surgery this morning? She came to the UK from Barbados 35 years ago aged three, with an indefinite leave stamp in her passport. Even though she was recently made to take a habitual residency test by the Department for Work and Pensions, she cannot

take up a very good new job because the Home Office no longer recognises passport stamps for these purposes. This situation goes way beyond the Windrush cases and into every corner of many people's lives. It is a product of eight years of institutionalised bullying and discrimination by the Home Secretary's Department and her Prime Minister.

Amber Rudd: I would caution the hon. Gentleman not to use his constituent to make such a political point about the past eight years. If he wants me to look at his constituent, who sounds to me like she falls within the 1973 to 1998 cohort, I urge him to send the information through to me.

Kate Green (Stretford and Urmston) (Lab): Since last week, I have heard of constituents who have been forced to apply for indefinite leave to remain when it is not clear that they needed to; who have applied for spouse visas when it is not clear that that was appropriate; and who have had to go to court to make the case for their right to live and work here. Some have had legal advice—sometimes poor-quality legal advice—and some have not been able to afford it. In addition to the measures that the Home Secretary has announced today, will she also look again at the Legal Aid, Sentencing and Punishment of Offenders Act 2012 and the detrimental effect that that is having, when people cannot get good-quality, professional, legal immigration advice?

Amber Rudd: I recognise the concern that the hon. Lady has raised. The measures that I have put in place today will not require people to get legal advice. I believe that the new taskforce I have put in place has an approach to individuals that will enable them to have confidence that the process will work much better for them than having a lawyer. In one case that I was engaged with today, I was talking to some of the caseworkers and they described how somebody had asked their son or daughter to call up to create that first distance, and then they had taken confidence and were able to address it. This is a system I have put in place where people can have confidence in addressing and dealing with it and in getting a fast resolution.

Stewart Hosie (Dundee East) (SNP): I met a gentleman on Friday—a constituent, originally from the Caribbean, who has been here for 50 years—and in recent times, he has had to spend thousands of pounds unnecessarily to re-prove his right to remain here. I know that the Home Secretary has announced that there will be a consultation into process, but on behalf of my constituent and many others, when will he get his money back?

Amber Rudd: That is a very fair question. We are going to put in place a compensation scheme. I am going to consult on it first. I would like it to act with urgency and pace, and be able to engage with people such as the hon. Gentleman's constituent as soon as possible. He must allow me a little time to do that, but I share his need for urgency.

Kevin Brennan (Cardiff West) (Lab): If I write to the Home Secretary about my constituent, Mr Everton George Perries, who has been here since 1974, will she actually answer? I am not sure that she knows what is going on in her Department. I wrote to her on 4 August last year about a case in which one of my constituents

was the subject of domestic violence from somebody who should be deported. I wrote to remind her in February this year that she had not answered that letter, and I finally got an answer to it in April, in what was essentially an urgent case. Has her Department not taken its eye seriously off the ball in relation to the real cases of illegal immigration? Is it not surprising to her that in that reply, the official said to me:

“From July last year we saw an unprecedented level of intake in Members' written correspondence about immigration matters”? That is hardly a surprise. Why is it such a surprise to the Home Secretary?

Amber Rudd: I see that the hon. Gentleman is making a general point about the Home Office. I am always interested in hearing the points that colleagues choose to make, but today I want to focus on the outcomes that I am putting in place for this particular cohort, who need to have their rights put in place.

Debbie Abrahams (Oldham East and Saddleworth) (Lab): What discussion has the Home Secretary had with the Secretary of State for Work and Pensions about the denial of social security support for some of these people? I appreciate that the Home Secretary has said that she is setting up a compensation fund, but could we have more clarity that they will also be compensated for denial of pensions, social security support for disabled people and so on? And will she finally publish the internal 2014 impact assessment that predicted these effects?

Amber Rudd: I have already put in place instructions to be sent to jobcentres to ensure that they also have an awareness of this cohort, so that when they might have been considering stopping people's benefits because they do not have the papers, that is changed. I will engage with the Department for Work and Pensions on the wider issue. On the retrospective element, that is the sort of thing that I would want the independent person in charge of the compensation to look carefully at.

Carol Monaghan (Glasgow North West) (SNP): Two years ago in this place, I raised the case of my constituent who arrived 50 years ago as a child on his parents' British passports. He did have all the documentation, but he has been put through three and a half years of hell. He has finally been granted settled status but has lost over £50,000 through loss of earnings and legal fees, and he is still not entitled to a British passport. How will the Home Secretary compensate him for the devastating impact on his mental health, and when can he expect to receive his British passport?

Amber Rudd: First let me say how sorry I am about the situation the hon. Lady's constituent has found himself in and thank her for the work she has done for him. I suggest she engages with him to show him that we have now set up the hotline so that he can get his citizenship regularised, if that is what he is still in need of. On the timing of compensation, as I have just said, I will be setting up a compensation scheme and making sure it has independent oversight. When we have that information, I look forward to letting her know.

Wes Streeting (Ilford North) (Lab): Our casework is a litmus test of the impact of Government policy, and my casework in the last week has shown family members

[*Wes Streeting*]

denied access to weddings and funerals because of arbitrary decisions by the Secretary of State's Department; international students who are victims of the TOEIC—test of English for international communication—scandal facing deportation on the flimsiest of grounds and at an extortionate cost to the taxpayer; and, finally, victims of domestic violence with British children facing deportation for no other reason than that the mothers cannot produce evidence from the fathers who beat them. This is totally unacceptable. Windrush is the tip of the iceberg of an immigration policy that is unfair, unjust and incompetently delivered. That is what the Home Secretary ought to be taking responsibility for, and the best thing she could do by way of an apology to the Windrush generation is to ensure that they and future generations of migrants to this country no longer face the injustices of the toxic immigration policy over which she presides.

Amber Rudd: The hon. Gentleman has referred to some really tragic situations, and if he sends me the details, I will look carefully at them and make sure they are addressed. I hope that the measures I am putting in place will allow the sort of personal contact that will enable such individuals to get a more personal engagement and a faster and perhaps more satisfactory response when needed.

Gavin Newlands (Paisley and Renfrewshire North) (SNP): The University of Oxford has estimated that about 120,000 undocumented individuals who either were born here or grew up here face a Windrush situation of their own. Why does the Home Office make it so horrendously complicated and eye-wateringly expensive for them to regularise their stay here?

Amber Rudd: There is a lot of misinformation about what documents are required and when. As a consequence of the assessments we have done since 2014 and 2016, the documents required are now easier for people to access than passports, which not everyone has, as the hon. Gentleman says. It is not unusual, however, for a country to have legislation that tries to combat illegal migration by saying that if someone wants to rent a flat, have a job or go to hospital, they need to show who they are. It is the right thing to do to protect people from too much illegal migration.

Helen Hayes (Dulwich and West Norwood) (Lab): I have been contacted by lawyers representing constituents of mine who are members of the Windrush generation who have been phoning the new helpline the Home Secretary has established, and they report that the helpline is outsourced to a private contractor. They also represent constituents who are so fearful of the Home Office that they do not want to disclose all their details in that first contact but want to seek advice anonymously before proceeding. They are told by the helpline, however, that they cannot do that. When a lawyer queried this, he was told:

“should the department find they did not have a right to Citizenship...then...they could look at other possibilities”.

Does she understand the depth of the lack of trust in her Department among members of the Windrush generation, will she assure the House that no enforcement action will be taken on the basis of phone calls to the

helpline, and will she say what she is doing to rebuild the trust and confidence of people who are so fearful that they do not even want to give their names to her Department?

Amber Rudd: I am sorry to hear that example. I can say, having today met the caseworkers operating the taskforce, that their intent when they say “Look at other possibilities” is to look at other possibilities to help. I ask her to convey that to her constituents, because it is their genuine endeavour. I made that point in my statement as well: there is no question of removing people. I know it is a fear, but it is not happening, and I urge her to communicate that back to her constituents and the lawyers. I should add that when I initially called—immediately—to have the taskforce and phone line set up, it was a phone line at a call centre for about 24 hours, possibly longer; it is now properly run and staffed by the Home Office and by professionals, as one would expect.

Emma Reynolds (Wolverhampton North East) (Lab): In 2015 my constituent Paulette Wilson, a 62-year-old grandmother who came to the UK from Jamaica 50 years ago, was sent a letter by the Home Office out of the blue—to her dismay—telling her that there was no evidence of her lawful entry into the country, and no evidence of her right to remain. Two years later, she was detained at Yarl's Wood and threatened with deportation to a country where she had no surviving family, and where she had not been since the age of 10. I want to know why it has taken the detention of my constituent, and other cases raised by Members on both sides of the House, for the Government to get a grip on this issue and whether my constituent will be fully compensated for loss of income, loss of benefits, and the inhumane way in which she was treated.

Amber Rudd: I share the hon. Lady's indignation about the way in which her constituent was treated. Her first application, which was rejected, was made in 2003. I am pleased that she has now received her documentation, which was sent to her in December. I agree that this sounds like the sort of case that would be eligible for compensation. However, I must allow the compensation scheme to be set up and the necessary consultation to take place, so that the scheme is right and people can gain access to it in a way that is fair.

Jack Dromey (Birmingham, Erdington) (Lab): Gloria Fletcher wept as she told me that, having lived here for 50 years and worked every single day of her working life, she had lost her job when her work was transferred to another company because she could not prove that she was British. She and her husband Derek are now struggling to pay the mortgage. The Home Secretary says that the state let them down. No, it did not; the Prime Minister let them down. The Home Secretary let them down. Will they both stop trying to blame their civil servants, and start taking responsibility for the pain that they have caused?

Amber Rudd: Let me say for the avoidance of doubt that I do take responsibility. It is because I take responsibility that I want to put this right, and I will make sure that my office does so.

Neil Coyle (Bermondsey and Old Southwark) (Lab): Last week, the Home Secretary announced the establishment of a Windrush taskforce consisting of 50 staff. In less than a week, its remit appears to have been expanded to cover the entire Commonwealth. That not only demonstrates the mess that the Home Office is in, but potentially makes less than one member of staff responsible for each Commonwealth member state. How many staff members will the task force now have, and how many countries is it expected to cover?

Amber Rudd: I can reassure the hon. Gentleman, because I talked to members of the taskforce this morning, that there are currently 20 staff members, and that they are managing their casework and calls. I can also reassure him, and other Members, that they are leaning in and finding the people who are appearing in our media.

Let me take this opportunity to thank not only the right hon. Member for Tottenham (Mr Lammy) for the good work that he did, but the various media outlets which relentlessly exposed the situation of which these individuals had been on the receiving end. It is their extraordinary work that has led to this sea change in the protection of the Windrush cohort, and the changes that will be made in the future.

Matt Rodda (Reading East) (Lab): We have heard the Home Secretary try to gloss over this crisis—a crisis that she and her predecessor, the Prime Minister, created—but is not the truth that the scale of the Home Office response is likely to fall far short of what is needed? Does the Home Secretary not understand the scale of the issue, or is she simply unable to manage her Department?

Amber Rudd: I am sorry to hear that from the hon. Gentleman. If he had been listening to what I have been saying, he would know that there is no glossing. There is a clear plan, and there is a clear commitment. I will take any opportunity that is presented to come back and tell the House what progress has been made, because it matters to me personally, and it matters to the Government, to put this right so that the people who have done so much for our country are looked after and respected as they should be.

Points of Order

5.54 pm

Tonia Antoniazzi (Gower) (Lab): On a point of order, Mr Speaker. It concerns a question posed by the hon. Member for St Austell and Newquay (Steve Double) during Prime Minister's Question Time last week. I ask for your advice and guidance on this matter. On that occasion, the hon. Gentleman asked the Prime Minister:

“Does she believe that the honourable thing would be for the new incumbent of that seat to resign and fight a free and honest by-election?”—[*Official Report*, 18 April 2018; Vol. 639, c. 322.]

I have many issues with that statement, Mr Speaker, and I look to you for guidance on what steps I can take to defend myself against these slurs. I was not informed that the hon. Gentleman would be mentioning me in the Chamber, and I was not present to defend myself when the comments were made. As a direct result of the accusatory tone of the question, I have now been a victim of online abuse through Twitter and via e-mail. My honour and reputation have been called into question by the comments that have been made.

I have never condoned, and would never condone, the spreading of lies and untruths about a political opponent or any other person, and nor would anyone on my team. I worked extremely hard to win the election fair and square, and I will not allow anyone to imply anything different.

Mr Speaker: I am most grateful to the hon. Lady for her point of order, and for her courtesy of giving me notice of it. I think I am right in saying that, by e-mail, she alerted the hon. Member for St Austell and Newquay (Steve Double) of her intention to raise this matter.

Let me say to the hon. Lady, and, indeed, to the House, that it is an important convention for Members to inform each other if they intend to make personally critical remarks—not expressions of disagreement appertaining to policy, but personally critical remarks—about colleagues in the Chamber. She has succeeded in putting her view of the matter clearly on the record, and if she is concerned that the original allegation will have been widely circulated, I know that she will now do her level best to ensure that what she regards as her correction of the record is equally widely circulated.

This was a proper use of a point of order, which in itself is a relative novelty—not from the hon. Lady, but from any Member of the House. I thank her for what she has said.

Nia Griffith (Llanelli) (Lab) *rose*—

Richard Burgon (Leeds East) (Lab) *rose*—

Mr Speaker: Well! There is a considerable competition between two Opposition Front Benchers. I hope that the hon. Member for Leeds East (Richard Burgon) will forgive me if I take the point of order from the hon. Member for Llanelli (Nia Griffith) first.

Nia Griffith: On a point of order, Mr Speaker. I fear that the Secretary of State for Defence may have inadvertently misled the House during Defence Questions earlier today when he said that

“the Ministry of Defence does not actually administer LIBOR funding—that is the Treasury.”

[Nia Griffith]

On 14 March, in a written answer, the Minister for Defence People and Veterans stated categorically:

“Armed Forces related LIBOR grants, including bespoke funds such as the Armed Forces Covenant Fund and Aged Veterans Fund, are committed by HM Treasury and administered by the MOD.”

This really matters, because there is concern about the possibility that LIBOR funds have been mis-spent by the Ministry of Defence, and the Secretary of State cannot simply pass the buck. Will you please advise me, Mr Speaker, on how the record might be put straight?

Mr Speaker: If the Secretary of State believes that he has erred—and, of course, to err is human, so there is no shame in it—it is up to him to correct the record. Each and every Member is responsible for the veracity of what he or she says in this place, and, indeed, for correcting that which is wrong. It would be perfectly possible, if the Secretary of State accepts that he has made a mistake, for him to put the record straight via a correction in the *Official Report*, known to us, and to some outside this place, as *Hansard*. I think I can say with some confidence that the gravamen of the hon. Lady’s point of order will communicate itself to the Secretary of State ere long, and we must await developments.

Richard Burgon: On a point of order, Mr Speaker. I want to express my concern about the Government’s failure to provide time for a debate and vote on the Criminal Legal Aid (Remuneration) (Amendment) Regulations 2018. The measure has caused widespread concern throughout the legal sector, with barristers taking unprecedented industrial action and refusing to take on legal aid work, which has left some defendants without legal representation. A motion praying against the statutory instrument was laid on 22 March on behalf of the Opposition. The shadow Leader of the House then raised the matter during Business Questions on 29 March, and again on 19 April, but no time has provided for a meaningful vote. I understand that under the procedure, the instrument can be annulled only if such a motion is agreed by the House within 40 days of the regulations being laid. That period has now expired.

May I ask you, Mr Speaker, to confirm that we have taken the necessary steps to secure a vote according to the conventions of the House, and that a prayer from the official Opposition should be accommodated with a debate on a motion for annulment, for which my hon. Friend the Member for Ashton-under-Lyne (Angela Rayner) has also called today? Just before the recess, my

hon. Friend made a point of order about a similar situation, and after your intervention the Government agreed to revoke and re-lay the regulations phasing out the NHS bursary for nursing students. Would it therefore be your advice that the Government should revoke and re-lay this regulation, Mr Speaker? Can you also advise whether there are any other steps that my hon. Friends and I could take to secure a debate and vote on this legislation? Otherwise, we seem to be in a position whereby the Government can simply make it impossible for regulations to be annulled by refusing to allocate time.

Mr Speaker: I thank the shadow Secretary of State for his point of order. This is a regrettable state of affairs. Very few things in this place are without precedent, and I certainly would not suggest that this situation is. Indeed, he has just referred to a recent example for which there was a corrective remedy available that the Government accepted. I am not sure that even this situation, if uncorrected, would be unprecedented, but what I can say with some confidence is that such a circumstance is unusual and, indeed, in terms of the smooth running of the House and the existence of a basic atmosphere of trust between the usual channels, it is unhealthy for such situations to occur and for people to feel the need to raise them in this way. I am not cavilling at the hon. Gentleman’s doing so, but it is a pity that this situation has arisen.

I can confirm that, as the hon. Gentleman suggested—he is not in error in this—that the praying time for these regulations has now expired. He and his colleagues will therefore need to table a motion to revoke the regulations in place of their prayer and press the Government through the usual channels for the necessary time to debate the matter. If the motion to revoke were agreed by this House, it would not have direct statutory effect in the way that a prayer would have done. It would be a matter for decision by the Government when or whether to bring forward amending regulations.

Finally, in answer to the hon. Gentleman’s inquiry whether there were any more steps available to him, I think I can say no. He has, by taking the action he has done, exhausted the avenues open to him. I say that in a neutral, or indeed positive, sense. He has pursued such options as are available to him and I think he has now to await the Government’s response. Knowing his terrier-like pertinacity, I feel sure that if he does not enjoy satisfaction this is not the last we will have heard of the matter. If there are no further points of order, and the appetite has been satisfied at least for today, we can now proceed.

Rating (Property in Common Occupation) and Council Tax (Empty Dwellings) Bill

[Relevant document: Sixth Report of the Housing, Communities and Local Government Committee, Pre-legislative scrutiny of the draft Non-Domestic (Property in Common Occupation) Bill, HC 943.]

Second Reading

6.3 pm

The Minister for Housing (Dominic Raab): I beg to move, That the Bill be now read a Second Time.

The Bill takes forward two important measures to promote fairness derived from the autumn Budget: fairness for hard-pressed businesses that face an unjustified tax hike because of the so-called staircase tax; and fairness for the families, young people and many others who see properties lying empty while they struggle to find somewhere to live. On the first issue, we are determined to support the occupiers of business premises in multiple occupation and to ensure that they do not face unfair penalties. For more than 50 years, businesses that operated in adjoining units or rooms accessed from a common corridor staircase received one rates bill. That applied, for example, if a business occupied three consecutive floors in an office block or if a business occupied two rooms separated, let us say, only by a wall.

The rule was widely understood and accepted among all ratepayers, rating professionals and the Valuation Office Agency. No one was looking to change that approach. However, as a consequence of a Supreme Court decision in 2015 concerning an office block occupied by the accountancy firm Mazars, the situation was put in some doubt. After considering the Supreme Court judgment, the Valuation Office Agency concluded that it had to change its long-standing practice. As a result, each unit of property accessed from common parts has to have its own rating assessment, regardless of whether the properties are adjoining or associated with the same business. So, for an office block housing more than one business, each floor will now typically need to have its own rating assessment, even if successive floors are occupied by the same business.

We are not criticising the Supreme Court for reaching that judgment or the Valuation Office Agency for changing its practice as a result, but we have monitored the impact of the changes and it is clear that they have had troubling and damaging implications for ratepayers. First, moving from rating assessments that cover several floors to individual floors has increased some rateable values and rates bills, even when there has been no change to the property or locality. That is because the rateable value per metre squared is sometimes lower for larger properties, reflecting the normal practice in the market whereby landlords will offer discounts on rents for occupiers willing to take more space. This left some ratepayers suddenly facing a backdated increase in their overall rates bill.

Secondly, some businesses have lost small business rate relief as a consequence of the changes. That is not what we wanted to see, given its role in supporting the small independent businesses that are vital contributors to local economies and communities. As hon. Members will be aware, small business rate relief is a generous measure providing relief for ratepayers of property up to £15,000 in rateable value, and as a result more than

600,000 small businesses, occupiers of a third of all properties, pay no business rates at all. It is targeted at ratepayers with only one property and one rates bill to ensure that it benefits small independent businesses, which are very much the lifeblood of our local economy.

As a result of the change in practice that has seen some single rating assessments split in two, some ratepayers who were previously eligible for small business rate relief have lost some or, in some instances, all, of that relief. We understand that the number of small businesses affected by the loss of relief is relatively low, at fewer than 1,000, but that is still about 1,000 too many.

These businesses already pay their fair share. They deserve our support and this Bill will make sure that they get it. That is why we have decided to restore the previous practice of the Valuation Office Agency under clause 1. This will again see adjoining properties that are part of the same business receiving one rating assessment and paying one rates bill. We have decided to do this retrospectively. It is important that we get the process right, so we carried out a technical consultation on draft provisions over eight weeks after Christmas, supported by workshops held by my officials with the ratings sector. Indeed, there were meetings with expert valuation surveyors, too.

The Minister for Local Government, my hon. Friend the Member for Richmond (Yorks) (Rishi Sunak), answered detailed questions from the Chair of the Select Committee. I am pleased to say that a good response to the consultation has helped us to improve some of the draft provisions. We published a summary of those responses and an explanation of the improvements on the Ministry's website. I want to take this opportunity to express my appreciation on behalf of my Department and the Valuation Office Agency for the help we received from the Rating Surveyors' Association, the Royal Institution of Chartered Surveyors and the Institute of Revenues Rating and Valuation in this work. It is probably worth saying that the Federation of Small Businesses supports the measure, too. As a result of this work, I am confident that the provisions we are introducing in clause 1 are technically sound and meet the Government's aims, and that they will be welcomed not just by ratepayers but by everyone who wants to see British businesses thriving, especially small businesses and those on our precious high streets.

We are also determined to deliver a fairer deal for the many people who want and need decent, secure and affordable homes. We are straining every sinew to build more homes. Last year, we saw 217,000 new homes delivered, the highest number in all but one of the past 30 years.

John Redwood (Wokingham) (Con): I am a strong supporter of what the Minister is trying to do but, on the question of a more penal tax on empty properties, will he assure me that, if a property is empty pending permissions for subdivision or improvement to get it into a better state so that it can be enjoyed as a home, there will be some flexibility so that people are not being taxed while they are trying to do that work?

Dominic Raab: My right hon. Friend is absolutely right, and that is precisely why we have a minimum period of two years, to ensure that we strike the right balance and encourage the use of existing resources in our housing stock without penalising those who want

[Dominic Raab]

to get their housing stock on to the market but are taking a bit of time to do so, for whatever reason—perhaps because of renovations or the challenges of the local market.

Mr Clive Betts (Sheffield South East) (Lab) *rose*—

Dominic Raab: I will give way to the Chair of the Select Committee.

Mr Betts: I want to return to the issue of the staircase tax, which the Committee looked at when we examined the draft Bill. We were generally content with the objectives and policy goals, but we raised a particular issue to which we have not yet had a satisfactory answer. It relates to the Government's commitment that local authorities would be compensated for any financial costs incurred due to this measure. That was what the Government said they would do when they announced that they were bringing in this legislation but, since then, all we have had from them is, effectively, a nil. It seems that they are going to do nothing whatever about this, even though they accept that there could be an impact on individual authorities. We do not know what that impact will be because the Government have not given us their workings on this, but can the Minister at least give us an indication that he is prepared to look at this again and give us his assessment of the impact on individual authorities? Will he give us an indication that he is prepared to do something about this?

Dominic Raab: The Chair of the Select Committee makes an important point. We clarified the situation for local authorities after the Budget and we have written to them. I do not think it would be right to compensate local authorities for what would effectively be an inadvertent windfall resulting from a judicial determination. From the point of view of Government policy, that was not something we wanted to see, and we have moved as swiftly and reasonably as we can to correct this.

Mr Betts: We accept that the legislation takes the position back to what people thought it was before the court decision. In the meantime, however, we have had the court decision and local authorities will have done their estimates based on that decision, so the Government are effectively changing local authorities' financial positions from what they thought they would be a few months ago. Given that the Government initially said they were going to compensate local authorities, why have they gone back on that commitment?

Dominic Raab: We did tell local authorities about this as soon as was reasonably possible and, as I mentioned in my previous answer to the hon. Gentleman, I do not think it is right for local authorities to gain from an inadvertent windfall at the expense of small businesses in our local communities.

I shall return to the second aspect of the Bill: council tax on empty dwellings. We are straining every sinew to build the homes that this country needs but, at the same time, we must make the best use of our existing housing stock, and that is what the second clause of the Bill is designed to achieve. It sets out an adjustment to the council tax empty homes premium, which will help to deliver on that.

Wera Hobhouse (Bath) (LD): In coalition, the Liberal Democrats allocated more than £200 million to the empty homes programmes. However, in 2015, under the Conservative Government, that funding was completely cut. Is it not important to reinstate that money in order to bring empty properties back into use as affordable homes?

Dominic Raab: Of course, that was a period of coalition government. In our judgment, that method does not provide the best value for money, which explains why we are taking the approach that we are taking in this Bill.

Doubling the council tax on empty dwellings is just part of a range of measures that we are taking to fix the housing market, but it is an important step. The average house price in England is currently almost eight times the average income, compared with four times the average income in 1999. Families in their early thirties are half as likely as their parents to own their own home, and the same challenge faces private renters, whose housing costs now typically account for just over a third of their spending. This Government are committed to turning that around by taking action on all fronts. Fundamentally, that must mean making more homes available by building and delivering more homes, but we are also committed to making better use of the stock that we already have, including by supporting local authorities to use their stock efficiently and ensuring that they are doing all they can to bring homes that have remained empty for an extended period back into use.

Councils already have some powers and incentives in this area. In 2010, we inherited a situation in which council tax discounts were applied to all empty homes. That was not right because 300,000 properties were left empty while many hard-working families were struggling to find homes. Owners of long-term empty homes should be incentivised to bring them back into use and that was why in 2013 we enabled councils to charge the full rate of council tax on empty properties. We have also put in place powers for local authorities to charge a council tax premium of up to 50% on homes that had been vacant for two years or more.

Eddie Hughes (Walsall North) (Con): In Walsall, we have seen a 40% reduction in the number of long-term empty properties since 2010. Does my hon. Friend anticipate the measures in the Bill helping us to tackle that still further?

Dominic Raab: The progress that has been made in my hon. Friend's constituency is hugely welcome. If we look at the behavioural change across the board as a result of previous measures, we can see that 90% of councils have taken up the powers to apply the premium and that all but three of those councils are charging it at the maximum level of 50%. This has resulted in a 9% fall in the number of properties subject to a premium in those areas using the premium every year since the power was introduced.

Jim Shannon (Strangford) (DUP): In Northern Ireland, measures have been taken in relation to accommodation above shops that is not being used for commercial purposes. The Minister has referred to rates relief for shops, and there is also a way of doing that in relation to the space above the shops in order to provide accommodation. Has he given any consideration to that possibility?

Dominic Raab: I am not quite sure what means the hon. Gentleman has in mind for achieving that, but perhaps we can thrash that out in more detail in Committee. Of course we will always remain open to adopting the smartest ways of doing things to ensure that we get the right balance.

Dr Sarah Wollaston (Totnes) (Con): I welcome the Bill and its measures to give councils the tools they need to ensure that we drive down the number of empty properties. Will the Minister also use this opportunity to ensure that those who own second homes are contributing their fair share through council tax, and that they are not able to sidestep that by opting to pay business rates and then claiming eligibility for small business rate relief? If we are to achieve our goals on decent, affordable homes, it is important that everybody should pay their fair share.

Dominic Raab: My hon. Friend makes a powerful point. The situation to which she refers is slightly different from that of vacant homes, but I would say that we need to balance the economic impact of any measures in that area with the underlying public policy imperative that she has rightly referred to. We have also made changes on holiday homes in the context of council tax and stamp duty. We will keep the point she raises under due consideration and I have also discussed it with the Minister for Local Government.

In addition, our new homes bonus scheme provides a financial reward for councils that bring empty homes back into use, so this involves a carrot as well as a stick. This has generated £7 billion in new homes bonus payments to local authorities since 2011. Since these measures took effect, the number of properties left empty in England for six months or longer has fallen by a third since 2010, from 300,000 to just over 200,000. So these measures can work and they can deliver changes in behaviour.

Justin Tomlinson (North Swindon) (Con): I wholeheartedly support these announcements. Only this weekend, I was talking to some very angry residents who have had to live for decades next door to empty properties owned by one individual who does not wish to bring his houses back on to the market. This is blighting residents' housing in those neighbourhoods and there are even rats escaping from the abandoned houses. I wholeheartedly support any measure to protect the existing residents.

Dominic Raab: My hon. Friend makes a powerful point and I suspect that that situation is reflected much more broadly, both regionally and nationally.

Based on our experience as of today, we will go further in the Bill by doubling the premium's maximum level to 100% and by allowing councils to charge double the rate of council tax on homes standing empty for two years or more. We are trying to strike the right balance between respecting the legitimate interests of those who own property with the overriding imperative in my Ministry to make the best use of existing housing stock, to ensure that we provide the homes that people in this country need.

Of course, given the demand for housing, we cannot just leave properties lying empty for years and the Bill will provide a positive incentive to avoid that. If vacant homes

lay empty for too long, not only is that a waste of a much-needed resource, but they can become a blight on the local community, as my hon. Friend the Member for North Swindon (Justin Tomlinson) said, whether through squatters, vandalism or other forms of antisocial behaviour. Different areas will have different housing needs and different numbers of long-term empty homes, and the legislation will respect the fact that local authorities know their communities and their areas best, which is why we will keep the premium as a discretionary discount, allowing councils to decide whether it is appropriate for their communities and enabling them to set the level of premium that should be charged.

We understand that local authorities will want to reflect carefully on the local housing market in deciding whether to issue a determination when, for example, a homeowner is struggling to rent out or sell a property in a challenging market, which was a point made by my right hon. Friend the Member for Wokingham (John Redwood) earlier. For that reason, we published guidance in 2013 to remind local authorities to consider the reasons why a property may lie empty in particular circumstances. The guidance makes it clear that the premium should not be used to penalise owners of homes that are genuinely on the market for rent or sale. I should also say that the Bill will not bring any extra properties within the scope of a premium; it simply applies to those properties that might already have been affected by a higher premium.

In taking these measures to help to secure homes and to lift an unreasonable burden on business, the Government are delivering on our commitments to support the enterprise economy and to build a fairer society, backing small businesses and backing working families who dream of getting on to the housing ladder. I commend the Bill to the House.

6.21 pm

Jim McMahon (Oldham West and Royton) (Lab/Co-op): Happy St George's day to you and to the rest of the House, Madam Deputy Speaker.

I thank the Under-Secretary of State for Housing, Communities and Local Government, the hon. Member for Richmond (Yorks) (Rishi Sunak), for meeting me last week to go through some of the Bill's more technical aspects, which will save other Members the headache of hearing some of them today.

The Opposition broadly welcome both of the changes in the Bill. Clause 1 seeks to address the Supreme Court's decision on the staircase tax, relating to how unconnected units occupied by the same business are treated. The measure will put businesses in no worse position than they would have been before the court ruling. Clause 2 will give local authorities the power to increase council tax on homes that are deemed to be long-term empty.

While the Opposition support clauses 1 and 2, we need assurances from the Government that they will not cause detriment to local authority finances. That is particularly the case with clause 1, which will reinstate features of business rates valuation practice that applied prior to the Supreme Court case. The Housing, Communities and Local Government Committee has been clear that the effects of the provision on individual local authorities ought to be quantified and supported. The Government have not been clear about how individual local authorities

[*Jim McMahon*]

will be affected or about those that will be picking up the tab as a result of the reforms. It has therefore been difficult to give the measures adequate scrutiny at this stage, so we hope to explore some of them in Committee.

Some wider issues also need consideration. The Federation of Small Businesses has illustrated the problems facing smaller firms that necessarily operate in large premises but do not qualify for small business rate relief. For example, childcare providers require space by the nature of their activity, but that takes them above the small business rate relief threshold. Far more also needs to be done to protect the high street, and town and city centres. Business rates are a significant cost and can be the difference between surviving or failing. We recognise that a taxation system cannot sit in isolation and must support the Government's broader policy objectives, and we have seen some of the largest corporations get away without paying their fair share of tax while premises—the property-based businesses that are the lifeblood or foundation of many of our communities and are essential for town centres to thrive—are taxed through business rates before they earn a single penny.

Turning to clause 2, we welcome the move to bring long-term empty properties back into use by incentivising the owners of such homes to act, but we are also keen to tackle the shortage of available housing in some areas. It has been Labour policy for some time now—the Government's policy falls short of this—to see 300% council tax charged under the measures that are being put forward today. There are currently 200,000 empty properties in England, and we have seen homelessness increase steadily over the past eight years. As we speak, 120,000 children have nowhere to call home. They are staying with friends and family, and many of them do not have a bedroom of their own. Meanwhile, the evidence of rough sleeping and homelessness is plain to see in towns and cities up and down the land. Councils, particularly in London, which has the highest concentration of empty properties, are battling to meet their statutory obligations and housing duties due to increasing demand, rising unaffordability and the effects of eight years of Government cuts to local authority revenues. It is absolutely right that owners of empty properties pay a premium if their property is suitable to let but they fail to do so. However, any move must form part of a wider strategy to bring empty homes back into use, including positive, proactive support to get homes back on the market.

We welcome the Government's acknowledgement of some of the faults in the system and their move towards adopting Labour's policy on empty homes, but they could of course have gone further. Housing is one of the most pressing issues facing this country, and eight in 10 people think the Government ought to do more to address the housing crisis. We know that, which is why my right hon. Friend the Member for Wentworth and Dearne (John Healey) has launched a Green Paper on affordable housing—a framework to change the country's approach to affordable housing—as part of a new national mission to solve the country's housing crisis. From planning to funding right through to delivery, we need a comprehensive, joined-up strategy to tackle the housing crisis.

The Conservative-chaired Local Government Association—I declare an interest as one of its vice-presidents—agrees that there is more to be done. It would like the Government

to go further and give councils greater power to borrow, to build and to deliver the homes that we need—not on a case-by-case basis, but by trusting local authorities to understand their areas and to get homes built quickly.

Mr Jim Cunningham (Coventry South) (Lab): Like me, my hon. Friend has experience of local government, and he will know that if the Government are serious about dealing with this country's housing crisis, they would free local government to build social housing on a major scale. That would determine the Government's level of commitment. So far, however, they have not shown that commitment. There are families in my constituency in Coventry who cannot get accommodation, which is a terrible situation for people to find themselves in.

Jim McMahon: Absolutely. In some areas, the housing crisis was a significant factor in why people voted to leave the European Union. People do not feel confident about this country's future, and housing is a vital part of that. If people do not have the security of a home or a secure tenure, they will rightly be nervous about what the future may bring, so the Government need to do much, much more. However, the idea that they can command and control from Whitehall and expect every community to benefit has been disproven time after time. As my hon. Friend pointed out, we should empower local government to get on. Councils know their areas. They have the local partnerships and know the sites. They have planning departments that need greater support. If they were given the resources, they could do far more, but this must be about giving them independence and freedom, not making them wait for the Government to offer crumbs from the table, which is how many councils feel.

Justin Tomlinson: I agree with much of that principle, but that is what local plans are for, and we have cross-party support in my patch of Swindon. This Government are empowering local communities to shape future development if they choose to engage with the opportunities.

Jim McMahon: I accept that point, but we also need to accept that local plans are limited in that, by and large—of course they do more than this—they are about land supply to support the number of housing units that will be built. They do not discuss the mixture of tenure or go into detail about the funding plan that will support the proposals. A local authority could identify, based on its population and demographics, that it needs a certain proportion of affordable or social housing, for example, but there will be no funding plan to deliver on that. A local plan could sit on a shelf for 10 years, but if the council's ability to borrow is curtailed, it cannot lay the bricks to build social housing. Like the hon. Gentleman, I know my local area and the council knows the area too, but it is constantly under the cosh of funding cuts. It does not have the capacity and it needs it to be freed up.

Mr Jim Cunningham: My hon. Friend is generous in allowing me to intervene again. If the Government really believe in local democracy and want to encourage a property-owning democracy, they should do what used to be done. Local authorities used to give out mortgages and build houses for sale, and they used to build social housing. That is how to do it if the Government really mean to tackle the problem, and that is what they are not doing.

Jim McMahon: That is a fair point and, bringing it back to the Bill, we will see the rigour that local authorities apply to understanding what clause 1 means for their base funding requirements and what clause 2 means for how much money can be generated to support bringing more rental homes back into use. We know local government will deliver because, time after time, it has really stepped up and done what is asked of it.

Finally, the Bill feeds into the wider debate about the viability of local government finance. Issues such as the staircase tax have raised important points, but we need to move away from the uncertainty and the reliance on favourable Government decisions to fund local services. Any new responsibilities must be backed up with the resources to guarantee that councils can meet their statutory duties.

By the end of the decade, local government will be facing a funding gap of £5 billion which, time after time, the Chancellor seems to be wilfully ignoring. I understand that Ministers have been trying to get an audience with him, but they have failed. The consequence is that our councils often face financial uncertainty.

As my hon. Friend the Member for Denton and Reddish (Andrew Gwynne), my boss, says, you cannot empower local government if you impoverish it.

6.31 pm

Bob Blackman (Harrow East) (Con): It is a pleasure to follow the hon. Member for Oldham West and Royton (Jim McMahon). I draw the House's attention to my entry in the Register of Members' Financial Interests as a vice-president of the Local Government Association.

As I said last week, it is a pleasure to see the Chair of the Select Committee on Housing, Communities and Local Government, the hon. Member for Sheffield South East (Mr Betts), back in his place for this debate. During his absence, the Committee has had to deal with many of the issues we are discussing tonight. I thank my hon. Friends on the Front Bench for coming before the Committee to update us on the Government's proposals and to give us a chance to comment before the Bill came before the House.

In many ways, that is something from which all Departments could learn. Using Select Committees to do pre-legislative scrutiny is a good way of making sure we get legislation as close to correct as possible before it is presented to the House, rather than requiring the House to develop it further. My Homelessness Reduction Act 2017 went through the same process, so it is clear that the Ministry of Housing, Communities and Local Government is leading the way in government, and we should congratulate it on doing so. However, I will outline some criticisms of the proposals, because there are some concerns.

The staircase tax came as a bolt out of the blue to some 30,000 small businesses in this country. We cannot criticise Supreme Court rulings, but this one was a massive shock to small businesses across the country that have paid their business rates for many years—there was a settled position. The Supreme Court ruling ended that, and I will pay particular attention to what has happened across the country in the past couple of years as a direct result.

My constituent Anthony Broza is the chief executive of Wienerworld, the UK's leading independent music publisher and distributor. Given that his company is

competing against Amazon and other such companies, the staircase tax has a direct impact on his business. He is my constituent—he lives in my constituency—but he runs his business out of an office just across the border in the London Borough of Brent, and therefore the levying authority is Brent Council.

Mr Broza owns an office block that I think is on four floors. He uses the ground floor for distribution and to allow the public to come to see his goods and services, and he uses the fourth floor for administration purposes. He quickly realised that he would not need the other floors so, rather than keeping them empty, he not unreasonably rented them out to other businesses. The floors are connected by a common staircase, hence the staircase tax.

Mr Broza runs a small business and, because he was getting small business rates relief, his rates were effectively zero. Suddenly, after returning from a good holiday, he received a 22-page document from the Valuation Office Agency and no less than nine rates bills from the London Borough of Brent demanding payment within five months. As might be imagined, it came as a bit of a shock to put it mildly. The sole reason for the shock is that the offices are split over different levels, and they have been that way for many years.

Michelle Donelan (Chippenham) (Con): Does my hon. Friend agree that such shocks can deter the very entrepreneurial spirit we need to ensure that the small business economy thrives under this Government?

Bob Blackman: Mr Broza's view is that he might have to close his business as a direct result of this completely unreasonable demand and, as I have said, his is one of 30,000 businesses in that position.

Obviously, the various different charges levied on Mr Broza covered a number of years going back to 2015-16 and 2016-17. The 2017-18 rates bill was even more aggressive, because it took account of an increase in rateable value and the loss of transitional relief and business rates relief. He was placed in a position in which he was suddenly presented with a bill for £8,344.59 in one go, to be paid within the year, when he had previously been paying the princely rates of about £370 a month on one property and only £50 a month on the other. He was clearly encountering a draconian position.

When Mr Broza came to see me, I was shocked that he was being placed in that dreadful position. Clearly, overall, the Government were going to gain from this Supreme Court decision. Whether it is local government or national Government, overall the taxpayer was going to gain some £3,040.95 in one hit that was completely unbudgeted for.

Worse still for Mr Broza, he had budgeted that his business rates bill for the 2017-18 tax year would be zero. Of course, he was then told that he would have to pay £5,365.07 within five months of receiving the bill. I took up this case with the Chancellor, and I am pleased to say that the Chancellor saw the right way to proceed: small businesses in such a situation that have acted in a perfectly reasonable and lawful way should not be penalised by suddenly being hit with a dreadful windfall tax.

However, we have a number of problems still to resolve. I welcome the Bill, under which businesses such as Wienerworld will be returned to their previous position.

[*Bob Blackman*]

However, the current position is that the London Borough of Brent, and other councils across the country, are still levying these punitive tax rates and demanding payment. So businesses are having either to find money out of their revenue to pay local authorities—to keep paying the business rates as they are—or to borrow the money in the hope and expectation that it will be returned to them. Either way, this seems unsatisfactory, given that the Government have made it clear they are going to correct the position for those businesses.

Simon Hoare (North Dorset) (Con): My hon. Friend is making a powerful case on behalf of his constituent. Does he agree that quite a lot of these things illuminate the disconnect between decision making and policy making, and an understanding of how the business world, particularly the small, local business world, works? If there was better knowledge and understanding of that, some of these cases, to which he has rightly been drawing the House's attention, would not arise.

Bob Blackman: I thank my hon. Friend for that intervention. Clearly, Government policy should always be driven in an evidence-based way and be sympathetic, particularly to small businesses, which are the lifeblood of our economy. However, we are dealing with a Supreme Court ruling here, as opposed to Government policy. I am pleased that the Government are trying to put it right, which is how this should work. The advice being given by officials from the Department is less than helpful in its current guise, because the correspondence we have had from the Department says that it cannot do anything until the law is corrected. That means that businesses are still being charged these business rates while the law is being changed. One thing the Government need to look at is finding a way of ensuring that people are not having to pay huge sums only for the valuations to be redone and for them to claim the money back, together with interest—there is also the bureaucracy to consider. Businesses just want to get on with their business, rather than sorting out the mess that has been created with their business rates.

The attitude of the London Borough of Brent to Wienerworld—I suspect this is shared by all local authorities across this country—is, “This is the decision. You are due to pay this money. You must pay it or else we will distraint against you to get that money off you.” That means small businesses in this country will go under as a result, and that is the concern. Obviously, the Government are moving as fast as they can to correct this position, but guidance needs to be given by the Department to local authorities on businesses that are suffering financial hardship as a direct result of a decision that was nothing to do with them, is not Government policy and needs to be corrected.

This is a problem in many parts of London, and it has been drawn to my attention that one area that will suffer heavily is Tower Hamlets, which has a number of businesses in respect of which the staircase tax is operational. This is one area where I have criticisms on this issue. Once the Bill becomes an Act and the law is corrected, the businesses will apply for revaluation. As I understand it, their revaluation will go back to 2010 if they so wish—it will probably go back at least to 2015. They will then get a revised bill, and probably a return of money and of interest, which is going to come from the

local authority. I noted the Minister's comment in reply to the Chair of the Select Committee that the position would be that local authorities have experienced a windfall. They have, but many local authorities are now going to have to repay that money once the law is changed back again and they have used that money. It is not money that they were not expecting, because they have had a judgment, and they have used this money in their budget. If the Government now say, “You've got to repay the money but we are not going to compensate you for that repayment”, that is a windfall to the Government—

James Duddridge (Rochford and Southend East) (Con): I apologise for not being here for the whole debate, Madam Deputy Speaker—I have been chairing a Bill Committee. What my hon. Friend is saying is worrying me, because a problem of this nature may arise in Southend and we are running a fine budget. Has he quantified, by area, how much money is involved? Finances are already troublesome in terms of local councils trying to deliver the best services locally.

Bob Blackman: All local authorities across the country which have had to issue these revised bills over a three-year period on business rates will be looking right now at what the bottom line is for them. The worrying factor about the way the Bill is being introduced is that the repayment is not automatic; each business that may have been affected will have to apply for revaluation. They will then be revalued and finally a bill will be decided, for potentially a three-year period, together with interest. Some businesses may not gain anything, but some will gain a substantial amount of money, with interest, and the local authorities will have to repay that. The current position, as I understand it—we need to press our Front Benchers on this issue—is that local authorities repaying that money would not have had this money if this judgment had not been made. However, they have applied that money to their budgets and they will have to find the money from within their budgets as one-off, windfall damage to their bottom line. That is unfair on the local authorities concerned. They have not taken the decision—this was not a decision any local authority took—so they should not be financially penalised as a result of this. I hope we can move to a position whereby the Department will agree to compensate all local authorities that are out of pocket as a direct result of these decisions, once we have got to a conclusion.

Mr Betts: I thank the hon. Gentleman for the work he did in scrutinising this legislation in my absence, and I agree with the point he is making now. Would it not be a lot more convincing from the Government when they say they are not going to compensate because the likely effect is small overall if they were to release to us their detailed calculations, which presumably they have done, about the impact on individual authorities?

Bob Blackman: I thank the Chair of the Select Committee for raising that issue. We are talking about 30,000 businesses, many of which will be concentrated in particular areas. We know that there will be a hit for some local authorities, which could be considerable. Hon. Members from across the House will not necessarily be aware of the potential hit for local authorities as a result.

Simon Hoare: My hon. Friend will know—if he does not, I will tell him—that I spent seven years doing the finance portfolio on a district council. When a local

authority suffers from a flood, there is a Department-run fund they can make a bid to in order to cover the costs they have incurred due to those exceptional circumstances. Might that be an avenue for those local authorities? Might they be able to make such a bid in order to fill this black hole created in their local finances, which was not of their fault and which was unable to be predicted in their budgeting process?

Bob Blackman: Clearly, the Government and the Department have figures they can use to evaluate which local authorities are most affected in this way. It may well be that a threshold should be imposed, whereby if only a relatively small amount of money is involved a local authority could not claim it back. However, if a substantial sum is involved, as could happen in many of these cases, we should get to a position where the local authority is returned to where it should have been in terms of the expectation in its budget. My hon. Friend may know that I was in charge of the London Borough of Brent's finances for many years, so I know the way the finances of that local authority work extremely well. The reality is that this will create a hole in Brent council's budget, and I do not see why Brent should suffer as a result.

Let me turn to the empty homes premium. My hon. Friend the Member for North Swindon (Justin Tomlinson) asked in an intervention how we can ensure that local authorities can encourage empty homes to come back into operation, but without unfairly penalising those homeowners who are refurbishing their homes or converting them for other purposes, thereby making them temporarily empty for an extended period. We do not want those people to suffer any damage or be charged any financial premiums, but at the same time we do not want unscrupulous homeowners or landlords to keep a property empty, only to do some work when the local authority investigates, just to demonstrate that they are doing something, but still keeping the property empty for longer.

Michelle Donelan: Does my hon. Friend agree that that is why the two-year period is a fair benchmark and why the 2013 guidelines on assessing why a home is empty are important in protecting people?

Bob Blackman: Clearly, different local authorities have interpreted the rules in different ways. One of the concerns is that owners should not be penalised for refurbishing properties and bringing them back into use, but it must be genuine refurbishment, rather than people artificially refurbishing properties and keeping them empty. That is a very difficult test, and it must be left to local discretion, rather than trying to formulate a detailed law that will not necessarily provide the answer, but will allow learned lawyers to gain from trying to interpret it.

James Duddridge *rose*—

Bob Blackman: I see my hon. Friend twitching.

James Duddridge: My hon. Friend anticipates me, because at one stage he said there was perhaps no requirement to change the law, and I was about to leap to my feet. The reason I hesitated was that I was going to support him in any amendment he might table to look at not only existing residential property during

that period, but shops above flats. In Southend High Street there are many properties that many years ago—more than two years ago—used to be residential properties, and it is not in the interests of the freeholders or leaseholders on the ground floor to open up those spaces. In Southend that is blocking 800 to 1,000 units, yet it was always the intention of the Victorian architects that they should be occupied. If my hon. Friend tables any amendments, I would be more than happy to add my name if they extend the Bill to cover those important points.

Bob Blackman: I hesitate to get into a battle about tabling amendments to the Bill, because we want the Government to reflect on tonight's debate. We want incentives to bring forward housing and ensure that it is not kept unoccupied unnecessarily for an unreasonable length of time. Flats above shops are an example of the many properties that we can bring back into use. Many are disused or used for storage. Often, they were intended for the owner of the shop to have a residence and to run his or her retail outlet down below, but they moved away from that type of operation many years ago.

Eddie Hughes: Has my hon. Friend seen examples, as I have in my constituency, of accommodation above shops being left empty for a considerable period, thereby lowering the tone of the area and leading to antisocial behaviour and an unfortunate downward spiral in the general feeling of the community?

Bob Blackman: Clearly, we want our town centres and shopping areas to be revitalised through people living in them and going to them. If people live in the flats above shops, that brings life to the area 24 hours a day, rather than for maybe 12 hours a day, and that must be to our advantage.

Neil O'Brien (Harborough) (Con): Further to the point made by our hon. Friend the Member for Walsall North (Eddie Hughes) about empty shops, I am aware of a house in Huddersfield, where I grew up, that was empty for literally decades on end. It was not just a waste of space and precious land; it was a huge eyesore that dragged down property prices all around. It was deeply ugly and people wanted shot of it. Does my hon. Friend agree that bringing those kinds of properties back into use is the first place we should go to, rather than necessarily building on greenfield sites?

Bob Blackman: I am sure that colleagues across the House could come up with example after example of empty homes that could have been brought back into use many years ago. Some should possibly have been demolished and replaced—I have those in my constituency—but the sad reality is that we still have far too many empty homes that should be brought back into use. Those that are derelict and have not been used for literally decades are the first that we should penalise and look to bring back into operation.

Let me end by asking Ministers to look sympathetically at how we can compensate local authorities for the loss of revenue—we have suggested a means by which that could be done—how we can get guidance to local authorities so that they do not penalise small businesses because we are correcting the law in the interim, and how we can get to a position whereby some sensible

[*Bob Blackman*]

decisions can be taken as quickly as possible and small businesses that face difficulties meeting their finances are given help and advice, rather than being closed down by banks and other operations that may wish to penalise them in that way. If we can do those things, this will be a good Bill.

Simon Hoare: My hon. Friend is being characteristically generous with his time. Does he agree that as all of us, as parliamentarians across the House, work with our local authorities to seek imaginative ways to address the shortage of housing, we need to be absolutely certain that those buildings that could readily be converted from retail to residential use, or in which the residential element could be extended, are not saddled with debts, burdens, judgments or whatever, which could preclude the successful delivery of that opportunity to increase the housing stock in sustainable locations in our town and city centres?

Bob Blackman: My hon. Friend draws the House's attention to another unintended consequence of the decision to implement the staircase tax, which could preclude people who may wish to bring a retail unit into operation as a housing unit, which is something we should all welcome. That demonstrates that we have an opportunity across the House for improvement in both these areas.

Finally, I hope that we can look sympathetically at introducing the empty homes premium in a way that does not penalise those who are improving properties, but does penalise those who are deliberately keeping them empty for no good reason, so that we bring homes back into use and they are used properly, as we would all like.

6.58 pm

Eddie Hughes (Walsall North) (Con): It is a pleasure to follow my hon. Friend the Member for Harrow East (Bob Blackman). It is obviously a particularly great pleasure to speak on St George's day and as we in this House celebrate the birth of a new member of the royal family, so today's speech will certainly be memorable for me. And boy have we got some exciting stuff to discuss today!

If I remember correctly, clause 2 amends section 11 of the Local Government Finance Act 1992. It is perhaps not particularly sexy, but I hope that it will be effective—and boy does it need to be effective. At the moment, we have approximately 200,000 empty properties. In fact, if I remember correctly from the briefing, it is 205,593 empty properties. I do not know who comes up with these statistics, but I think that they should be slightly vaguer, unless they put a time stamp on them. Anyway, there are approximately 200,000 properties in this country that have been empty for a substantial period of time.

Neil O'Brien: My hon. Friend will be aware that the number of empty homes—more than 200,000 of them—is down from nearly 300,000 in 2010, so there has been a huge improvement. We have 100,000 more homes for families as a result of the changes that we have already made, which has avoided 100,000 extra homes being built. Many people in green-belt areas will welcome that change.

Does he agree that the progress that we have already made on empty homes will be further boosted by the measures that we are discussing today?

Eddie Hughes: I agree entirely. When we talk, as we frequently do, about the housing crisis in this country, we can see that there are many elements to it. Of course, it is incredibly laudable that this Government have an ambition, which I am sure they will achieve, to build 300,000 houses per year, but it is also incredibly important that we make the best use of our existing housing stock.

David Linden (Glasgow East) (SNP): The hon. Gentleman talks about the housing crisis in this country, but does he agree that we would better solve the housing crisis if we abolished the right to buy?

Eddie Hughes: The hon. Gentleman makes a powerful intervention given the fact that yesterday, only 24 hours ago, he ran 26.2 miles, and look at the man we see before us this evening—not a break of sweat on him. Clearly, he is not just an incredible athlete, but a gifted intellectual, and I acknowledge what he says, but completely disagree with him.

As I was saying, we have moved from 300,000 empty properties down to 200,000 empty properties, and that is, in no small part, owing to the fact that we previously introduced this council tax premium.

Scott Mann (North Cornwall) (Con): I am aware that the issues in Walsall North might not be the same as those in Cornwall, but I do appreciate and share the view that we have a mutual interest in making sure that these vacant properties are brought back into use. Does my hon. Friend think that his local authority, like mine, will appreciate these changes?

Eddie Hughes: I agree entirely with my hon. Friend, not least because this Government, being the free-thinking Government they are, are not imposing this duty on councils, but giving them the opportunity to apply this measure should they choose to do so, so they will have the opportunity to increase the premium from 50% to 100%. No doubt, Madam Deputy Speaker, you are thinking, "What might they do with that extra money?" I personally suggest that they use that extra money for services for their local constituents in order to drive down bills, increase efficiency and make sure that they either optimise their use of council tax, or possibly decrease their council tax in order to ensure that hard-working families benefit from the change to the law.

Alan Mak (Havant) (Con): My hon. Friend is making a powerful speech. Does he agree that as many councils, including my own, are reviewing and updating their local plans to make sure that we have the housing that we need for the future, this would be a good opportunity to analyse and evaluate whether the council tax premium could be used, accelerated and deployed efficaciously to ensure that we have the right housing in local areas such as mine?

Eddie Hughes: My hon. Friend makes an important point, not least because he uses the word "efficaciously" so skilfully. I hope that Walsall adopts that very approach, because, since 2010, we have seen a 40% decrease in the number of empty properties, owing in no small part to the actions of this Government.

Mary Robinson (Cheadle) (Con): I am grateful to my hon. Friend for giving way and for his eloquent and wide-ranging speech. Does he agree about what is at the heart of this matter? He talks about Walsall, but in my constituency, in Cheadle and Cheadle Hulme and the surrounding districts, we also want to see some regeneration of our centres. We want to see people going into the centres, living there, and opening up businesses that can thrive. We want the district centres to look appealing and attractive and have people living and shopping there and utilising them.

Eddie Hughes: I am simply amazed. My hon. Friend is blessed either with psychic ability or intuition. That is the very point that I was about to move on to. In Beechdale, one of the wards in my constituency—

Simon Hoare: My hon. Friend seems to be saying something very nice and flattering to anybody who intervenes on him. As I have not had anything nice and flattering said to me today, I just thought that I would give him the opportunity to do so.

Eddie Hughes: All I can say is that I have been in the House for less than a year and I hope that, over the passage of time, I will develop the insight and eloquence of my hon. Friend. Unfortunately for the moment, Madam Deputy Speaker, you have to put up with this stuttering Brummie trying to work his way through his speech, and taking yet another intervention.

Neil O'Brien: I am not in search of flattery. Does my hon. Friend agree that, as well as bringing empty residential properties back into use, it is strategically important to bring into use buildings that are not currently registered as residential properties? Is he aware that the number of conversions and change-of-use properties has increased from 17,000 in 2010 to 43,000 last year—from 12% of all new supply to 20%? As well as turning old houses back into homes that people are occupying, it is also important, as part of the same strategy, that we go further and liberalise change of use.

Eddie Hughes: Were it not for the fact that I am speaking totally extemporaneously, I would have thought that my hon. Friends had read my speech, but, as I have already pointed out, in order to do so they would have had to read my mind. I will indeed be coming on to that very point subsequently, in talking about the excellent period that I spent working for YMCA Birmingham.

For the moment, Members will no doubt remember that I was about to talk about Beechdale, and we should return there immediately. Beechdale housing area, which was built in the '50s and '60s in my constituency, has Stephenson Square, a row of shops, and, above the shops, 10 flats that had remained unoccupied for 10 years. Beechdale Community Housing group took the opportunity to refurbish those flats, creating nine self-contained properties that could then be let to members of the local community. However, one flat has been retained for the use of the House to Home project, facilitated by the amazing Jemma Betts, who works for Beechdale Community Housing. Her role is to ensure that, when people move into those newly refurbished, previously vacant properties, they can be helped to sustain their tenancies. Of course it is our objective to bring empty homes back into use, but they must be used by people

who can maintain the tenancy for a protracted period. It is difficult for some people who have had previously chaotic lives to develop the skills to enable them to sustain that tenancy. Jemma's work is to help them understand how they can, for a reasonable price, furnish that property, access rent statements online and therefore maintain that tenancy.

What is also important about this particular area is the fact that there are shops beneath the flats that have been brought back into use. I am thinking particularly of Rob Mullett Butchers, which I thoroughly recommend that you visit, Madam Deputy Speaker, if ever you are in Beechdale, or W.E. Whitty's grocery, which has been run by—*[Interruption.]* I am embarrassed. It has been run by Jane and Phil for a number of years. As I mentioned in an earlier intervention, Phil recently said to me, "When you bring properties back into use, particularly those properties that are above shops, you regenerate the entire area. People are living there 24 hours a day and they are making use of the shops." This has caused a general lowering in the incidence of antisocial behaviour in the area. But it is not just that. Jemma has also taken the opportunity to create a community garden to the rear of the flats now that they have been brought back into use, having been vacant for 10 years. This facility allows children the opportunity to learn how to grow vegetables.

Neil O'Brien: I am lucky to represent Market Harborough, which has seen the fastest growth in the number of new shops anywhere in the east midlands, but many retail centres are suffering from the growth of the internet. In future, this country will probably have more retail space with potential homes above than it needs. Does my hon. Friend agree that local government must play a strong role in helping to consolidate those retail centres into housing, so that they can become vibrant places where people want to hang around?

Eddie Hughes: I agree entirely. We are seeing a shift in the profile of our town centres. Of course, many people are keen to shop online these days, so there are some empty properties. Unfortunately, there is a particular example of empty shop units in Walsall, where the Labour-led council has decided to spend £13 million buying a shopping centre with empty units and a leaking roof. I hope that the vociferous campaigning of local Conservatives will ensure that we take back control of the council.

Madam Deputy Speaker (Dame Rosie Winterton): Order. Empty shopping units are not really covered by the Bill. I am sure that the hon. Gentleman realises that the legislation is about residential properties and he will be coming to that.

Eddie Hughes: Of course, Madam Deputy Speaker; I was merely responding to my hon. Friend the Member for Harborough (Neil O'Brien), who suggested that there might be a change-of-use opportunity for empty commercial properties. Hon. Members will no doubt remember that when the Government provided £100 million of funding through their empty homes programme, they were not only targeting empty residential properties, but allowing organisations to have the facility for a change of use from commercial to residential. I was just about to come to an example of that.

[Eddie Hughes]

Madam Deputy Speaker, I do not know whether you have ever been to watch Aston Villa play football in Birmingham. I would suggest that you do not come at the moment; we are hoping for promotion, but it can be a bit hit and miss. Anyway, YMCA Birmingham took the opportunity of taking over Harry Watton House in Aston, which was previously a social care building that had been used for residential purposes occasionally, but was left empty for a considerable time. YMCA Birmingham took the opportunity of approximately £450,000 of Government funding to convert that building back into use as 33 self-contained flats. YMCA Birmingham has been in existence since 1849 and currently offers 300 units of accommodation for young, previously homeless people; bringing empty properties back into use has to be the best use of that Government money.

Neil O'Brien: I thank my hon. Friend for his patience. There are currently around 400 empty properties in the Harborough district, and there are also occasionally homeless people in the district. All my constituents would want those homes brought back into use so that we can tackle the problem of homelessness that my hon. Friend mentioned.

Eddie Hughes: My hon. Friend makes a valid point, although there are occasional cases where people who appear to be homeless are not open to the good will and hospitality of neighbouring organisations. YMCA Birmingham was given £1 million to create new residential accommodation at its Erdington site, which was only about 20 or 30 metres away from a Tesco store. Some people used to turn up and beg outside that store, which was very bad for the credibility of the YMCA as an organisation seeking to home homeless people. Despite our best efforts, they would never be removed and come into our accommodation.

Let me return to the matter of how empty homes can be brought back into use. There is a block of flats on Henrietta Street in Birmingham that was owned by somebody who failed to develop it over a sustained period of time, but thanks to money through the empty homes programme—YMCA Birmingham was allocated a total of £890,000—we were able to bring those flats back into use. The block is now excellent accommodation for young people in Birmingham, on the edge of the Jewellery Quarter, which is quite a prestigious address these days. The units of accommodation are relatively small at approximately 25 to 30 square metres, so they are perhaps not palatial.

Michelle Donelan: Does my hon. Friend agree that the issue of empty properties—commercial and residential—exists not just in certain parts of the country, but all over the country? It is a particular problem in my constituency, which is actually quite rural.

Eddie Hughes: As I mentioned previously, there were 300,000 empty properties, so they were clearly spread broadly across the country.

Madam Deputy Speaker, if you will forgive me a small indulgence, I just want to mention some research. I would not normally refer to Lib Dem research but, according to a *Guardian* article in January this year, 11,000 properties in this country have been vacant for more than 10 years. Incredible! I can see the look on

your face, Madam Deputy Speaker. Another 23,000 properties have been empty for five years. What are we doing as a society? How can we talk about this housing crisis when we have 11,000 properties that have been vacant for more than 10 years?

Wera Hobhouse: The hon. Gentleman is making a very entertaining speech. Does he agree that there are so many thousands of empty homes because councils do not have the funds to bring these empty properties back into use? We need funds for councils to make that happen, but the money that was allocated under the coalition Government has been cut.

Eddie Hughes: I am not sure that the hon. Lady has been paying attention to the entirety of my speech. I have mentioned many millions of pounds that this Government have given to address the issue of empty homes.

David Warburton (Somerton and Frome) (Con): Surely one of the huge benefits of the empty homes premium is that it will mean that councils have more money, thereby reducing the burden on hard-pressed council tax payers. I also want to stress that one hon. Member for North Dorset is more than this House can take, never mind another, so I caution my hon. Friend about wanting to emulate certain people in this House too much.

Eddie Hughes: My hon. Friend makes a valid point. It is important to remember that the Bill will give councils the flexibility to apply that council tax premium, which is currently at 50% and can be increased up to 100%. But I would imagine that some constituents might want to challenge councils that do not take the opportunity to apply the full 100% because, as he said, it will give them the opportunity to bring in more income. As the hon. Member for Bath (Wera Hobhouse) said, councils will then have money that might facilitate their bringing those 11,000 empty properties back into use.

Michelle Donelan: The bulk of empty properties are actually privately owned. A key reason behind that is that people are trying to increase the monetary value of the home by sitting on it, and avoiding the hassle and potential pitfalls that could happen if they rented it out. It is that issue, not council-owned properties, that we are trying to target with this Bill. Does my hon. Friend agree?

Eddie Hughes: My hon. Friend brings me to a point that I had neglected to cover so far: the flexibility that is allowed because we absolutely do not want to penalise people who have genuine reasons for having a property empty for an extended period. Those people should fear nothing from this Bill. My understanding—I may be incorrect; if so, I am sure that hon. Members will correct me—is that the Bill would not apply, Madam Deputy Speaker, if you were serving in our armed forces overseas and your property was therefore left empty for an extended period. Similarly, should you unfortunately need to go into hospital or respite care, leaving your property vacant for a two-year period, there would be the flexibility to ensure that this measure was not applied.

John Redwood: Does my hon. Friend agree, though, that quite a few of these empty homes are owned by the public sector, which may not respond to this incentive?

If only my council had lots of empty homes, it would be much easier, but it does not, and we are under enormous pressure. Does he agree that where that is the case, we need something else as well in order to end the scandal of empty public-owned housing?

Eddie Hughes: This is dangerously close to becoming a debate with great interaction. I look forward to more comments from my right hon. Friend, because my understanding is that there was previously a tool that allowed compulsory purchase of properties that had been left empty for an extended period. Some might think that this Government would not apply such rules, which perhaps seem draconian.

Charlie Elphicke (Dover) (Ind): My hon. Friend is making an impassioned, powerful and thoughtful speech. In October 2010, there were about 300,000 homes that had been empty for a long time. That number has come down to about 200,000. That is good progress, but does he agree that more needs to be done?

Eddie Hughes: I think that there are stats available for everybody in the Chamber. Perhaps they could celebrate, as I have, not only St George's day, and not only the birth of a new member of the royal family, but a 40% decrease in the number of empty properties in Walsall. Those are, I suggest, three very good reasons for a party, or possibly another bank holiday—for St George's day, I mean. I am not for one minute suggesting that we have a bank holiday just because the people of Walsall have reduced the number of empty homes by 40%.

Neil O'Brien: Much of the debate about empty homes assumes that the greater part of the problem is in the capital. While we must of course use measures like those in this Bill to bring more homes back into use in the capital, is my hon. Friend aware that the greatest proportions of empty homes are actually in the north, particularly the north-east? About 0.5% of homes in London are empty, whereas about 1.5% are empty in the north-east, where, I must say, we have largely Labour councils.

Eddie Hughes: One of the difficulties that I had when I first came to the House was recalibrating with regard to the intellectual ability of those with whom I spend time. My hon. Friend was, I believe, a policy adviser at No. 10, and he appears to know everything. I defer entirely to his encyclopaedic knowledge of housing issues, and I agree entirely with his point. When I sit in meetings, I have found that because so many people are focused on housing problems in London and the south-east, they sometimes fail to see that there could be any empty properties outside London. To be honest, I am not entirely sure they care about the rest of the country. It is a pleasure to be joined in the new 2017 intake by somebody with the gifts and abilities of my hon. Friend. As I say, he made a very important point.

Andrew Jones (Harrogate and Knaresborough) (Con): I am greatly enjoying my hon. Friend's speech. I can confirm that in my area we are struggling with properties that are empty. It causes a problem all over our country. One of the most positive aspects of this Bill is that a consequence of bringing properties back into use would be less pressure on developing our open spaces. People in

Harrogate and Knaresborough are perfectly comfortable with the idea that we need to build more properties, but they are also concerned about the loss of open space. Having higher-density use of existing property goes some way towards protecting the green spaces that we all seek to protect.

Eddie Hughes: My hon. Friend makes a very valid point.

Let me borrow a slightly amended phrase from Shelter, which said, "The housing crisis isn't about homes—it's about people." I agree with that principle completely. When people see that there is an increase in demand for property and know that properties in their neighbourhood have been left vacant for a long time, they are probably scratching their heads and thinking, "This Government are so progressive and so able in so many areas—why are they not tackling this issue?" Well, today they are.

Scott Mann: My hon. Friend talks about the individual. The property of an individual who fell on hard times might become run-down because they had run out of money. Does he think that at a later stage the Government might consider investing money to bring back into use vacant properties that have fallen into disrepair?

Eddie Hughes: My hon. Friend has suggested an innovative solution to some elements of the housing crisis. However, we should bear it in mind that there is flexibility with regard to the application of the enhanced rate. Whereas councils can currently apply a premium of 50%, clause 2, which amends section 11 of the Local Government Finance Act 1992, introduces the flexibility for them to apply a premium of between 50% and 100%. That flexibility with regard to the interpretation and application of this law will allow some scope to cover the sorts of cases that he mentioned.

Michelle Donelan: Does my hon. Friend agree that it also offers councils the flexibility not to charge any premium at all? Because this is done on a case-by-case basis, if there is a particular circumstance where somebody has fallen on hard times, is struggling to renovate their property and has just cause to vacate it, the council can assess that. That is why it is so important that local councils can make these decisions and that this Government are supporting localism.

Eddie Hughes: That is the brilliance of the drafting of this Bill. Clearly, whoever was associated with that in any way, shape or form was insightful, intuitive and gifted. I am hoping that the Minister was involved in some way with the drafting of the Bill and will remember the praise that I have heaped on the people who were involved.

Neil O'Brien: While I share the passion of everyone in this House who is keen to see empty properties brought back into use, does my hon. Friend agree that this measure, which is effectively a tax and incentives-based measure, takes the right approach, as opposed to a more dirigiste one? Although the empty homes development orders brought in by the Labour Government were a good thing, they led to only about 40 homes in England being taken into possession. Does he agree that we need a tax and incentives-based approach rather than trying to take people's property off them?

Eddie Hughes: I am not sure whether you noticed, Madam Deputy Speaker, but I think that my hon. Friend might have tried to sneak in a French word, or possibly a Latin one, just to prove how clever he is and to completely wrong-foot me. But I am having none of it: I am going to ignore that part and just agree with the point that he made. Clearly, whatever legislation we introduce, it is important that it is efficacious. I think we heard that word earlier; it is not one I use frequently.

Simon Hoare: If there were a prize for modesty, my hon. Friend would be declared the victor ludorum.

Eddie Hughes: See, Madam Deputy Speaker, I told you—I have had to totally recalibrate with regard to the intellectual approach of other Members. We certainly do not use much Latin around the table in my house. It may not have been Latin; who knows? It is probably important that I return to the Bill.

Trudy Harrison (Copeland) (Con): May I draw my hon. Friend's attention to the need to deal with empty homes in rural areas? I refer particularly to my constituency, of which two thirds is in the Lake District national park. Empty homes are a blight on our society. They have a negative impact on rural schools and businesses, which is why it is so important to see empty homes being put to good use and filled with people in rural villages.

Eddie Hughes: It is fascinating how much we can learn in this Chamber. I have been walking in my hon. Friend's constituency and have often thought how beautiful the properties and the scenery are. I cannot imagine that anybody would want to leave a property there vacant for any period, let alone an extended period of more than two years, such that it would cause elements of the Bill to be triggered. When we come to the Chamber, we get the opportunity to hear from Members representing constituencies across the country, and that is what makes this institution so great.

I can obviously only speak on behalf of and with regard to the good people of Walsall North, Willenhall and Bloxwich, so it is great to hear stories from around the country. The point is that if people are prepared to leave properties vacant in beautiful constituencies such as my hon. Friend's, this is clearly a problem that the Government need to tackle, and I believe the Bill goes a long way to tackling it.

7.31 pm

Michelle Donelan (Chippenham) (Con): I am delighted to follow my hon. Friend the Member for Walsall North (Eddie Hughes), who gave an informed and energised speech. I cannot elaborate enough on how much we all enjoyed it. I reiterate his point about St George's day and congratulate the royal family on the birth of another child.

I welcome the opportunity to speak about the Bill, which is pro-business and therefore will support job creation and which seeks to help to increase our housing stock. Those are two issues that my constituents regularly raise with me in my surgeries and when I am at events.

The staircase tax has been the top issue raised with me by a number of local businesses, including at events I have attended, such as at Corsham chamber of commerce,

local Inspire events and other networking events around the constituency. I am delighted that the Bill seeks to rectify the bizarre situation that we have found ourselves in. Although we must not criticise the Supreme Court, I welcome the Government's initiative to right a wrong today and to honour the commitment made in the autumn Budget. The Bill will mean that all ratepayers who lost small business rate relief directly as a result of the judgment will have their relief reinstated to their bills retrospectively.

As we all know, the staircase tax means that business rates in England and Wales are being set depending on how many rooms are being used and how they are linked. That really is arbitrary. Companies with offices linked by a communal lift, corridors or stairs are being charged. In fact, some of those businesses would have been eligible for 100% rate relief were the case different. That has led to an increase in bills, which concerns a number of businesses. Some have faced charges being backdated to 2010. If you owned your own business, Madam Deputy Speaker, can you imagine the shock and the horror of getting a massive bill that you had not budgeted or planned for and that could stifle your small business? That is what has happened in businesses in my constituency and up and down the country.

Neil O'Brien: While talking with the Market Harborough chamber of commerce just last Friday, I met a business owner in my constituency who runs a small fishmonger and has a whole set of offices connected by a staircase in a tall building in the most expensive part of the town. Were this ruling to have affected her, she would have been completely clobbered. In fact, even in the current business rates environment, because it is a rather archaic tax, she is already paying a lot, and without measures such as this, she could have been paying an awful lot more.

Michelle Donelan: I thank my hon. Friend for his very valid point and I completely agree. We all have sympathy with the case he outlines and have heard many similar examples throughout our constituencies. This is not just about existing businesses; it is also about people who are looking to get into business—the entrepreneurs and business owners of tomorrow, who will look at this tax and think the risk is too high.

Scott Mann: I appreciate that my hon. Friend represents a rural constituency similar to mine that is made up of small businesses, which are the lifeblood of our rural constituencies. She is laying out a futuristic vision of businesses cobbling together under the same roof. If this part of the Bill were not implemented, all those businesses would be charged retrospectively under a different format. The Bill is supporting our rural economy.

Michelle Donelan: I completely agree. It is true that the Bill will particularly help new models of business. It is also important that the Bill will have retrospective effect. Businesses that have been affected can have the amount owed to them recalculated and backdated.

Alan Mak: Will my hon. Friend join me in welcoming the Valuation Office Agency's commitment to prioritise and fast-track reviews and recalculations, particularly for small businesses, if the Bill is passed, as I hope it will be? Will she also join me in urging the Minister to ensure that that happens, to help our small businesses across the country, including in my constituency?

Michelle Donelan: Yes. I completely agree. The point was made earlier that it is so important for these businesses to get back the money they are owed as soon as possible, so that they can continue to flourish. These changes will also reinstate small business rate relief for ratepayers who no longer met the conditions for the relief as a direct result of the VOA's change in practice, and they can apply for that themselves. What will be really important in how successful the Bill proves to be is how much we spread the message out to the local business community about their option to ask for a recalculation and get this money back.

Mary Robinson: My hon. Friend is making such an important point, and it goes to the heart of what these small businesses are doing in our high streets and district centres. We want to support high street shops, which face such tough competition at the moment, and do anything we can do to help them, give them the reassurance they need and enable them to keep more of their hard-earned cash, because we know that, without those shops being successful, we will not have the bubbling and vivacious high streets that we need.

Michelle Donelan: I completely agree. My constituency has four market towns and our high streets have suffered. The Bill sends a message out to local high street business owners and all small businesses that this Government are behind them, supporting them, and recognise that they are the backbone of our economy.

Neil O'Brien: Does my hon. Friend agree that this is a good example of the Government addressing some of the most egregious problems with the business rates system, and that it is a further improvement following the revaluation, which has seen 5% cuts in the business rate bills of shops in the east midlands?

Michelle Donelan: I completely agree. As I said before, the Bill is righting a few wrongs.

Last Friday in my constituency, I met the regional director for the south-west of the Federation of Small Businesses, who estimates that, while the staircase tax has affected around 30,000 businesses, it has actually impacted around 80,000 properties. Sometimes we think too much about the number of businesses and do not think about the number of properties affected. These properties and businesses have been unfairly and illogically punished for sharing facilities such as communal staircases, corridors or even car parking with another business. In fact, Mike Cherry, the chairman of the FSB, said last September that some small business owners were knocking holes in their walls or trying to put staircases on the outside of their premises to try to get around these rules. That is a bizarre and ludicrous situation that we cannot tolerate any longer, so I am delighted that the Bill will rectify it and that we are sorting out a sensible solution.

Andrew Jones: My hon. Friend has made some valuable points about how the Bill will improve the business environment for entrepreneurs. She particularly highlighted start-up businesses. Does she agree that a group that will benefit is those who are seeking to scale up their businesses through extra space to cope with their expansion and business growth? They will now be more energised and empowered to seek that extra space and grow their businesses.

Michelle Donelan: I completely agree. The Bill is also about providing more business confidence and more confidence for entrepreneurs who want to grow their business and develop it, rather than the opposite. It is important to reiterate that small business is the lifeblood of our economy.

Neil O'Brien: Harborough is a place of small businesses and does not have one dominant employer. There is a lot of demand for large buildings which are broken up into much smaller office spaces. Does my hon. Friend agree that that would be much more difficult if we did not address the problems with the staircase tax that we are addressing and the absurdities that she has pointed out?

Michelle Donelan: I completely agree and I thank my hon. Friend for another interesting and to-the-point intervention.

My constituency, as I have said, has four market towns—Chippenham, Corsham, Melksham and Bradford on Avon—and the staircase tax has affected each one of them, as well as our villages. It has impacted on high streets. It is important to remember that there are office spaces above shops and that members of staff go out for lunch in the high street. If they are impacted, there are job losses and if there is no extra recruitment round, those people will not be out for their lunch in the high street. The tax has also affected some of our shops. Our high streets are suffering up and down the country, so we should do everything we possibly can to promote and support them to avoid having dormitory towns.

James Cartledge (South Suffolk) (Con): My hon. Friend is making a very good speech. I share her concern on that point. I think Members on both sides of the House are worried about the future of retail in the high street. The key point is that, on every aspect where such taxes are unfair—business rates in many ways are arbitrary and levied on companies without necessarily a reference to their profitability—we have to show that we are listening and making the system fairer.

Michelle Donelan: I completely agree and this is one example showing that the Government are listening and that there is a dialogue with businesses and business groups, which have been instrumental in discussing with the Government the formulation of the Bill. That is essential and we need to foster business confidence, especially with Brexit. Only the other week, the Chief Secretary to the Treasury pointed out that we have the highest internet penetration of the retail market in Europe, so this is a particular problem for the UK.

Trudy Harrison: Does my hon. Friend agree that this will be of particular interest and help to start-up businesses? They often initially occupy a small part of a building as an embryonic enterprise, but as they grow the measure will support them too?

Michelle Donelan: That is an excellent point, which has been a bit neglected in this debate. Start-ups and microbusinesses will benefit in particular from the Bill.

Clause 2 is another measure the Government are implementing to right a wrong. It is about helping to increase our housing stock. As we all know, we have a severe housing shortage in this country, yet thousands of homes are left empty, which is ludicrous.

[Michelle Donelan]

The Bill will give local authorities the power to charge a 100% council tax premium on empty properties, rather than just the existing 50%. The charge is for homes that have been unoccupied and substantially unfurnished for two years or more. The number of homes that have been vacant for over six months in Chippenham has fallen by 12% since 2010, so one might ask whether the measure is necessary. It is, because we still have 1.16 million households on the social housing list and there is a housing problem, so it is important that we take measures such as this today. Further increasing the premium will, I strongly believe, incentivise owners to sell or rent their properties. I strongly believe that.

I also stress that this is only one action. We must not be under any illusion that the Bill will, in any circumstances, fix our broken housing market—it will not—but the solution has multiple parts and this is one of those answers and one of the measures that the Government are taking.

Alan Mak: I thank my hon. Friend for giving way—she is being very generous. Some of the funds raised by the premium could be used to reduce the council tax imposed on hard-pressed council tax payers, or could be invested in new social housing to help people who do not have a home. Does she agree that those are just two ways that the funds raised could be used to help to correct imbalances in our housing market, both in the south-east, where I am from, and in the midlands, where she is from?

Michelle Donelan: I agree. It is a two-point strategy: it is about the money that is raised and incentivising people to stop leaving those homes empty.

The point about exemptions has been made by other Members, but it is important to labour it, because I do not want my Chippenham constituents to be unduly concerned or worried that they might be penalised by the policy. They will not because it has exemptions for people in the military, for carers and for people who are going into hospital which are designed to help them. If a home is left empty because of probate, the people concerned will be protected. This is not an arbitrary measure—it is smart and fair.

Neil O'Brien: My hon. Friend is listing some sensible exemptions. Does she agree that it is important that we remain localists and do not impose the measure on every council? We should give them the power to make the decision for themselves.

Michelle Donelan: I completely agree and I will come on to deal with that point.

I want to reiterate the point that empty homes attract squatters, which can result in vandalism and antisocial behaviour. That helps to bring down areas and can be upsetting for local residents. Residents often come to my surgery asking, “Why is that property still empty and what can we do about it?” Today, we have an example of what we can do about it, with a measure to incentivise people to use those empty homes.

Scott Mann: I am interested in the point that my hon. Friend the Member for Havant (Alan Mak) made about local authorities ring-fencing some of the money for better use. We have a big problem in the south-west with affordability. Does my hon. Friend the Member for

Chippenham (Michelle Donelan) agree that local authorities could consider ring-fencing some of this money so that we can deliver affordable houses for people who live and work in her constituency and in mine?

Michelle Donelan: I completely agree. The housing crisis is one of the biggest challenges that we face in this country, so it is right that local authorities would look to ring-fence funds. I am sure that a number of them appreciate the fact that this is a key issue for their residents and will prioritise this. They are best placed to understand their residents and to make decisions based on the local area, because every area is different.

I want to stress the point that locally people are sitting on properties, waiting for their value to go up. They do not want to rent them out because of the hassle, inconvenience or stress that that can cause. That is a problem because, if they are not selling them, those properties are left empty while people are waiting to get a property. That situation cannot continue. However, I think that the two-year period is fair.

Trudy Harrison: It is simply not fair for homeowners living next door to these properties, whose houses have been affected by damp and other problems resulting from those properties not being properly maintained. That devalues their homes, on which they have spent time and money. They have renovated them, but their pride and joy is being damaged by empty properties next door.

Michelle Donelan: I completely agree. I have said that these properties are more susceptible to vandalism and there is antisocial behaviour around them. It is uncomfortable for neighbours and people in those communities.

The two-year period is fair. It allows homeowners sufficient opportunity to sell the property, rent it out or complete major renovations that might be required. The Bill is an example of the Government supporting localism because local authorities, as has been mentioned by many hon. Members, will still make the decision on whether to apply the premium and the exact rate that is to be charged. They can review the empty housing stock and the housing supply and demand locally, and make an informed decision. That is an example of this Government trusting local authorities.

I am confident that the majority will continue to use that power. In fact, 2017-18 figures show that 291 of the 326 local authorities chose to apply the empty homes premium. In addition, there is scope for them to assess on a case-by-case basis—for example, where a homeowner is struggling to rent out or sell a property or to do the repairs. This is not a punitive measure, but a fair and measured one. The 2013 guidance will still stand, reminding local authorities to take into account the reasons a property is empty. As I have said, this is about protecting rather than penalising owners of homes. This Government do not want to stop or discourage people from getting into the property market and on to the housing ladder; it wants to encourage and facilitate them. That is the very nature and essence of this Bill.

I agree with my hon. Friend the Member for Harrow East (Bob Blackman) that we must be careful that this is not abused. We do not want people to find a loophole whereby they tinker with the property as they approach

the two-year marker. I would like to hear the Minister explain how we will address that because it is very difficult to protect those homeowners who are doing the right thing, as opposed to those who are trying to avoid the rules. We need to seriously tackle our housing crisis.

My only ask of the Minister is to review the impact of the increase and to later look at increasing it again. I believe that, to truly incentivise homeowners to rent out or to sell their property, the cost must be quite high, especially in areas of London or other places where the housing market is very high, because people will sit on those houses and their value will go up considerably, month after month, and they can then write off the increase in the empty homes premium if it is not high enough. There is an argument to review it and increase it times five. If someone is doing the right thing and renting the property out, selling it or doing it up in a timely fashion, they will not be punished at all. There is an argument for looking at whether we have gone far enough today and whether in the future we could go further and build on this.

Neil O'Brien: My hon. Friend is making her case with great passion on an issue about which so many people care. Will she join me in congratulating the campaign groups that have worked so hard to put it on the agenda, in particular *The Big Issue* and its "Fill 'Em Up" campaign and Empty Homes?

Michelle Donelan: I completely agree with my hon. Friend that it is important to recognise the work done by campaign groups and all bodies with a vested interest in the issue. It is not just about urban areas. In fact, Graham Biggs, chief executive of the Rural Services Network, a body representing 143 rural local authorities in England, has said:

"Anything that enables councils to bring empty properties back into use is welcome."

It is also interesting to discuss this Bill in relation to homelessness. We have an odd situation whereby there are thousands of empty homes in the country but also a dreadful and rising problem of homelessness, although the Government are tackling it. As the chief executive of Shelter has pointed out, addressing the situation is not as simple as swapping or flipping those two elements around, because often homes are in different areas from those with the core homelessness problem.

Alan Mak: Given that my hon. Friend has mentioned homelessness, it is only right that the whole House commends my hon. Friend the Member for Harrow East (Bob Blackman) for promoting the Homelessness Reduction Act 2017. Does my hon. Friend the Member for Chippenham (Michelle Donelan) agree that that Act's powers could be used together with the powers in this Bill to tackle homelessness from many directions?

Michelle Donelan: I completely agree with my hon. Friend.

Mary Robinson: Following on from the point made by my hon. Friend the Member for Havant (Alan Mak), I also congratulate my hon. Friend the Member for Harrow East (Bob Blackman). We really need to concentrate on the value that we can put into this market, which can be filled by this Bill, and ensure that people who need those homes are given them in a way that suits them and fulfils their aspirations. The Government have announced

£28 million of funding for the Housing First project, some of which will go to a pilot scheme in Manchester. Does my hon. Friend the Member for Chippenham (Michelle Donelan) agree that it will be interesting to see how the Mayor of Manchester approaches the issue and whether he will use that to fill those homes and to get homeless people into them?

Michelle Donelan: I completely agree that it will be very interesting to watch the actions of the Mayor of Manchester and the impact of his work, and to look at other cities around the country.

Neil O'Brien: I entirely agree with my hon. Friend's point about the mismatch between empty properties and the homeless, but does she agree with me and the estimate by *The Big Issue* that in some parts of the country there are 10 empty properties for every homeless family, so surely the Bill can play an important role, along with other measures such as Housing First, in addressing the problem of homelessness?

Michelle Donelan: Yes, it will have an impact. It is one of a number of ingredients in a recipe for tackling homelessness, an issue on which my hon. Friend the Member for Harrow East has led considerably and on which I worked with him on the Homelessness Reduction Act. We also have the homelessness taskforce and Housing First. All of those together will help to tackle homelessness.

I want to air caution, however, because Opposition Members have talked frequently about seizing empty properties and giving them to the homeless. That is not a solution. The answer is about incentivising the owners of those empty properties and encouraging them to put them into the housing stock, not seizing them. We are not a Government who want to downgrade or derail property rights; we are a Government who want to promote and protect property rights, and also ensure that we can get that housing stock up and tackle the housing crisis.

Huw Merriman (Bexhill and Battle) (Con): On incentivisation, does my hon. Friend agree that, when it comes to unoccupied properties in central London, some investment companies from overseas could just pay an extra amount? Does she think that the time is right to start looking at prohibiting foreign companies from purchasing investment in this country? Perhaps that is a radical step for me as a Conservative, but one wonders whether the time has come at least to have that conversation.

Michelle Donelan: I am a fan of localism and such decision making could be done on a local level, but I am not sure that I would be as radical as my hon. Friend. I think that the answer lies in increasing the premium rate to a point that makes it unaffordable not to sell the property or to rent it out. I would be interested to hear whether the Government will be commissioning any reviews or studies of the implementation of the measure and looking at potentially raising it further in the future, and whether this is the first step.

Bob Blackman: Does my hon. Friend agree that one of the issues is the starting point at which any multiples would apply? Obviously, property prices in London would start at £1 million-plus, so multiples of that sum,

[Bob Blackman]

as premiums, would be extremely penal and would therefore lead to people thinking twice about leaving a property unoccupied.

Michelle Donelan: I completely agree. That is exactly what we need people to do: we need them to think twice about whether it is a sensible decision for their pocket, and then the issue can be resolved for our country.

Neil O'Brien: Further to the question asked by my hon. Friend the Member for Bexhill and Battle (Huw Merriman) about the role that corporately owned empty properties might be playing in the problem, does my hon. Friend the Member for Chippenham (Michelle Donelan) agree that the situation might be more severe than we think, given that previous measures against it, such as the annual tax on enveloped dwellings, brought in by this Government, have raised far more than we expected because there were more of them than we thought?

Michelle Donelan: My hon. Friend makes yet another very interesting point. He has made several interesting points and is very informed and articulate. I thank him for his contribution.

In conclusion, this Bill will be welcomed by my constituents in the Chippenham area, because it seeks to right two ludicrous wrongs. It seeks to support local businesses and to boost our housing stock. It will help our job creators and help to tackle our broken housing market. I urge the Minister to explore further the opportunity of increasing the empty housing premium in the future and I hope that this will act as a first step. I look forward to supporting the Bill tonight.

8 pm

Andrew Gwynne (Denton and Reddish) (Lab): I wish you a happy St George's day, Madam Deputy Speaker, on England's national day. To my dad, if he is listening, I say happy birthday.

So riveting and compelling were the opening speeches from both Front Benchers on this three-clause Bill—one of which is the short title—that the Benches filled and the interventions flowed. I thank the hon. Member for Harrow East (Bob Blackman) who has been right in his approach to the measures in the Bill, especially on the financial penalties for local authorities and the need for due compensation. We can examine that in more detail in Committee. As for the hon. Members for Walsall North (Eddie Hughes) and for Chippenham (Michelle Donelan), all I can say is that their oratorical skills are so fine-tuned that they were able to use more words in their speeches than the Bill itself contains. I congratulate them on their contributions.

Notwithstanding the issues raised in detail by the shadow Minister, my hon. Friend the Member for Oldham West and Royton (Jim McMahon)—including supporting the high street, tackling empty homes and seeking assurances on the baseline funding in the future—Labour will support the Bill tonight as it tries to iron out the current faults in the system. As my hon. Friend said, there is much more to be done. We would like councils to have more powers in both business support and tackling the housing crisis, but in the very narrow terms of the Bill, the Opposition will not seek to divide the House on Second Reading.

8.2 pm

The Parliamentary Under-Secretary of State for Housing, Communities and Local Government (Rishi Sunak): I thank the hon. Members for Denton and Reddish (Andrew Gwynne) and for Oldham West and Royton (Jim McMahon) for their constructive comments on the Bill, and I will address some of their specific points shortly. We have had an incredibly interesting and entertaining debate, and one of the more succinct that I have heard in my time at the Dispatch Box. It has been extremely helpful to hear Members' views today, ahead of further scrutiny of the Bill in Committee. It was great to hear some thoughts on what we can do to make progress on this issue.

The Bill will take forward two specific, short and important measures to promote fairness. It will provide fairness for hard-pressed businesses facing an unjustified tax hike, backdated where necessary. Those businesses have already paid their fair share, and deserve our support rather than being burdened by sudden and unreasonable demands. The Bill will deliver the Government's goal of supporting those businesses, by restoring accepted and understood practice in the business rates system.

The Bill will also help those seeking a place to call home. It cannot be right that so many in our society are struggling to find somewhere to live while properties lie empty across the country.

Scott Mann: My hon. Friend is aware of the challenges that we face in rural areas, especially in Cornwall, where we welcome the vacant homes premium, but how will local authorities be able to differentiate holiday homes and vacant properties? Some holiday lets are not let for a long period of the year.

Rishi Sunak: My hon. Friend makes an excellent point and the issue of housing in rural areas was also raised by my hon. Friend the Member for Copeland (Trudy Harrison). He is right to highlight the issue. Legislation makes a distinction between long-term empty homes, which have been unfurnished and unoccupied for two years—those that the Bill seeks to address—and homes that are considered to be second homes, which are at least partially furnished and occupied on occasion. My hon. Friend the Member for North Cornwall (Scott Mann) will know that the coalition Government ended the presumption of a council tax discount for such second homes and levied a stamp duty surcharge on them. I will return to those measures when I respond to some of the other points raised.

My hon. Friend the Minister for Housing deserves enormous credit for the energy with which he has approached his new portfolio to make good on the Government's commitment to fix our broken housing market, and the Bill is a small part of the process of doing that. Since 2010, we have introduced measures, including the £7 billion new homes bonus scheme, that have reduced the number of properties empty in England for six months or longer by a third, as we have heard tonight. But there is more to do, and the Bill will allow councils to levy an additional 50% premium on long-term empty homes, leaving the discretion on that decision with local authorities for all the reasons hon. Members have mentioned.

I pay tribute to my hon. Friend the Member for Harrow East (Bob Blackman), who has incredible experience of local government and brings it to bear on these matters. I join him in paying tribute to the hon. Member for Sheffield South East (Mr Betts), who we were all happy to see back in his place tonight. My hon. Friend raised the issue of pre-legislative scrutiny of the Bill and I am grateful for his comments. I also put on record my thanks for the work of the Housing, Communities and Local Government Committee in engaging extensively me with and my officials on the various technical issues raised. In particular, the Committee was right to pick up on the issue of voids and whether the Bill would capture the definition accurately. As my hon. Friend will have seen, the Bill takes into account the question that the Committee raised and we have worked with experts in the sector to tweak the definition. I think that will address the Committee's concerns.

My hon. Friend rightly highlighted the issue of small businesses and cash flow, and urged us to press on as fast as we can. That is what we are trying to do. In response to letters from the Committee questioning the timing of the pre-legislative scrutiny, I said—and I repeat to the House tonight—that that is why we moved as quickly as we did. Instead of the normal process of 12 weeks, we had a slightly shorter process of eight weeks for that scrutiny, so that we could get the Bill on to the statute book as soon as possible and bring some relief to the small businesses facing cash-flow issues.

I turn to the oratorical tour de force from my hon. Friend the Member for Walsall North (Eddie Hughes). He said that the Bill is not sexy, but on the contrary these are the matters that keep local government Ministers, and the hon. Member for Oldham West and Royton, up at night. My hon. Friend will be pleased to know that we are focused on the detail. He was right to highlight to all hon. Members the particular delights of Beechdale, which they will all want to join me in visiting at the earliest opportunity, not least to shop the delights of Rob Mullett Butchers and the grocery store run by Jane and Phil. My hon. Friend also made a broader point about the importance of regenerating our urban centres, which was picked up by my hon. Friends the Members for Cheadle (Mary Robinson) and for South Suffolk (James Cartlidge). I can assure my hon. Friends that the Under-Secretary of State for Housing, Communities and Local Government, my hon. Friend the Member for Rossendale and Darwen (Jake Berry), who has responsibility for high streets, will have listened carefully to everything they said and will use their remarks as he develops policy to benefit our high streets around the country.

My hon. Friend the Member for Walsall North asked specifically about exemptions. I am pleased to tell him that council tax exemptions are already in place for people living in service accommodation or for those in the armed forces who are serving elsewhere and whose homes are therefore empty. Indeed, there are specific statutory exemptions for properties left empty for a purpose, for example when a person goes into care. There are also discretionary discounts for houses that are empty because of special circumstances such as hardship, fire or flooding, and I hope that addresses Members' concerns on that point. My hon. Friend also kindly paid tribute to the drafting of the Bill, for which I cannot take enormous credit—I pay tribute to

the officials, the ratings agencies and other experts who helped to draft the legislation to make it ready for today.

My hon. Friend the Member for Chippenham (Michelle Donelan) outlined yet again why she is a strong champion of small business in her constituency and around the country. She talked about entrepreneurship, and it is exactly right that our tax system and our policy supports the entrepreneurs not just of today, but of tomorrow. Supported by my hon. Friend the Member for Havant (Alan Mak), she, as ever, made a compelling case for why this Government and this measure will continue to support entrepreneurship across our nation.

I turn to some of the questions raised by the hon. Member for Oldham West and Royton. He asked specifically about the amount that will be raised from this measure. The stats are that 60,898 properties were subject to the measure in the last year, and 291 of 326 local authorities—90%—levied the premium. All but three of those levied the full 50%. That raised about £38.7 million, so an additional 50% would obviously double that. Just so that he has the full picture, if all local authorities used the full premium, that would equate to about £42 million and therefore, in total, £84 million.

Huw Merriman: Does the Minister agree that the true test of this policy will be if council tax amounts actually go down? That will mean that individuals are not behaving in the manner that we just described and will be paying less, thus freeing up the property for those who need it.

Rishi Sunak: My hon. Friend makes an excellent point: that should be the long-term test of this policy. It is there to provide an incentive for individuals to bring those homes back into use and indeed, that is what we have seen. Empty properties overall have fallen in the last few years from 300,000 to 200,000, but in areas that are specifically subject to this levy, we have seen a 9% reduction in long-term empty homes since the measure was introduced. Hopefully, we will keep seeing that rate of reduction increase to eliminate as many empty homes as possible. My hon. Friend also raised the topic of foreign ownership. I am pleased to tell him that the Minister for Housing heard what he said and is aware of the issues. In his new portfolio, he is looking into that matter.

My hon. Friend the Member for Harrogate and Knaresborough (Andrew Jones), who is not in his place, touched on the importance of open spaces. Indeed, the new national planning framework particularly encourages increasing density where possible so that we can do exactly that and preserve our wonderful open spaces. My hon. Friend the Member for Harborough (Neil O'Brien) made so many excellent and insightful points that I do not have time to review them all, but I join him in paying tribute to the campaign groups that have brought the Bill about.

Bob Blackman: My hon. Friend is giving good answers to many of the questions, but there is one outstanding question on the staircase tax. Because individual businesses are going to have to apply for a revaluation, there is a risk that they may end up paying more money if they make an application for revaluation and the rateable value increases. Will he look sympathetically at a view that people should not suffer as a result of applying for

[Bob Blackman]

the revaluation? Otherwise, businesses may choose to say, “This will be too dangerous and risky to our cash flow.”

Rishi Sunak: My hon. Friend makes a very good point. I am pleased to tell him that when businesses that have their valuation changed on the historical 2010 list come to appeal that decision, they will have the choice of seeing whether to take that appeal forward, once the Valuation Office Agency engages with them. If, for whatever reason, it decided that there were some other measure that it needed to change that caused an increase in the valuation, they could then choose not to pursue that matter, so they would not suffer from any increased rating. Of course, the current rating list is dynamic, as he will know. Changes good and bad will be relevant for the life of that list, as is the normal course of business.

Lastly, the hon. Member for Oldham West and Royton raised the issue of the Government’s broader support for business rates and for business across this country. He will know that the Government stand on the side of small business. The combination of measures announced in the last Budget and subsequently to the tune of £10 billion to help businesses up and down the country facing the revaluation included bringing forward the indexation to CPI; extending the £1,000 pubs discount, which I know many hon. Members across the House welcomed; doubling small business rate relief; and providing a £300 million discretionary fund for local authorities to apply in cases where there was particularly difficulty.

In conclusion, this important Bill will deliver widely supported measures to tackle an unfair and unintended rates increase for certain businesses and support the Government’s efforts to bring empty homes back into use. I appreciate all the comments from hon. Members this evening—no doubt we will return to some of them in Committee—but I am glad that we can all agree that the overall aims of the Bill and the positive impact that it will have for businesses and families seeking to call a place home should be welcomed. I commend it to the House.

Question put and agreed to.

Bill accordingly read a Second time.

RATING (PROPERTY IN COMMON OCCUPATION) AND COUNCIL TAX (EMPTY DWELLINGS) BILL (PROGRAMME)

Motion made, and Question put forthwith (Standing Order No. 83A(7)),

That the following provisions shall apply to the Rating (Property in Common Occupation) and Council Tax (Empty Dwellings) Bill:

Committal

(1) The Bill shall be committed to a Public Bill Committee.

Proceedings in Public Bill Committee

(2) Proceedings in the Public Bill Committee shall (so far as not previously concluded) be brought to a conclusion on Thursday 3 May 2018.

(3) The Public Bill Committee shall have leave to sit twice on the first day in which it meets.

Proceedings on Consideration and up to and including Third Reading

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

(5) Proceedings on Third Reading shall (so far as not previously concluded) be brought to a conclusion three hours after the commencement of proceedings on Consideration.

(6) Standing Order No. 83B (Programming committees) shall not apply to proceedings on Consideration and up to and including Third Reading.

Other proceedings

(7) Any other proceedings on the Bill may be programmed.—(*Kelly Tolhurst.*)

Question agreed to.

RATING (PROPERTY IN COMMON OCCUPATION) AND COUNCIL TAX (EMPTY DWELLINGS) BILL (WAYS AND MEANS)

Motion made, and Question put forthwith (Standing Order No. 52 (1)(a)),

That, for the purposes of any Act resulting from the Rating (Property in Common Occupation) and Council Tax (Empty Dwellings) Bill, it is expedient to authorise:

(1) the payment of sums to the Secretary of State in respect of non-domestic rating, and

(2) the payment of those sums into the Consolidated Fund.—(*Kelly Tolhurst.*)

Question agreed to.

Higher Education

8.16 pm

Angela Rayner (Ashton-under-Lyne) (Lab): I beg to move,

That an Humble Address be presented to Her Majesty, praying that the Higher Education and Research Act 2017 (Consequential, Transitional, Transitory and Saving Provisions) Regulations 2018 (S.I., 2018, No. 245), dated 26 February 2018, a copy of which was laid before this House on 28 February, be annulled.

I thank the Leader of the House for scheduling this debate, even if slightly belatedly. When the Opposition pray against a statutory instrument, it should be clear that the whole House is entitled to a debate and vote. I hope that Government Whips reflect on that point when considering the point of order made earlier today by my hon. Friend the Member for Leeds East (Richard Burgon).

Unfortunately, the Government ignoring criticism until it is too late has been a recurring feature of the development of the Office for Students. Throughout the passage of the Higher Education and Research Act 2017, we raised questions and concerns that have remained unanswered. I suspect that even the Minister might privately wish his colleagues had heeded advice about the appointment of Toby Young some time before he eventually resigned. What a shambolic and politicised appointment process, which still hangs over both the Office for Students and the Government today.

The Commissioner for Public Appointments found that the governance code was not followed—itsself a breach of the ministerial code. It is now more than a month since I wrote to the Prime Minister and the Cabinet Secretary on this point, and I am yet to receive a proper answer. Perhaps the Minister who is here today can at least now clarify his position. He told us at the Dispatch Box:

“The same due diligence was carried out by the same advisers on all the candidates.”—[*Official Report*, 27 February 2018; Vol. 636, c. 698.]

That directly contradicts the conclusion of the commissioner. Perhaps the Minister can now tell us whether he rejects the findings of the independent commissioner, or would he like to correct the record? Can he give the House any update on what the Government are doing to enforce the ministerial code and ensure that this scandal is not repeated?

This is important because the composition of the board remains highly controversial even now. The new Minister has indicated that he might even like the board to be more representative. In a written answer to my hon. Friend the Member for Blackpool South (Gordon Marsden), he said he would enter a

“dialogue with the OfS Chair...to ensure that both student interests and the further education sector”

are represented on the board. That point is one that his right hon. Friend the Member for Harlow (Robert Halfon) has also made as Chair of the Education Committee, so can the Minister tell us what progress he has made? Will he also look at a voice for staff, which the University and College Union has called for?

The appointments process has been symptomatic of a Government who have tried to use the Office for Students to pursue a deeply ideological agenda. It is bad enough that the Government embedded their free market approach in the original Act, giving the Office for Students a duty to promote competition.

Michael Tomlinson (Mid Dorset and North Poole) (Con): What does the hon. Lady say to Universities UK, which says that

“annulment of the statutory instrument is...not in the interest of either universities or students”?

Is this not just another example of Labour playing politics with our students?

Angela Rayner: This is not about annulling; this is about the Government making sure that legislation is fit for purpose. If the motion is passed tonight, the Government can go away and ensure that the Office for Students is fit for purpose. So far they have only undermined their own legislation, and their behaviour since has only worsened the fears. They seem to believe that education is a commodity to be bought and sold for private gain and not public good. Let me be clear: we fundamentally reject that belief. It is an approach that does not work for individuals or the system as a whole.

Kate Green (Stretford and Urmston) (Lab): My hon. Friend is aware of the plans for the new UA92 university academy in my constituency, a public-private partnership with Lancaster University, to which Trafford Council is contributing funds, and Gary and Phil Neville and other members of the Manchester United class of '92 are acting as private sponsors. Does she agree that the role of the Office for Students as both a funder and a regulator must be clarified to ensure that such public-private partnerships are sustainable and adequately funded and that the taxpayer, including the council tax payer in Trafford, is not left facing the risk in the case of market failure?

Angela Rayner: My hon. Friend is absolutely right—indeed that goes to the nub of the issue, which is that there are serious failings in the legislation around the office acting as provider and regulator, and a conflict of interest in the regulations. We have seen that, for example, in the Government's desperation to promote new private providers. They are already playing fast and loose with the title “university”, handing it out without proper scrutiny or oversight. Every time the title “university” is given to a new provider without ensuring it provides a good education, it not only risks students and the taxpayer being ripped off but potentially damages the integrity and reputation of the whole system. As MillionPlus has made clear, this is of concern not just to the old established institutions but to the newer universities, such as the one my hon. Friend the Member for Stretford and Urmston (Kate Green) just mentioned.

The Government's Office for Students guidance seems to have abandoned the category of registered provider that was in the original legislation. Will the Minister tell us if new small providers will now be outside the regulation of the Office for Students entirely? With Britain's exit from the European Union presenting a serious challenge to our world-class higher education providers, these risks cannot be justified, now or ever. The regulations transfer the powers of the Higher Education Funding Council for England to the Office for Students. In taking on the functions of HEFCE, the Office for Students will set and implement its own policy agenda. I hope he will tell us how he plans to address the potential conflicts arising from its regulating a sector in which it is an active participant.

The new Office for Students will not have all of HEFCE's powers. It cannot, for instance, intervene when providers are in a difficult position—apparently

[Angela Rayner]

that is in pursuit of a free market in which providers must be allowed to fail. Can the Minister assure us that the Office for Students has the powers it needs to protect students when they need its protection? Or will it just stand by in the name of ideology? The regulations also pass on powers of the Office for Fair Access. The danger of this move is that it robs the director of fair access of their independence and ability to negotiate directly with universities. Why is he removing from the director final authority to approve or reject access and participation plans?

This comes at a time when widening access could not be more important. The National Union of Students today exposed the cost of living crisis that has left the poorest students facing a poverty premium and the highest costs of access to education. While we have a plan to address the crisis, including by scrapping tuition fees and bringing back maintenance grants, the Government have kicked it into the long grass with their review.

Rachel Maclean (Redditch) (Con): We on the Government Benches agree that it is important that students from disadvantaged backgrounds have the chance to go to university, as they are doing in increasing numbers under this Government. Does the hon. Lady agree that if these regulations are annulled, as she seems to be suggesting—I hope it is not the case—it will hamper universities' ability to drive those access plans, which help young people from disadvantaged backgrounds go to university?

Angela Rayner: As I was outlining, the poorer students today are leaving with the highest levels of debt, and this Government scrapped the maintenance grants that would have helped them. The next Labour Government will reintroduce maintenance grants and scrap tuition fees to make sure that our students can get the education they deserve. I ask the Minister to think again and ensure that everyone, whatever their background, can access education.

This brings us back to a fundamental point. What do the Government believe the role of the new Office for Students should be—an independent regulator, a funding council, a validator of degrees or a body to micromanage universities? How will a university know when it is dealing with the regulator, a funding council or the voice of Government? It is that final point that will be concerning to many universities and students, who worry that, far from acting as a voice for students to the Government—I ask as the Minister chunters away—the Office for Students will be the opposite: the Government demanding a voice on students. For instance, the Minister wants the Office for Students to stop no-platform policies that ban hate groups from student unions. This seems to be a solution in search of a problem. Perhaps he can explain why he believes that he and the board of the Office for Students should use their resources to interfere at this level.

Wes Streeting (Ilford North) (Lab): My hon. Friend is making an incredibly powerful speech. One of the groups on the NUS's no-platform policy was Hizb ut-Tahrir. Presumably, if Hizb ut-Tahrir was not on the NUS's no-platform policy and student unions were not making efforts to stop it speaking, the Government would be attacking student unions for not doing enough

to tackle extremism on campuses. Does this not expose the ideological flaws at the heart of the Government's obsession with what is frankly a debate best reserved for student union meetings, rather than the House of Commons?

Angela Rayner: I absolutely agree with my hon. Friend, who makes some excellent points, as he did throughout the Committee stage of the Higher Education and Research Act 2017. It seems ironic that many of the organisations or individuals listed under the NUS's no-platform policy have been banned by the Government themselves. Is it still the Government's policy to fine universities for the actions of autonomous student unions? If so, will the Minister explain how high the fines will go?

While the Government are prepared to dictate student union speakers lists, they have shied away from the real issues, such as the soaring pay of vice-chancellors, while staff pay continues to fall in real terms. The Labour party has set out a plan to tackle pay inequality and accountability, but the Minister seems strangely shy about using the sweeping powers of the Office for Students. Instead he has said he is "intensely relaxed" about runaway pay packets.

Michelle Donelan (Chippenham) (Con): I thank the hon. Lady for being so generous with her time. However, it is not true that the Government are shying away from the issue of vice-chancellors' pay. I have raised it during Prime Minister's Question Time, and we are working on it in the Education Committee, looking into value for money. The Government commissioned a review of higher education, and the Office for Students will be focusing on value for money as well as choice and transparency. I think we should get our facts straight in this debate rather than misleading the public.

Angela Rayner: I thank the hon. Lady for her intervention, and I pay tribute to the Education Committee for its work in holding the Government to account, but I will believe what she has said when I see action. The Government have taken no action whatsoever against vice-chancellors' pay. It is all warm words and no action. Will the Office for Students be concerned with the real issues, or simply with scoring cheap political points? [Interruption.]

The simple fact is that the Government have created a regulator in which it is hard for the sector, let alone the rest of us, to have any confidence, and the regulations simply entrench the problem. Today, we cannot turn the clock back and unpick the entire regulatory framework that the Office for Students establishes. That is not what will happen if the motion is passed. Instead, the Government will be forced to think again about the problems that we have raised, and come up with genuine solutions that will create a regulator that has the confidence of those whom it regulates. That is all that I am asking them to do.

8.30 pm

Robert Halfon (Harlow) (Con): As we heard from the hon. Member for Ashton-under-Lyne (Angela Rayner), the Education Committee has been conducting an inquiry into value for money in higher education, which has included an investigation of the role of the Office for Students.

I support the OfS as the new regulator, and I will support the Government tonight. I have confidence in Sir Michael Barber, especially in the light of his appearance before the Committee. Members on both sides of the House who are present this evening will have heard what he said then. I was pleased to hear him speak so positively about the increase in the number of degree apprenticeships—two of my favourite words in the English language—but I am concerned about the lack of further education representatives on the board. I find it incredibly disappointing that that important part of our education sector is being neglected yet again. Further education and apprenticeships play a vital role in access to higher education for the most disadvantaged and are crucial to building the skills base and productivity of our country, but they are so often excluded from bodies of this kind.

Mr David Lammy (Tottenham) (Lab): The hon. Gentleman has made an important point about further education. Does he also recognise that a post-Brexit environment in which we are not absolutely committed to driving up skills in this country is not compatible with a determination to reduce immigration? For that reason as well as all the others, I am surprised that further education is not represented.

Robert Halfon: The right hon. Gentleman has also made an important point. Pre-Brexit or post-Brexit, skills must be the No. 1 priority for our country. We know that about 30% of young people's jobs will be lost to automation by 2030.

When Sir Michael Barber appeared before the Education Committee on 27 March, we asked him whether he would like to

“give consideration to the lack of people with direct experience of FE and apprenticeship backgrounds on the board”.

On 5 April, we received a letter from him, in which he said:

“I recognise and agree with the clear message that was delivered on the importance of representation from the further education sector in our operations.”

He also said that the OfS would

“welcome high-quality applications from people with experience of the further education sector when the DfE launch their recruitment campaign for the current ‘ordinary member’ board vacancy.”

Our Committee was so concerned by the process of appointments to the board that we received a private briefing from the Commissioner for Public Appointments, Mr Peter Riddell, which laid bare some of the problems. I would welcome the appointment of a panel of apprentices alongside the OfS student panel to inform the work and ensure that the views of apprentices are properly listened to. Many further education students study for higher degrees and FE will take a leading role in degree apprenticeships. It is not right to say that students are involved only in traditional degrees and traditional higher education. Given the rapidly changing nature of higher education and the increase in the number of degree apprenticeships, it is crucial for the OfS board to be as diverse and representative as possible. The OfS should be leading the whole sector in its approach to embracing different models of higher education.

As I said, I shall support the Government this evening but I urge them to make it a priority to recruit a serious representative from further education, from the Association of Colleges or elsewhere, into the vacant position on the board.

Mr Jim Cunningham (Coventry South) (Lab): I am sure that the right hon. Gentleman knows as well as I do what it means when we talk about further education. For example, in Coventry there have been 27% cuts to further education budgets. What impact does that have on apprenticeships? More importantly, if we take that further and look at university education, UCU is in dispute with the Coventry University because it cannot get recognition. To come back to the point, it cannot get recognition in further education or in university education.

Robert Halfon: It is true that for a number of years FE funding was neglected. It has been stabilised, and I welcome the £500 million extra announced by the Government for the technical education reforms in a recent Budget, but further education needs a lot more funding. People say that it is the Cinderella sector, but I say that Cinderella became a princess and we should banish the ugly sisters of snobbery and intolerance.

Neil O'Brien (Harborough) (Con): My right hon. Friend is making a typically powerful and passionate speech. Does he agree with the small businesses that I met in my constituency last Friday, which say that as they use the new money in the apprenticeship levy for apprenticeships, they encounter problems with getting what they want out of FE colleges? Does he agree that, for that reason, it is very important that we have representation for them in this new body so that employers can also get what they want out of the new system?

Robert Halfon: I agree with my hon. Friend. I hope that one day FE colleges will lead the vast majority of apprentice training in our country. It is good to have some private providers, but further education has an incredibly important role. That is my whole point: skills and apprenticeships should be at the heart of the Office for Students. I sometimes think that the powers that be have a traditionalist approach to higher education and everything has to be about traditional university degrees. They forget further education, skills and apprenticeships.

I congratulate the Minister on his new role. I know that he is a very thoughtful Minister and has been travelling up and down the country; Sam on tour, as I have seen on Twitter. I urge him to take this seriously—Sir Michael Barber is open to it—and put an FE representative on the board, and ensure that we have an apprentice panel too.

8.37 pm

Carol Monaghan (Glasgow North West) (SNP): It is a pleasure to follow the Chair of the Select Committee on Education, the right hon. Member for Harlow (Robert Halfon), who spoke with such knowledge and sense. He talked about the importance of apprenticeships and skills. Throughout this debate and the education debate in general, we should be talking more about positive destinations. It is hard to promote apprenticeships as leading to great job opportunities if we are constantly talking about higher education. We need to promote them, too, so it is good to hear his thoughts on that.

During the passage of the Higher Education and Research Bill, the Scottish National party tabled amendments to ensure that the new research body, UK Research and Innovation, would include appropriate membership from the devolved nations and that the membership and strategy of UKRI took proper account

[Carol Monaghan]

of their policies and priorities. On Third Reading, the SNP voted against the Bill because of our concerns about a number of elements: tuition fee rises, the marketisation of the higher education sector and the dismantling of the research structure. They could have serious consequences for Scotland's sector, given that our priorities might not be recognised, which could have an impact on our world-renowned image and reputation. Our MPs also voted to change the make-up of the Office for Students to ensure proper student representation was allowed on the board. It was disappointing that that did not happen.

We were also assured that UKRI would include somebody who had knowledge of the devolved nations. At the moment, we have that in Professor Sir Ian Diamond from the University of Aberdeen, but the problem is that there is no guarantee that that person will remain there and that the devolved nations will continue to have representation as we did not manage to get a guarantee in the Act. There is a serious chance that this could have a negative impact on Scotland's higher education sector.

The UK Government said they would introduce a Bill that would include measures set out in Sir Paul Nurse's review of the UK research councils. He noted:

"there is a need to solicit and respond to distinct research priorities and evidence requirements identified by the devolved administrations" and that

"it is essential that the Research Councils should play a strong role in...shaping research priorities and promoting the distinctive requirements of UK research, including in association with the devolved administrations."

However, the Act and the formation of UK Research and Innovation do not meet the overarching principles in the Nurse report, because the governance of UKRI is accountable only to the UK Government, with principally English interests. Any piece of legislation that threatens Scotland's research priorities and has the potential to damage the research funding that Scotland receives should be amended. We remain concerned that UKRI will encompass both cross-UK and England-only responsibilities, and that it will not necessarily take account of the devolved nations.

Abolishing the Director for Fair Access to Higher Education sends out a worrying message. In Scotland, the Scottish National party has long championed widening access, passing legislation to ensure access to higher education for those from the most deprived backgrounds. This Government need to look at what the Scottish Government are doing to widen access. The latest UCAS statistics show that a higher proportion of those from the least deprived areas who apply are successfully securing places at UK universities.

Given the problems that we have seen with the Office for Students, perhaps the UK Government should seek to rethink instead of ploughing on with this unpopular policy. The embarrassing Government U-turn earlier this year over Toby Young's appointment shows how much of a shambles the management of the OfS has been. How can people have faith in it when it failed on day one? A report by the Commissioner for Public Appointments has sharply criticised the Department for Education and the Office for Students for failing to complete proper due diligence on Toby Young before his appointment as England's new university regulator

in January. The commissioner's report concludes that the OfS's board appointments, including Young, showed a "clear disparity" in the treatment of different candidates. It stated that parts of the process

"had serious shortcomings in terms of the fairness and transparency".

It also states that there was a high degree of ministerial interference in Young's appointment. This calls into question the integrity of the Office for Students from the very outset, and this must be looked into, alongside proper student representation at the OfS.

When we are talking about a commodity as valuable as education, we have to be really careful when we look at the marketisation of this sector. A constituent came to see me recently. He had come from England, although that is actually irrelevant. He had been through a number of private providers and he had spent thousands of pounds on qualifications that were effectively useless. This is the difficulty that we find when we open up higher education to marketisation. We must protect our education sector, and we must protect education as the valuable resource that it is. This Government would do well to look north to Scotland on this.

8.43 pm

Ben Bradley (Mansfield) (Con): The simple fact is that universities and students need these regulations to be implemented. I am not sure that the hon. Member for Ashton-under-Lyne (Angela Rayner) mentioned the contents of this statutory instrument once in her remarks. They are transitional. The regulations are entirely sensible and intended to fill the regulatory gap that has been left following the abolition of the Higher Education Funding Council for England earlier this month. They enable the Office for Students and UK Research and Innovation to take on the statutory functions of the Higher Education Funding Council for England and of the Director of Fair Access to Higher Education between now and July next year, after which the new regulatory system will be functioning.

Given that the hon. Lady spent her opening speech talking about the details of the OfS, it is fairly obvious that Labour Members' opposition to these proposals has nothing to do with this statutory instrument at all. They have been vocal about their reservations on the OfS, and that is fine, but voting down this measure will not change that. It will simply wreck the regulation of universities for the next 15 months, and it will be the students who suffer as a result. This is about the transition. It is a dry SI about the process; it is not about what we are transitioning to, a decision which has already been taken. Labour's opposition to this SI is therefore totally misjudged. It is almost as though Labour Members saw the words "higher education" in the title of a piece of legislation and thought, "We can bash the Tories on this subject."

If the regulations are annulled, students will ultimately lose out. They would no longer have vital protections to address concerns about governance, quality or financial sustainability in their education. They could face increased fees, because it is only these regulations that ensure that a cap on student fees remains in place.

Helen Goodman (Bishop Auckland) (Lab): My understanding is that the Office for Students is supposed to protect students' interests. One of the things that

students are most worried about is that, whereas the Bank of England charges bankers 0.5% on loans, the Student Loans Company will charge them over 6% next year. Does the OfS have the power to cut that interest rate in the interests of students?

Ben Bradley: I thank the hon. Lady for her intervention, but she totally misunderstands this legislation, which is not about the Office for Students or its powers. The Government have launched a review of higher education funding to find out whether what she suggests is something that we can or should do. That will be important going forward, but it is not what this SI is about.

The Opposition have talked repeatedly about standing up for students, continually claiming to be the voice of students and discussing their plans to abolish tuition fees, and yet here they are risking the cap on fees by opposing the regulations. Let us not forget that the Opposition do not have the strongest record on keeping education promises. Before the election, the leader of the Opposition said that he would “deal with” existing student debt. Afterwards, however, he told Andrew Marr that he did not make that commitment, that he would not write the debt off, and that he was unaware of the size of the debt. He made promises without knowing the full facts and ultimately realised that he could not deliver them.

The Opposition talk about tuition fees preventing people from going to university, but the truth is that more disadvantaged 18-year-olds are going to university under this Government than ever before. Students from disadvantaged backgrounds were 50% more likely to attend university in 2017 than they were in 2009 under Labour, and our results on this kind of social mobility compare favourably with other countries, such as Scotland where higher education is free.

Andrea Jenkyns (Morley and Outwood) (Con): I was the first person in the family to go to university, and I did not go until I was 40 when I was fighting a general election campaign. Teaching quality was important for mature students like me, so does my hon. Friend agree that the Office for Students will help to improve that?

Ben Bradley: My hon. Friend is exactly right that the legislation will ensure that we have regulation from the Office for Students over the next 15 months instead of a gap between now and the middle of next year.

The irony is that Labour’s position on tuition fees is the least socialist idea that I have ever heard. Labour ignores the figures that I have just shared and says that universities do not take enough students from poorer backgrounds and that they are for the rich. However, despite those assumptions, it proposes raising taxes to fund free university education.

Andrea Jenkyns: Does my hon. Friend agree that it was Labour Members who brought in tuition fees in the first place?

Ben Bradley: My hon. Friend makes a fair point. Labour proposes raising taxes for poorer people who do not get the benefit of higher education in order to fund free higher education for rich people. It is the opposite of socialism and the opposite of promoting social mobility. It is another totally illogical giveaway that looks nice on a leaflet but is totally illogical and undeliverable.

Helen Goodman: Will the hon. Gentleman give way?

Ben Bradley: I am going to crack on and finish because I am nearly done.

Moving on from fees, without this agreement there is a risk that universities will not receive crucial grant funding. These transitional regulations enable the OfS to allocate £1.3 billion of teaching grants. Without this legislation, there would be no means to give out those grants and no provision to offer access agreements to support disadvantaged students in the next academic year.

I understand that the Opposition have reservations about how the OfS board has been set up and about appointments to it, but this is not the place to raise such issues. Those decisions have already been made, and their actions risk—[*Interruption.*]

Madam Deputy Speaker (Mrs Eleanor Laing): Order. The hon. Gentleman must be heard. It is no use everybody shouting at him, because we cannot hear what he is saying.

Ben Bradley: I have one line left, so I am nearly there.

The Opposition’s actions risk creating a regulatory gap in the higher education sector and uncertainty for both students and universities. Ultimately, it is that uncertainty that we are trying to avoid, which is why I am supporting the Government today.

8.49 pm

Alex Sobel (Leeds North West) (Lab/Co-op): This will be a short speech about why I support the motion of my hon. Friend the Member for Ashton-under-Lyne (Angela Rayner) and why the Office for Students is not fit for purpose.

I am a former student union executive officer and NUS full-time elected officer. The Government are excluding student representation on entirely spurious grounds, so it is not an office for students but an office against students. On 20 March, *The Guardian* reported that university leaders described the Office for Students as the “Office for State Control,” warning that it would prove disastrous for higher education and is “dangerous for democracy.”

The Government’s power grab is not being challenged by people in the sector, as they fear reprisals from Ministers, so it is for us in the Opposition to speak up for them. An anonymous vice-chancellor said:

“It is a huge problem if we feel we cannot criticise government. A lot of VCs feel that if they speak out they risk being ripped apart by the media. If there is a lack of leadership at UUK that is a massive problem.”

How have the Government managed to create both a culture and an institution akin to the Ministry of Love in George Orwell’s “Nineteen Eighty-Four” in which university vice-chancellors, the leaders of this country’s great institutions of learning and research, cannot speak out? In a modern democracy, that is a shameful indictment of the Government. This chapter, on how the state has treated universities in this country, will live long in the history of infamy. This motion is not only necessary but essential if we are to guard universities’ academic freedom. We must think again about how the Office for Students is constructed.

[Alex Sobel]

I understand but strongly disagree with the Government's need to turn higher education into a complete market economy in which students do not fulfil their desire to learn and grow but are consumers there to fulfil a future economic need. There is a drive for deregulation, the free marketeers' dream.

Dr David Drew (Stroud) (Lab/Co-op): Does my hon. Friend accept that, as one vice-chancellor told me, there is at least a suspicion that we are moving back to the binary divide between the Russell Group and the new universities? That is a worrying development because it will play out in terms of value for money, and it will end up with the Russell Group charging higher fees and new universities having to charge lower fees.

Alex Sobel: I have a 1992 university in my constituency and I am a graduate and former student union officer of a Russell Group university, and I agree with my hon. Friend. The rot will set in when we start to have differential fees, which some of us here opposed at the time.

We need to create an institution that supports our bastions of learning, rather than one that tries to sanitise them. We need to transform how students view their institutions and the Office for Students. We need to view these institutions differently from other actors in the free market—they are not a shop or retail outlet but places where people come to learn and grow.

Rachel Maclean: The hon. Gentleman is kind in giving way. Is his understanding of the motion the same as mine? If it is approved and the Office for Students is abolished, my understanding is that there will be no fee cap at all on providers, so all providers will be able to raise their fees. There is control on fees at the moment because of the Office for Students. I am very worried about that, but I do not know whether he is.

Alex Sobel: I was here in July when we debated the statutory instrument on the fee cap, so SIs do come to the Floor of the House. The Office for Students needs to operate properly and enshrine academic freedom. That is what we need, and that is what the motion would achieve.

Helen Goodman: A bit of learning and growing by Government Members would be helpful. Does my hon. Friend agree that we cannot amend SIs? We can only vote them down, and then the Government must table another one. We did not invent that process for this occasion.

Alex Sobel: My hon. Friend has been here far longer than me and it is good to know that lots of Members are learning about the statutory instrument process as we speak. I knew we could not amend an SI in the same way as we can amend primary legislation, but I am sure this is not going to be the end on this SI if the motion is defeated tonight. The Government may come back with a better offer, given the opportunity.

In conclusion, I just want to touch on the previous appointment to the regulator. On the marketisation of education, the Government chose to appoint their chief cheerleader in this transformation, Toby Young, a figure so abhorrent to the sector that he barely lasted a week. That is where we are with the governance of the OfS.

Today, we have our opportunity to start the fightback to get ourselves an Office for Students that is fit for purpose and to curb the Government's enthusiasm for a consumer higher education market. We can start the journey back to universities as places where people want to go to grow and learn, and where people are not simply going to a sausage factory for this Government's failed policies.

8.55 pm

James Cartlidge (South Suffolk) (Con): In the remarks of the hon. Member for Ashton-under-Lyne (Angela Rayner), whose passion I admire, my colleagues will have been struck by her use of the phrase "ideologically driven, free market privatisation". Those with particularly good memories will have heard those words some years ago. I refer, as I am sure you will know, Madam Deputy Speaker, to the Second Reading debate on the Education (Schools) Bill on 19 November 1991. My right hon. and learned Friend the Member for Rushcliffe (Mr Clarke), now the Father of the House, introduced that Bill, which established performance tables and Ofsted. The shadow Labour spokesman, Derek Fatchett, the former Member for Leeds, Central, said in winding up:

"We shall vote against it this evening. We shall campaign against it and ensure that parents throughout Britain see the Bill as deeply damaging, because it is an ideologically driven privatising measure."—[*Official Report*, 19 November 1991; Vol. 199, c. 232.]

The exact same wording was used to describe the creation of Ofsted, which is now a part of the warp and weft of the education system and on which my constituents rely. Parents in our constituencies rely on it to look at standards in those schools, which in itself drives up our standards. So the hon. Lady has got the wrong end of the stick, because the OfS is there to do the same thing.

We have to ask ourselves a simple question: what is the purpose of higher education? It is to deliver the best possible quality of education for our young people, so that they can stand on their own two feet and make the most of their talents. Some have an obsession with whether it is free—I agree there are concerns about the interest rate and the level of debt—but the purpose of education is what people get at the end of it and what it does to help them make the most of their lives. I want us to establish an OfS that drives up standards by bringing the same transparency that has applied from Ofsted, empowering students just as Ofsted empowers parents. It is a simple principle: driving up standards through competition. Labour Members do not understand it, which is why they are making the same mistake as they did in 1991, ranting about privatisation and ideology. They are the ones with the ideology: they are anti-quality and anti-aspiration.

8.57 pm

Wes Streeting (Ilford North) (Lab): As the first person in my family to go to university and to have made it from free school meals in an inner-city state school to the University of Cambridge, I am not taking any lectures from the Conservative party about being anti-aspiration. It is because so many of my constituents have high aspirations for their children to go on to high-quality technical education or high-quality higher education that I am so concerned about the direction of Government policy.

As much as Conservative Members come here this evening to accuse the Labour party of trying to bring down the OfS by daring to vote against the statutory instrument, they neglect to notice that this SI was not in place yesterday and yet the architecture of the higher education sector has not fallen apart. It is not in place today, yet the higher education sector still seems to manage to function. If they expect us to pass any old rubbish on the basis that we have to pass it or there will be calamity, I have to tell them that, unfortunately for the Conservative party, they did not win a majority at the last election, and they have to get used to winning arguments and to parliamentary scrutiny. Presumably, that is why they bring forward so little legislation; they realise that this House of Commons will not pass any old rubbish.

That brings me to the statutory instrument we are dealing with this evening. The Office for Students is the logical conclusion of a vision of a higher education system in which, as my hon. Friend the shadow Secretary of State said, the market rules supreme and which seeks to reduce higher education to a commodity for students to purchase as consumers and trade in for future success in the workplace. We were promised that the Office for Students would be this great champion of consumers, but we have seen precious little evidence of that so far.

The tragedy is that the Government managed to find a well-respected chair of the Office for Students, who was the architect of the system and who believes in their vision of a consumer-driven higher education system. The problem for the chair of the Office for Students and its very capable poacher-turned-gamekeeper chief executive is that, because of politicisation by the Government and their sheer incompetence, the Office for Students has been left discredited by the political process that led to the composition of its board. How can they come here with a straight face and defend a process that was condemned by the Commissioner for Public Appointments, who found not only that assurances given to this place were incorrect, but that there was direct political interference by special advisers from 10 Downing Street?

Thelma Walker (Colne Valley) (Lab): The report by the Commissioner for Public Appointments on recruitment to the Office for Students highlighted several concerns about fairness and consistency in the appointment process. Will my hon. Friend comment on how students and universities can be expected to place any trust in that body as a regulator?

Wes Streeting: I wholeheartedly agree with my hon. Friend. In fact, one of the things about the appointments process that has deeply damaged the standing of the OfS in the eyes of students was the insistence by Government political advisers that there should be no representatives from students unions or the National Union of Students on the board. The Government did not say, "We're going to cast the net wide, and if we find a student who is more capable than an elected officer of the NUS or a students union, we'll appoint them," but instead effectively blacklisted the NUS and students unions. As a former president of the NUS, I think that is an absolute disgrace, not least because students who are elected have the confidence of the student body. They present manifestos about the issues that those they represent care about.

If the Government had listened a bit more to what students were saying, perhaps they would not be in the political mess they are in, not just with students but with their parents and grandparents, who are horrified that tuition fees have been trebled, that student grants for the poorest were abolished and that the education maintenance allowance for students in further education was scrapped. The Government have got themselves into a real mess by failing to listen to people who know best about higher education, which is the people who work in it and the people who learn from it. It is a disgrace that there is no NUS representative on the board of the Office for Students.

It is also a disgrace that there is no staff representative from the University and College Union. Recent events, particularly in the pensions dispute, have shown that the lack of effective dialogue between staff representatives and university leaders leads to students being severely disadvantaged, but we have barely heard a peep from the Government about that crisis. They seem to have their heads in the sand. It is deeply regrettable that the Office for Students has been so deeply damaged by politicisation in the run-up to its creation, and the Government should not be surprised that we wish to oppose this statutory instrument.

Finally, let me gently say, without apology or any humility whatsoever, that many of the issues that have confronted the Government, particularly vice-chancellor pay and scrutiny and accountability, would easily have been dealt with had they accepted more amendments from me and my party's Front Bench during the Higher Education and Research Bill Committee. I warned them that vice-chancellor pay was soaring out of control, and I proposed a modest amendment that would have put student and staff representatives on remuneration committees to better hold vice-chancellors' pay to account, but that modest proposal was rejected by the Minister's predecessor. The Government must be regretting that now. I also tabled an amendment that would have required universities to publish the ratios of the highest-paid to the lowest-paid at their institutions, to allow students, staff and the public to better hold them to account. That modest proposal was rejected as well.

As my hon. Friend the shadow Secretary of State said, the truth is that, when it comes to championing the interests of students and making our higher education sector better, fairer and more equitable, the Government do not listen and do not act. I agree strongly with what the Chair of the Education Committee said about the lack of further education representation. If we are serious about a further and higher education system that is well placed not just to serve the needs of our future economy, but to champion social justice, the Government need to do a damn sight better than they have done with the creation of the Office for Students. They cannot expect an effective Opposition to wade through statutory instruments like this when the work beneath it is so shabby and poor.

9.4 pm

Helen Whately (Faversham and Mid Kent) (Con): We are blessed with great universities in this country and I welcome the expansion that we have had in the number of students attending university—50% of school leavers now go to university. That is truly welcome, but—there is obviously a but coming—not all universities are great

[Helen Whately]

and not all courses are great. In fact, only 32% of students say that they consider their university to be value for money. There is too weak a link between the funding of universities and the quality of teaching. Students deserve better and students want better. They want to make a more informed choice about the university that they go to.

Just last week, a sixth form student was doing work experience with me. She was weighing up a choice of two or three universities—one has a better reputation by word of mouth, but another does better in the data of the National Student Survey. She was using that information to make an informed choice, which is a very positive sign that we are providing students with better information about the options and that very important decision—a decision that will have lifelong consequences—on what university to go to.

What we know is that transparency and regulation drive up quality. For a student, that process will help to drive up the quality of what universities offer. My hon. Friend the Member for South Suffolk (James Cartledge) talked about Ofsted. We know that Ofsted has done that for schools and that the Care Quality Commission has been and is doing that for healthcare. That is where the Office for Students comes in. As a new regulator, it is far more focused on students, on what students need and on the quality of teaching for students. The Labour party should welcome that new regulator. As we have the Minister in his place, may I just say that the new regulator should go even further in what it looks at? It should go beyond looking at the quality of teaching to the wider experience of students and the outcomes for students. I ask him to consider extending its remit to include student wellbeing and mental health.

Although university is an exciting time, it is also an extremely challenging time for students. They are often living away from home for the first time. There are many transitions that they are making and they are taking much greater responsibility for themselves, and it can be a lonely and isolating time. More students are seeking help with their mental health, but not all are getting it. Not even a third of universities have a mental health and well-being strategy. Only 29% even monitor attendance, so they do not know what their students are doing. One sign of a student struggling will be that they are not attending lectures and tutorials.

Kate Green: I am very interested in what the hon. Lady is saying and I have sympathy with it. UA92, which I was talking about a few moments ago, makes great play of its emphasis on developing the character of its students—something that I know not all higher education institutions seek to do. Does she agree that it would be useful for the OfS to think of ways of measuring and evaluating that, too?

Helen Whately: I agree. The OfS should include that in its remit and look at measuring not only quality of teaching, but the outcomes for students and what universities do for students' wellbeing and mental health. There is work being done on this led by Universities UK and I would very much like for that to be taken up by the OfS.

In conclusion, in addition to the OfS's very welcome focus on what students need and better quality of teaching, it should also look at the wider experience and outcomes for students.

9.8 pm

Mr David Lammy (Tottenham) (Lab): The Minister will be aware that, as a former Minister, I am concerned about the loss of the Office for Fair Access and about whether access will continue to be an important theme under the new Office for Students. We have a lot to do, particularly on fair access to the Russell Group. The Minister will be aware of the work that I have tried to do, particularly in relation to Oxbridge. I look forward to going to Cambridge later this week to discuss in more detail what it is doing to get young people from the regions, particularly from the north of England, and particularly from poorer backgrounds and ethnic minority backgrounds. I have some faith, of course, in the leadership of Michael Barber and Nicola Dandridge, but it is right to say, as my hon. Friend the shadow Education Secretary indicated, that the Office for Students got off to a very bumpy start indeed with the Toby Young affair.

When the Minister gets to his feet, I hope that he might say something about further education in particular. A lot of Members across the House would say that, if someone has three or four children in this country and only one is academic, Britain is still one of the best places in the world in which to be born. But I do not think that any of us believe that this country has cracked it when it comes to vocational skills; we are a long way off. It is a mistake not to have FE represented in such an important body, which is regulator, funder and has important levers in relation to the provider. I do hope that the Minister will look again at the important role of FE, as has been suggested by the Labour Front-Bench team and the Chair of the Education Committee.

In an age where student satisfaction is everything—that journey began many years ago, when we decided to move towards a regime of fees—it seems paradoxical that the student voice is not as present in this new body as it probably should be. [Interruption.] The Minister nods from a sedentary position that it is. I look forward to him explaining how that is the case. If it is the case, why does he think that students should be afforded less of a status, frankly, than others who sit on the board?

The Minister for Universities, Science, Research and Innovation (Mr Sam Gyimah): That point has been raised a number of times during this debate. For the first time, there will be a regulator that will have a student panel and a student representative on the board. I was there for the inaugural meeting and those representatives are doing great work. The suggestion that the student voice is somehow not represented is simply inaccurate.

Mr Lammy: Well, it cannot be entirely inaccurate because the most powerful student voice in the country is, in fact, the National Union of Students, and it is not entirely happy.

Wes Streeting: It was, in fact, the case that the president of the National Union of Students sat around the board table of the Higher Education Funding Council for England, so it is not true to say that what we have now is an improvement. We have a token student on the

board of the OfS with no representative background whatever, and a talking shop that has no real teeth. That is not the same as having a board member.

Mr Lammy: My hon. Friend is absolutely right. I seem to remember that when I was a younger, slimmer Minister with responsibility for universities, there was a younger, slimmer Wes Streeting who occupied that very role. With that, I look forward to hearing from the Minister.

9.13 pm

The Minister for Universities, Science, Research and Innovation (Mr Sam Gyimah): When I walked into the Chamber and listened to the shadow Secretary of State, the hon. Member for Ashton-under-Lyne (Angela Rayner), I thought for a moment that I had walked into the wrong debate. Although the Opposition prayed against the Government's legislation, meaning that we had to have this debate on the Floor of the House, it took quite a long time for me to realise that she was actually speaking to her motion, because nothing that she said was relevant or bore any resemblance to its content. The motion is actually a very serious one that calls for the set of regulations before the House to be annulled, although she said that that was not the case at all.

This legislation should be a piece of good news for the House. For the first time in the age of the student—when students should no longer be grateful for the experience that universities dish out to them, but should have a champion for them—this Government have set up a new regulator to perform that role. But of course the Opposition chose not to recognise that, saying instead that we should annul the legislation.

The first point—I will speak specifically to the SI—is that annulling this legislation is unviable. It is unviable to continue with the existing legislation. That is because the Higher Education and Research Act—HERA—replaces the previous legislative framework for higher education that was established in 1992, when the sector was smaller and competition was limited. The majority of funding came from direct grants, to which HEFCE attached conditions. The situation now is fundamentally different. Of 131 higher education institutions funded by HEFCE until April this year, 90 receive less than 15% of their income directly from Government. Attaching conditions to grant funding is simply no longer a viable mechanism to deliver regulatory oversight and to protect students' interests in the long term.

The Office for Students is an independent regulator that puts the interests of students and value for money at its heart. It stands for a new, outcome-driven approach to regulation that seeks to open up university opportunities to all, to enhance the student experience, to improve the accountability and transparency of providers, to promote the quality and flexibility of higher education choices, and, crucially, to protect students' interests. The old system, to which the Opposition would like to return, is a recipe for state control of universities, and it would see a return to top-down planning of higher education and student number controls. This would be a fundamental undoing.

Paul Blomfield (Sheffield Central) (Lab): As the Minister will know, I wrote to him on the point raised by the hon. Member for Faversham and Mid Kent (Helen Whately) about the remit of the OfS. Does he recognise that if it

is to be a champion for students, its remit needs to be more widely drawn? Does he recognise the point made by the all-party parliamentary group on students that adding a responsibility for wellbeing, with special regard to students' mental health, would balance out the current remit and demonstrate that the OfS was more interested in putting students first? I regret, as he might perhaps recognise, that he did not respond directly to that point but simply passed it on to the OfS for comment. Will he take this opportunity to agree with the hon. Lady, with me and with many Members on both sides of the House that the remit needs to be broadened in this respect?

Mr Gyimah: The remit of the OfS is already very broad. I passed the letter on to it for comment, as an independent regulator, and it is right for it to respond to the hon. Gentleman. I agree, however, that there is an issue around student wellbeing that needs tackling, whether via the OfS or via another route. It is something that we should be alive to. The Chairman of the Education Committee and the right hon. Member for Tottenham (Mr Lammy) mentioned the role of further education, in particular. I assure them that the Secretary of State's first set of strategic guidance to the OfS set a very clear expectation that apprenticeships must be taken into account whenever the OfS exercises its functions, and that apprentices must be represented within its widening access and participation activity. I note the points that have been made about the composition of the board.

However, the key point is that there is no going back. HERA has established the new Office for Students, which regulates in a very different way by imposing terms and conditions on providers that want to be on its register, and only registered providers can benefit from their students having access to student support. The OfS is already operational, and there is no going back. HEFCE has already been abolished, as has the Office for Fair Access. Both ceased to exist on 1 April, and annulling these regulations does not change that. That ship has already sailed, and neither of these bodies can be resurrected without primary legislation. The OfS now has important responsibilities for access and participation and is already pushing higher education providers to make greater progress through their access and participation plans for 2019-20.

Helen Goodman: The Minister and I have corresponded about the impact of the recent strike on students and the fact that universities do not really have a financial incentive to settle the strikes because they get the tuition fees in and save money on the lecturers' pay. A further question I have about the OfS's remit is whether it will have the power to order the institutions to pay the students compensation.

Mr Gyimah: The hon. Lady makes a perfect case for the OfS. The reason why the OfS could not have intervened in the recent strikes is that it did not exist statutorily at that point, but were the OfS to be in place, that is exactly the sort of issue it could take on and champion on behalf of students. That is why we have brought this legislation forward.

Let me absolutely clear about the effect on students and providers alike if this motion is carried. First, students' fees will be uncapped. While the amount of fees that students can be charged is set out in separate legislation, these transitional regulations ensure that

[Mr Gyimah]

until the new regime goes fully live on 1 August 2019, a cap remains on student fees. Without these regulations, students' fees would be completely uncapped. That would happen immediately, and it would be the Opposition's fault.

Overnight, there would be no legal barrier to prevent students from being charged the same fees that providers charge to international students. What would that mean for students? In 2017, international students paid between £10,000 and £35,000 annually for lecture-based undergraduate degrees, and for undergraduate medical degrees some providers charge up to £38,000 per year. Simply put, a vote to annul these regulations is a vote to allow tuition fees to be increased without any upper limit.

Without fee caps, we lose access plans, because it is the incentive of being able to charge students up to the current higher fee cap that drives providers towards agreeing access plans. Without fee caps, that incentive is removed. Many Members in the debate have commented on the importance of access, especially to our elite universities, but a vote to annul these regulations is a vote to remove the key tools currently used to boost access and participation. We need an orderly transition to the new regulator.

Paul Blomfield: Will the Minister give way?

Mr Gyimah: The hon. Gentleman has already had his chance. Establishing a single regulator, which brings together the—[*Interruption.*]

Madam Deputy Speaker (Mrs Eleanor Laing): Order. People have been asking questions of the Minister all evening and now they are not listening to his answers.

Mr Gyimah: Madam Deputy Speaker, you make a fine Chair.

Establishing a single regulator, which brings together the regulatory functions of HEFCE in relation to teaching in higher education with the statutory remit of the Director of Fair Access, delivers a significant change in ownership of responsibility for widening access and participation. It brings together the powers, duties, expertise and resources under the collective responsibility of the OfS and allows for a smooth and orderly transition.

In conclusion, during the passage of the Higher Education and Research Act, Members across the House debated long and hard the future of higher education. Irrespective of different views about how we finance higher education or how it should be regulated, there will always be an imperative to ensure that students are getting a high-quality experience and positive outcomes from the time and effort they put into their education. This Government firmly believe that giving students real and well-informed choices is the most effective way to achieve that, and that the regulatory system should be designed to support healthy competition on a level playing field.

In attempting to annul these regulations, the Opposition are proving that they have no desire to give students more information, protection, choice or value for their money, and that they will bring nothing other than chaos and confusion for students and providers alike. While I am dismayed that the Opposition prayed against

these regulations and did not even utter one sentence about them, I urge the House to vote for this important champion of students.

Question put.

The House divided: Ayes 211, Noes 291.

Division No. 138]

[9.24 pm

AYES

Abbott, rh Ms Diane	Gardiner, Barry
Abrahams, Debbie	George, Ruth
Alexander, Heidi	Gill, Preet Kaur
Ali, Rushanara	Glendon, Mary
Allin-Khan, Dr Rosena	Godsiff, Mr Roger
Amesbury, Mike	Goodman, Helen
Antoniazzi, Tonia	Green, Kate
Barron, rh Sir Kevin	Greenwood, Lilian
Benn, rh Hilary	Greenwood, Margaret
Berger, Luciana	Griffith, Nia
Betts, Mr Clive	Grogan, John
Blomfield, Paul	Gwynne, Andrew
Brabin, Tracy	Hanson, rh David
Bradshaw, rh Mr Ben	Hardy, Emma
Brennan, Kevin	Hayes, Helen
Brown, Lyn	Hayman, Sue
Brown, rh Mr Nicholas	Healey, rh John
Buck, Ms Karen	Hepburn, Mr Stephen
Burgon, Richard	Hill, Mike
Cadbury, Ruth	Hillier, Meg
Carden, Dan	Hobhouse, Wera
Champion, Sarah	Hodge, rh Dame Margaret
Chapman, Jenny	Hodgson, Mrs Sharon
Charalambous, Bambos	Hoey, Kate
Cooper, Julie	Hollern, Kate
Cooper, Rosie	Hopkins, Kelvin
Cooper, rh Yvette	Howarth, rh Mr George
Coyle, Neil	Huq, Dr Rupa
Crausby, Sir David	Hussain, Imran
Creagh, Mary	Jardine, Christine
Cruddas, Jon	Jones, Darren
Cryer, John	Jones, Gerald
Cummins, Judith	Jones, Graham P.
Cunningham, Alex	Jones, Helen
Cunningham, Mr Jim	Jones, Mr Kevan
David, Wayne	Jones, Sarah
Davies, Geraint	Kane, Mike
De Piero, Gloria	Keeley, Barbara
Debonnaire, Thangam	Kendall, Liz
Dent Coad, Emma	Khan, Afzal
Dhesi, Mr Tanmanjeet Singh	Killen, Ged
Dodds, Anneliese	Kinnock, Stephen
Doughty, Stephen	Kyle, Peter
Dowd, Peter	Laird, Lesley
Drew, Dr David	Lamb, rh Norman
Duffield, Rosie	Lammy, rh Mr David
Eagle, Ms Angela	Lavery, Ian
Eagle, Maria	Lee, Karen
Efford, Clive	Leslie, Mr Chris
Elliott, Julie	Lewell-Buck, Mrs Emma
Ellman, Mrs Louise	Lewis, Mr Ivan
Elmore, Chris	Lloyd, Stephen
Evans, Chris	Lloyd, Tony
Farrelly, Paul	Lucas, Caroline
Farron, Tim	Lucas, Ian C.
Field, rh Frank	Lynch, Holly
Fitzpatrick, Jim	Madders, Justin
Flint, rh Caroline	Mahmood, Mr Khalid
Fovargue, Yvonne	Malhotra, Seema
Foxcroft, Vicky	Mann, John
Furniss, Gill	Marsden, Gordon
Gaffney, Hugh	Martin, Sandy

Maskell, Rachael
 Matheson, Christian
 McCabe, Steve
 McDonagh, Siobhain
 McDonald, Andy
 McDonnell, rh John
 McFadden, rh Mr Pat
 McGovern, Alison
 McInnes, Liz
 McKinnell, Catherine
 McMahon, Jim
 McMorrin, Anna
 Mearns, Ian
 Miliband, rh Edward
 Moon, Mrs Madeleine
 Morden, Jessica
 Morgan, Stephen
 Morris, Grahame
 Norris, Alex
 O'Mara, Jared
 Onasanya, Fiona
 Onn, Melanie
 Osamor, Kate
 Owen, Albert
 Pearce, Teresa
 Pennycook, Matthew
 Perkins, Toby
 Phillips, Jess
 Phillipson, Bridget
 Platt, Jo
 Pollard, Luke
 Pound, Stephen
 Powell, Lucy
 Qureshi, Yasmin
 Rashid, Faisal
 Rayner, Angela
 Reed, Mr Steve
 Rees, Christina
 Reeves, Rachel
 Reynolds, Emma
 Reynolds, Jonathan
 Rimmer, Ms Marie
 Robinson, Mr Geoffrey
 Rodda, Matt
 Rowley, Danielle
 Ruane, Chris

Russell-Moyle, Lloyd
 Ryan, rh Joan
 Sheerman, Mr Barry
 Sherriff, Paula
 Shuker, Mr Gavin
 Siddiq, Tulip
 Skinner, Mr Dennis
 Slaughter, Andy
 Smeeth, Ruth
 Smith, Cat
 Smith, Eleanor
 Smith, Jeff
 Smith, Laura
 Smyth, Karin
 Snell, Gareth
 Sobel, Alex
 Spellar, rh John
 Starmer, rh Keir
 Stevens, Jo
 Stone, Jamie
 Streeting, Wes
 Stringer, Graham
 Sweeney, Mr Paul
 Tami, Mark
 Thomas, Gareth
 Thomas-Symonds, Nick
 Turley, Anna
 Twigg, Derek
 Twigg, Stephen
 Twist, Liz
 Umunna, Chuka
 Vaz, Valerie
 Walker, Thelma
 Watson, Tom
 West, Catherine
 Western, Matt
 Whitehead, Dr Alan
 Williams, Dr Paul
 Williamson, Chris
 Yasin, Mohammad
 Zeichner, Daniel

Tellers for the Ayes:

Nick Smith and
 Nic Dakin

NOES

Adams, Nigel
 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
 Boles, Nick

Bone, Mr Peter
 Bottomley, Sir Peter
 Bowie, Andrew
 Bradley, Ben
 Bradley, rh Karen
 Brady, Sir Graham
 Braverman, Suella
 Brereton, Jack
 Bridgen, Andrew
 Brine, Steve
 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
 Chishty, Rehman
 Churchill, Jo

Clark, Colin
 Clark, rh Greg
 Clarke, rh Mr Kenneth
 Clarke, Mr Simon
 Cleverly, James
 Clifton-Brown, Sir Geoffrey
 Coffey, Dr Thérèse
 Collins, Damian
 Costa, Alberto
 Courts, Robert
 Cox, Mr Geoffrey
 Crabb, rh Stephen
 Crouch, Tracey
 Davies, Chris
 Davies, Glyn
 Davies, Mims
 Davies, Philip
 Davis, rh Mr David
 Dinenage, Caroline
 Djanogly, Mr Jonathan
 Docherty, Leo
 Dodds, rh Nigel
 Donelan, Michelle
 Double, Steve
 Dowden, Oliver
 Doyle-Price, Jackie
 Duddridge, James
 Duguid, David
 Duncan Smith, rh Mr Iain
 Dunne, Mr Philip
 Ellis, Michael
 Ellwood, rh Mr Tobias
 Elphicke, Charlie
 Eustice, George
 Evens, rh David
 Fabricant, Michael
 Fallon, rh Sir Michael
 Field, rh Mark
 Ford, Vicky
 Foster, Kevin
 Fox, rh Dr Liam
 Francois, rh Mr Mark
 Frazer, Lucy
 Freeman, George
 Fysh, Mr Marcus
 Garnier, Mark
 Gauke, rh Mr David
 Ghani, Ms Nusrat
 Gibb, rh Nick
 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
 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
 Harris, Rebecca
 Harrison, Trudy
 Hart, Simon
 Heald, rh Sir Oliver
 Heapey, James
 Heaton-Harris, Chris
 Heaton-Jones, Peter
 Henderson, Gordon
 Hoare, Simon
 Hollingbery, George
 Hollinrake, Kevin
 Hollobone, Mr Philip
 Holloway, Adam
 Huddleston, Nigel
 Hughes, Eddie
 Hunt, rh Mr Jeremy
 Hurd, rh Mr Nick
 Jack, Mr Alister
 James, Margot
 Jayawardena, Mr Ranil
 Jenkin, Mr Bernard
 Jenkyns, Andrea
 Jenrick, Robert
 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, rh Mark
 Latham, Mrs Pauline
 Leadsom, rh Andrea
 Lee, Dr Phillip
 Lefroy, Jeremy
 Letwin, rh Sir Oliver
 Lewer, Andrew
 Lewis, rh Brandon
 Lewis, rh Dr Julian
 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
 McVey, rh Ms Esther
 Menzies, Mark
 Mercer, Johnny
 Merriman, Huw
 Metcalfe, Stephen
 Miller, rh Mrs Maria
 Milling, Amanda
 Mills, Nigel
 Moore, Damien
 Mordaunt, rh Penny

Morgan, rh Nicky
 Morris, Anne Marie
 Morris, David
 Morris, James
 Mundell, rh David
 Murray, Mrs Sheryll
 Murrison, Dr Andrew
 Neill, Robert
 Newton, Sarah
 Nokes, rh Caroline
 Norman, Jesse
 O'Brien, Neil
 Offord, Dr Matthew
 Opperman, Guy
 Paisley, Ian
 Parish, Neil
 Pawsey, Mark
 Penning, rh Sir Mike
 Penrose, John
 Percy, Andrew
 Perry, rh 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
 Selous, Andrew
 Shannon, Jim
 Shapps, rh Grant
 Sharma, Alok
 Shelbrooke, Alec
 Simpson, David
 Skidmore, Chris
 Smith, Chloe
 Smith, Henry
 Smith, rh Julian
 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
 Vaizey, rh Mr Edward
 Vara, Mr Shailesh

Vickers, Martin
 Villiers, rh Theresa
 Walker, Mr Charles
 Walker, Mr Robin
 Warburton, David
 Warman, Matt
 Watling, Giles
 Whately, Helen
 Wheeler, Mrs Heather
 Whittaker, Craig
 Whittingdale, rh Mr John

Wiggin, Bill
 Williamson, rh Gavin
 Wilson, rh Sammy
 Wollaston, Dr Sarah
 Wood, Mike
 Wragg, Mr William
 Wright, rh Jeremy
 Zahawi, Nadhim

Tellers for the Noes:

**Mike Freer and
 Wendy Morton**

Question accordingly negated.

Business without Debate

BACKBENCH BUSINESS COMMITTEE

Ordered,

That Chris Davies be discharged from the Backbench Business Committee and Colin Clark be added.—(*Bill Wiggin, on behalf of the Selection Committee.*)

**JOINT COMMITTEE ON STATUTORY
 INSTRUMENTS**

Ordered,

That Lee Rowley be discharged from the Joint Committee on Statutory Instruments and Julia Lopez be added.—(*Bill Wiggin, on behalf of the Selection Committee.*)

Mr Speaker: I am pleased to note that without any exhortation from me, the sprinkling of Members unaccountably leaving are doing so quietly and a significant number of Members are remaining, which is, as one would hope and expect, so that we can hear the debate on the Adjournment.

Patient Transport Volunteer Drivers

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

9.40 pm

Jamie Stone (Caithness, Sutherland and Easter Ross) (LD): I thank you, Mr Speaker, and all those Members who have remained at this late hour. In a way, my contribution tonight feels not unlike my maiden speech, because it is necessary to frame what I will say with a kind of tour d’horizon, because as Members will understand, the horizons in my constituency are massive. It is the second biggest in the UK—it is truly huge. The sheer distances involved in travelling in the highlands always come as a surprise to people who do not know the area.

As I have said in the Chamber before, a simple hospital appointment for my constituents living on the north coast can involve a return trip of well over 200 miles from the north coast to Raigmore Hospital in Inverness. In a part of the world where there is extremely limited rail travel, from Wick and Thurso going down the east coast to Inverness, and where buses are sporadic at best, my constituents have little choice other than to rely on the good old-fashioned motor car—either their own or private cars driven by volunteer drivers.

Christine Jardine (Edinburgh West) (LD): My hon. Friend mentions the distances involved. Does he agree that in Caithness, Sutherland and Easter Ross, as in many other parts of Scotland, it is not simply the distance, but the fact that the roads make the journey even more difficult? Often we are talking not about dual carriageways, but about roads that are single track, and no more, and extremely difficult to travel on.

Jamie Stone: My hon. Friend makes an extremely good point. She holidays in Portmahomack and will know, as well as I do, that in winter weather, some of these roads can be absolutely impassable.

I want to read from an email that I was sent by a constituent of mine called Fiona who lives in Durness in north-west Sutherland. She wrote:

“I currently have an 83 year old neighbour who has had a stroke, has memory problems as well as other medical conditions and lives alone with no family in the area. He is having investigative work done at Raigmore”—

the hospital in Inverness—

“and 4 times I have tried (very hard) to arrange a hospital car for him. I have yet to be successful and end up taking him there myself. It is physically impossible for him to make the journey by public transport for his timed appointments even if he was physically fit!”

I think that sums up the nature of the problem in my constituency.

Jim Shannon (Strangford) (DUP): Does the hon. Gentleman not agree that the current trend of closing down small hospitals and creating centres of excellence that are miles away from rural communities makes it difficult for those taking loved ones on long journeys for necessary treatment? People should not be penalised for living in rural areas, such as those in my constituency of Strangford in Northern Ireland.

Jamie Stone: That is absolutely correct. The hon. Gentleman and I have to be careful about straying into devolved areas, but the fact is that the NHS changes that are happening in our constituencies impact on people. We can say it is devolved, but nevertheless, the two of us represent our constituents and are bound to take up their issues, and, as best we can within the rules of devolution, air them in this Chamber.

I mentioned volunteer drivers a minute or two ago, and they are the people I wish to draw to the attention of the House tonight. That is the peg on which I hang my hat, because one has this balancing act between what is devolved and what is reserved to Westminster.

Mr Alister Jack (Dumfries and Galloway) (Con): Does the hon. Gentleman agree that without proper reimbursement for volunteer patient transport drivers, we are at risk of having a deeply unfair postcode lottery in which people in rural and remote areas lack the access to the healthcare that they are entitled to?

Jamie Stone: The hon. Gentleman makes a sage point, which I will come to shortly. The issue is the taxation regime—it is a UK function, hence it being the peg on which I hang my hat—that applies to these drivers. I shall describe the problem. In 2011, the then Chancellor, George Osborne, set thresholds and payments for volunteer drivers that would not incur additional taxation over and above their PAYE. These rules, which still govern us today, were: a reimbursement of 45p per mile for the first 10,000 miles and of 25p per mile for any additional miles.

I shall work that into a typical example of a volunteer driver in my constituency. In my part of the world, it would be no surprise if a driver did as many as 50,000 miles a year—believe it or not—driving patients to and from their much-needed appointments. As I have said, he or she receives the higher rate of 45p for the first 10,000 miles and then the lower rate of 25p for the following 40,000 miles. As Members will understand, it does not take a financial genius to work out that the reimbursement for these higher mileages represents a net loss for the driver. It is for this reason that for far too long volunteer drivers have sadly been packing it in—giving it up. As I say, this is particularly worrying in constituencies such as mine where we have huge issues of distance, inclement weather and so on. Where a volunteer driver continues to drive and accept this taxation regime, just one 200-mile return trip a week will take them in a year up to the 10,000-mile point.

This was for a long time a big issue for me during my time as a Member of the Scottish Parliament, and every time I raised it in Holyrood with the Scottish Government, they would say—with truth on their side—“We’re sorry but this is a matter for Westminster”. I am here now—some might say by a dreadful accident of the electorate, but there we are—and it is precisely because it is a matter for Westminster that I raised it with the Leader of the House not very long ago. It is also the reason I applied for this debate—and now I have been lucky enough to be chosen to place the issue before Members tonight.

It would be easy for me to say to the Minister, “Will Her Majesty’s Government please go away and think about it?”, but I know from previous ministerial responses that he might well respond, “If the volunteer driver thinks he is losing money on this deal, he can always present his books to Her Majesty’s Revenue and Customs and say, ‘You’re being unfair to me’”. But let’s face it: how many volunteer drivers have such a detailed grasp

[*Jamie Stone*]

of accountancy or the time to do that? It would take up too much of their time or be beyond their capabilities. They just want to get on with helping their friends and neighbours get the medical treatment they need.

I have instead a suggestion for the Treasury—if it chooses to take it apart, so be it, but I will argue my corner. It seems extraordinary that the 10,000-mile threshold and the rate of reimbursement have not been looked at since 2011, when George Osborne put in place the current arrangements; it was seven years ago. If nothing else, surely the time is now right for the matter to be revisited. One way forward would be to raise the threshold to, say, 15,000 miles—or another figure that Her Majesty's Government might suggest. The beauty of this is that, while it could be argued that other drivers—for instance, employees using their own cars for business, which is governed by the same taxation law—might be tempted, in a bad world, to incur extra mileage to ramp up their income, a simple change in taxation rules to recognise the specific and special role of NHS volunteer drivers would be a safeguard and could easily be written into law.

Sticking to volunteer drivers, some have expressed the fear that increasing the threshold might encourage NHS drivers in urban areas, or perhaps in the home counties of England, to up their mileage to cash in, but there are only so many working hours in a day and one can only drive for so long in a day. As a highlander who has come down to these strangely populated parts of England, I have discovered it can take an awfully long time to travel from A to B, even when the mileage is comparatively short, owing to urban hold-ups and so on.

Nic Dakin (Scunthorpe) (Lab): There are lessons to be learnt from northern Lincolnshire, where Thames Ambulance Service Ltd took over the contract and changed the arrangements for rewarding volunteer drivers, as a result of which the whole contract became very difficult to run. I congratulate the new chief executive on changing the arrangements again, as a result of which volunteer drivers are now coming back. As the hon. Gentleman has said, they make a big contribution to the health service, and they need to be properly remunerated.

Jamie Stone: I thank the hon. Gentleman for his intervention, which was thoughtful and to the point. Ultimately, however, whether the matter is devolved or reserved, I am left with the problem of trying to help people whom I know and love to reach hospitals and medical centres so that they can be given the treatment that they need.

Douglas Ross (Moray) (Con): I am grateful to the hon. Gentleman for securing a debate on such an important issue. I was concerned to hear about the volunteer drivers who have given up driving for the reasons that he has explained. Does he agree that it is not just their driving that we lose, but the extra service that they provide? The drivers who work for the Speyside community car sharing scheme in Moray do not just drop people off at the doctor's surgery or the hospital and then pick them up again; they wait for them, and take them back to their homes to ensure that they are safe after what can sometimes be a traumatic experience.

Jamie Stone: That point is incredibly well made. The hypothetical Mrs Mackay who goes to Moray or Caithness, Sutherland and Easter Ross will know the local people.

She will know, when she picks up Mrs Mackenzie, that she may have forgotten to take her heart tablets with her. That is crucial. Local knowledge will also inform her if Mrs Mackenzie has been bereaved, or if there is some difficulty in her family. That makes life so much better.

At the end of the day—and at the end of this day, too—patient transport in my vast and beautiful constituency is exceedingly challenging. I acknowledge that. However, no challenge should be ducked, and I think that sensitive law making can take on some of the nuances. I am bound to say that, in my 11 months in this place, I have been grateful to Her Majesty's Government for their recognition that I represent a very remote and rural part of Scotland and of the United Kingdom, with a fragile economy. I look forward to the Minister's reply, and I stake my claim for the future by saying that I should be more than happy to meet him, talk about this problem, and work towards a constructive solution as the days, months and years go by—although I hope that it will not be years.

9.52 pm

The Exchequer Secretary to the Treasury (Robert Jenrick): I thank the hon. Member for Caithness, Sutherland and Easter Ross (Jamie Stone) for raising an important issue about which I know that he feels strongly—as do others, which is evidenced by the fact that so many Members have stayed in the Chamber to listen and contribute to the debate. Like me, the hon. Gentleman represents a rural area where the distances that constituents must travel to visit doctors, dentists, opticians and hospitals are considerable; in his case, they are very large indeed, perhaps larger than those in any other constituency. I know that he raised this issue during his time at Holyrood—I have seen the questions that he asked and the answers that he received—and I am glad that he has had the opportunity to raise it again in the House of Commons.

The Government greatly value the significant contribution of members of the public who, as volunteers, support others up and down the country. We recognise that those who provide transport, particularly in rural areas, enable vulnerable people, such as the elderly and those without cars, to have the access to appointments or treatment that would otherwise be very challenging, very expensive, or both. As was pointed out by my hon. Friend the Member for Moray (Douglas Ross), it is not simply a question of practicality; it is also a question of the care, the kindness and the company that the volunteers give to others. I have seen that myself when I have volunteered once or twice with my own local voluntary transport scheme in Nottinghamshire.

I pay tribute on behalf of the Government to both the individuals and the voluntary transport schemes. The volunteers who staff many of these schemes make them possible. In my constituency, we benefit from a superb scheme run by Lucy Fountain in Newark, who I have got to know and respect enormously. I believe that, as the hon. Member for Caithness, Sutherland and Easter Ross says, the Government do and must play a role in ensuring that the schemes continue, that volunteers are respected for the time and commitment they put in, and that they are not at any financial disadvantage.

As a Treasury, we need to consider carefully the barriers standing in the way of people doing this work—I believe that we have done that, but I hope we will continue to do so. Tonight, I am very happy to outline where we

stand and the work we have done in recent years, but I also accept the suggestion of a meeting to take these matters forward.

It is right that the tax system should allow volunteers to be reimbursed for their reasonable expenses and it must be the principle that wherever possible volunteers are not left out of pocket. Organisations are free to reimburse volunteers at whatever rate they choose but, to make it easier for volunteer drivers and to create simplicity in how one is reimbursed for the miles driven, the Government allow organisations to make approved mileage allowance payments, or AMAPs. Payments within the AMAPs scheme do not incur a liability to tax, as the hon. Member for Caithness, Sutherland and Easter Ross explained.

The scheme covers reasonable costs associated with using a private car for business miles or voluntary work and the approved rates, as we have heard, are set at 45p per mile for the first 10,000 miles and 25p thereafter. The reason for the higher rate for the first 10,000 miles has always been to reflect the fixed and variable costs associated with operating a car. No matter how small the number of miles driven, motorists will of course always be liable to pay for insurance, servicing the vehicle and purchasing a new one in due course. In general, that means that when driving a shorter distance the overall cost per mile is higher than when those fixed costs are spread over a greater number of miles. Drivers carrying passengers can also claim an additional 5p per mile per passenger. For volunteer drivers, of course, this is particularly relevant, but it is also designed to incentivise people to take part in drive to work schemes and so on. If a driver is travelling with one passenger, 50p per mile could be paid tax-free for the first 10,000 miles. It should be stressed that 50p is only the maximum outlined by the Government. Many voluntary transport schemes choose, at their discretion, to offer a lower sum. My own in Nottinghamshire offers 42p per mile, so there are questions of variations across the country that are outside the control of the Government.

Volunteers are also afforded one further preferential treatment. Unlike for employees, the reimbursement of a volunteer's travel expenses covers them from home to the place of voluntary work. When one is travelling from one's home to pick up a patient in their home, all of that journey is reimbursed. This can be considerable. However hard voluntary transport schemes like my own try to match the patient with the volunteer, the distances in a constituency such as the hon. Gentleman's can be very large, so that preferential treatment is important.

Seen in the whole, we think that the current rates represent a fair allowance for the vast majority, ensuring that volunteer drivers are not left out of pocket. The system is designed to be simple and clear, as volunteers are required only to record their annual mileage rather than to keep any other motoring records or expenses. As the hon. Gentleman said, such a requirement would be too onerous for volunteers. It has to be said that the vast majority of volunteers do not exceed 10,000 miles of volunteer driving, but I appreciate that regional variations exist.

To take an example from England for context, a QualityWatch report found that only 3% of emergency admissions travelled more than 30 km to a hospital, with an average distance of just under 9 km. Preparing for this debate, I asked my own voluntary transport

scheme. It covers a rural area—far less rural than the hon. Gentleman's constituency, but an area where hospitals are 20 to 30 miles away from the principal town. I appreciate that that is only a fraction of the distances he described. The average mileage for a volunteer driver in that rural area was 4,000 miles a year, and the busiest driver last year completed 9,000 miles. I do not want to dismiss those individuals who drive more than 10,000 miles. I am sure there are some, and the hon. Gentleman and other hon. Members from the highlands of Scotland have mentioned some of them—

10 pm

Motion lapsed (Standing Order No. 9(3)).

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

Robert Jenrick: As I was saying, I am sure that the hon. Gentleman is correct and that there are individuals who travel more than 10,000 miles a year. We have to recognise that, by definition, these are the most active and the most public-spirited members of the public. They are giving up enormous amounts of time; they are almost professional volunteers, given the amount of time they are willing to give up. Their generosity should be provided for and their costs reimbursed wherever possible.

Douglas Ross: We are focusing in this debate on volunteer drivers, but will the Minister also take this opportunity to acknowledge that there are others in our communities who help? For example, Keith Cancer Link, which was established 35 years ago in Moray, raises money to pay for taxis to take people from Keith to Aberdeen and Elgin for their treatments. It is right that we highlight what the drivers do, but we should also highlight what others in our constituencies do to help.

Robert Jenrick: I am happy to agree with my hon. Friend. There is a range of schemes across the country, particularly in the rural areas that most of the hon. Members here tonight represent. They include volunteer driver schemes and community bus schemes, as well as schemes run by the whole range of charities supporting hospitals and healthcare across the country.

Returning to the question of those travelling more than 10,000 miles a year, I am pleased to report to the hon. Member for Caithness, Sutherland and Easter Ross that there is provision for them, but it is slightly different from what he has outlined this evening. HMRC allows individuals to claim their actual costs if they travel more than 10,000 miles—or indeed any mileage—at the discretion of the individual or the community transport scheme. Those who travel particularly long distances and feel that the rates do not cover their costs should ask their community transport scheme for the actual costs of their motoring. The individual will need to keep records to show that no taxable profit has been made, but there is no need for them to make any declaration to HMRC or to include the information on a tax return unless they make a profit, which presumably they do not.

I would encourage the hon. Gentleman's constituents to consider asking the organisations they volunteer for to reimburse their actual costs, if they feel that that would more accurately reflect the costs of their motoring.

[Robert Jenrick]

The organisations might wish to do so, at their discretion, for the small number of volunteers who exceed 10,000 miles. I do not doubt that some individuals will fall into that category, and that in some parts of the country, such as his own, there will be a considerable number. There is an opportunity for them to do this with relatively little burden on themselves. It will certainly not involve the level of reporting that he thought would be required. To ensure that all those who use AMAPs understand their entitlement, HMRC last week published new guidance relating specifically to volunteer drivers, which includes the point that I have just made. We hope that it will provide a useful resource, and I will place a copy of it in the Library of the House.

To conclude, I again thank the hon. Gentleman for raising this issue. I should also like to thank the volunteer drivers across the country who play such a valuable role in many of our communities, particularly in the rural parts of the United Kingdom. I have listened closely to his comments, and to those made by others who have spoken in the debate tonight, and I would be more than happy to continue the conversation in a meeting with him and any other rural Members who would like to join in. As with all taxes, the Treasury keeps the AMAPs

system under review, to ensure that it continues to be fit for purpose and to achieve its stated aim. I am happy to do that again, as I am sure the Chancellor will do as we approach the Budget in November.

As I have set out this evening, we believe that the current system is fair and consistent for the majority. For the small number who go the extra mile and who travel more than 10,000 miles, there is that additional system under which they can claim their actual costs with only a relatively low burden to themselves and the organisations they volunteer for. I hope that the guidance published at my request on Friday by HMRC will provide further clarity, and I suggest that the hon. Gentleman looks at it. I am happy to provide it to him. If he has comments or concerns about it, we can discuss them in the conversation that I hope we will have in the coming weeks. I hope this has been helpful, and I look forward to continuing this conversation and to ensuring that volunteer drivers across the country are properly respected and reimbursed for the important contribution that they make.

Question put and agreed to.

10.5 pm

House adjourned.

Westminster Hall

Monday 23 April 2018

[SIR GRAHAM BRADY *in the Chair*]

Privatisation of NHS Services

4.30 pm

Mike Hill (Hartlepool) (Lab): I beg to move,

That this House has considered e-petition 205106 relating to the privatisation of NHS services.

It is an honour to serve under your chairmanship, Sir Graham. I pay tribute to a young constituent of mine, Connor McDade, whose father, John, is a friend and a former work colleague. Connor was run over in Newcastle last weekend, but despite the most excellent care provided by NHS staff in the critical care unit at the Royal Victoria Infirmary in Newcastle, his life support was switched off yesterday. On 14 May, he would have been 22. He passed in the early hours of this morning. The standard of care delivered by staff at the RVI was second to none, so it is fitting that I pay tribute to them and all hard-working NHS staff at the beginning of my speech.

Privatisation in the NHS is not new. When the NHS was founded in 1948, agreements had to be thrashed out with GPs, doctors and consultants to allow private practice to continue and sit alongside the new national health service. Private healthcare insurance has been around for longer than the NHS. The British United Provident Association—BUPA—was founded in 1947, and it currently has about 15.5 million health insurance customers and 14.5 million people in its private clinics and hospitals.

The NHS itself has always had a private treatment offer, although between 1974 and 1976, Barbara Castle, the Labour Secretary of State for Social Services, campaigned to abolish pay beds in the NHS. That was achieved after her tenure in 1977, but the Tories repealed it three years later in the Health Services Act 1980. On abolishing pay beds and separating out private and NHS facilities, Mrs Castle said:

“The existence of pay beds, with the opportunity it gives to a few senior doctors to make private gain and the opportunity it gives to patients with money to jump the queue, is seen as a bitter affront to those thousands of other staff who are dedicated to the principle of a free Health Service.”—[*Official Report*, 21 November 1975; Vol. 901, c. 355.]

Tens of thousands of health workers, citizens and patients would echo that opinion today. It is also the opinion of the British Medical Association, which believes that the NHS should always be free at the point of use and has campaigned for many years to halt the spread of privatisation. Its focus is not just on private practice, but on private provision—the privatisation of services, commissioning and procurement.

It is worth noting that, on private practice or healthcare provision, an update to the BMA’s 2016 report entitled “Privatisation and independent sector provision in the NHS” shows that in recent years, the number of NHS patients treated in private hospitals has increased substantially. In 2015-16 alone there were 557,200 admissions—an

increase of 8%—and in the same period 5% of NHS-funded elective surgical admissions were to independent sector facilities.

Thelma Walker (Colne Valley) (Lab): We are witnessing the fundamental dismantling of the NHS and creeping privatisation, which is undermining its dedicated, hard-working staff. Does my hon. Friend agree that we need to halt all privatisation and legislate against the selling-off of our world-renowned health service?

Mike Hill: As a member of the Petitions Committee, I am independent; as a Labour MP, I agree. I will come to that point later.

Private practice is only one aspect of the worrying trend towards the increased privatisation of NHS services. As the BMA points out, the recent legal action that Virgin Care brought against several clinical commissioning groups should serve as a stark reminder of what can happen when the relationship between the NHS and the private sector sours.

Paula Sherriff (Dewsbury) (Lab): My hon. Friend is being very generous in giving way. Many Members know that I worked in the NHS for more than 10 years. That service was privatised and taken on by Virgin Care, which destroyed it. What concerns me is that I have given Conservative Health Ministers, including the Secretary of State, the opportunity to talk to me on a number of occasions about Virgin Care’s many failings, some of which were very dangerous, but they have never taken up that opportunity. Does my hon. Friend share my concern?

Mike Hill: I certainly do share my hon. Friend’s concern. Ironically, in my patch, sexual health services are delivered by Virgin doctors.

John Spellar (Warley) (Lab): Is it not the case, as the two previous examples show, that we are not comparing like with like? The supposed savings are actually achieved by an immediate reduction in service or by the service becoming unviable, which means that the Government have to pick up the pieces. If anything goes wrong with a private healthcare operation, the patient has to go into the national health service, which has to bear the burden.

Mike Hill: I entirely agree. The forecasts for the next three years indicate that £10 billion-worth of NHS work will go to the private sector.

A settlement reported to be in the region of £330,000 was paid to Virgin Care in December 2017, following a procurement process in which an alliance between a foundation trust and local social enterprises won a contract to provide children’s services across Surrey. Such interventions and the ability of private companies to challenge NHS procurement provisions are precisely why there are fears about the transatlantic trade and investment partnership—a proposed trade agreement between the European Union and the United States. Many fear that our separate post-Brexit trade agreements with the United States will mean that NHS services will be exposed to the competition and might of the American private care market.

Laura Smith (Crewe and Nantwich) (Lab): Hundreds of my constituents in Crewe and Nantwich signed this petition because they want their Government to put people before profit. Fourteen hospital trusts have had to trigger emergency contingency plans and delay hospital building because of the collapse of Carillion earlier this year. Given that Capita's annual losses are rocketing, does my hon. Friend agree that the Government's response shows that they remain dangerously obsessed with privatisation in our NHS?

Mike Hill: I agree. As I said, it is estimated that, over the next three years, up to £10 billion-worth of NHS contracts will go to the private sector, including the provider that my hon. Friend mentions.

Are such fears irrational or are people right to be concerned about the privatisation of NHS services, given the fact that the influence of private healthcare providers has risen sharply in recent decades? The use of the private sector has been progressed by successive Governments over many years. The present Government blame Labour for introducing private finance initiatives, which they say have burdened the NHS with eye-watering debts, but the Government compounded the problem through PF2. They also blame Labour for opening up the NHS to marketisation by splitting primary care trusts into commissioning and provider arms, and introducing the concept of "any preferred provider" in its transforming community services programme, even though the Secretary of State at the time, Andy Burnham, expressly stated that the NHS would always be the preferred provider of services. Yet from 2010 onwards this Government extended that model, creating clinical commissioning groups and pursuing competition and commercialisation with renewed vigour. Today, therefore, many traditional public health services are run by private providers such as Virgin Care and GP consortiums in their own right—services such as out-of-hours urgent care, sexual health and mental health residential care.

The Health and Social Care Act 2012 was designed to bring in a far greater private sector element to the NHS through expansion of the internal market. Since then, the privatisation picture has been more mixed than had been feared, not only as a result of campaigns by Unison, the GMB and others, but because various Government initiatives to boost privatisation fell flat. However, there is still significant evidence of increasing privatisation, with companies such as Virgin, Serco and Spire continuing to prosper.

John Spellar: My hon. Friend mentioned the care sector. Is there not a fundamental flaw in that sector, because it is based on offshore location of ownership of the assets and on heavy leveraging and gearing of the companies? That has meant that many of them are on the brink of bankruptcy, and they seek either to be bailed out or to throw many thousands of very vulnerable and elderly people straight back to the Department of Health and Social Care. The Government have no real plan, as far as we can see, to deal with such a contingency.

Mike Hill: My right hon. Friend makes an important point about social care. In fact, some private providers have drifted away from healthcare contracts because of the losses that they might make on them.

Paula Sherriff: Will my hon. Friend give way one more time?

Mike Hill: One more time.

Paula Sherriff: I want to be clear about some of the dangers of privatisation. When Virgin Care took over our dermatology service, it would not subscribe to the SystemOne computer system, so we had to use another system, which was not operable for more than a year. Patients were coming in, but we had no idea what they were coming in for—we had to ask them questions such as, "Is the lesion on your left or right arm, or on your leg?" That is particularly difficult with patients who have dementia or learning difficulties, for example, and it represents a significant hazard to patient safety.

Mike Hill: I am glad that my hon. Friend mentioned such issues, and dementia in particular—mental health care needs to be looked at for investment.

Mr George Howarth (Knowsley) (Lab): Will my hon. Friend give way? I know he has just said, "One more time", but perhaps he will make it two.

Mike Hill: I am on my last two paragraphs, but I will give way to my right hon. Friend.

Mr Howarth: I am grateful to my hon. Friend. He has made a powerful case for how it is wrong in principle to privatise the national health service, and he has alluded to comparisons with the social care sector. Is not one of the major risks the fact that private sector provision sometimes fails—the business fails—so there is a complete and, in the short term, irreplaceable loss of capacity in the healthcare categories catered for by such a company?

Mike Hill: I cannot disagree with such a well made point.

The impact of austerity has been a double-edged sword, according to the union Unison. On one hand, less money can be made from the NHS, so some firms have shrunk away. On the other hand, the NHS has opted increasingly for short-term fixes as it struggles with insufficient funding, and that has created opportunities for the private sector. For example, the Carter review includes the threat that hospitals that cannot make sufficient savings in their support services or pathology functions might have to use outsourcing instead. Most recently, the development of wholly owned subsidiary companies has brought a whole new set of fears for the NHS, and for health staff in particular.

The old fears from the 1980s and 1990s are beginning to resurface. When we add social care into the mix, those fears multiply. The NHS is one of our proudest achievements, and we need to protect it, not privatise it. To do so, we need to revoke section 75 of the Health and Social Care Act.

4.44 pm

Andrew Selous (South West Bedfordshire) (Con): I am grateful to be called to speak in this important debate, Sir Graham.

Let me say at the outset that I very much support our national health service, paid for out of taxation and available for all at the point of need, irrespective of the

ability to pay. The NHS saved my life when I was 24—it was there for me when I needed it, and I always want to be there to defend it for all those who will need it.

I have the privilege of serving on the Select Committee on Health and Social Care. Given that advantage, because some of these issues have come up recently at our evidence sessions, I want to quote some of what people who know an awful lot about the NHS have said about the alleged privatisation of the NHS, and particularly about sustainability and transformation plans, which the Government are rightly introducing to give us proper, integrated place-based care.

Simon Stevens is the chief executive of NHS England, and on 20 March he gave evidence to the Health and Social Care Committee. In particular, he responded to some of the claims made by Professor Allyson Pollock. I have met her only the once, when she came to give evidence before the Committee, but I have no doubt that Professor Pollock is sincere about what she believes. Members, however, should listen with an open mind to what Simon Stevens—first appointed to a senior position by a Labour Government, incidentally—says about her concerns. I hope that it will be helpful to the debate.

On the sustainability and transformation plan agenda, which is all about integrated care systems, Simon Stevens said in answer to question 270:

“We will probably see a significant decrease in the number of services that are subject to procurements.”

Talking about some of the comments made recently about the issue, he went straight on:

“Having had a chance to look at some of the evidence that you received from one of the panels of activists”—

Professor Pollock—

“I have to say that, frankly, some of the claims that were being made are made year in, year out, almost regardless of what is happening in the national health service. Indeed, I came across an article talking about how the NHS was being turned into an American health system, which it is not.

The article talks about the fact that the Government’s reforms are going to ‘move the NHS towards an insurance model,’ where ‘primary care groups could sound the death knell of equity, universal coverage and care free at the point of need in the NHS.’ That privatisation and Americanisation article was written 20 years ago by Allyson Pollock. Then I see in the *British Medical Journal* in 2001 an article by Allyson entitled, ‘Will primary care trusts lead to US-style health care?’ The answer is no, and they did not. We look forward to 2010 and see another article from the same author saying that the NHS in England is to be dismantled, and instead healthcare will be run on US healthcare lines. That is not true.

We see a subsequent article saying that Brexit is in fact going to lead to the destruction of health as a human right in this country. We see the really curious claim that ‘the Health and Social Care Act 2012 abolished and dismantled the NHS in England.’ The million patients who are being looked after by their GPs, in A&Es or as hospital outpatients, let alone the 1.3 million staff who are working in the NHS today, will find it a curious claim that the NHS was in fact abolished four years ago.”

I am grateful to Simon Stevens for giving us a bit of historical perspective on some of those claims, which have been doing the rounds for 20 years or more.

Let us move on to some respected, independent observers of the health scene. Those who follow health will probably agree that one of the most respected is Professor Chris Ham of the King’s Fund. On 6 March he said to the Health and Social Care Committee:

“If you look at what is happening in the partnerships—places such as Salford, Northumbria, Wolverhampton, Yeovil and south Somerset—there is absolutely no evidence of privatisation. These are public sector partnerships based on collaboration between NHS and local government organisations working around their populations and places.”

Mike Amesbury (Weaver Vale) (Lab): Equally, I have some information that was released to *The Independent* under a freedom of information request, which states that the Royal Marsden in London had an income from private patients in 2010-11 of £44.7 million. By 2016-17, that had risen to a massive £91.9 million—a rise of almost 105%. That clearly demonstrates that there has been a considerable rise in the private income of that world-leading NHS hospital.

Andrew Selous: I am not aware of where exactly that income came from. The Royal Marsden is a world-leading hospital; perhaps some of that was from foreign patients who had come to the United Kingdom and would not have been entitled to NHS care.

Professor Chris Ham of the King’s Fund went on to say:

“In some of these areas”—
sustainability and transformation plan areas—
“we are actually seeing previously privatised services coming back in-house.”

I will not quote any more from that session of the Committee, but Nigel Edwards of the Nuffield Trust and Professor Katherine Checkland, a professor of health policy and primary care, gave evidence—much respected, independent witnesses who also agreed with Professor Chris Ham.

I have to say to Opposition Members that a number of Labour MPs have a slightly different take from some of the remarks that have been made today. The right hon. Member for Exeter (Mr Bradshaw), who serves with me on the Committee and is a former Health Minister, said in question 24 of our session on 27 February:

“The other advocates of these integrated models are not just people such as Chris Ham”—
of the King’s Fund, who I have just spoken about—

“but people we have spoken to on the ground, trying to deliver a service for their local population. First, it helps them overcome the purchase-provider split, which has already been referred to, and, secondly, it makes it less likely that they are going to be private contracting.”

A lot of the accusations have been around for a long time. It is important that we look at what happened to those previous accusations: did they have a basis in fact? Often, that was not the case. Let us just be fair, because to me, STPs are about taking a sensible approach to integrated place-based care to join up health and social care and to get the world-class health service that we all want to see.

4.52 pm

Graham P. Jones (Hyndburn) (Lab): It is a pleasure to serve under your chairmanship, Sir Graham. I thank my hon. Friend the Member for Hartlepool (Mike Hill) for introducing the petition and the petitioners for instigating a very worthwhile debate.

I will speak briefly, because I know that many Members want to speak, about fragmentation, accountability, privatisation, and how the NHS in Lancashire is going

[*Graham P. Jones*]

backwards. We will hear from across the United Kingdom—or certainly England—about the fragmentation of the NHS. It is not providing the services that patients expect.

The Health and Social Care Act was introduced in 2012. It was a top-down reorganisation, although it was promised that it would not be, that cost £3 billion and has caused chaos in Lancashire. That was a promise made by David Cameron that he broke. It has fragmented the NHS: we have lost accountability, we have opened the door to privatisation and we have reintroduced the purchaser-provider competition, which has been mentioned. In the 1990s, that was implemented in social care—it failed, and there was a U-turn.

In Lancashire, we have the high-profile case of Virgin Care's £104 million contract signed by the Conservative Lancashire County Council, which has been blocked by a High Court judge for reasons of "considerable cost and disruption." We are seeing the fragmentation of our NHS through the desire to privatise and move towards the purchaser-provider model. There has also been the removal of the Lancashire Care NHS Foundation Trust from Calderstones. The trust has been involved in taking up contracts and being relieved of contracts. The Walton jail mental health service unit is in crisis. It is an important service because we are trying to tackle the issue of mental ill health, yet there is a significant problem at Walton jail. Lancashire Care NHS Foundation Trust picked up the contract from somebody else, but it is struggling; it is underfunded, and the provider keeps changing. That fragmentation is having an impact on those who require these services.

At Calderstones, there was a very large mental health unit on the fringes of my constituency—in fact, it was just inside the constituency of the hon. Member for Ribble Valley (Mr Evans). The unit was rebuilt in 2007, costing £11 million, to provide a cutting-edge mental health service. It was rated "good" by the Care Quality Commission, but it was closed in 2016. How can the £11 million Calderstones unit, which was rated good and moving towards outstanding, be closed in this age and only nine years after that refurbishment? Calderstones Partnership NHS Foundation Trust itself will cease to exist, to be replaced by the Mersey Care NHS Foundation Trust, which will provide services. One service provider is being swapped for another. We are not getting continuity, and there are problems in NHS services, particularly mental health services, in my area.

The public want to say no to the Health and Social Care Act—they do not like these changes. GPs were told that they would hold budgets; I will come to that, but first I want to talk briefly about STPs. Again, there is little democratic involvement; the changes are being ushered in across the north-west and across Lancashire.

Kevin Hollinrake (Thirsk and Malton) (Con): The hon. Gentleman mentions what the public want; is he aware that a slight majority of the public are in favour of third-party private providers providing care in the health service, as long as they demonstrate better value for money?

Graham P. Jones: I think the public are primarily concerned not with better value for money but with better healthcare, and they are not getting it.

Paula Sherriff: Going back to my hon. Friend's point about fragmentation, the service I worked in had pathways to the acute trust, so that if somebody came to us with something that looked malignant, we could refer them to the acute trust and the patient would have an appointment within two weeks. When Virgin took over the service, there was no aspiration or desire from the people at the top to create those pathways, so the patient had to go back to the bottom of the waiting list. Ultimately, it is a lose-lose situation for patients.

Graham P. Jones: My hon. Friend makes a powerful point and states the case well. My caseload of NHS issues is rising, and often they are about the gaps in service because of that fragmentation. Sometimes it is about poor service, or privatised services that are not providing what people once received when they were under the NHS. It is a complete disaster for my constituents; I have yet to meet a constituent who says that the changes since 2012 have improved the health service and are for the better. Everyone who comes to me—from all parties, of all types and from all walks of life—says exactly the opposite. The fragmentation, the lack of accountability and the cuts need to be looked at again. Healthcare inflation is outstripping the money going into the NHS, resulting in cuts and the STPs.

We are getting a different provider model for our local walk-in centres—it is starting to be swapped again. Our centre is a much-valued service but it is being closed, despite 23,000 people signing a petition. Its 42,000 patient visits will be transferred somewhere else—perhaps off to the second busiest A&E in the country. At the same time as all the fragmentation and chaos, we found out this week that in Clitheroe, the out-of-hours GP service is about to be closed, with patients being told to go to Accrington.

The fragmentation of our NHS is a complete and utter disaster. We are trying to outsource and privatise services or shift them to another trust and shuffle them around to try to save some money, but that will not save money. A patient visit at Blackburn A&E costs £120; it costs £60 at the walk-in centre. The change is a false economy. We shift more patients at the walk-in centre, but it is going to close. Where in all this is a system that is not fragmented, that is holistic and that thinks about the patient and puts them first? I completely agree with my hon. Friend the Member for Hartlepool: it is about time that we revoked section 75 of the Health and Social Care Act.

4.59 pm

Gillian Keegan (Chichester) (Con): It is a pleasure to serve under your chairmanship, Sir Graham. I thank the hon. Member for Hartlepool (Mike Hill) for introducing the debate. It is important to get the facts out in the open and to ensure that erroneous arguments about the use of third-party companies in the NHS are put in context and understood. It is also important that the 1.3 million people who work in our NHS are assured that they will continue to do so and that they are not about to work for a private company.

We have all turned to the NHS for help at one time or another, and I think it is safe to say that we are all proud of our doctors, nurses and community carers. However, our healthcare system, which is regularly rated the best in the world, will have to adapt as we all demand more

from its services. This change may include the use of third-party companies—they are already used to build our hospitals and sometimes to transport patients, or in key services such as dentistry and GP practices—all of which are private.

The NHS faces significant challenges. In tackling them, we must adopt a collaborative approach among all sectors to ensure that patient outcomes remain the driving force and that the health service remains a patient-first system. My right hon. Friend the Health Secretary recognises that better integration of health, social care and community care services is a big part of improving our health system. If we achieve more integration, we will improve services, save money and reduce some of the fragmentation that was referred to, which is a function not of who runs the service but of how the system is designed.

Dr Philippa Whitford (Central Ayrshire) (SNP): Does the hon. Lady not recognise that if parts of the service are in competition with one another for their financial survival, it is very difficult to integrate them and that that causes fragmentation?

Gillian Keegan: I recognise that as a challenge. It is not just competition but organisational ownership—organisations sometimes want to control things themselves. We certainly saw that in West Sussex when we tried to put together two public sector pieces under an accountable care organisation. At the moment, we are going to have to find a different model to do that. That is not to do with finances or competition, although that can occur; it is to do with the will of the leadership to work in a more collaborative way. I accept that we face many challenges in the future that we must go towards.

Integration has a worthwhile prize: improved services that are delivered more effectively. When I served as a governor at my local hospital, St Richard's, I saw at first hand acute beds being occupied by patients who, in medical terms, were perfectly fit for discharge but who still needed care. There were not sufficient community care services for patients to be discharged to. That situation would be exacerbated if private community bed options were removed as a result of petitions such as the one we are debating.

It has been the ambition of all major political parties to implement a modern health model that is fit for purpose and fully integrates community and acute care, but I think we can all agree that, despite our best intentions, that is easier said than done, for some of the reasons we have discussed. It is like someone trying to change the tyres on a car while they are driving—it is difficult because the system is operating.

In my constituency, we have capitalised on the support offered by this Government, such as the public health grant and the better care fund. West Sussex County Council is working on preventive action. Chichester is home to one of seven wellbeing hubs across the county. That hub, which is run by the district council, supports people one to one to reduce their risk of developing diseases such as heart disease, cancer and type 2 diabetes through sustained lifestyle changes. It helps people to lose weight, to be more active and to develop techniques to reduce their risk of falling, to name but a few things. Those services are provided in conjunction with local

community and voluntary organisations, and with third-party companies, which provide a wealth of different expertise.

More than one quarter of my constituents are over 65, so adequate social care integration is vital. West Sussex County Council, in partnership with Coastal West Sussex CCG, has connected local authorities, GPs, voluntary and community sector partners, third-party companies, primary care services and our community foundation trust to form two local community networks. That list spells out some of the complexity there is even today, with many services delivered through the public sector. Those networks divide the more populated south, where there is a city, and the more rural areas in the north, recognising that needs are different in each locality. A social prescribing project has been formed as part of that work: a team of community referrers will be co-located in GP practices across the district to find community-based solutions to non-clinical issues.

The charitable sector is heavily involved in the delivery of many of our healthcare services. I recently visited the Sussex Snowdrop Trust, which works with children who have life-threatening illnesses and is funded in part by the NHS and in part by charitable donations. Its nurses give specialised care at home and teach parents how to care for their seriously ill children. The impact of its work is clear, and we should not underestimate the importance of working with such specialist community partners. The corporate structure of those partners is less relevant than the importance of the work they do. The Government have set out not only to better integrate the entire healthcare system but to allow local commissioners to dictate health provision to suit their populations. In cases such as the Sussex Snowdrop Trust, which provides specialist local services to a very small and specific portion of the population, the outsourcing funding model is effective and provides an invaluable service to families.

I fully support the work that is being done by local authorities in Chichester. They have already put plans in place to tailor services to different parts of the population—rural and urban—with different needs, and to focus on prevention and adult social care, in line with the Government's five year forward view. Those changes are long overdue and will take time to bear fruit, but they are key to achieving a truly integrated health service. Being overly prescriptive about who can be involved in delivering services would limit options as we move towards integrating health and social care, using technology more widely and placing a bigger emphasis on preventive treatment, much of which will be new. It is important that the right level of patient care is delivered quickly and efficiently, and that it is free to all citizens who need to rely on our wonderful health service.

5.7 pm

Faisal Rashid (Warrington South) (Lab): It is a pleasure to serve under your chairmanship, Sir Graham. I congratulate my hon. Friend the Member for Hartlepool (Mike Hill) on bringing the petition forward for debate.

I thank the 237,462 individuals who signed the petition and gave us the opportunity to raise the issue of NHS privatisation, which is important for many of my constituents. I know that the same is true for all Members present. The petition was signed by 442 of my constituents,

[*Faisal Rashid*]

and I was proud to join 200 of them outside Warrington Hospital in February to protest against NHS privatisation. The level of public concern about this issue shows just how important the NHS is to our country and its citizens.

The NHS is our most sacred and treasured institution. It was founded 70 years ago on the fundamental principle that everyone is entitled to free healthcare, and it does not discriminate on the basis of wealth, gender or race—it does so only on the basis of need. Every day, thousands of lives are saved by NHS staff at NHS hospitals, and we are extremely grateful for their extraordinarily hard work. The Government have a duty to protect the NHS and its staff, and to ensure that they can continue to provide world-class healthcare to the British public, free at the point of use.

We all use the NHS, and we all have a vested interest in ensuring that it is run effectively and efficiently, but let us be clear: privatisation and outsourcing do not do that.

Privatisation forces NHS hospitals to outsource vital services to private companies, which are often more interested in making a profit than helping sick people. That is a fundamental conflict of interest. The NHS has a duty to its patients, whereas private companies have a duty to their shareholders, but shareholders care about profits, and often the only way to make a profit is by cutting corners. That compromises the quality of care.

The Government claim that private sector outsourcing is good for the NHS and that it allows patients access to treatments based on the best quality of care and value for money.

Paula Sherriff: My experience is that we used to offer one-stop surgery shops, so that when patients came in they could have minor surgery on the same day. We were stopped from doing that. Patients had to come in on two occasions, and we were told explicitly by the management of Virgin Care that it was because it generated two tariffs, and made more profit. I should be interested to hear the view of those who defend the privatisation of healthcare about that.

Faisal Rashid: That supports my point, and is a great example.

The Government view of outsourcing does not reflect the reality of privatisation. Did patients receive the best quality of care from the private firm Circle when it took over management of Hinchingsbrooke Hospital in 2012, making it the first privately run NHS hospital, only to withdraw from its contract two years later after it was placed in special measures by the Care Quality Commission because it had found serious failings in its emergency and medical care services? What about the 2013 Public Accounts Committee report on Serco's running of GP out-of-hours care in Cornwall, which accused the private company of bullying employees, providing a short-staffed and substandard service, and manipulating data to hide the truth? Were patients receiving the best quality of care then? What about the imposition of financial penalties on the same company by NHS commissioners in Suffolk in 2014, after it missed key targets in its community health services contract? In 2012 Harmoni, a private provider of NHS out-of-hours GP services, having put

in place an aggressive cost-cutting agenda, faced allegations from senior doctors that its service in London was so short-staffed that its patients were unsafe. I could recount many more examples of failed healthcare privatisation, but we do not have time.

The Government also claim that outsourcing allows the NHS to save money, but that is not necessarily true. The process by which private companies bid for contracts allows them effectively to cherry-pick the most profitable forms of treatment—usually low-risk elective surgeries. That allows the private sector to benefit from the predictable, and usually low, cost. That is far from providing the best quality of care for patients.

Why, then, do the Government insist on continued NHS privatisation? Since 2010, under successive Conservative-led Governments, the private sector's involvement in NHS services has more than doubled. Evidence shows that that has seldom made the situation any better for staff or patients. The NHS is in crisis. Chronic underfunding compounded by a growing and ageing population has put an unbearable strain on the NHS and resulted last year in yet another winter crisis. My local NHS Trust, the Warrington and Halton Hospitals Trust, is on track for a forecast financial deficit of £16.8 million, and in December 2017 only 73.8% of A&E patients were seen within four hours, which is well below the target. Yet the Government's only answer to the crisis is more privatisation.

Let me review the facts. Privatisation is bad for quality, budgets and the NHS. More privatisation is not going to help the NHS. The only way to help it is to give it the funding that it needs and that it has been telling us it needs. If we truly love the NHS, we will stop privatisation.

5.15 pm

Richard Graham (Gloucester) (Con): Perhaps we should start with what we agree on, which seems to me fundamental for all of us in Parliament: the NHS is more precious than perhaps any institution except our monarchy and democracy. We all agree that it is and should remain a public institution available to everyone, no matter what they earn, and free at the point of delivery. We absolutely agree on those tenets of the NHS and the health services that our constituents benefit from. However, there are also things that we disagree on.

I suggest that the debate has frankly more to do with imminent local elections in London and elsewhere than with the health of the national health service. It is at least the fourth time in my short eight years in Parliament that the left, or some of the left, have tried to weaponise the NHS. When I hear Labour MPs talking as the hon. Member for Colne Valley (Thelma Walker) did about the “dismantling” of the NHS, I say to them that if the Conservatives had ever intended to privatise the NHS it would have been done by now, for the Conservatives have been the party of government for much longer than Labour since 1948. Secondly, privatisation of the NHS has never been in a Conservative manifesto. I defy any Opposition Member to find a single Conservative Member of Parliament who would want it, although it is normally possible to find one MP to sign up to most things. There is a challenge to Labour MPs, and particularly to those new ones who have known only the right hon. Member for Islington North (Jeremy Corbyn) as their leader. If anyone really believes that real privatisation is

anything more than a fantasy threat, I ask them please to go and find a single Member of Parliament from the Conservative party Back Benches who would support it.

Stephen Pound (Ealing North) (Lab): I have huge respect for the hon. Gentleman and have come to admire him over the years, but clearly he has not visited a hospital lately and seen privatised portering services, privatised catering services, privatised nurses being provided by privatised banks, privatised doctors being provided by privatised agencies, and patients being delivered by privatised hospital car services. I suggest he should pop down to Ealing Hospital while it is still standing. I will show him the true horror of privatisation. It is prevalent, endemic and everywhere.

Richard Graham: That is an interesting point, but the hon. Gentleman may not be aware that I volunteer in my local hospital, and have done for the past eight years. I have not only seen porters in action; I have worked alongside them—and ditto for a variety of wards. The situation he paints about what goes on in Ealing is completely different from what happens at the Gloucestershire Royal Hospital in my constituency, where those services are carried out by employees of the NHS—and will continue to be, whether they are in a subsidiary company or not—effectively and well. I pay tribute to all four of the NHS trusts in my constituency, one of which, Gloucestershire Care Services, received a good rating, alongside the already highly rated ²gether mental health trust. I shall put that issue to one side, but the hon. Gentleman is a distinguished Member of the House and knows better than to scaremonger about privatisation. Real privatisation is what happens in America, as he knows. It does not exist here in the United Kingdom.

The narrative today is, I am afraid, about scaremongering, with the favourite Labour bogeyman, privatisation, to the fore. There is one sentence from the petition that in a sense gives it away:

“Companies should not be profiteering from NHS contracts”.

The logic of that is that every single provider of equipment or services to the NHS, from pencils to EpiPens to imaging machinery to software, should do so at a loss. They should not. It is crucial that businesses make profits, invest and innovate for the future, reduce paperwork, increase scientific solutions to all sorts of difficult health issues and improve the life chances of our constituents. The opposite logic, of businesses making no money at all and going bankrupt, and the state trying to do everything, has been tested to death—literally—in both Russia and China. If Opposition Members, as socialists, want to understand why China has been so successful, I commend to them joining my all-party parliamentary China group, to visit China and understand what socialism with Chinese characteristics looks like and means.

Graham P. Jones: I hope the hon. Gentleman takes up the opportunity to visit Ealing Hospital. He argues that this is not the USA, but that is not the point being made. Of course the current NHS is not the US healthcare model. Does he accept that we are not privatising purchasers with insurance policies, as in America, but that what is happening in the United Kingdom is the fragmentation and privatisation of providers? That is the issue we are discussing. Does he agree?

Richard Graham: I thank the hon. Gentleman for his comments. That is part of an issue that he is certainly keen to discuss, and part of what is in the petition.

The point I was going to make, which is relevant to that, is that there is a difference between sensible, profitable and innovative businesses and profiteering. There has been, in my view, one clear example of profiteering taking place in the NHS since 1948. It came with the private finance initiative policy during the new Labour period of Blair and Brown, which brought capital into the NHS that was off balance sheet and not recorded in the public finances, at exorbitant cost. It saddled hospitals around our country with interest rates that they could not afford to pay back, and it was the Conservative-led coalition Government who did what was legally possible, although not as much as any of us in this House would wish, to dismantle those contracts.

I think I am right in saying that we took out about £2 billion of costs a year by renegotiating the PFI contracts that could be renegotiated—somebody may know the precise figure. Opposition Members, some of whom were here at that time, should be ashamed of their complete responsibility for introducing the only obvious example of profiteering that has happened in the NHS since it was created.

Paula Sherriff: I wonder whether the hon. Gentleman is attempting to remove the architect of privatisation within the NHS, who I understand was Sir John Major. I agree with the hon. Gentleman about PFI; there have been some arrangements where it is difficult to argue that value for money is being achieved. But we must remember history, and it was Sir John Major who introduced the PFI scheme.

Richard Graham: I am happy for the hon. Lady to correct the record on John Major's introducing PFI, but the point about PFI and all private financing is that the devil is in the detail. The principle of bringing private finance into the public sector is fundamentally a good one and approved of by, I think, all major parties. I am afraid that what went wrong during the 13 years of new Labour, as she knows and has implicitly agreed, was rampant exploitation of the NHS, with public servants signing agreements that frankly should never have been signed.

That is in the past—the fairly recent past, but the past. We have moved on since then. Since the petition was written, other things have also moved on. The most important is the issue of pay, with the Government committing several billion pounds from taxpayers to give 1.1 million NHS staff significantly higher pay over the next three years. I think we all strongly applaud what has happened—we know what an enormous job the NHS does in all our constituencies.

I will briefly raise what matters more in the longer term about the NHS, a subject that this petition could have tackled. The real issue is the long-term funding of the NHS. As a nation, we cannot lurch from year to year with the Secretary of State for Health and Social Care effectively going cap in hand to the Chancellor of the Exchequer for more cash to bail out the NHS. We need a longer-term, agreed basis on which to fund the NHS; I suggest at least five and ideally 10 years, so that everyone can plan ahead on what is needed to fund our NHS, with cross-party consensus. That way, never again

[Richard Graham]

can we face a situation in a general election of leaflets saying, “24 hours to save the NHS”. It is an old bogeyman that we must do away with.

I believe that the only effective way to do that is by bringing in equal contributions from the self-employed as well as the employed, and from those still generating income over a certain limit in retirement, through a dedicated source of funds or a hypothecated fund. The most obvious of those is national insurance, which does not really insure anybody for anything. It should be renamed the NHS fund. I put that proposal to our party before the last general election; understandably, there was not really enough time for it to be seriously considered. It would be a major change of direction and one not entered into lightly. There would be huge challenges with it. For example, what would we do in times of high unemployment, such as 2008 to 2010? Could the Budget effectively top up the NHS fund in such times?

That is why I am so pleased that the King’s Fund is researching that very issue now—would it be possible to have a hypothecated fund to fund the NHS? Would national insurance be a good starting point? What sorts of hazards and potential would that throw up? The King’s Fund report will be an important guide to hon. Members on both sides of the House about whether we can look at having a serious, long-term source of funding for the NHS around which we can have consensus, so that some of the endless debates and arguments, particularly around the word “privatisation”, can be dealt with and we can know that we have a source of long-term public funding for our NHS.

That is where I wish to finish. I regret attempts by some Opposition Members to try to create differences between political parties on something as precious as the NHS. All of us—all our families and all our constituents, wherever we were educated, whatever sport we like, whatever job we have and whatever sort of retirement we have—depend on the NHS for our health and, I contend, for our care as well. That is the other reason we need to find a hypothecated source of funds for the NHS—so that it can deal with care as well. That is a subject that the Health Secretary is wrestling with in his Green Paper as we debate. That is why in today’s debate we should leave the partisan efforts at point-scoring on privatisation and focus on what we can all contribute to the bigger debate about a long-term source of funding for a fully publicly owned NHS.

5.28 pm

Dr David Drew (Stroud) (Lab/Co-op): It is a delight to serve under your chairmanship, Sir Graham. I thank my hon. Friend the Member for Hartlepool (Mike Hill) for introducing the debate. It is an interesting opportunity to make some comments, perhaps sandwiched between two other Gloucestershire MPs. I will not say that is a delight, but there is much wisdom in what the hon. Member for Gloucester (Richard Graham) says.

Sadly, I have always believed that the NHS has been a party political issue from its very start. However, there is some ground for consensus on properly funding the NHS. There may be some disagreements about how we achieve that, but we have to lay down the ground by which we might know what we should fund, which of course includes the care service.

I intend to make a brief speech that is really only about subsidiary companies, because that is particularly apposite to us in Gloucestershire. However, I make one rejoinder: we actually defeated the PFI deal in Gloucestershire. We were offered one, but I thought it was very bad value for money, and I was one of those who spoke out against it. I think we did the right thing. We now have two fit-for-purpose hospitals, even though to get to this stage we have had to go down a pretty rocky road.

I will devote my comments to the setting up of a subsidiary company in Gloucestershire, about which the hon. Member for Gloucester made an aside. It was something I opposed, because I felt that it was the wrong direction to go in. More than anything, I felt very strongly that it was not properly scrutinised. It is the only time I know of when there has been a major change in the structure of our hospital provision in Gloucestershire, including to staffing, and the public and their representatives—including the health and care overview and scrutiny committee, which was effectively told to take its nose out of its interest in the change—have been excluded from the consultation.

The big change is that up to 700 members of staff will be taken out; there is an argument about exactly how many. I have met the chair and the chief executive of the trust, and I know why they have done it. It is about money and about trying to make good the real funding shortfall that has affected us in Gloucestershire because of the deficit that we have built up over quite a long period of time, and which we at least have to be seen to be talking about.

I will concentrate on a number of issues. I hope the Minister listens, because I will ask him several questions specifically about where we will go as a result of the changes. I resent the fact that representatives from Gateshead Health NHS Foundation Trust are going around the country as snake oil salespeople and telling trusts how they can save money. I and other Members have asked parliamentary questions on this subject, and my first question to the Minister is this. Can we have it on the record that the setting up of subsidiary companies will not be financed by some sort of VAT exemption? That is where the proposal initially came from. Although I have had assurances from the NHS, the Health team and the Treasury, the message does not seem to have gone back to those who still propose the idea. Can we have it on the record that there will be no VAT opportunities because of these new so-called subsidiary companies, in Gloucestershire and elsewhere in the country?

The second point I will look at is where the benefit of this change will be. I would have liked to see the full business case, but we were precluded from seeing it. We saw, dare I say it, a fairly anodyne version that looked as though it was all things to all people, but that did not really say how the change would be better—initially for the staff but also for the people of Gloucestershire—given that a large number of staff who worked for the hospitals trust are now in a different company.

Does the change preclude tendering? One of the advantages sold to the staff was that they would not have to face any tendering, because they would join a subsidiary company that was part of the NHS but that was necessarily different from the NHS because of the changed terms and conditions. My second question to the Minister is: is that fair, or could this company at some future date be passed over—I will not say sold on

—to A.N. Other, who could be either a not-for-profit third party or, dare I say it, in the private sector? That would suggest that this change is not much of a defence against tendering.

The third issue I raise is that our hospitals trust—I say our, because there are three Gloucestershire Members here—finds it difficult to recruit, and faces a lack of money. There is also an element of desperation, rather than innovation. My third question to the Minister is: if, as I am led to believe, there will be a major pay increase for ancillary staff of as much as perhaps 15% over the next year, how can that be squared with other changes that will come further down the line?

My worry is that we—the proverbial we—have sold people an idea that they can get more money now and it will not affect their future prospects, yet we know from what has been suggested that it will have an impact on pensions. I know we do not have an NHS pension scheme any more; there is a series of NHS pension schemes, some of which are much more generous than others. However, it seems that those who are now in a subsidiary company must end up with a worse scheme, because how can they have a 15% pay increase and the same pension provision as those in existing pension schemes? It is the same for job protection and some other elements of the way in which the NHS looks after its workforce. I know the Minister is a fair person—we have discussed things privately—but I genuinely do not understand how this will all add up.

I worry that we are offering people something in the short run that may be beneficial and may get them out of working in supermarkets and into working in the NHS—that is a good thing—but, worryingly, they may come out of working in the care sector to work in the NHS, and that will not solve our problem. Our problem is that there are a lot of staff who are underpaid and very mobile, and we need those people to be brought into the NHS, to stay with the NHS and to be secure in the NHS.

My last point is one that I am, if you like, quizzical about. Gloucestershire's sustainability and transformation plan, which has now been published, was seen as the overarching way in which our NHS would develop. However, all these changes, including the merging of two trusts—a mental health and learning disability trust and a community trust—and the setting up of the subsidiary company, happened in advance of the implementation of the STP. What is the point of the STP if many of the changes have already been made? It would help me when I am talking to my constituents, who feel quite worried about what is going on, to know what these things genuinely mean and what they will result in. At the moment there are a lot of questions but very few answers.

I do not want to see fragmentation. We can make the argument about privatisation, but fragmentation weakens the bond that the NHS is about. It is the national health service, delivered free at the point of use to constituents in the various parts of the country, including Gloucestershire. At the moment, however, we seem to be seeing further fragmentation, which may lead to all sorts of risks.

The answers to my questions have not come forward. That may be because we did not have a consultation; that was wrong. We should have had a full-blown consultation so that these questions could have been asked, not just in Gloucestershire but elsewhere in the

country in the places that have been mentioned. It is our duty as parliamentarians to make sure that we ask those questions and to try to get the answers.

The Minister has heard what I have said. I could go on about other aspects of the healthcare system in Gloucestershire, but the subsidiary company is of primary concern at the moment. We have one in Gloucestershire. We do not know who will run it, how it will be run or what the future implications are. If the Minister hears what I am saying and can answer some of those questions, it would help us in Gloucestershire and people much further afield.

5.39 pm

Kevin Hollinrake (Thirsk and Malton) (Con): It is a pleasure to speak while you are in the Chair, Sir Graham. I add my congratulations to the hon. Member for Hartlepool (Mike Hill) on his introduction of the debate. May I start by clarifying a point in his opening remarks? He conflated, I think, paying for healthcare and outsourcing, which to my mind are two completely separate things.

Let me explain something that informed my thinking on this subject many years ago. When my son, who is now 21, was only one, my wife and I went to Menorca as new parents, and our son took ill on the last day, after a lovely week there. He deteriorated quite badly in the middle of the night, and we were told by the doctor to take him to a hospital. We went to a lovely, shiny steel-and-glass hospital and rushed him in. By the time we got to the hospital, he was barely breathing, and new parents panic so much in those situations. We carried him to reception, thinking that he was only a few gasps from passing away, and we were asked, before they treated him, to present our credit card. We waited for 20 minutes while that was dealt with, and those were the longest 20 minutes of our lives, so I think that any Government Member or, indeed, anybody in the Chamber today who would consider moving the current system from a system of taxpayer-funded care to one in which people pay at the point of delivery would be misguided, to say the least.

This debate is not about whether we pay for care, and let us be clear: healthcare in this country is not free; it is taxpayer-funded. But the foremost principle—the foremost thing we must get right—is what is in the best interests of the patient. That is the principal thing that we should be discussing. The second thing that we should be discussing is what is in the best interests of the taxpayer, who funds the care of all the people who need care in this country. The third thing is who provides that care. This is patient first and certainly profit second. No ideology about private sector interest or involvement, or purely public provision, should get in the way of that. This debate should be about how we deliver the best service most effectively and efficiently. The question we should be asking today is how we provide a world-class service to get the best outcomes for patients and the best deal for the taxpayer.

To me, what the evidence points to is clear, despite the very good points that Opposition Members make about fragmentation. I accept that there are at times problems with commissioning that we need to resolve and get right, but to me a blend of public and private sector interests—a partnership between the two—would provide the best outcomes. Indeed, a report by the World Health Organisation emphasised the value of competition and the incentive structures of private organisations as spurs

[Kevin Hollinrake]

to good performance, while recognising the need for a public role in resource allocation. That, to me, says everything about how we should manage our health system.

As has been said, there are a number of different private providers. I do not think that anybody is arguing that GPs, for example, should not be involved in our healthcare system, or community care or residential care, and they are all private sector providers. It is also fair to point out that the rate of growth for private sector provision over the last seven years, since the coalition Government of 2010, is very similar to that for private sector provision before that time. This issue should not be party political; those are the facts. The figure went from 2.8% in 2006-07 to 4.4% in 2009-10 and then, I think, to the current 7.7%, so the rate of growth is very similar. Those facts are from Full Fact, which is an independent fact-checking organisation.

Mike Amesbury: Does the hon. Gentleman agree that the great battle of ideas in the past resulted in something that seemingly we now all take for granted and claim to love—the NHS? Historically, the NHS was opposed; in fact, it was opposed 22 times on a three-line Whip by the Tory party, so the idea of the NHS, which is free at the point of delivery and based on need, is of course politically driven. My political party helped to create the NHS. It was a key driver in that and will certainly save and grow the NHS.

Kevin Hollinrake: I agree with that point entirely. We all love the NHS and respect so much the work of the people who work in that service, so congratulations on the fact that Labour introduced the NHS, but that is not the point. This debate should not be about ideology; it should be about what works.

Richard Graham: Just on a point of fact, about two weeks ago it was the anniversary of the first White Paper on a national health service, which was presented to Parliament by the wartime Conservative Health Minister, Willink. The thinking behind much of that came of course from civil servants, of whom Beveridge was undoubtedly one of the more important, and he was a well known Liberal. I therefore suggest to my hon. Friend that before conceding the historical point, which we should accept absolutely, that bringing the national health service into being was a Labour achievement, we should point out that there was in fact a huge amount of cross-party consensus, particularly during the war years, in the lead-up to the birth of the NHS. It is important that we all recognise the contribution of all parties in its origins.

Kevin Hollinrake: I am very grateful for that historical clarification. One thing I used to say in my business to any people who came to me with new ideas was that ideas are 10 a penny. What matters is how we implement things. What matters is how we implemented things then and how we implement things today. That is what makes the critical difference in whether something will succeed or fail.

Rachael Maskell (York Central) (Lab/Co-op): I am grateful to be able to make an intervention, but will the hon. Gentleman not recognise that the Lansley reforms,

which brought in a new funding formula, have completely broken the NHS? I am talking not only about the fragmentation, but about the fact that the funding fights against itself, and therefore it is a complete distraction from providing a planned NHS service, which is the solution that is needed in the system.

Kevin Hollinrake: I am grateful for the hon. Lady's intervention. I absolutely think that funding needs to be fair. There are certain instances we can look at as to whether the funding for certain CCGs in York and north Yorkshire is unfair. We need to ensure that the funding is got right wherever people are. It is incredible that we have a postcode lottery for healthcare in this country; things differ in different parts of the country, based on many of those issues. They are issues that we absolutely need to resolve.

Dr Whitford: Will the hon. Gentleman give way?

Kevin Hollinrake: May I make some progress? I have taken three or four interventions in a row.

Dr Whitford: It is on the point about a postcode lottery.

Kevin Hollinrake: Okay.

Dr Whitford: I thank the hon. Gentleman for giving way. During the 33 years that I spent working in the NHS, the main aim was to get rid of postcode prescribing. He must recognise that the CCG system enshrines postcode prescribing.

Kevin Hollinrake: As I said, there are concerns. I have concerns: some of my constituents have difficulties. The overall quantum of healthcare funding—I will return to this at the end of my remarks—is putting pressure particularly on rural areas that I represent. We need to tackle a number of different issues. With regard to the future of healthcare funding, my perspective is similar to that of my hon. Friend the Member for Gloucester (Richard Graham): we should be working on a cross-party basis to deliver the solutions.

In terms of private or public, the public are absolutely behind the point that they have no preference. A greater number of people express no preference, in terms of a private sector or public sector provider, as to who provides their healthcare. Yes, of course the public are massively in favour—89% are in favour—of a taxpayer-funded healthcare system, but on the question whether the care should be delivered by private or public providers, it is a very different picture.

Stephen Pound: The hon. Gentleman has been extremely generous in giving way. I am reluctant to wander too far down memory lane, but when the NHS and I were born at the same time, in July 1948—[Laughter.] Two great institutions, both in need of considerable support! The NHS was born out of compromise. I spent 10 years working in the Middlesex Hospital. We had a private patients wing. The entire GP facility within the NHS has been private. GPs have always been self-employed. There has been compromise. The issue is not the fact that there is a compromise and private practice within the NHS, but the fact that there is a creeping expansion of privatisation, which my constituents and, I would suggest, those of every right hon. and hon. Member

here feel is corrosive to the heart of the NHS. Yes, there is privatisation within the NHS, but we have to stop it. We must not expand it. We must return to core principles.

Kevin Hollinrake: It is only corrosive if it is not in the patient's interest. There are clear commissioning rules that it must be in the patient's interest for this commissioning to take place. The key is what is right for the patient. I do not doubt that the hon. Gentleman may be right that some of the commissioning is wrong, but whether it is private or public should not be the overriding principle; it should be what is right for the patient.

Rachael Maskell: Will the hon. Gentleman give way?

Kevin Hollinrake: I will make some progress, having given way a number of times. Some years ago, when I first became an MP, I met the chief executive of York Teaching Hospital Trust, Patrick Crowley. He talked about the fact that private providers are providing care in York—in the hon. Lady's constituency—just as they are in my constituency. He was very comfortable with the relationship between the public sector provision at York Hospital and the private sector provision at Ramsay Health Care, where I have experienced treatment. It was incredibly efficient, and the people I spoke to who worked for that organisation spoke very highly of it. There should not be this ideological rejection of the private sector.

I want to make some key points. According to The Health Foundation's report, more than 50% of people said that the NHS often wastes money. That is not a criticism but a reality in an organisation with 1.7 million people working for it. The way to try to reduce waste—again, this is our responsibility to the taxpayer—is to ensure that we eliminate it wherever we can. The public sector does a brilliant job in the NHS. I am not calling that into question. However, in my view, good businesses—I have been in business all my life—can have a positive impact on healthcare provision. Good businesses focus on the customer first, and therefore the patient first. They make the most of their most precious resource, which clearly is their people. They are good at innovating and reducing waste, and they should deliver at the best possible value. After all those things have been taken into account, a good business should then consider whether it can still make money, and if it cannot it should not enter that field. The principle should be what is right for the customer, or the patient.

I met one of the nation's most successful and prominent business people, who told me—to illustrate how we can drive out waste and bureaucracy from a service—that he was approached in 2007 or 2008 by Tony Blair and Gordon Brown and asked to look at reshaping the health service to make it more efficient. He came back to them and said that he would be prepared to take this project on. He said that the first thing he wanted to do was to give all nurses a 30% pay rise—this is a private sector business man; I am not saying that Brown and Blair were going to privatise the NHS—but that he wanted no more money from central Government. He would put matrons back on the wards. He would put in a clinician-first approach, with admin and management second, and strip away the bureaucracy, which must be music to the ears of every nurse and doctor working in the health service. He planned to reduce admin and management by 20,000 people. He was also going to look at the purchasing system in the NHS.

Clearly, the private sector can look at these issues and drive out waste in whatever capacity as long as it is in the interests of patients. Waste in purchasing is a key element. John Abercrombie, the consultant who looked at purchasing in the NHS, established that one trust was paying £126 for a wound protector and another was paying 36p. There clearly are private sector providers that could come into this sector and help to reduce waste, delivering a better deal for the taxpayer.

My final point is about the long-term funding settlement. I echo the comments of my hon. Friend the Member for Gloucester. We need a long-term funding settlement not just for the NHS, but for social care, because they are inextricably linked, although we need different funding settlements for the two different elements. Unless we have that long-term funding settlement, whatever we discuss today, because of demand—and more money is going in—we will just be shuffling deckchairs on the Titanic. It should be cross-party and take into account rural needs. I have constituents who have seen services centralised to the point where they have to travel long distances to access healthcare. An elderly couple in Scarborough have to go to York for treatment because heart treatment has been centralised into York from Scarborough. They do not drive, so they have to take a bus to York and stay in a hotel overnight to get to the consultation appointment on time. The quantum needs to be greater and we need to ensure that we keep delivering our services right across the country, including in those rural areas. I agree with my hon. Friend that we should look at a hypothecated tax—either direct or indirect taxation—to increase the quantum of money to a significant degree.

The Select Committee on Housing, Communities and Local Government looked at the German system of social insurance for social care, in which people make a small payment from their monthly salary on a pay-as-you-go system. When they need care, instead of suffering the catastrophic cost in later life, on the basis of an independent assessment, that support can be provided through third-party care, or they can draw down the money and pay it to relatives to look after them in their own home, which can have a positive social consequence.

We need to look at these things in detail and on a cross-party basis. I believe in a taxpayer-funded system on the basis of the best outcomes for patients and the best deal for the taxpayer, and that we should move towards a long-term funding solution, so that ultimately we can let the clinicians get on with the job.

[STEWART HOSIE *in the Chair*]

5.57 pm

Alex Sobel (Leeds North West) (Lab/Co-op): It is a pleasure to serve under your chairmanship, Mr Hosie. I thank all those who signed the petition, including the 512 signatories in my constituency. I spoke at a "Save the NHS" rally a couple of weeks ago, and privatisation was one of the top issues for people who attended that rally and spoke to me afterwards. I will make some of the points I made when I spoke at that rally.

Week after week, people stop me, come to my surgeries and write to me asking why their local GP has left and been replaced by locum doctors, why A&E waiting times are increasing or why the services they rely on are

[*Alex Sobel*]

verging on unsatisfactory and in some cases negligent—I have some negligence cases running. The short answer to those questions is a lack of money in the system. The more complex answer is that the decline in NHS funding has placed strong pressures on healthcare providers right across the NHS to adopt new practices and governance structures. Many of those changes have taken place beyond the public eye and without sufficient scrutiny. The benefits from those changes are far from evident. My hon. Friend the Member for Stroud (Dr Drew) asked many of the questions I had intended to, which will reduce the amount of time I will take in this debate—so I thank him for that—but that allows me to make some broader points. I support all the questions he asked the Minister. However, there is one point, which I will come to, on which I have a slightly different point of view from my hon. Friend.

The Leeds Teaching Hospitals NHS Trust, in an attempt to balance its books, has proposed to take 1,000 NHS workers out of the public sector and place them in a wholly owned subsidiary company. There was a meeting on 29 March to make a decision. After interventions by myself, four other colleagues in Leeds, the trade unions, campaigners and members of staff, there was a stay of execution on that decision and it will be looked at again. Therefore we are not quite in the situation that my hon. Friend has in Gloucestershire, where the change has already happened, but we are approaching it, which makes it all the more important for us to have the debate and to engage with the Department of Health and Social Care and its Front-Bench team. The wholly owned subsidiary company would take staff who have spent their entire career in the public sector and place them in a highly uncertain position regarding their working conditions, salaries and pensions—all points that my hon. Friend made.

A wholly owned subsidiary company structure has already been implemented elsewhere in Yorkshire—in Airedale and Barnsley—and the primary driver is financial. Once the subsidiary company is in place, it can recoup VAT and make significant savings. What is the solution? My hon. Friend suggested that the Treasury close the loophole, but my suggestion is quite different: the NHS, at trust level, should also be able to recoup VAT. Let us create a level playing field in which the NHS has the same rights and benefits as a wholly owned subsidiary company. That would effectively just be a technical change. I hope the Minister will talk to his Treasury colleagues and look at whether those same benefits can be given directly to an NHS trust.

I am not asking for that change for ideological reasons, although I have heard a lot of ideology today. Rather, I am speaking up for the porters, cleaners, lab technicians, receptionists and administrative officers who work in the trust and in other trusts that are considering going down that road or have done so. They tell me that they are motivated to work above and beyond at the trust because they are part of the NHS. They work the hours that they need to work because they are part of a family. They and their colleagues are born of the NHS—an NHS born alongside my hon. Friend the Member for Ealing North (Stephen Pound) in 1948. They do not want to be seen as a moveable commodity. They view themselves as a core part of the NHS, just as much as the clinicians. We need to recognise that.

Rachael Maskell: York Teaching Hospital is going down the same lines in creating a wholly owned subsidiary company, yet the staff want to belong to the NHS—that is their ethos and that is what drives them. It is also important for full integration across the whole service, because people who work as porters and cleaners are as much about patient care as anybody else in the NHS. Does my hon. Friend agree?

Alex Sobel: Absolutely. When I go into our local hospitals as an MP or as a patient, I see that they are the beating heart of the NHS.

I ask trusts, such as Leeds, that are considering setting up a subsidiary company to put a halt to those plans and to work with their staff, representative trade unions and local MPs prior to making the decision. I ask them to do what is best for all involved, whether patients, staff or the community.

Cost pressures create perverse incentives for people to consider privatisation. We have rehearsed that argument quite well. They affect not just NHS hospital trusts but clinical commissioning groups for primary care services, NHS England and other NHS bodies. We need to take those perverse incentives out of the system so that privatisation does not happen by the back door—instead of being done by the Government through statute—which is what is happening.

6.3 pm

Martin Vickers (Cleethorpes) (Con): It is a pleasure to serve under your chairmanship in this important debate, Mr Hosie. Many people who signed the petition have genuine concerns about the NHS. I make it clear from the outset, just in case my remarks are deliberately misconstrued, that I am opposed to privatising the NHS, like my hon. Friends. My family and I rely on it. I support keeping the service free at the point of need, whatever the individual's circumstances.

We need to establish what we mean when we talk about privatisation. To me, it means what we did in the 1980s with British Telecom, British Gas and so on—selling the shares to the public. We sold their assets lock, stock and barrel and handed them over to the private sector. That is not what is happening when we talk about an individual service in the NHS being privatised.

It is important to remember that having private providers in the NHS is not new. As other hon. Members have said, there has been a role for private provision since the service was established 70 years ago, most notably in the form of GPs. Other private engagement includes businesses, charities and independent contractors.

Just under 8% of NHS spending goes to the independent sector, which is money spent on supporting NHS patients. That includes spending on elective surgery, diagnostics and pathology services, clinical home healthcare and community and primary healthcare. In many cases, private providers are used to cut waste and provide essential services, such as catering and cleaning. To use a trivial example, would the Opposition recommend that we prevent private sector companies from running the coffee shop in a hospital? If we say no to any private sector involvement, that is what we are doing. The local window cleaner could not come to clean the hospital windows. It would be a nonsense.

Stephen Pound: I respect the hon. Gentleman, but the point made by my hon. Friend the Member for Leeds North West (Alex Sobel) was about the added value brought by people who work in the NHS. When I was a porter for 10 years at the Middlesex Hospital, we finished at 10 o'clock on Saturday night and started again at 6 o'clock on Sunday morning. We worked a rotating three shift system.

The Middlesex Hospital is now a hole in the ground, but when I last went to see former colleagues from the ancillary staffs council, I was told about the agency workers who turn up to do a day's shift. They have no emotional connection with the hospital, or any feeling for it, so they simply cannot make the same commitment. Surely the hon. Gentleman, who is far from being a fool—he is actually a humane man—recognises that some people bring an immense amount of added value by working for the NHS rather than for an agency that works for the NHS.

Martin Vickers: I agree with the hon. Gentleman. I am not arguing for privatisation. I am arguing that privatising some services improves patient care, which is surely what we are all interested in.

Dr Whitford: Having graduated in 1982, I know that the first services that were outsourced were the cleaners. That has been blamed for contributing to later hospital-acquired infections such as MRSA.

Martin Vickers: The hon. Lady is obviously very knowledgeable, as we heard earlier. I cannot compete with 33 years' experience, although I recognise those faults and I can recall the stories of dirty hospitals, which may have had something to do with poor procurement and bad management.

However, the reality is that the private sector has a role to play. Are we seriously suggesting that we should inconvenience people by forbidding Boots, Superdrug or a supermarket from administering prescriptions? Obviously not. Should we preclude social enterprise operations from taking part in NHS services? Surely not, because they can be extremely valuable and improve patient care.

Richard Graham: My hon. Friend makes some good points. Does he agree that the hon. Member for Ealing North (Stephen Pound) makes a different argument from that of his colleagues, who argue against companies that are subsidiaries of the NHS by definition? There is a considerable difference between someone who works for an agency that works for the NHS and someone who works for an NHS subsidiary company.

Martin Vickers: I thank my hon. Friend for that timely and helpful intervention.

The King's Fund report, "Is the NHS being privatised?", determined that the gradual increase in the use of private providers has improved the choice and service for patients. That must be for the good of everyone. It is the patients who are important; scaremongering does not help them. A focus on process rather than patient outcomes is unwise and a distraction from the real issues. The best interests of the patient are what matters. We must ensure that as much as possible of the resources that are made available goes into patient care.

The Leader of the Opposition has made repeated pledges to "save the NHS". Frequently, those on the left whip up hysteria about how the Government of the day are doing something that will fundamentally alter healthcare in this country and bring the NHS to an end, but when exactly have these warnings been accurate? Were they accurate in April 1997, when Tony Blair famously declared that we only had

"24 hours to save the NHS",

or when union leaders have spoken out about the NHS? Such reports have always proved false. As was said earlier, the reality is that the Conservative party has led government for 43 of the 70 years that the NHS has been in existence, so if the aim was to destroy the NHS, we have done a pretty poor job. The reality is that the Conservative party is as committed as any other party in this House to the continuation of the NHS.

What we see is outrageous hyperbole that is designed to prey on the worries of those who rely on the NHS, which—let us face it—is virtually all of us. That is irresponsible and in some cases cruel. Furthermore, it adds to a climate in which we cannot have a sensible discussion about the future of healthcare in this country. Within our politics, there is a paranoid conspiracy theory surrounding the motives of the Conservatives in relation to the NHS. It goes something like this: "Conservatives hate the NHS for ideological reasons, but given the toxicity of the subject and the reverence with which the public quite rightly regard the NHS, they realise the only way to implement privatisation is by stealth." That is absolute and complete nonsense.

Let us face it, there have been changes to the NHS throughout its existence. We have had mention of fragmentation; I suggest that some of the fragmentation took place during the Blair and Brown Administrations. We spend around 8% of our GDP on healthcare, which is in line with countries such as Belgium and more than is spent by the likes of Australia and Canada, which have large private sector involvement. If, as we are told, we are underfunding healthcare to undermine support for the public system, what would be the motive for the apparent underfunding of healthcare systems elsewhere? The NHS turns 70 this year and, as I have said, the Conservatives have been in power for the majority of that time. There is no masterplan to replace the NHS with a privatised alternative.

There is also the question of what we mean by "privatisation", which I mentioned earlier. "Privatisation" is a buzzword for ideologues to spread fear and embed an inefficient system that fails patients. Is Germany a private system, or is Switzerland? The answer is no. However, Germany and Switzerland embrace the market, while ensuring that no one slips through the net.

The German system shows that a healthcare system can be fully funded in the style of a pension system. The situation in Switzerland proves that even considerable levels of out-of-pocket patient charges need not be regressive. We can trust people to choose from a range of health insurance plans and identify the best option for them. Throughout Europe, healthcare systems offer universal high-quality care that is free at the point of use. In many cases, they make use of a greater number of private providers than our own NHS.

Social health insurance does not have to clash with the principles of the NHS that are so greatly entrenched in our society. We can still have a universal system of healthcare that is free at the point of use. We may have

[*Martin Vickers*]

been the first country to establish a healthcare system based on those principles, but we are no longer unique in that respect. Virtually every developed country has some form of coverage.

The United States is an outlier in this regard. Canada offers universal healthcare that is free at the point of use. Germany offers universal healthcare, and while patients there may have to pay a small amount to see a doctor—around £10—the poorest in society are often reimbursed.

Dr Whitford: My husband is German and we lost his sister at this time last year, so I can point out that actually the German insurance system covers only 80% of costs and the bills continued to arrive for about six months after her death.

Martin Vickers: I thank the hon. Lady for that intervention. My understanding, and she will correct me if I am wrong, is that that 20% of costs could be reimbursed, depending on the individual's circumstances.

Dr Whitford *rose*—

Martin Vickers: The hon. Lady is probably going to tell me that I am wrong.

Dr Whitford: If a member of the public in Germany wants to cover that other 20%, they take out additional insurance to cover it.

Martin Vickers: I thank the hon. Lady for her intervention and for her correction, which I am very happy to acknowledge.

The debate over healthcare in this country is insular and inward-looking. It is ruined by a counterproductive tendency to pretend that the only imaginable alternative to the NHS is the American system. That is the go-to response for the vast majority of those who oppose reform. In reality, opposition to the US system is the one thing that unites us all. We can deliver meaningful NHS reform while maintaining the principle of universal coverage, as well as ensuring that the NHS remains free at the point of need.

Another area in which there has been considerable scaremongering relates to accountable care organisations. These organisations are hugely important in ensuring that patients have access to high-quality care that is orientated around their individual needs. While a different name for them would have been helpful, it is the substance that matters. Again, we are often told that ACOs are a move towards the US system of healthcare, but other than the name they have little in common with the US system.

ACOs will not alter the universality of healthcare in this country, nor will they prevent services from being free at the point of use. To suggest otherwise is dishonest and unfair on patients, and causes needless worry for those who are in difficulties and worried about their future healthcare needs. Claims that sustainability and transformation partnerships and ACOs are vehicles for NHS privatisation or the Americanisation of the health service have been refuted by all the key health organisations, including the King's Fund and NHS England.

Only 10 days ago I visited the excellent St Hugh's Hospital in Grimsby, which serves patients from my neighbouring constituency. It is a private hospital, but 83% of its patients are from the NHS. Ashley Brown, the hospital's director, explained to me how private providers are held to at least the same standards as public providers, and often—as in his hospital's case—to higher standards. Private providers are subject to the same rigorous inspections as public ones and they receive ratings from the Care Quality Commission, which holds all providers to the very highest standards. As a result, 70% of independent hospitals are rated by the CQC as "good" or "outstanding". Furthermore, the punishments for failing to meet targets are far stronger in the private sector. I was told that if St Hugh's Hospital missed its 18-week target for referral it would face a significant fine.

Another concern that is frequently raised regarding the NHS is about profit. We are told that no one should profit from someone being ill. However, if someone needs an urgent operation, do they actually care whether the person carrying out that operation, or indeed the hospital that it is being carried out in, might make a profit from it? They have provided the capital costs of the investment. What matters is the quality of care for the individual. As I have said three or four times, patient care is absolutely critical.

Across the UK, about 10 million NHS patients are treated by the private sector every year. If we were to remove the private sector from the NHS altogether, there would be an additional 10 million people on NHS waiting lists, which, as we know, are strained to the limit already.

People value the benefits that private provision can allow. The British social attitudes survey found that there were more people—43%—who did not have a preference between receiving care from the NHS or from a private company than people who would prefer NHS treatment. Furthermore, at a time when mental health has finally reached the top of the political agenda, it is worth noting that more than one third of acute in-patient psychiatric beds are provided by the private sector. There are calls to strip back the private sector, but that would have a detrimental effect on patients in that area.

Not enough is done to publicise the fact that patients now have a legal right to choose where they receive treatment. They can choose any NHS or private hospital in the country. If they opt for a private provider, they will not have to pay a penny. That places the power in patients' hands, giving them the opportunity to make personal healthcare decisions, as well as helping to keep NHS waiting times down.

The NHS can benefit from working with the private sector. That should not be viewed as providers competing in a zero-sum game. If the two co-operate and realise how they can spread the burden of work, they can radically improve patient outcomes overall. Provided that the service delivered is of the highest quality and remains free at the point of use, who provides it is irrelevant to a patient in urgent need. We are rightly proud of the NHS and the excellent service it provides, but if it is to remain sustainable as a service that is free at the point of need for our children and grandchildren, we must acknowledge that we need a sensible debate about how we achieve that.

I suggest that with our electoral system there are only four possible outcomes of elections in the foreseeable future—a Conservative or a Labour Government, or one of them in coalition with the Lib Dems. I can guarantee that none of them would be elected if they included privatising the NHS in their manifesto. It may have escaped everyone’s notice, but Governments quite like to be re-elected, so if, during their administration, they had made moves towards privatising the NHS, they simply would not be re-elected. Those who signed the petition need have no fear of privatisation from this Government. As I said at the beginning of my contribution, privatisation is a myth peddled for party political advantage, and nothing more.

6.20 pm

Rosie Cooper (West Lancashire) (Lab): It is a pleasure to serve under your chairmanship, Mr Hosie. I thank my hon. Friend the Member for Hartlepool (Mike Hill) for securing the debate. It gives Members such as me the opportunity to talk about how the privatisation of NHS services affects us all and, in particular, our own constituents.

I will make three points about privatised healthcare, from commissioning right through to practice. First, it lacks transparency; secondly, it is removed from adequate accountability; and, thirdly, it prioritises shareholder gains over patient care. It only takes a glance at the situation over the past two years in my constituency, where privatisation is not creeping but galloping in, to witness numerous examples of those three points.

After NHS West Lancashire clinical commissioning group announced in February 2016 that it was liaising with two private companies, Optum Health Solutions and Virgin Care, to deliver urgent care services—among them walk-in centres, out-of-hours and acute visiting services and community health services, including district nursing—it quickly became clear that the process would leave residents, healthcare professionals and, indeed, me in the dark, unable to see the details of the selection process and the contract and now unable to see performance figures against that contract. At the time, Southport and Ormskirk Hospital NHS Trust was delivering those services, yet the CCG excluded it from bidding, amazingly without any real explanation from any of the bodies involved.

When I attempted to question the CCG, NHS England and NHS Improvement about the situation, the phrase “commercially sensitive” was frequently deployed to avoid answering. The people of West Lancashire and the people of this country fund those services, so I ask the Minister to explain why there are not more stringent procedures in place to ensure that the taxpayers know where their money goes and why.

I also ask the Minister to consider an investigation into the phrase “commercial confidentiality” and its very frequent use by CCGs. It should be stated clearly that the lack of transparency and accountability among private healthcare providers is a trend that continues nationally, and not just within commissioning. As many of us are aware, the British Medical Association has long warned the Government that there continues to be no obligation for private providers to report even on patient safety incidents and performance data. Although the Care Quality Commission requires non-NHS providers to abide by a duty of candour, there is no obligation to

make publicly available any information about the nature or severity of any such incidents, and the CQC does not publish the information either. Additionally, private providers are not required to regularly update the CQC on less serious safety incidents and, according to the think-tank, the Centre for Health and the Public Interest, only 63% of hospitals do so.

Will the Minister address how the CQC, NHS England, NHS Improvement and Members of Parliament are meant to hold CCGs and private providers to account if information, including that relating to patient safety, remains behind closed doors, without the possibility of scrutiny, let alone action being taken about it? I understand that regulators may request some of the information, but that is simply not good enough. The regulators are not always on top of their game, as evidenced in Liverpool Community Health NHS Trust, where, as the Minister knows, every regulator missed the poor services delivered to patients, as evidenced by both Capsticks and Kirkup—and that is an NHS trust, not a secretive private provider. Openness, transparency and accountability should be an integral part of a democratised healthcare service, right through from commissioning to practice. The extent of the secrecy surrounding the process in West Lancashire led to me raise it with the Public Accounts Committee and the National Audit Office. Does the Minister think it should have got to that stage at all? What does he recommend we do in the future?

Without scrutiny, we risk events happening such as the recent one in which a company operating one of the first integrated NHS 111 and GP out-of-hours services was forced to hand back its contract to the NHS just seven months into a three-year contract. In 2016, CCG board papers rated the proposed transfer of services as “red”. The deal went ahead anyway. Where is the accountability, and where was NHS England? Were other regulators on the missing list yet again? A similar event was recently about to happen in Liverpool, where the CCG wanted to award the contract to run the majority of community services to Bridgewater Community Healthcare NHS Foundation Trust. That would have been a disaster, as anyone looking at the current state of that trust would have been able to see. Yet all the detail was hidden from the public. Incidents involving GP out-of-hours services like that send shivers down my spine.

Fewer than two weeks ago, it was announced that Totally plc, a private provider of out-of-hospital services, had been awarded a four-year contract with Virgin Care for 18 GP out-of-hours services in West Lancashire. It then transpired that Vocare, a subsidiary of Totally, was going to run the services on its behalf. In case Members got lost in that little trip, I will outline the process in full: NHS England devolves commissioning to NHS West Lancashire CCG, which contracts to Virgin Care, which subcontracts to Totally, which hands its contract over to its subsidiary, Vocare. You really could not make it up, could you? I have to ask the Minister: does that constant subcontracting between private companies not further dampen our abilities to hold private providers to account? Where does the increasingly complex and inward-looking operation end? Perhaps I already know the answer, because Totally’s chief executive, Wendy Lawrence, commented in a press release on the recent contract award:

“also ensuring we create value for our shareholders by securing important strategic contracts such as this one”.

[*Rosie Cooper*]

Does that explain why, in 2017, constituents of mine who received urgent care from Virgin were informed that wounds could be dressed only once and my constituents would then need to go to the local chemist and purchase further dressings? Will the Minister explain how that is healthcare free at the point of delivery?

In 2017, the operating hours of the Ormskirk urgent care centre were 8 am to 8 pm. It used to be open from 8 am to 10 pm. The initial contract was to allow the centre to be open to enable my constituents to go to the urgent care centre when GPs surgeries were closed and to ease the burden on A&E. The opening hours do not meet that need, and it transpired later last year that Virgin does not always have a GP on site. When there was a computer problem at the walk-in centre, my constituents were simply told to go home or go to A&E.

Since the Health and Social Care Act 2012, CCGs and private contractors have promised us that patients would receive quality treatment and care, but the reality has often been starkly different. With privatisation rising year on year, Ministers must ask why Members of Parliament, regulatory bodies and, worst of all, health service patients have been unable to hold private contractors and those who commission services to detailed account. They have dampened or refused transparency. There is a lack of accountability, and the service people receive can prove inadequate. Taxpayers are not being offered the high-quality patient care they expect and deserve. Many Members on the Government Benches blindly follow statements made to them and think that the situation is okay everywhere. It certainly is not. We have proved that regulators are not regulating. If we cannot get the information from private providers, Government Members cannot assert that everything is great, because we do not know.

6.31 pm

Alex Chalk (Cheltenham) (Con): It is a pleasure to serve under your chairmanship, Mr Hosie, and to say a few words in this important debate about healthcare. Only this morning I had the pleasure of visiting Charlton Lane Hospital in my constituency. It treats people with functional mental health problems and dementia. It was striking to see so many dedicated nursing staff who work in such a challenging field, but show such consistent humanity and dedication.

NHS outsourcing to private providers is a sensitive topic, but that is essentially because it has been dressed up as a threat to the NHS's guiding principle—namely that treatment should be provided free at the point of use and regardless of ability to pay. Nothing could be further from the truth, however. That principle is fundamental, inviolable and enduring. It is all those things because it reflects so much about the kind of country we are and want to continue to be.

This point has already been powerfully made by my hon. Friend the Member for Thirsk and Malton (Kevin Hollinrake), but it bears repetition. When a member of the public is rushed into hospital needing emergency care, we take pride in the fact that the ability to pay is irrelevant. NHS staff are interested in vital signs, not pound signs. That is why it was no accident that the NHS featured so heavily in the stunning opening ceremony for the London Olympics in 2012. It did so because it

reflects our nation's values. While it is perfectly legitimate to have a debate about the precise mechanics and arithmetic of how to deliver the principle of providing care free at the point of need, it would be wholly wrong to pretend that the principle itself is in play, because it is not. There is simply no appetite for the Americanisation of British healthcare. Even if there were, I could never support it, and I am entirely confident that my colleagues on the Government Benches could never support it either. It is vital that we do not conflate the word "privatisation" with Americanisation or fragmentation. It is neither of those things.

Dr Whitford: What is the hon. Gentleman's view of patients who are being asked to provide co-payments of more than £800 to have a second eye cataract surgery or to pay for their second hearing aid? That has been creeping into NHS England. Patients are being asked to pay for more and more items.

Alex Chalk: I am grateful to the hon. Lady. I respect her past record and her contributions to the House. There is an ongoing debate among clinicians—no doubt colleagues of hers—about what the NHS should cover. Most of the clinicians I speak to would welcome a more open, non-partisan and grown-up debate about the full extent of the NHS, but the guiding principle should not be confused. Whatever it is that the NHS can provide, the core principle is that it will provide it to individuals in our country regardless of their personal circumstances. I am at pains to emphasise that, because from listening to some of the contributions of Opposition Members—no doubt made entirely sincerely, but made none the less—one could be confused into thinking that that principle was under attack. It is not, and it never will be.

The debate is about the delivery of a common goal. Many take the view, with some justification, that we should be open to solutions that deliver that goal most effectively for patients. Last year, the respected and politically independent King's Fund wrote in its report:

"Provided that patients receive care that is timely and free at the point of use, our view is that the provider of a service is less important than the quality and efficiency of the care they deliver."

When debating this important question, we should not rewrite history. As the hon. Member for Ealing North (Stephen Pound) has conceded, it is a fact that certain services have been provided independently since the NHS's inception 70 years ago. Most GP practices are private partnerships; the GPs are not NHS employees. Equally, the NHS has long-established partnerships for the delivery of clinical services such as radiology and pathology, and non-clinical services such as car parking and the management of buildings and the estate. To give an everyday example, the NHS sources some of its bandages from Elastoplast. That is common sense. It would be daft if public money was diverted away from frontline patient care to research and reinvent something that was already widely available. It would be just as daft if the NHS had to do the same for its water coolers or hand sanitisers.

As the King's Fund put it in its 2017 report:

"These are not new developments. Both the Blair and Brown governments used private providers to increase patient choice and competition as part of their reform programme, and additional capacity provided by the private sector played a role in improving patients' access to hospital treatment."

Throughout Europe there are healthcare systems that offer high-quality care, free at the point of use, and make use of far greater numbers of private providers than the UK.

I want to say a few words about the impact on my constituents in Cheltenham. I will give three brief examples. First, Cobalt is a Cheltenham-based medical charity that is leading the way in diagnostic imaging. It provides funding for research, including into cancer and dementia, which it does as part of a research partnership with the 2gether NHS Foundation Trust. It assists with training for healthcare professionals, and it even provided the UK's first high-field open MRI scanner, which is designed for claustrophobic and larger patients. Are we seriously suggesting that is an affront to patient care in Cheltenham? Not a bit of it. Are we seriously suggesting that getting rid of it would be a good idea? Emphatically no.

Secondly, we have the Sue Ryder hospice at Leckhampton Court, which is a 16-bed hospice that delivers truly excellent care in the Gloucestershire countryside. It also provides hospice-at-home services. It also supports, as I know, family, carers and close friends. It is part-funded by the NHS and by charitable donations. It shows astonishing compassion, but also creativity and innovation in how it delivers care. The third example is Macmillan and its nurses. I need say no more about it—it is a fantastic organisation. To suggest that these independent providers and charities are somehow not good for patient care is to stretch a political principle beyond breaking point.

We also need to slay the myth—there was just a glimmer of it today, but it was not really developed—that somehow different types of providers are held to different standards. All providers are held to the same standards and given rigorous Ofsted-style inspections and ratings by the Care Quality Commission. For my constituents in Cheltenham, I want to see resources allocated as effectively as possible to free up resources for facilities such as A&E at Cheltenham General Hospital, which can only be delivered there. There is growing demand for A&E in Cheltenham, and the service needs to be 24/7.

It is right to say, however, that there are some legitimate concerns that can be properly addressed. The experience of Carillion has laid bare the chaos that can be caused when private providers take on significant contracts and then fail to deliver. We have to recognise that the consequences of failure in health services would not simply be an unfinished construction project, important though that is, but could be a decline in the quality of patient care. I mention that only because community services are disproportionately served by independent providers, but let us keep this in context. Based on a survey of 70% of CCGs in 2015, Monitor published analysis in its report, "Commissioning Better Community Services for NHS Patients", showing that independent providers were responsible for just 7% of contracts. We should be vigilant, not dogmatic and quasi-religious in our approach. The NHS as a whole must ensure that no contract ever becomes too big to fail and that contingencies are always in place to cater for such an eventuality.

Kevin Hollinrake: My hon. Friend is making a very fine speech. He mentioned the failure of Carillion. There are many lessons from that and many reasons behind the failure. One is that Carillion worked on wafer-thin margins in its contracts, which illustrates that the taxpayer gets very good value for money because of the competitive nature of the bidding process.

Alex Chalk: My hon. Friend is absolutely right. That is the point that I wanted to make. Where we can have a private provider that provides treatment efficiently and effectively, freeing up resources to go elsewhere on the frontline, that is fine, but we have to be extremely vigilant to ensure that when we enter into such a contract, it is not set up to fail. Were it to do so, that would resonate for patient care rather than simply being about a building waiting to be constructed. We must ensure that the principle is applied responsibly and intelligently, as I am sure it will be.

I want to see the best possible care for my constituents, and I know that every single person in this room wishes the same. We all wish to see the NHS free at the point of need. I want to see precious public resources go as far as possible to honour the founding principle and drive it forward. With careful scrutiny and sensible limits, charities and independent providers can play a part in a joint endeavour.

6.41 pm

Rachael Maskell (York Central) (Lab/Co-op): It is a pleasure to serve under your chairmanship, Mr Hosie. I apologise for not being here at the start of the debate but I was serving on a statutory instrument Committee. I am grateful that you are allowing me to speak in today's important debate about our NHS.

I felt motivated to speak when I entered Westminster Hall and listened to the debate, particularly on the assertion that privatisation is not such a bad thing. I want to draw out the issue of NHS funding. The funding system is broken. I am grateful to the Minister for meeting me recently to discuss the real challenges in York's funding system. I look forward to hearing that progress has been made as a result of that, but there are real challenges within the funding system and I want to challenge some of the assertions made about that.

We must understand that the NHS was designed to work as a whole. The types of services that move to the private sector are low risk and high volume, such as hips, knees and cataracts. If we add those together, someone can cream a profit—I would prefer a reinvestment—off the top of providing those services. The NHS used to take the additional money and reinvest it in the more expensive parts of the NHS, such as intensive therapy units, the renal service, for which the drugs are very expensive, and A&E. The fine balances of NHS finances worked. However, when we remove those opportunities, because the hips and knees are being delivered by another organisation that makes a profit out of the NHS, although the risk is left with the NHS, NHS finances collapse because the cross-funding is not going into those services, which is exactly what we are seeing at the moment. I first had that debate with Andrew Lansley when he put his proposals forward, and it has come to pass that NHS finances are not working because that balance has been taken out of the finances. The opportunity for the NHS to generate the resources that are vital for the critical care parts of the NHS is removed.

Kevin Hollinrake: The hon. Lady makes a good point, but the reason the NHS is under pressure is hugely increased demand. There is more money going into the NHS, and we would all concede that we need to put more money in, but demand is the essence of the problem. It is not because we have private sector companies operating within it.

Rachael Maskell: The hon. Gentleman is right that demand on the NHS is huge, which takes me to a further point that I will raise shortly. We recognise that we need more resource in the NHS, but the fragmentation and the fact that so much money is taken out for contract management as opposed to reinvestment into health services creates challenges. We now have lawyers and managers managing those contracts in the NHS instead of the money filtering through to healthcare, as it would in a planned health system. Of course, when we have fragmentation, we have to work with multiple systems across multiple agencies, and trying to get the organisations to talk to each other also puts pressure on the system.

We have a growing ageing demographic and increased pressures on the health service, but, because we now see a disconnect between some of the NHS's other services, such as prevention and public health, we do not have the levers in the system to drive better health in the community, and more risk therefore ends up back at the door of the acute services. As the situation escalates, the acute system is more and more challenged, not least because of the different funding mechanisms and interests of the CCGs and the acute trusts. If we look at a tariff system versus the CCGs' interests, we see that they clash with each other, which then means we have a waste of resource.

I can give examples of how the funding is broken and not working within York. I have had discussions with the CCG and the acute trust. The CCG has to fund tests and other services that are not picked up elsewhere in the tariff system. Where do those services go? They go out to the private sector, so there is a cycle of decline and trying to manage a system where the fundamentals of how NHS funding works are not addressed. I suggest to the Minister that if we brought together a planned health service with proper funding, the rest of the system would fit in place, but we have to take out the private motive within the NHS, which is clearly why many organisations are involved.

We have only to look at some of the services that are provided. I think of the Serco contract in Cornwall, where only one GP was in service for the whole of the county. I think of Serco again in Suffolk and how it provided community services. When it was not generating a profit, it said, "We're off. We're not interested in this service any more", leaving some of our most vulnerable people in the community high and dry, with the NHS of course picking up the cost every single time and picking up the pieces. That is no way to run a critical health service in our country. That is why we need to move to a fully planned health service in public hands.

I want to draw on one other example of a private company: Virgin Healthcare. It was first of all an incubator within the forerunners to CCGs, seeing what was coming along the tracks and the opportunities there. I can cite many services provided by Virgin Healthcare and how it has looked to profiteer and cut services. I was head of health at Unite overseeing sexual health workers. Virgin cut sexual health services and as a result there was a rise in the prevalence of sexual disease. The services also became fragmented. The community was not provided with a service, and there was a complete failure to achieve the objective of the service.

Elsewhere, we see Virgin suing the NHS because it is not winning contracts. The business of Virgin is about generating as much money out of the state as it possibly can.

Private companies use the NHS for their own interests to fill the pockets of shareholders as opposed to supporting patients. We must take the profit motive and private companies out of the NHS because that model is completely broken.

I will move on to two other issues. The first is staff in the NHS. I worked in the NHS for 20 years, so I know what it feels like. People do not want to work for private companies. They want to have one set of terms and conditions, and to engage with one set of training. They want one set of rules, and most of all they want the pride of working for the NHS.

Kevin Hollinrake: Will the hon. Lady give way?

Rachael Maskell: No, I will make some progress. People want to work in the interests of patients. It is important that we maintain that, because it is healthcare workers who give all the hours of unpaid overtime that nobody ever talks about. Why would they want to do that for a private company? They do it because of the sense of public service that comes from our country's greatest pride: the NHS. We therefore need to listen to what our NHS staff say. That is why I take issue with the hon. Member for Cleethorpes (Martin Vickers), who spoke about union leaders shouting off. They represent more than 1 million people working in our NHS. They are the voice of people working in the NHS.

Kevin Hollinrake *rose*—

Rachael Maskell: As a union leader who spent 20 years working in the NHS, I certainly spoke up for all my members, who were deeply concerned about the destruction of the NHS because of the privatisation and fragmentation that was happening across it.

The second issue is what is happening to NHS buildings. We know that buildings were moved into NHS Property Services, which is a wholly owned company with one shareholder: the Secretary of State. He is looking through the Naylor report, which is not included in legislation at the moment, to reduce the estate. There may be some good cases for that, but profit should not be at the head of the argument. We should look at how the estate can be reinvested for the benefit of the community.

Parkland at Bootham Park Hospital in my constituency would make a fantastic public park and would address some of the mental health challenges in our city, which was the purpose of the hospital. I ask the Minister to take a further look at that opportunity. Under Treasury rules, the building and the parkland have to be sold to one private provider. Clearly, that would not work for my city. With regard to the rest of the estate at Bootham Park Hospital, it would be great to see the old mental health hospital converted into key-worker housing to support the rest of the NHS. York is in real crisis with regard to recruiting staff, because they cannot afford to live in the city. If we had key-worker homes on that estate, it would create a sea change. That is about putting public interest at the front, not private profit.

Finally, I want to talk about the future, because I am aware that time is moving on. I truly believe that the only way forward for our NHS is to have one planned public service, with full integration of mental health, physical health, public health and social care, provided in the interests of the community. We need play-space

to look after the community, and no more fragmentation. It is ridiculous that we have so many regulators and so many different providers. The whole system is fragmented and fighting against itself. If we had one planned system, it would not only simplify the system, but ensure that the money is invested back into the heart and needs of patients.

Andrew Selous *rose*—

Rachael Maskell: That is exactly how we should move forward, whether with consensus across all parties, which of course I would like to see, or just by putting forward what is logical.

Gillian Keegan *rose*—

Rachael Maskell: NHS staff are calling for it, managers are calling for it, and I trust that the Minister has heard the call in today's debate.

6.54 pm

Dr Philippa Whitford (Central Ayrshire) (SNP): It is a delight to serve under your chairmanship, Mr Hosie. In the scope of the history of the NHS, I would like to make a little punt for the Highlands and Islands Medical Service—a forerunner of the NHS that was founded in 1913, a long time before the UK NHS.

To make a gentle point to the hon. Member for Gloucester (Richard Graham), I will read the World Health Organisation's 1995 definition of privatisation. Privatisation means

“a process in which non-government actors... become increasingly involved in the financing and provision of health care, and/or a process in which market forces are introduced into the public sector.”

Patients who attend any of the four UK health services will receive amazing care, but that is predominantly due to the dedication of the people who work in them, some of whom are working against much harder pressures than others. Government Members talked about outsourced cleaning and car parking as a good thing. There was evidence that it was the outsourcing of cleaning, and poor-quality cleaning, that led to the rise of hospital-acquired infections.

Kevin Hollinrake *rose*—

Andrew Selous: Will the hon. Lady give way on that point?

Dr Whitford: No, because there is very little time.

Andrew Selous: We have 35 minutes left.

Stewart Hosie (in the Chair): Order. The hon. Lady will decide what interventions she wants to take.

Dr Whitford: I have only just started, and there is not much time left. It is repeatedly mentioned in this House that patients and carers in England have to pay significant car parking charges. That should not be seen as a benefit.

The Conservatives introduced the internal market in 1990. That introduced competition between NHS hospitals, and even at that point created an “us and them” mentality in my local area. It created divisions between the GPs

and the hospital through the purchaser-provider split. Sometimes, if a patient was sent to me but had a problem that I diagnosed as pertaining to a different department, I could not refer them on, because the GP would not fund it. They had to go back to the GP and start again. That was both inefficient and, at times, dangerous.

Unfortunately, I have to criticise official Opposition Members, because I remember in 1997 when Labour got in and talked about going back to one NHS. Those of us who worked in the NHS were delighted. Sadly, we soon started to hear about foundation trusts and, in essence, we were back to the same policy. It was Labour that introduced independent treatment centres, initially with block contracts for common operations such as those on hips and knees. Most of those contracts were not met, and were therefore of incredibly poor value. GPs were being pushed to refer their patients to the ITCs. That was eventually recognised, and the move was made towards payment by results, which eventually led to the tariff. Capital funding was also kept off the books, leading to the private finance initiative, which we have discussed many times in this place. PFI has been shown to result in between £150 million and £200 million of profit per year for the companies that hold the contracts. That is putting a huge strain on many trusts.

In the 2010 election, the Conservatives promised no top-down reorganisation. Unfortunately, just a couple of years later, with the introduction of the Health and Social Care Act 2012, we saw that that was not true. The Act came into force in April 2013, and section 75 in particular pushed commissioning groups to put contracts out for tender. That has created relentless pressure to bring independent sector providers into the NHS. As the hon. Member for Thirsk and Malton (Kevin Hollinrake) mentioned, it has risen from £2.2 billion in 2006 to £9 billion in 2016-17, more than 10 years later. That is approximately the same cost as providing all GP services, so it is not a minor cost; it is significant. The independent treatment sector in 2015-16 won approximately 34% of contracts—a figure that rose to 43% in 2016-17. However, as the independent treatment sector has moved towards more community services, it is now winning approximately 60% of contracts. There is no question but that there is greater involvement of private companies in providing healthcare.

We hear all the time about waste in the NHS, but we have had circular reorganisation throughout my career—from 100 health authorities to 300 primary care trusts, to 150 primary care trusts and to a little more than 200 clinical commissioning groups. CCGs were described as putting power into GPs' hands, but less than half of CCGs have a majority of clinicians on them, and less than 18% have a majority of GPs. We are now going to go through another change, with the introduction of 44 sustainability and transformation plans or accountable care organisations. The costs associated with the redesign, the redundancies, the new organisations, the external consultants and the change managers are all described as one-offs, but this has been repeated relentlessly over the past 30 years and has resulted in huge waste. Much smaller organisations, such as hospital trust and ambulance trusts, are now run by very senior managers with six-figure salaries—the same size as those received by the people who ran health authorities at the start of all this. That is a waste.

[Dr Whitford]

Then there are the running costs of the market itself—the contracting design, the tendering, the bid teams, the corporate lawyers, the billing and the profits. The costs of the system are utterly opaque. It is not possible to penetrate the veil of commercial sensitivity, and the Department of Health does absolutely nothing to show where public money is spent. It is estimated that the cost of the English healthcare market is between £5 billion and £20 billion—no one really knows. We have no evidence of precisely how high the costs are, and there is absolutely no evidence of a benefit, so it is not possible to do a cost-benefit analysis.

Kevin Hollinrake: The hon. Lady is talking about the efficiency of the system, but is she aware that the Commonwealth Fund report, which addresses some of the issues she is talking about, described the NHS as the most efficient healthcare system in the world?

Dr Whitford: The 2014 “Mirror, Mirror” report was actually based on the years before the Health and Social Care Act 2012 came into force—2010 to 2013—and at that time the NHS was No. 1 in eight out of 11 markers. That was due not to privatisation, but to easy accessibility. One of the key things is that patients can access the NHS quickly and easily. That ranking is not based on the system of reform that the Health and Social Care Act introduced.

Kevin Hollinrake: The hon. Lady seems to be implying that the internal market is a problem, but it has been in place since my right hon. and learned Friend the Member for Rushcliffe (Mr Clarke) was the Chancellor. Efficiencies have been driven, and she must take into account the internal market reforms that are in play.

Dr Whitford: The difference is that the original market was an internal market; what we have at the moment is an external market, which means that money is leaving the NHS and going to external companies. That is quite different from competition among hospitals.

To tackle waste, we should start with the cost of the market. Even if it is at the lowest end—£5 billion—it would help to clear the debt and pay for the hole in social care. It would make a significant difference.

In the five years leading up to 2013, the NHS always somehow managed to find money down the back of the sofa, and it scraped out with about £500 million at the end of each year. In 2013-14, it was overdrawn by £100 million. The next year, the figure was £800 million, and in 2015-16, it was £2.5 billion. People sometimes say, “There’s this little bit of efficiency, and this little bit has been saved”, but when I started the UK spent 4.5% of its GDP on health, and the highest it reached was 9%. Imagine if all that money had gone to frontline care, as the hon. Member for Thirsk and Malton talked about, and was used to pay nurses properly, get rid of bureaucracy and actually deliver care. We can do that only if we have a planned single system; we cannot do it if we create an entire bureaucracy.

Scotland diverged in 1999 when we got devolution. We abolished hospital trusts in 2004 and primary care trusts in 2008. We have place-based planning in the form of health boards, which have led to the integration

of primary and secondary care. We now face the difficult challenge of the integrated joint boards for integrating health and social care. Look at our success: in-patient satisfaction is up to 90%, delayed discharges have been down every single year and Scotland has had the best accident and emergency performance since March 2015. In February, emergency department performance in Scotland was 90.3% in four hours; in England, it was 76.9%. Look at how the challenge evolved: it literally started in April 2013, when the NHS in England came under pressure.

I have frequently welcomed the plan to move to place-based planning. I agree that the term “accountable care organisations” is unfortunate, but the model contracts put out in August still make it clear that independent sector providers could bid to run an entire accountable care organisation. There is no statutory structure. The basis must be that there absolutely has to be accountability and a statutory responsibility. I believe there should be a presumption of a return to the NHS.

It is crucial that we reform the perverse incentives. Hon. Members have mentioned the tariff. Hospitals earn money only if people are admitted. They make money out of those who are not that sick and lose money on people who are incredibly sick. How will a hospital take part in this if keeping people in the community, which we all want, means that they lose money? That should be reformed in this place. Section 75 of the Health and Social Care Act caused the Nottingham University Hospitals NHS Trust to waste £500,000 preparing a bid for the Nottingham Treatment Centre against Circle, which then just pulled out. Hon. Members have mentioned that Virgin has sued six Surrey CCGs, one of which leaked that it is paying £328,000. Multiply that by six, and we are talking £2 million. The idea that outsourcing to private companies has brought benefits simply does not stack up. We are putting money into care. Get rid of outsourcing and fragmentation. I support the idea of place-based planning, but patients, not budgets, have got to be in the middle of it.

7.7 pm

Justin Madders (Ellesmere Port and Neston) (Lab): It is a pleasure to serve under your chairmanship, Mr Hosie. I congratulate my hon. Friend the Member for Hartlepool (Mike Hill) on the eloquent and knowledgeable way in which he introduced the debate on behalf of the Petitions Committee. He took us through a brief history of the health service and private sector involvement in it, and talked about the fears that have been expressed about the future of private involvement, particularly through the tendering process and the potential trade deals with other countries. I was very sorry to hear about his constituent, Connor McDade, and I would like to send my condolences to his family. I join my hon. Friend in paying tribute to the staff who looked after Connor and to all staff in the NHS, who make it the institution we feel passionately about.

That passion is demonstrated by the fact that, by the time we finish the debate, more than 20 Members will have spoken. Unfortunately, because of the number who have spoken, I am not able to go through every single contribution, but I want to draw attention to some of them.

My hon. Friend the Member for Hyndburn (Graham P. Jones) made an excellent speech in which he told us in detail how Lancashire has fragmented under the Health

and Social Care Act 2012, and said that a High Court judge has blocked a £4 million Virgin Care contract. Later, I will talk about some of the adverse consequences of the 2012 Act in terms of litigation.

My hon. Friend the Member for Warrington South (Faisal Rashid) rightly raised concerns about the fact that the pursuit of profit can put patient care at risk. He gave a number of examples of the litigation that has been forthcoming, and he was ably assisted by my hon. Friend the Member for Dewsbury (Paula Sherriff) in that regard.

My hon. Friend the Member for Stroud (Dr Drew) talked about the wholly owned subsidiary that is proposed for his area. He is right that such a major change should not be proposed without being referred to hon. Members or members of the public. He asked a number of pertinent questions, and I look forward to hearing the Minister's replies.

Similarly, my hon. Friend the Member for Leeds North West (Alex Sobel) talked about the wholly owned subsidiary company in his constituency. I was pleased to hear that his trust has at least responded to hon. Members' concerns and is taking stock before moving on. I agree that there needs to be equality across all trusts in respect of the funding base upon which they make such decisions. He was absolutely right to say that it is not only clinical staff who make the NHS what it is today. Sometimes we do not recognise the valuable contribution that those who work behind the scenes make to the smooth running of our services.

My hon. Friend the Member for West Lancashire (Rosie Cooper) gave a tour de force of a speech. She is a greatly experienced health campaigner and described three fundamental problems with how the health service is run at the moment: transparency, accountability and the prioritisation of shareholder gain. How can it be right for a publicly funded service to refuse to answer questions from an hon. Member on the basis of "commercial confidentiality", a phrase that can cover a multitude of sins? My hon. Friend is absolutely right to continue pursuing such matters, as she has done in many areas.

My hon. Friend the Member for York Central (Rachael Maskell), as always, gave a formidable speech about the issues affecting our national health service. She set out clearly how the cherry-picking of some services by the private sector damages the NHS as a whole and loads risk on the public sector.

Richard Graham: I was struck by how the hon. Member for York Central (Rachael Maskell), while talking about the need to find cross-party consensus on these issues, took no interventions from anyone on the Government Benches—[*Interruption.*]

Stewart Hosie (in the Chair): Order.

Richard Graham: Furthermore, she made no recognition of the fact that issues such as subsidiary companies and so on are separate from the points she was making and absolutely not about privatisation.

Justin Madders: Members are indicating that my hon. Friend the Member for York Central did take interventions. It is not for me to comment on that, but I thought her speech was superb, and it came from many years of experience in the health service. However, on

the contribution of the hon. Gentleman himself, I have to say that I disagree with him—this debate is about not a local election or weaponising the NHS, but about the 240,000 members of the public who signed the petition, which was launched some five months ago.

The hon. Gentleman also challenged us to find Conservative Members in support of privatisation—they may not express that support publicly, but we need only look at what has happened to the health service under a Conservative Government to see that privatisation has accelerated since 2010. There is also the famous 2005 pamphlet that advocated privatisation of the NHS. The Health Secretary has, I know, disowned his comments as one of the co-authors, saying that the pamphlet no longer represents his views, but at least five other current Conservative Members were co-authors, so there are questions to be asked about it of those on the Government Benches.

As other Members have said, private sector involvement has of course always been an element of the NHS, but since the Health and Social Care Act came into force there has been a step change in that involvement. After the Act became law, the amount of cash going to private sector partners went up by a staggering 25% in the first year alone. That is part of a broader trend identified by House of Commons Library research—the equivalent of £9 billion a year of NHS funds now goes into the private sector, which is double the figure under the previous Labour Government.

As we have heard, there are also huge problems with litigation arising from the 2012 Act. Money should not be spent on lawyers, procurement processes, tendering and court cases; it should be spent on patients. Given the longest and most sustained financial squeeze in the history of the NHS, we can ill afford money to be used in that way. The financial squeeze has also had consequences for how NHS hospitals are forced to use the private sector. Elective procedures in the private sector have gone up by 58% in the past year alone.

Kevin Hollinrake: Will the hon. Gentleman give way?

Justin Madders: I am sorry, I shall take no more interventions, because I am struggling for time.

Patients are voting with their feet. Owing to the deterioration in waiting times, over three years the number of patients going abroad for treatment has trebled to 144,000 last year. With the Government abandoning the 18-week waiting time target, and the widespread rationing of some treatments, that figure will surely get worse. Does the Minister accept that those figures are a matter of concern, and does he expect them to increase or decrease in the next 12 months?

Kevin Hollinrake: Will the hon. Gentleman give way on a matter of record?

Justin Madders: Okay.

Kevin Hollinrake: I am grateful. The hon. Gentleman will correct me if I am wrong, but I think he said that the growth rate in outsourcing has increased under this Government and the coalition. Full Fact, however, states that the growth rate was similar under both Governments—the Governments since 2010 and the previous Government.

Justin Madders: I am familiar not with those particular figures but with the House of Commons Library research, to which all Members have access and which was available in the brief for this debate.

A number of Members talked about wholly owned subsidiaries, and how they can undermine terms and conditions and open a back-door route to potential privatisation of the NHS. So far, the Government have kept that back door open. There are no guarantees that such companies will not end up in private hands in future, or that the recently announced and much welcomed pay rise for NHS staff will apply to those employed by those subsidiaries. Will the Minister agree that, as a matter of fairness, staff working in the subsidiaries should also receive the pay rise proposed by the Government?

In recent years many NHS trusts have set up those private companies, and up to 8,000 posts could potentially be affected—some reports have suggested that up to 40 trusts are now considering such arrangements. If completed, that would represent one of the biggest transfers of NHS staff and resources. We know the financial pressures that trusts are under, and some have sought to justify such moves as a way of saving VAT, so we can understand the dilemma facing trusts—the funding restrictions in the NHS have been some of the most difficult in living memory.

The overall position, however, is that there would be no saving to the taxpayer—although individual trusts may make a saving—because whatever is lost to the Treasury has to be made up elsewhere. It is incumbent on the Government to take action to ensure that all trusts are on a level playing field. The fact that they have done nothing so far adds to the suspicion that they are allowing, whether by accident, design or indifference, the fragmentation and privatisation of the NHS. I have some sympathy with the trusts making those proposals, but when one looks at the amount spent on management consultants to come up with the changes, the sympathy dries up.

Near my constituency, for example, the Clatterbridge Cancer Centre has spent more than £661,000 establishing a wholly owned subsidiary. The figures show wholly owned subsidiaries to have been extremely profitable for consultants in recent years and, despite a 2010 ministerial pledge to reduce managerial costs by 45%, annual expenditure on management consultants increased by 104% between 2010 and 2014. A study by the University of Warwick evaluated the expenditure, and the principal finding was that the use of management consultants was associated with a small decrease in efficiency. Has the Minister considered that report by Professor Kirkpatrick, and will he look again at the role of management consultants in the NHS?

I appreciate that I am running up against the time limit, so I will conclude. The people who have signed the petition are clearly articulating a concern about a hostile environment created by this Government. They wish to see a return to a properly funded, comprehensive, reintegrated and public NHS that is of course free at the point of use. It is time for there to be a Labour Government to deliver that vision.

7.18 pm

The Minister for Health (Stephen Barclay): It is a pleasure once again to serve under your chairmanship, Mr Hosie. I thank all Members who have contributed

to this wide-ranging debate, in particular the hon. Member for Hartlepool (Mike Hill) who, as a member of the Petitions Committee, introduced today's debate on the petition.

I join the shadow Minister, the hon. Member for Ellesmere Port and Neston (Justin Madders), in expressing our condolences for Connor McDade, the constituent of the hon. Member for Hartlepool, especially given Connor's tender age. That must be extremely traumatic for his family.

"As the NHS moves from a public sector monopoly to a truly patient-led service, exciting opportunities are opening up for hospitals and other providers, whether public, private or not-for-profit"—

those are not my words, but the words of a Labour Secretary of State for Health in 2007. Perhaps, however, I am looking too far in the past and we should look to a more current Labour politician, such as the Mayor of Manchester, who was the last Labour Secretary of State. He said:

"Now the private sector puts its capacity into the NHS for the benefit of NHS patients",

which I think most people in this country would celebrate. Indeed, the other of the three most recent Labour Secretaries of State, Mr Milburn, joined PwC in 2013 as chair of its UK health industry oversight board, whose objective was to drive change in the health sector and assist PwC in growing its presence in the health market.

As the hon. Member for Hartlepool recognised, from the outset, the NHS has always had a private treatment offer—I think he used those words. The key issue is where the care remains free at the point of access. That is enshrined in the 2012 Act and is reflected in many of the remarks made by Conservative Members.

My hon. Friend the Member for Thirsk and Malton (Kevin Hollinrake) addressed the question of whether, alongside care being free at the point of access, there had been a step change in the number of private suppliers—that seems to have been the suggestion—notwithstanding the clear support from the last three Labour Secretaries of State for Health for such provision. It may surprise you, Mr Hosie, to learn that in the last year for which financial data is available, NHS commissioners purchased 7.7% of total healthcare from the independent sector. In 2010, the figure was just under 5%, so the rates of growth in the use of private providers under this Government are not the same, as my hon. Friend suggested; they are lower than those under the previous Government. We need to put into a degree of context some of the scaremongering that there has been in this debate about privatisation and weaponisation of the NHS.

The hon. Member for Colne Valley (Thelma Walker), who is not in her place, talked about privatisation—in that context, several Members mentioned Carillion. Again, it may be helpful to remind the House that of 13 PFI contracts signed with Carillion for facilities management, 12 were agreed prior to May 2010. The hon. Member for Dewsbury (Paula Sherriff) suggested that she was keen to talk to Ministers about her concerns with Virgin Care. I accept that, just as with care within the NHS, often there are lessons to be learnt in care from a private provider. The hon. Lady is not in her place, but I am happy to accept her offer to meet her to learn from any past experience she has. The hon. Member for

Crewe and Nantwich (Laura Smith) referred to PFI deals; as I said, many of those were signed by past Governments.

My hon. Friend the Member for South West Bedfordshire (Andrew Selous), in a first class, wide-ranging speech, referred to one of the key themes that came out of the debate: the importance of integrated care. Again, the weaponisation of this debate is highlighted by the fact that sustainability and transformation plans—as he said, they were endorsed by non-political bodies such as the King's Fund—were characterised at the time by people such as Mrs Pollock as secret Tory privatisation. Indeed, the same person previously characterised Labour's foundation trusts as privatisation. We have seen this privatisation badge given to successive changes as they have been applied. My hon. Friend is quite right that Simon Stevens was appointed as a special adviser by a Labour Government. His evidence to the Health and Social Care Committee was quite clear when he highlighted how many of these issues have been cited before.

The hon. Member for Hyndburn (Graham P. Jones) spoke of his concerns about fragmentation. I hope that he will welcome the shift to place-based commissioning and a focus on greater integration between commissioners. My hon. Friend the Member for Chichester (Gillian Keegan) identified the fact that patients' outcomes are uppermost in the approach. That is very much reflected in the example she gave of the better care fund, which is all about how we bring health and social care together. An example of that is the change that the Prime Minister made by bringing the Minister for Care, my hon. Friend the Member for Gosport (Caroline Dinéage), into the Department to look at how we can better integrate.

The hon. Member for Warrington South (Faisal Rashid) suggested that the role of private firms had doubled since 2010. As I said, that is just not correct—the figure has gone from 5% to 7.7%, so the facts dispute that. My hon. Friend the Member for Gloucester (Richard Graham), in a very good speech, correctly highlighted the poor value for money of many PFI deals. That is why the Treasury changed the terms by which those Labour PFI deals are now contracted. It is right that we learn many lessons from them.

The hon. Member for Stroud (Dr Drew) raised a number of very fair, genuine and worthwhile points. I will quickly try to address them, although I refer to a previous debate in this Chamber on subsidiaries, where we aired some of the points that he raised. Subsidiaries are 100% owned by the NHS, so any financial benefit they gain is retained within the NHS family. They are an alternative to having to contract outside the NHS family, so they help to keep money in the NHS. It is also worth bearing in mind that the staff surveys often show, contrary to some of the remarks, that many staff have welcomed them—there was a 15% increase in staff survey responses in one hospital. To take another, Barnsley saw a six-fold increase in the number of applicants to roles, because the better flexibility and up-front salary offset against pension is one of the attractions that many staff feel that subsidiaries offer.

My hon. Friend the Member for Thirsk and Malton spoke about his experience, which underscored a point made by a number of my hon. Friends: the absolute, rock-solid commitment on this side of the House to treatment being free at the point of use. He gave the example of waiting for care—a critical point and something that none of us wishes to see; under this Government we will not see that. My hon. Friend the Member for Cleethorpes (Martin Vickers) very correctly identified how private provision can, when correctly commissioned, bring quicker care. A good example of some of the subsidiaries is diagnostic care, where clearly it is in the interest of patients to get the results of their tests quicker.

I recognise, as the hon. Member for West Lancashire (Rosie Cooper) highlighted, that there needs to be transparency in respect of outsourced contracts. When I was a member of the Public Accounts Committee, a phrase we often referred to was “following the taxpayer's pound.” That stood then and it stands now. I am very happy to work with the hon. Lady on how we can ensure that we are able to follow the taxpayer's pound and address areas of variance. Variance applies in the NHS family, but it also applies in the private sector. I am very happy to work with her, just as I am looking forward to a visit, on a cross-party basis, to look at some of the specific issues at the Liverpool Community trust that she correctly identified and brought to the House. The hon. Member for York Central (Rachael Maskell) said that no one wants to work for subsidiary companies; as I said, patients' survey data suggests that is not the case.

My hon. Friend the Member for Cheltenham (Alex Chalk) highlighted how outsourcing is dressed up as a threat to treatment being free at the point of use; he is right to highlight the way that is being misrepresented and his pride in the fact that there is no payment requirement for treatment. He also highlighted the diverse mix in hospices, with charities such as Macmillan, which are not part of the NHS. No one would suggest that that is privatisation; this petition, which likens all outsourcing to privatisation, is deeply misleading.

I want to allow a minute for the hon. Member for Hartlepool to make his concluding remarks, so I conclude by reaffirming the absolute commitment of this Government to maintain treatment free at the point of use, but also always to put the needs of patients first and to respect value for money for the taxpayer. That has been reflected in many of the remarks from hon. Members across the House, and it is the essence of this Government's approach.

7.29 pm

Mike Hill: I thank all hon. Members for their powerful contributions, and I thank the petitioners, whose numbers helped to secure this important debate.

Question put and agreed to.

Resolved,

That this House has considered e-petition 205106 relating to the privatisation of NHS services.

Sitting adjourned.

Written Statements

Monday 23 April 2018

BUSINESS, ENERGY AND INDUSTRIAL STRATEGY

Business Update

The Secretary of State for Business, Energy and Industrial Strategy (Greg Clark): The Financial Reporting Council (FRC) is the regulator responsible for financial reporting and corporate governance in the UK, as well as the designated Competent Authority for independent audit in the UK.

The Government have invited Sir John Kingman to conduct a comprehensive independent review of the FRC. Sir John Kingman has a wealth of private and public sector experience which he will bring to bear in his independent review. He will be supported by an advisory board which he will convene.

The review is part of the Government's industrial strategy aim of creating a business environment that works for everyone, in which independent and effective regulation plays a key role.

The UK has a strong reputation as a dependable place to do business, but this needs to be continuously updated, and it is important to ensure that our regulators continue to drive high standards.

The root and branch review will assess the FRC's governance, impact and powers, to ensure it is fit for the future. It is intended that the review will include a call for evidence, and will be completed by the end of 2018.

Further detail regarding the scope of the review is set out in its terms of reference, which have been placed in the House Library.

[HCWS635]

Intellectual Property Office: Performance Targets

The Minister for Universities, Science, Research and Innovation (Mr Sam Gyimah): As an executive agency and trading fund of the Department for Business, Energy and Industrial Strategy, the Intellectual Property Office sets targets which are agreed by Ministers and laid before Parliament. For 2018-19 its targets are:

At least 85% of our customers will rate us 8-10 or higher in overall satisfaction.

We will have prepared the systems supporting our trade-marks and designs services for the UK's exit from the EU and the implementation of the EU trade mark directive.

We will offer faster handling of patent applications, by providing an examination report with a search report when both are requested at the application date, and meeting at least 90% of requests for an accelerated two-month turnaround for search, publication and examination.

We will ensure that all of the Intellectual Property Office's Statutory Instruments relating to EU exit are drafted and ready for laying as required by the legislative authorities.

Sixty per cent of the businesses we reach and survey confirm that they have made an informed decision on their IP.

We will deliver our part of the creative industries sector deal and alongside industry develop appropriate voluntary measures targeting: online market places, social media and digital advertising.

We will develop and launch 'The Deal', clarifying the mutual expectations between IPO and its employees.

We will externally validate and benchmark our provision for the mental health of our people.

We will demonstrate an efficiency gain of at least 3.5%.

[HCWS629]

DEFENCE

Contingency Liability

The Parliamentary Under-Secretary of State for Defence (Guto Bebb): I have today laid before Parliament a departmental Minute describing a Contingent Liability (CL) in the region of £150 million associated with the Initial Airport Services Contract (IASC) at RAF Brize Norton. This initiative is part of programme GATEWAY, which was established to develop an enhanced operating model for the station.

The IASC will ensure the continuity of existing contracted technical support services following the expiry of the current Multi Activity Contract (MAC) on 30 September 2018. It will also offer benefits through the contractorisation of additional services, including elements of ground engineering, logistics and support administration. By expanding the existing MAC service provision, it will release military liability to meet the strategic defence and security review 2015 growth plan and release civil service posts in support of the planned civil service headcount reduction. It will also provide a value for money service contract through rationalisation and economies of scale.

The maximum CL is in the region of £150 million, which ensured healthy competition from prospective tenderers. There is also a further CL of £2,880,000 associated with the indemnity given to contractors for terminal redundancy liability associated with ex-authority staff.

The Treasury has approved the proposal in principle. If, during the period of 14 parliamentary sitting days beginning on the date on which this minute was laid before the House, a Member signifies an objection by giving notice of a parliamentary question or a motion relating to the Minute, or by otherwise raising the matter in the House, final approval will be withheld pending an examination of the objection.

[HCWS632]

Submarine Delivery Agency

The Secretary of State for Defence (Gavin Williamson): In the strategic defence and security review 2015, the Government committed to creating the dedicated submarine delivery body in order that we can better manage the complex submarine procurement, support and disposal

programmes. We have established the Defence Nuclear Organisation, led by the Director General Nuclear, in the Ministry of Defence and the Submarine Delivery Agency was formally established as an executive agency on 1 April 2018.

We will create a high-performing delivery organisation capable of managing industry to schedule and cost in order to provide world-class capabilities to support our deterrent and submarine operations. The agency has the authority and freedom to recruit and retain the best people to manage the submarine enterprise.

The SDA is held to account through performance indicators and metrics under the following themes:

Corporate performance. To confirm the SDA is delivering the benefits associated with being established as a dedicated delivery organisation focusing on the submarine enterprise; and to ensure that the SDA has the right people with the right skills in the right place to deliver the agreed programme of work.

Performance against the acquisition programme. To provide confidence in the SDA's ability to deliver the programme to the agreed performance, time and cost.

Performance against the in-service support programme. To provide confidence in the programme.

Supply chain. To assure the SDA's relationship with industry and the supply chain to achieve cost-efficient delivery for the SDA's customers, as well as protecting our ability to deliver underwater capability in the future.

Safety and security. To confirm that the SDA is embedding a culture that achieves continuous improvement in safety and security through a robust and consistent application of processes and development of lessons learned.

Further details of the SDA's governance structure, function and policies are contained in the framework document. The agency's strategic objectives are set out in the corporate plan. I have placed copies of both documents in the Library of the House.

[HCWS633]

DIGITAL, CULTURE, MEDIA AND SPORT

Media

The Secretary of State for Digital, Culture, Media and Sport (Matt Hancock): On 11 April 2018, under section 57(1) of the Enterprise Act 2002, the Competition and Markets Authority (CMA) formally brought to my attention the acquisition by Trinity Mirror plc of certain publishing assets of Northern & Shell. The CMA considered that the transaction may raise public interest considerations for the Secretary of State under section 58 of the Act. The CMA has also launched an initial investigation into the competition aspects of the merger.

Having considered a broad range of evidence, I have today written to the parties to inform them that I am minded to issue a public interest intervention notice on the basis that I have concerns that there may be public interest considerations—as set out in the Act—on two grounds that are relevant to this merger that warrant further investigation.

The first public interest ground is the need for free expression of opinion, and concerns the potential impact the transfer of newspapers would have on editorial

decision making. In coming to this decision I have given consideration to the issue of formal mechanisms to ensure that editorial independence is maintained at the acquired titles.

The second ground is the need for a sufficient plurality of views in newspapers, to the extent that it is reasonable or practicable. In coming to this minded-to decision I have taken into account that the merged entity would own the largest share of national titles within the UK newspaper market, owning nine out of 20 national newspaper titles, and become the second largest national newspaper organisation in circulation terms, with a 28% share of average monthly circulation based on circulation figures for 2017 among national titles, including daily and Sunday titles.

Any decision to intervene would require Ofcom to assess and report to me on the public interest considerations and the Competition and Markets Authority to report on jurisdiction.

In line with the guidance that applies to quasi-judicial decisions, I have invited written representations from the parties and will aim to come to a final decision on whether to intervene in the merger shortly.

[HCWS636]

FOREIGN AND COMMONWEALTH OFFICE

NATO Parliamentary Assembly

The Secretary of State for Foreign and Commonwealth Affairs (Boris Johnson): The right hon. Friend the Member for Mid Sussex (Sir Nicholas Soames) has replaced my hon. Friend the Member for Filton and Bradley Stoke (Jack Lopresti) as a member of the United Kingdom delegation to the NATO Parliamentary Assembly.

[HCWS630]

Safe Schools Declaration

The Secretary of State for Foreign and Commonwealth Affairs (Boris Johnson): I am today announcing that the UK will endorse the Safe Schools Declaration underlining our political support for the protection of schools during military operations and armed conflict. Furthermore, the UK will encourage relevant international partners to endorse the declaration.

The Safe Schools Declaration is a pledge; an assurance from Governments to take all feasible measures to protect schools during armed conflict.

The provision of education in conflict zones and humanitarian situations puts affected populations back on track, establishes routine and purpose, shapes belief in the future, and supports the process of reconstruction.

[HCWS631]

PRIME MINISTER

Commonwealth Heads of Government Meeting

The Prime Minister (Mrs Theresa May): Last week I hosted the Commonwealth Heads of Government meeting (19-20 April)—the largest summit of its kind in our country's history. Leaders from 53 countries gathered together with over 15,000 delegates, including at 90 side events, demonstrating that the Commonwealth is united not only by a common history, but by a common future.

We put young people at the heart of the summit, recognising the need to ensure the actions we took would renew the Commonwealth and promote its relevance to its people, 60% of whom are under 30.

We agreed a range of actions to build a Commonwealth which is fairer, more sustainable, more secure and more prosperous. These commitments were captured in a communiqué and accompanying leaders' statement. I have placed a copy of both in the House of Commons library.

A central theme of our leaders' meeting was our resolve to stand together in defence of the rules-based international system.

To build a more secure future, we expressed our unanimous opposition to the use of chemical weapons, and committed to strengthen the effective implementation of the chemical weapons convention. We also agreed the 'Commonwealth Cyber Declaration,' the world's largest and most geographically diverse intergovernmental commitment on cyber-security co-operation and capacity building, helping to protect our people and businesses from ever-more sophisticated digital threats. The UK has committed £15 million to help member states boost their cyber-security capabilities.

To build a more sustainable future, we celebrated every nation of the Commonwealth having now ratified the Paris Agreement, and recommitted to pursuing efforts to limit the increase in global average temperature to 1.5 degrees Celsius above pre-industrial levels. We also took specific action to protect our oceans and launched the Commonwealth Blue Charter, supported by the UK and Vanuatu's Clean Oceans Alliance. A number of Commonwealth countries have made a series of commitments to tackle the scourge of plastic pollution, including Papua New Guinea, which has banned plastic bags; Belize, which has banned plastic bags, forks and other single-use items by 2019; and New Zealand, which has announced a ban on microbeads. The UK pledged to ban plastic straws, stirrers and plastic-stemmed cotton buds, as well as announcing funding for research into tackling marine litter. With over 90% of Commonwealth citizens living in malaria-affected countries, leaders pledged to halve malaria across the Commonwealth by 2023.

To build a more prosperous future, we made a unanimous statement on the need to fight protectionism—the first Commonwealth summit to do so. We launched initiatives to break down barriers to trade through the promotion of common standards across the Commonwealth, to address systemic barriers to women's full and equal participation in the economy, and to boost youth employment through a new Commonwealth

apprenticeships programme. We also pledged to ensure that all girls and boys across the Commonwealth will be able to access at least 12 years of quality education and learning by 2030. The UK has committed a further £212 million to ensure no child is left behind.

To build a fairer future, we agreed the critical importance of the full social, economic and political participation of all our citizens for democracy and sustainable development to thrive. In my speech to the joint forum plenary on Tuesday 17 April, I set out that nobody should face persecution or discrimination because of who they are or who they love, and announced a programme of support for any Commonwealth member wanting to reform outdated legislation that permits discrimination, including against same-sex relations.

The week also provided the opportunity for bilateral meetings with Commonwealth leaders. I met Caribbean leaders on Tuesday 17 April and gave an absolute commitment that the Government will do whatever it takes—including, where appropriate, payment of compensation—to resolve the anxieties and problems which some of the Windrush generation have suffered. My right hon Friend the Home Secretary will be providing a further update in Parliament later today.

We expressed deep gratitude for everything that Her Majesty the Queen has done to nurture this remarkable organisation, and agreed that the next Head of the Commonwealth shall be His Royal Highness Prince Charles, the Prince of Wales.

As we begin the UK's two-year chair in office, I look forward to working with all our Commonwealth partners in fulfilling the commitments we have made, and preparing for the next meeting in Rwanda, in 2020.

[HCWS634]

TRANSPORT

Light Dues

The Parliamentary Under-Secretary of State for Transport (Ms Nusrat Ghani): A strong and growing maritime industry is vital to the economy of the United Kingdom and it is critical that we treasure and protect this vital artery if we are to remain a world-leading maritime centre.

The work of the General Lighthouse Authorities, which provide and maintain marine aids to navigation and respond to new wrecks and navigation dangers in some of the busiest waters in the world, is crucial to underpinning that vision while maintaining our vigorous safety record and continuously improving standards of safety.

Reductions in the three General Lighthouse Authorities' running costs have enabled the UK to reduce light dues for four successive years. For 2018-19 I intend to freeze light dues rates at 37.5p per net registered tonne. This will mean that light dues will have fallen by 28% in real terms since 2010.

Light dues rates will continue to be reviewed on an annual basis to ensure that the General Lighthouse Authorities are challenged to provide an effective and efficient service which offers value for money to light dues payers.

[HCWS628]

ORAL ANSWERS

Monday 23 April 2018

	<i>Col. No.</i>		<i>Col. No.</i>
DEFENCE	581	DEFENCE—continued	
Armed Forces: Capacity.....	598	Recruitment: Capita.....	588
Baltic States: NATO	597	Russian Military Activity	586
CBRN Capability	583	Social Mobility	595
Defence Industry.....	581	Topical Questions	600
Departmental Expenditure: Aid.....	600	Type 26 Frigates.....	590
Departmental Funding	594	Veterans	585
Departmental Staff: Wages and Conditions	596	Wildlife Poaching.....	599
Future Accommodation Model	591		
Leaving the EU: Defence and Military			
Aerospace Industry.....	592		

WRITTEN STATEMENTS

Monday 23 April 2018

	<i>Col. No.</i>		<i>Col. No.</i>
BUSINESS, ENERGY AND INDUSTRIAL		FOREIGN AND COMMONWEALTH OFFICE	18WS
STRATEGY	15WS	NATO Parliamentary Assembly.....	18WS
Business Update.....	15WS	Safe Schools Declaration	18WS
Intellectual Property Office: Performance Targets..	15WS		
DEFENCE	16WS	PRIME MINISTER	19WS
Contingency Liability.....	16WS	Commonwealth Heads of Government Meeting ...	19WS
Submarine Delivery Agency.....	16WS		
DIGITAL, CULTURE, MEDIA AND SPORT	17WS	TRANSPORT	20WS
Media.....	17WS	Light Dues	20WS

No proofs can be supplied. Corrections that Members suggest for the Bound Volume should be clearly marked on a copy of the daily Hansard - not telephoned - and *must be received in the Editor's Room, House of Commons,*

**not later than
Monday 30 April 2018**

STRICT ADHERENCE TO THIS ARRANGEMENT GREATLY FACILITATES THE
PROMPT PUBLICATION OF BOUND VOLUMES

Members may obtain excerpts of their speeches from the Official Report (within one month from the date of publication), by applying to the Editor of the Official Report, House of Commons.

CONTENTS

Monday 23 April 2018

Oral Answers to Questions [Col. 581] [see index inside back page]
Secretary of State for Defence

Voter ID Pilots [Col. 605]
Answer to urgent question—(Chloe Smith)

Windrush [Col. 619]
Statement—(Amber Rudd)

Rating (Property in Common Occupation) and Council Tax (Empty Dwellings) Bill [Col. 645]
Motion for Second Reading—(Dominic Raab)—agreed to

Higher Education [Col. 681]
Motion—(Angela Rayner)—on a Division, negatived

Patient Transport Volunteer Drivers [Col. 705]
Debate on motion for Adjournment

Westminster Hall
Privatisation of NHS Services [Col. 231WH]
General Debate

Written Statements [Col. 15WS]

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