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HOUSE OF COMMONS
OFFICIAL REPORT

PARLIAMENTARY
DEBATES

(HANSARD)

Monday 19 November 2018

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The House met at half-past Two o'clock

PRAYERS

[MR SPEAKER *in the Chair*]

Oral Answers to Questions

WORK AND PENSIONS

The Secretary of State was asked—

Workless Households

1. **Chris Green** (Bolton West) (Con): What estimate the Government have made of the number of workless households. [907655]

17. **Stephen Kerr** (Stirling) (Con): What estimate the Government have made of the number of workless households. [907674]

The Secretary of State for Work and Pensions (Amber Rudd): May I take this opportunity to thank my predecessor, my right hon. Friend the Member for Tatton (Ms McVey), for her great leadership of this Department and particularly for her work on the Disability Confident campaign, which she set up?

The number of workless households has decreased by 964,000 since 2010, and currently stands at 3 million; this is a decrease of 24%. As the Office for National Statistics reported last week, the employment rate now stands at a near record high of 75.5 %, with a record 23.93 million people in full-time employment. In fact, there are now more than 3.3 million more people in work than in 2010.

Chris Green: I thank my right hon. Friend for that reply and welcome her back to her place on the Front Bench. Worklessness can hold people back in so many ways. Does my right hon. Friend agree that having people in employment can broaden the horizons not just of the person in work, but of the whole household?

Amber Rudd: My hon. Friend is absolutely right. We know that children in workless families are disadvantaged in their development, as well as in their future prospects, which is why we will continue to develop policies that support and encourage employment, strengthening parents' incentives to move into and progress in work.

Stephen Kerr: May I also express my appreciation to my right hon. Friend the Member for Tatton (Ms McVey) for her service and welcome the Secretary of State to her new position? I look forward to welcoming her to Stirling in due course.

Children in workless households are five times more likely to be in poverty than those in working households. Does the Secretary of State agree that work is always the best route out of poverty and that our reforms are beginning to transform lives for old and young?

Amber Rudd: I very much look forward to my visit to Stirling. My hon. Friend has made a good point; work is the pillar of a strong economy and a strong society. We believe that work should pay, but we need a welfare system that helps people into work and then supports them when they are in work. Universal credit will result in an extra 200,000 people moving into work and will enable people to work extra hours during the year, empowering a great working nation.

Emma Reynolds (Wolverhampton North East) (Lab): I welcome the new Secretary of State to her position.

Regrettably, unemployment in Wolverhampton is going up and the numbers in my constituency remain stubbornly high. What are the Government's policies and what are they going to do to bring down unemployment in areas such as mine?

Amber Rudd: The best way to bring down unemployment is to have a strong economy. The Government are focused on making sure that that is what we deliver, but I also hope that the roll-out of universal credit, with the benefit of work coaches, will help the hon. Lady's constituents to find the work that they want to do.

Tim Farron (Westmorland and Lonsdale) (LD): I welcome the Secretary of State to her position.

There are only 220 registered unemployed people in my constituency and nearly 2,200 children living below the poverty line, which tells us that poverty is far more complex in its causes than we sometimes think. Would the Secretary of State consider introducing mandatory poverty impact assessments for all Government policies, including those that have a specific impact on rural communities such as excessive transport and housing costs, as well as the likely impact of withdrawing the basic payment system for farmers?

Amber Rudd: The hon. Gentleman has raised quite a few points. Let me start by congratulating his constituency and celebrating the fact that there are only 220 people there without work. I hope that the roll-out of universal credit will help them to find the additional work that they seek. He has raised a number of issues about the cost of living in his constituency. If I may, I will come back to him on those matters.

Working-age Benefits

2. **Mr Alistair Carmichael** (Orkney and Shetland) (LD): If she will end the freeze on working-age benefits. [907656]

The Parliamentary Under-Secretary of State for Work and Pensions (Justin Tomlinson): The Welfare Reform and Work Act 2016 froze the majority of working-age benefits for four tax years from 2016-17. Those provisions will lapse in 2020, and the pre-existing statutory arrangements will come back into force.

Mr Carmichael: According to the Resolution Foundation, the value of working-age benefits has fallen by 6.4% since 2014. What does the Minister think it tells us about the Government of which he is a part that the Chancellor's priority in the Budget was to give a tax cut to higher rate taxpayers like him and me, rather than addressing that?

Justin Tomlinson: The reality is that the poorest fifth in society are £400 a year better off in real terms, and the richest fifth in society are £800 worse off.

Debbie Abrahams (Oldham East and Saddleworth) (Lab): The report from the UN special rapporteur on poverty in the UK was scathing. Professor Alston referred to a

“punitive, mean-spirited, and often callous approach”

and the “misery” that it caused, in relation to the cuts and changes to the social security system, including universal credit and the freeze on benefits. Does the Minister agree with him that in the UK, poverty “is a political choice”?

Justin Tomlinson: We disagreed with the findings, but we did take the opportunity to share our record of delivering record employment, a simplified benefits system that helps some of the most vulnerable people in society and 1 million fewer people in absolute poverty, as well as our proactive work with stakeholders, which is delivering real life opportunities for all in society.

Universal Credit

3. **Chris Philp** (Croydon South) (Con): What steps the Government have taken to support claimants through universal credit managed migration. [907657]

22. **Sir Desmond Swayne** (New Forest West) (Con): What steps she has taken to improve the roll-out of universal credit. [907679]

The Secretary of State for Work and Pensions (Amber Rudd): The regulations were laid before the House on 5 November, following consultation with the Social Security Advisory Committee. We are working with a wide range of stakeholders on processes to ensure that vulnerable claimants are moved smoothly on to universal credit.

Chris Philp: May I add my congratulations to the Secretary of State on her well deserved return to the Front Bench? Croydon South is one of the constituencies with the highest level of universal credit roll-out, at 43%, and in general it is helping people back into work. There are, however, some technical anomalies relating to the timing of the assessment period as people come off work and into benefits or where they receive two salary payments in the same assessment period. Will the Secretary of State look into that particular anomaly and, if appropriate, make some small technical adjustments?

Amber Rudd: I have a number of matters that I will be looking into, having taken on this important new role. My hon. Friend raises an important point. I would point out to him that universal credit is successfully a dynamic assessment, so if somebody is paid twice during

one month, the benefit payments will reflect that and then be adjusted the following month, but I am quite prepared to look at any issues he wants to bring me.

Sir Desmond Swayne: I am very glad that my right hon. Friend is back. Another thing to look into is the case of Emily Lydon, reported in *The Sunday Times*, because it is vital that the roll-out of universal credit is both measured and continually improved.

Amber Rudd: I thank my right hon. Friend for his welcome. I share his view that it is vital that as universal credit is rolled out, we learn from any errors and adjust it, to ensure that it properly serves the people it is intended for. Of course I will look into that case—I saw the report—and, if appropriate, come back to him.

Frank Field (Birkenhead) (Ind): I welcome the Secretary of State to her position. I will ask her an easy question. The Government will bring forward regulations on the migration of beneficiaries of the existing benefits to universal credit. Will she not bring forward the debate on those regulations until we have received the Select Committee report and the Social Security Advisory Committee has had another chance to look at the Government's important amendments?

Amber Rudd: I am not sure that the right hon. Gentleman has properly badged that as an easy question. I will have to take a look at that and come back to him, I am afraid.

Emma Hardy (Kingston upon Hull West and Hessle) (Lab): In Hull, we have the amazing Welfare Rights service, which gives free and impartial advice to the people of Hull, but one of its concerns at the moment is a decision to move all universal support to the citizens advice bureau, which will take funding away from fantastic services such as Welfare Rights. Will the Secretary of State meet me to discuss how giving the money to the CAB will have a negative unintended consequence on our wonderful Welfare Rights service in Hull?

Amber Rudd: I am very interested in responding to specific cases such as the one the hon. Lady raises. It is important that we provide the additional service. That is why we are working with Citizens Advice to provide a consistent service, but certainly she should come to the Department and meet either me or the Minister to discuss that.

Huw Merriman (Bexhill and Battle) (Con): I welcome my right hon. Friend and neighbour back to the Front Bench, and I pay tribute to her predecessor, whom I enjoyed working for over many months. The Secretary of State will be well aware of Hastings Direct, a company that employs her constituents and mine. Will she pay credit to that company for holding a universal credit surgery with our jobcentre teams, which has helped people to find more access to benefits? One couple with a young child found that they were entitled to an extra £600 per month. Does that not show that universal credit works as a signpost, to help people into the benefits structure and increase their earnings?

Amber Rudd: I thank my hon. Friend and neighbour for raising the important work that Hastings Direct has done. It is a really good example of a public-private

partnership making sure that the benefits of universal credit are set out for employers in an environment in which the employer and the employed can work closely together to get the best outcome.

Neil Gray (Airdrie and Shotts) (SNP): I welcome the new Secretary of State to her place. Her predecessor suggested that a range of expert charities had welcomed the Chancellor's intervention on universal credit, when in actual fact they wanted him to go further—much further. This new Secretary of State wields significant power, more than any of her five predecessors in the past three years, by virtue of the Prime Minister's precarious position. Will she use that power to listen to those expert charities and halt universal credit until it is fixed?

Amber Rudd: I would not want to overstate what the hon. Gentleman calls my power, but I am certainly going to be listening very carefully. Part of the benefit of the universal credit roll-out will be making sure we get the expert guidance from the people who have been working in this field for many years, and we will certainly be doing that.

Margaret Greenwood (Wirral West) (Lab): I welcome the Secretary of State on her return to the Government Front Bench.

The report of the UN special rapporteur on extreme poverty and human rights said, when asked about the problems that universal credit claimants are facing, that:

“Government ministers were...entirely dismissive”.

Thus far, the Government have been determined to press ahead with the next phase of the roll-out, despite clear warnings from over 80 organisations working with disabled people who will be affected that many people could fall out of the social security system altogether and be in risk of destitution. Will the new Secretary of State end the Government's state of denial, scrap the managed migration regulations and stop the roll-out of universal credit?

Amber Rudd: I have seen the report by the rapporteur—I read it over the weekend—and I must say that I was disappointed, to say the least, by the extraordinary political nature of his language. We on the Conservative Benches will always engage with professionals, experts and non-governmental organisations—we are not so proud that we do not think we can learn as we try to adjust universal credit for the benefit of everybody—but that sort of language was wholly inappropriate and actually discredited a lot of what he was saying. We look forward to working with experts in the area to make sure that we get the right outcome for the people whom we want to look after.

Care Leavers: Employment

4. **John Howell** (Henley) (Con): What recent steps the Government have taken to support care leavers into employment. [907658]

The Parliamentary Under-Secretary of State for Work and Pensions (Justin Tomlinson): This Government are committed to supporting care leavers. We have introduced

a £1,000 bursary to those starting an apprenticeship, extended paid internship opportunities across Government, launched a care leaver covenant and are upskilling our Jobcentre Plus staff.

John Howell: What work is the Minister doing with Barnardo's, and what impact is the See Potential programme having?

Justin Tomlinson: I would like to take this opportunity to pay tribute to my right hon. Friend the Member for Tatton (Ms McVey), who made it a personal priority of hers to introduce Barnardo's not only to help train and improve the guidance for all of our frontline staff, but to offer a comprehensive work experience programme and opportunities for care leavers. This is a vital part of our See Potential work, as we unlock their undoubted potential.

Melanie Onn (Great Grimsby) (Lab): What more can be done for constituents such as mine living in YMCA properties who are still going to college, yet cannot afford the bus fare or to feed themselves? That is exactly what has happened to a constituent of mine.

Justin Tomlinson: We are looking very carefully at all of the ways that we can make sure care leavers have the same opportunities that others take for granted. For example, through second chance learning, care leavers aged 18 to 22 are still able to access full benefits while having a second opportunity to learn. There is the £1,000 bursary for those who choose an apprenticeship, and the £2,000 bursary for those who choose higher education.

Universal Credit: Getting People into Work

5. **Layla Moran** (Oxford West and Abingdon) (LD): What steps she is taking to measure progress on her Department's objective of getting 200,000 more people into work through universal credit. [907659]

The Minister for Employment (Alok Sharma): Under the universal credit business case, we expect universal credit to deliver an economic benefit of £8 billion a year in steady state, and result in 200,000 more people moving into work. We published a labour market evaluation strategy on 8 June, setting out how these impacts will be measured.

Layla Moran: I thank the Minister for his answer, but a recent Public Accounts Committee report on universal credit found that the Department, as it has in fact admitted, cannot empirically measure the number of people who are going back to work. I welcome the new Secretary of State to her place, but may I encourage her to read this report? How on earth, if the data are not reliable, can we meaningfully achieve any kind of target?

Alok Sharma: I encourage the hon. Lady to look at the document we have published about what we will be doing to measure this number. However, I also point her to the record levels of employment: the fact that there are more people in work in the economy right now than ever before, and that unemployment is at a 43-year

record low. Jobs are being created and people are moving into work, and that is largely due to the welfare reforms that we have introduced.

Rachel Maclean (Redditch) (Con): Will the Minister elaborate on how much better off families on universal credit are now as a result of measures introduced in the Budget?

Alok Sharma: My hon. Friend raises an important point. Earlier this year we introduced £1.5 billion of support, and in the Budget there was £4.5 billion of support. I say to Opposition Members that it is all very well calling for support, but they also have to vote for these measures, which they never actually do.

Yvette Cooper (Normanton, Pontefract and Castleford) (Lab): The Minister knows that there are huge problems with the roll-out of universal credit in terms of debt, hardship and rent arrears. The new Secretary of State, whom I congratulate on her new post, needs to take time to look at those problems and address the severe poverty that is being caused, not to dismiss the UN report. I urge her and all the Work and Pensions Ministers to halt the roll-out. It will hit my constituency at the end of this month, and frankly, people are deeply worried that we are going to see delays, debt and hardship at Christmas. I urge Ministers: halt this roll-out now.

Alok Sharma: I hope that the right hon. Lady would also recognise that there are 1 million fewer people living in absolute poverty now than in 2010, when she was in government. If she is concerned about her constituents, I would be happy to talk to her and her local jobcentre to provide them with the assurances that they need.

John Cryer (Leyton and Wanstead) (Lab): The target is getting 200,000 extra people into work through universal credit. How many have been delivered so far?

Alok Sharma: Since the hon. Gentleman is keen to talk about the number of people in work, I point him to the universal credit claimant survey, which we published in June. It showed that under universal credit, employment levels almost double between the point of the claim and nine months into it.

Pensions Dashboard

6. **Kevin Foster** (Torbay) (Con): What steps the Government have taken to support industry to deliver the pensions dashboard. [907660]

The Parliamentary Under-Secretary of State for Work and Pensions (Guy Opperman): The pensions dashboard is the great leap forward for the pensions industry, and the Government are 100% behind it. We have consulted the industry at length and will publish our feasibility study very shortly.

Kevin Foster: I thank the Minister for his answer. The pensions dashboard will be a welcome addition to the information available to Torbay residents about their retirement plans. What work will the Government do, though, to ensure that pension schemes relating to employers of all sizes are included?

Guy Opperman: In Torbay, 7,000 people now have the benefit of an auto-enrolled pension. We want to ensure that my hon. Friend's constituents have online access to as much of their retirement savings in one place as is humanly possible through the pensions dashboard, and that is what we are going to do.

Alan Brown (Kilmarnock and Loudoun) (SNP): Many of my constituents contacted me to express concern that the Government were going to scrap the pensions dashboard. I welcome the Minister's 100% commitment, but can he tell us exactly when it is going to be delivered?

Guy Opperman: The hon. Gentleman will understand that a feasibility study and consultation are pending, but I will be happy to discuss the dashboard with him in more detail if he will bear with me. There is no question but that the thousands of people in his constituency who have had the benefit of auto-enrolment, and the many thousands of employers supporting those employees, will be benefiting from the process.

Budget 2018: Disabled People

7. **Mr Gary Streeter** (South West Devon) (Con): What steps the Government have taken to support disabled people in Budget 2018. [907661]

19. **James Heapey** (Wells) (Con): What steps the Government have taken to support disabled people in Budget 2018. [907676]

The Minister for Disabled People, Health and Work (Sarah Newton): In the Budget, my right hon. Friend the Chancellor announced a £1,000 a year increase in the work allowances under universal credit, which will provide a £630 boost to working disabled people and families on low incomes. That is in addition to the additional support for claimants in receipt of severe disability premium announced in June.

Mr Streeter: I thank my hon. Friend for her reply. Will she join me in welcoming the success of the Disability Confident programme, which many employers in both the private and public sectors are embracing with enthusiasm? Is it making a difference to the number of disabled people who are in employment?

Sarah Newton: I am delighted to echo my hon. Friend's words. We are determined that every disabled person has the opportunity to fulfil their potential, and Disability Confident has helped many employers recruit and retain talented disabled people. The latest data indicates that there are now 3.9 million disabled people in work, which is an increase of 973,000 since 2013.

James Heapey: Somerset's economy is characterised by tens of thousands of small businesses and start-ups. How many start-up loans have been granted to people with disabilities, and what steps is the Department taking to help to ensure that those with disabilities across the Wells constituency have the support that they need to start their own small business?

Sarah Newton: That is an excellent question. The new enterprise allowance supports people to set up a business, and a quarter of the 220,000 new entrepreneurs have a self-declared disability. The personal support package,

the Work and Health programme and Access to Work all support self-employed disabled people. A record 33,860 people were supported through Access to Work this year, an increase of 13% on last year.

Dr Paul Williams (Stockton South) (Lab): That may be so, but the charity Scope reports that the disability employment gap has remained stubbornly at 30% for about a decade. Will the Minister make a bold commitment to disabled people up and down the country and reinstate the previous target of halving the disability employment gap?

Sarah Newton: I hope that the hon. Gentleman will, like Scope, welcome data published last week by the Office for National Statistics showing that, for the first time since records were kept, there are more disabled people in work than out of work. We are utterly determined to close that unemployment gap to make sure that the whole nation draws on all the talents of disabled people.

Carol Monaghan (Glasgow North West) (SNP): The Department for Work and Pensions was due to bring forward regulations to protect the severe disability premium. Can the Minister tell the House when we expect to see them published?

Sarah Newton: A very good question. The regulations will be published before Christmas, and I hope that everyone in the House will vote for them so that people on the severe disability premium will have that protected in universal credit.

Marsha De Cordova (Battersea) (Lab): The DWP has repeatedly ignored evidence of the devastating impact of cuts to social security on disabled people. The UN report into extreme poverty found that “compassion...has been replaced by a punitive, mean-spirited, and...callous approach” to social security. The Government have a history of dismissing UN recommendations on disabled people, but the Department now has a chance to end that. Will the Minister finally listen and accept the conclusions of the most recent UN report?

Sarah Newton: We are putting in place record levels of funding to support people with disabilities. In every single year of this Government we increase our expenditure for people with disabilities. I published a very full response to the previous UN report, and I utterly repudiate the conclusion that this country does not support disabled people. I am determined to make sure that every disabled person in our country has the opportunity to fulfil their potential.

Marsha De Cordova: The UN report condemned the Government’s sanctions regime as “debilitating”, “draconian”, “harsh” and “arbitrary”, and urged the Government to conduct an independent review, yet Ministers recently admitted that they broke their promise and failed to carry out such a review. Has the Department learnt its lessons about creating a hostile environment, and will the Minister commit to carrying out an independent review of sanctions and conditionality on disabled people?

Sarah Newton: The benefit system is there to provide personalised and tailored support for its recipients. There were factual errors in the reporting by the UN rapporteur. For example, on mandatory reconsiderations,

he absolutely denied the fact that decisions were overturned, yet 19% of mandatory reconsiderations found in favour of disabled people. We have undertaken a huge number of independent reviews of our benefit system and we do not hesitate in making improvements when they are identified.

Universal Credit Roll-out: Personal Finances

8. **Julie Elliott** (Sunderland Central) (Lab): What recent assessment her Department has made of the effect of the roll-out of universal credit on the personal finances of claimants. [907662]

The Parliamentary Under-Secretary of State for Work and Pensions (Guy Opperman): Universal credit allows claimants to work and earn more, and the evidence is that people on universal credit are moving into work faster. We believe that everyone who can work should be given every support to get into work. That is what the job coaches are doing.

Julie Elliott: The Child Poverty Action Group found that almost half of those moving on to universal credit needed support, which is often not available, to set up their claim. If they miss their deadline, they receive no transitional protection and no back-dated credit, and they have to wait a further five weeks for payment. With the new Secretary of State leading the Department, is it not time for the Government to pause the roll-out of this benefit and look again at wiping out these very, very serious wrongs in the system?

Guy Opperman: If the individual claimant is vulnerable, there can be backdating, but for those who need extra support, there are advances of 100% from day one and also budgeting support. We are creating a brand new partnership with Citizens Advice to deliver a better universal support service.

Ms Karen Buck (Westminster North) (Lab): New figures confirm that one in five jobs in London is now low-paid—below the London living wage. That is the highest proportion there has ever been, so working people are also in poverty and need the protection of universal credit, yet the qualifying period is casting many families into very severe hardship. What action will the Minister take to deal with that problem so that people can understand that work will pay, rather than casting them further into hardship?

Guy Opperman: The hon. Lady will be aware that the Government introduced the living wage, which is enhanced annually, and that we raised the tax threshold, which assisted individuals. She will also be aware that there is child support for education and that we are freezing fuel duty. All these cost-of-living measures have been of assistance to local people.

Liz Saville Roberts (Dwyfor Meirionnydd) (PC): The UN’s damaging report highlights Wales as having the worst poverty rate in the UK, but because social security powers are not devolved to Wales, the Welsh Government are scarcely able to replicate the Scottish Government’s excellent work in alleviating Westminster-driven poverty. Will the Minister commit to stopping the roll-out in Wales until the present problems are resolved and propose the devolution of universal credit powers to enable our country’s Government to reduce poverty and suffering?

Guy Opperman: My understanding is that 46 out of 59 offices in Wales have now rolled out the full UC service. The hon Lady will be aware that household incomes have never been higher and that 1 million fewer people are living in absolute poverty compared with in 2010, including 300,000 children.

Universal Credit Managed Migration

9. **Helen Hayes** (Dulwich and West Norwood) (Lab): What steps her Department is taking to identify people on legacy benefits with high support needs who will be required to transfer to universal credit managed migration. [907663]

11. **Stuart C. McDonald** (Cumbernauld, Kilsyth and Kirkintilloch East) (SNP): What assessment she has made of the effect of universal credit managed migration on vulnerable claimant groups. [907666]

The Parliamentary Under-Secretary of State for Work and Pensions (Justin Tomlinson): We welcomed the recent report by the Social Security Advisory Committee and have accepted nearly all its recommendations. We are determined that all claimants are supported through this process, particularly the most vulnerable, and we will be working collaboratively with our stakeholders to ensure that those in need of additional support receive the assistance they require.

Helen Hayes: None of the changes to universal credit managed migration that were announced in the Budget will help people whose debilitating mental illness means that they are too anxious and unwell to open their post and are deeply fearful of any new assessment process. I welcome the new Secretary of State to her post, but what will she do to ensure that no one is left without income during the managed migration process, and will she commit to halt the roll-out until such a guarantee can be given?

Justin Tomlinson: I know that the new Secretary of State is very passionate about focusing on this particular area. There will be four to six months of comprehensive preparation for those looking to migrate. There will be personalised communication and information on the support available, and our highly trained and experienced staff will identify vulnerable claimants, such as those with mental health conditions, so that we can instead offer home visits or telephone calls, or even delay or stop the migration process if that is appropriate for the individual claimant.

Stuart C. McDonald: Does the Minister agree that the system of implicit consent is absolutely essential for claimants with high support needs under the legacy system, and that it must be rolled out and extended to universal credit urgently and before managed migration begins?

Justin Tomlinson: There is real merit in that point. From talking to stakeholders, particularly social housing companies and local authorities, I think that when we can find a way to connect up stakeholders, including the most vulnerable claimants in particular, it increases the chance of making the process as smooth as possible.

Mike Amesbury (Weaver Vale) (Lab): I welcome the new Secretary of State to her post.

On 13 November, Mind wrote to me to outline its fears about how the approach of the then Secretary of State for Work and Pensions to the managed migration of universal credit created a real risk that many people with mental health problems could be left without an income altogether in the move to universal credit. Will the new Secretary of State take the opportunity to make a clear statement of independence from her predecessor, take note of the grave concerns of Mind, Macmillan and others, and withdraw these regulations immediately?

Justin Tomlinson: No, because these migrations will bring in very important additional supports, as each and every Member needs to bear in mind when the vote comes forward. We work closely with stakeholders, and I remind Opposition Members that under legacy benefits, more than 700,000 people, who include some of the most vulnerable claimants—the people who contact us as constituency MPs—are, on average, missing out on £285 a month because those legacy benefits are complex and not personalised. It is absolutely right that we do this, but in a controlled and sensible manner.

Universal Credit: Rent Arrears

10. **Diana Johnson** (Kingston upon Hull North) (Lab): If she will make an assessment of the effect of universal credit on trends in the level of rent arrears. [907664]

The Parliamentary Under-Secretary of State for Work and Pensions (Justin Tomlinson): Many claimants come on to universal credit with pre-existing rent arrears, but we have introduced new measures to make additional payments of two weeks' housing benefit to support claimants as they transition to universal credit, and to extend trusted partner status to social landlords to further support our claimants.

Diana Johnson: Universal credit rolls out in Hull just before Christmas, and the council is already preparing for expected increases in rent arrears. I am sure that the Minister will have watched Sean McAllister's film "A Northern Soul" on BBC 2 last night. It featured Steve Arnott, a low-paid worker, and his work on the Beats Bus inspiring children on the council estates of Hull. The film showed in-work poverty, food poverty and child poverty. Can the Minister guarantee that the families in that film and in Hull will be better off when universal credit is introduced in December?

Justin Tomlinson: The key to universal credit is that, for the first time, a claimant will get personalised, tailored support that can help them navigate all the forms of support available. Under legacy benefits, more than 700,000 people, among whom are some of the most vulnerable people, miss out on an average of £285 a month. Those on universal credit will typically spend 50% longer looking for work. This is key to unlocking the potential of all claimants to improve their life chances.

Alison Thewliss (Glasgow Central) (SNP): The new housing association in my constituency tells me that errors in universal credit, such as the system retaining the wrong landlord details despite the claimant having

asked for that to be corrected, have meant that some tenants have ended up two months in arrears through no fault of their own. What will the Minister do to fix the system before people end up in debt as a result?

Justin Tomlinson: I am very sorry to hear of that. If there are specific cases, please do not hesitate to highlight them. Through the roll-out of the landlord portal, which has been warmly welcomed by social housing companies and local authorities, there is an opportunity for claimants and housing bodies to work together to manage this migration process smoothly.

Stephen Timms (East Ham) (Lab): The Minister knows that the five-week delay under universal credit forces people into debt right at the start of their claim, which too often leads to rent arrears and other hardships. I welcome the new Secretary of State to her post. Will the Minister encourage her to take a fresh look at this indefensible five-week delay in particular?

Justin Tomlinson: As we have pointed out, those transitioning from legacy benefits will get the additional two weeks of housing benefit and, with the new measures announced, two weeks of either their employment and support allowance, their jobseeker's allowance or their income support, as well as access to advance payments from day one. The key thing is that this system mirrors the world of work. For the vast majority of people, their aim is to get into work, and in work they would expect to be paid in arrears. They would have to deal with that at the same time as going back into work, whereas now the personalised work coach can provide support by giving them access to advance benefits and pointing them to the support offered by Citizens Advice and our wider universal credit support network. It is about providing that support as people prepare themselves for the world of work.

PIP and Universal Credit: Tribunal Appeals

12. **Toby Perkins (Chesterfield) (Lab):** What proportion of tribunal appeals for (a) personal independence payment and (b) universal credit have been successful in 2018; and what assessment she has made of the implications for her policies of those appeals having been successful. [907667]

The Minister for Disabled People, Health and Work (Sarah Newton): In the first six months of 2018, 71% of PIP decisions and 51% of UC decisions heard and decided at appeal were revised. For context, of the 3.5 million PIP decisions made to date, 9% of all decisions have been appealed and 4% have been successfully appealed. We remain utterly committed to ensuring that we get decisions right first time and reduce the number of appeals.

Toby Perkins: The Minister may be committed to reducing the number of appeals, but the statistics she has just revealed show how awfully the system is working for many of the most vulnerable in our society. As she says, 71% of appeals are successful. That is putting a huge financial strain on the system but, more importantly, some of the most vulnerable are going through incredibly stressful processes. Will the new Secretary of State work with the Minister to improve the system so that the

people who come into our surgeries every single week and tell us how awful the system is can stop going through the process as they are currently having to?

Sarah Newton: I am sure that I will have the support of the Secretary of State in continuing our comprehensive plan for improving PIP. However, I hope that the hon. Gentleman will welcome the fact that, according to the most recent data from the Ministry of Justice, there has been a 15% decline in the number of appeals, and the customer satisfaction rating for PIP has risen from 76% to 87%. I have always said that one person's poor experience is one too many, but we will continue to do everything that we can to get it right first time.

Vicky Ford (Chelmsford) (Con): If 9% of PIP decisions are being appealed against, does that mean that more than nine out of 10 people do not appeal against theirs because they do not wish to challenge them? Will the introduction of video recording improve that rate so that there is even more confidence that the decisions are right?

Sarah Newton: My hon. Friend makes a very good point. As I have said, the customer satisfaction ratings are high, and the assessments themselves consistently meet our quality target, which is over 90%. I am pleased to say, however, that our plans for the video recording of the assessments are going very well, and the live testing trial will start later this month.

Workplace Pensions

13. **Henry Smith (Crawley) (Con):** What estimate the Government have made of the number of people paying into workplace pensions. [907669]

The Parliamentary Under-Secretary of State for Work and Pensions (Guy Opperman): Nearly 10 million people are enrolled in a workplace pension thanks to the success of automatic enrolment. In the Crawley constituency, approximately 48,000 eligible jobholders have been automatically enrolled, and thanks are due to the 1,600 employers who have fulfilled their duties locally.

Henry Smith: Will my hon. Friend join me in paying tribute to Crawley-headquartered B&CE and its People's Pension for playing such an important role in that roll-out of pensions?

Guy Opperman: It was a delight to visit The People's Pension with my hon. Friend, to see the hundreds of local staff who are doing such a fantastic job and the work that the company is doing as a great local employer, to receive a Crawley Town football shirt—I must confess that I have not yet worn it—and to support a great local business.

Jack Dromey (Birmingham, Erdington) (Lab): Auto-enrolment was a landmark achievement, a creation of the last Labour Government. I welcome the progress that has been made, but does the Minister agree that the threshold is too high—37% of female workers, 33% of workers with a disability, and 28% of black, Asian and

ethnic-minority workers do not enjoy auto-enrolment—and that it cannot be right for workers under the age of 22 to be excluded?

Guy Opperman: I think that the hon. Gentleman will accept that while auto-enrolment has been a cross-party success story, it was this Government who actually introduced it. The issue that he raises was comprehensively addressed by the 2017 auto-enrolment review, which was conducted by three independent support organisations, and the key points that he raises are being addressed in the current AE review.

Budget 2018: People in Work

14. **Victoria Prentis** (Banbury) (Con): What steps the Government have taken in Budget 2018 to ensure that people in work keep more of what they earn when in receipt of universal credit. [907670]

The Minister for Employment (Alok Sharma): In the Budget, the Chancellor announced a £1,000-a-year increase in work allowances from April next year. It will provide an annual boost of £630 for about 2.4 million working families across the country.

Victoria Prentis: Does my hon. Friend welcome those announcements in the Budget? Does he agree that not all Labour's legacies were as effective as those mentioned in the previous question, and that a system which penalised hard-working people with marginal tax rates as high as 90% was not effective?

Alok Sharma: My hon. Friend is absolutely right. Under the legacy benefits system, some people faced punitive marginal tax rates. The fixed taper rate under universal credit ensures that work always pays, and that is why we are seeing more people getting into work.

Grahame Morris (Easington) (Lab): Work does not always pay—that is the problem. A million more children whose parents are working are living in poverty, and a million and a half people are relying on food banks. Why do the Government not implement Labour's plan for a £10 minimum wage and ensure that work truly does pay?

Alok Sharma: As I said, we introduced a £1,000 increase in work allowances in the Budget. The Under-Secretary of State for Work and Pensions, my hon. Friend the Member for Hexham (Guy Opperman), talked about the living wage, which was introduced by this Government and has risen by 4.4% this year. At the end of the day, however, we also want to ensure that people are getting into work. If the hon. Gentleman is particularly focusing on children, he will know that children living in workless households are five times more likely to be living in poverty than those in households in which the adults work.

Job Creation since 2010

15. **Sir Edward Leigh** (Gainsborough) (Con): What estimate the Government have made of the number of jobs created since 2010. [907672]

20. **Michael Tomlinson** (Mid Dorset and North Poole) (Con): What estimate the Government have made of the number of jobs created since 2010. [907677]

The Minister for Disabled People, Health and Work (Sarah Newton): Employment has increased by more than 3.3 million people since 2010 to a record high of 32.4 million. This is on average 1,000 more people in work every day under this Government. In the recent Budget, the Chancellor was able to confirm that our economy is growing strongly and that we will see increases in opportunities for people to be able to work.

Sir Edward Leigh: Surely it is not enough for us to stress the record number of new jobs created; we have to convince people that these are real jobs, with workers' rights being protected, and above all we have to convince people that the pay of indigenous workers is not being undercut by mass immigration.

Sarah Newton: My hon. Friend is quite right to say that it is really important that we want to build on our strong record of protecting and enhancing employment rights. We are determined to grow full-time high-quality jobs, and that is just what we are doing. The latest labour market statistics show that the number of full-time jobs is up 82,000 on the quarter, up 416,000 on the year and up almost 2.7 million since 2010. That is a record high. The statistics also show that average earnings are rising in real terms.

Michael Tomlinson: Notwithstanding the previous question, this country remains the jobs factory of Europe, creating more jobs than almost 12 other nations combined. Will my hon. Friend update the House on the youth employment figures and tell us how they compare with those of our European allies and neighbours?

Sarah Newton: My hon. Friend makes an important point. This is the future of our country. I am proud to say that the overall level of youth unemployment in the UK has nearly halved since 2010. Our youth unemployment rate is lower than that of France, Spain and Italy. The UK youth unemployment rate is 5.8 percentage points below that of the euro area, and 3.9 percentage points below that of the EU28 average.

Paula Sherriff (Dewsbury) (Lab): As the Minister knows, many of the jobs created since 2010 are low paid and insecure, and the number of people in in-work poverty has risen. Will she therefore tell us what assessment her Department has made of the increase in the use of loan sharks and other illegal money lenders?

Sarah Newton: I am afraid that the hon. Lady is just factually incorrect. The vast majority of jobs have been full-time, well-paid jobs. I have the honour of representing my home, the area where I grew up, and I can tell her that I have seen at first hand the growth of full-time well-paid jobs all around my constituency since 2010. That is what this Government are delivering all over the country.

Matt Western (Warwick and Leamington) (Lab): We have seen an exponential increase in underemployment since 2010, through the growth of part-time jobs and

zero-hours contracts. Does the Minister therefore agree that what we have actually seen is a jobs mirage rather than a jobs miracle?

Sarah Newton: I am afraid that the hon. Gentleman is just factually incorrect. We have seen the growth of many full-time jobs, and the number of zero-hours contracts is going down. Speaking as a woman who raised her family, I can tell him that part-time employment can be an extremely good option for many people in our labour market.

Welfare System: Moving into Work/ Extending Working Hours

16. **Theresa Villiers** (Chipping Barnet) (Con): What steps she is taking to ensure that the welfare system rewards people (a) moving into work and (b) extending their working hours. [907673]

The Minister for Employment (Alok Sharma): I want to start by thanking my right hon. Friend for the engagement and support that she gives to her local jobcentre. As I have noted, we recently announced in the Budget a £1,000 increase in work allowances. We also have the single taper to ensure that claimants are better off working, and working more. Evidence also shows an increase in earnings for those in work and on universal credit by an average of £600 a year.

Theresa Villiers: Can the Minister confirm that claimants on universal credit are more likely to move into work and more likely to make progress towards longer hours in work under this system, compared with the old system that we inherited from Labour?

Alok Sharma: My right hon. Friend makes an important point. Under the legacy benefits system, around 1.4 million people spent almost a decade trapped on benefits instead of being helped into work, and much of that time was under the last Labour Government. Under universal credit, people get into work faster, they stay in work longer and, very importantly, they earn more.

18. [907675] **Mr Barry Sheerman** (Huddersfield) (Lab/Co-op): May I say to Government Front Benchers that Christmas is coming and the goose is not going to get very fat for many of our constituents? The new Secretary of State lives in a more normal constituency than the Chancellor or the Prime Minister. Will she think about Christmas and what universal credit is doing to so many of her constituents and mine?

Alok Sharma: As we have pointed out, under universal credit people are able to get the one-to-one support with their work coach that was not possible under the legacy benefits system. Again, I reach out to the hon. Gentleman. If he has concerns in his own constituency, I am very happy to have a discussion with him and his local jobcentre, because we want to support absolutely every single person who is in the welfare system.

Richard Graham (Gloucester) (Con): The welfare system undoubtedly encourages our constituents into work and rewards them in work, but the system does not always capture that because of the anomaly of the claimant count being used as a proxy for unemployment,

whereas in fact many people who are on universal credit are working. What can the Minister do to try to improve the statistical way in which this is recorded?

Alok Sharma: My hon. Friend raises an important question. As he will know, we had a consultation on this particular point. We have published our findings, and I would be very happy to share those with him. Perhaps it would be appropriate for me to write to all colleagues setting out the changes that we are proposing.

Lucy Powell (Manchester Central) (Lab/Co-op): Is it not obvious how few questions we have had from Conservative Members today on some of the biggest changes to welfare reform in a generation? I have raised with Ministers many times now the fact that those who are getting a change of circumstance as they move on to universal credit do not have the transitional protections at the moment. Ministers keep telling me that they do, but they do not. I have had universal credit in my constituency for a long time, and I could give them a catalogue of cases where people are worse off on universal credit as a result of this. With the new leadership at the Department, can the tin ear now be opened a little?

Alok Sharma: If the hon. Lady is keen on protecting people who move from legacy benefits on to universal credit under the managed migration process, I would invite her to vote for the regulations, with me and my colleagues, when they come through Parliament later this year.

Universal Credit: Lone Parents

21. **Alison McGovern** (Wirral South) (Lab): What assessment she has made of the effect of universal credit on lone parents. [907678]

The Parliamentary Under-Secretary of State for Work and Pensions (Justin Tomlinson): Lone parents are the primary beneficiaries of the Government's decision to increase the help provided for childcare from 70% to 85%, which will help us to enhance the record levels of lone parent employment in this country.

Alison McGovern: The whole House will be aware that lone parent employment increased radically under the last Labour Government, but unfortunately lone parents now face being worse off because of universal credit. So can the new Secretary of State and her ministerial team guarantee that as part of their review they will make sure that no lone parent family in this country is worse off because of universal credit?

Justin Tomlinson: The lone parent employment rate is now at 67.6%, which is a record high and something this Government are very proud of. We will continue to try to push to see that figure go up further. We have made announcements on increasing the national living wage, which has seen a real-terms increase of 8% over the past three years, and changes to the income tax threshold worth £1,200, while the national living wage in itself, for somebody working full-time, is worth £2,000. That is making sure that lone parents who are working are getting the support to have more money available at the end of every month.¹

1. [Official Report, 28 November 2018, Vol. 650, c. 2MC.]

Topical Questions

T1. [907680] **Liz McInnes** (Heywood and Middleton) (Lab): If she will make a statement on her departmental responsibilities.

The Secretary of State for Work and Pensions (Amber Rudd): Three days in, and I know that the Department for Work and Pensions is a force for good. It helps people in need, helps people into work and out of poverty, and gives support at the end of their lives. This is what we want for our families, our friends and our neighbours. This is the country we are; this is who we are. It is good that employment has risen to record levels of 75%, as stated just recently.

But I know that there are problems with universal credit, despite its good intentions. I have seen them for myself. I will be listening and learning from the expert groups in this area that do such good work. I know it can be better. I will make it my role to ensure that we deliver that through our discussions within the DWP and through discussions with the Treasury. We will have a fair, compassionate and efficient benefits system.

Liz McInnes: I thank the new Secretary of State for that response and add my congratulations to her on her return to the Front Bench. In her new role, will she, unlike her predecessor who was described by the UN rapporteur as

“almost entirely dismissive of criticisms of welfare changes and universal credit,”

take seriously his report on poverty in the UK and heed his calls for changes to the universal credit system?

Amber Rudd: The rapporteur does no credit to his report by making personal comments about the former Secretary of State in this Department, who did a fantastic job. Having said that, I have already acknowledged that we can make changes to the UC system: despite the tremendous good that it does, I know that there are problems with it and we will be focusing on fixing them.

T3. [907682] **Maggie Throup** (Erewash) (Con): A constituent of mine who is currently claiming the personal independence payment has been told that she will need to undergo reassessment just one month before she is migrated on to the state pension. She is concerned that this will cost more than the amount she will get for that extra month; is this process correct, and what will happen when she gets her state pension?

The Minister for Disabled People, Health and Work (Sarah Newton): I thank my hon. Friend for asking that really good question. People who qualify for PIP before retirement age are able then to carry on claiming PIP, so long as they are eligible, into retirement. That is in addition to pension or any other benefits to which they are eligible.

Margaret Greenwood (Wirral West) (Lab): The UN special rapporteur on extreme poverty and human rights said in his report that the rising level of child poverty is not just a disgrace but is a

“social calamity and an economic disaster”,

and that Government policies are locking millions of children

“into a cycle of poverty from which most will have great difficulty escaping.”

According to Joseph Rowntree Foundation research published today, the current freeze on working-age benefits is the single biggest driver behind rising child poverty levels. Will the new Secretary of State end the benefits freeze and make tackling child poverty the priority it should be once again?

Amber Rudd: Of course, tackling all poverty is a priority for the Department for Work and Pensions, and we know that the best way out of poverty is to make sure people get into work. But more than that, we know that a strong economy will deliver the higher paid jobs, and that is what this Government are going to focus on, and we will listen and engage with non-governmental organisations and others to make sure we can deliver that.

T6. [907685] **Vicky Ford** (Chelmsford) (Con): May I also say how nice it is to see the Secretary of State back on the Front Bench? Will she look at improving access to universal credit for those leaving prison, so that those who have left prison will not face delays in getting money in their pocket and thus be driven back into a cycle of crime?

The Parliamentary Under-Secretary of State for Work and Pensions (Justin Tomlinson): My hon. Friend is being very active in this area, and it is a key priority for us that access to support is available from day one. We have 137 work coaches in prisons to help prepare for UC claims, and we now have three pilots—in Norwich, Wayland and Belmarsh prisons—to make sure we can test the difference that completing UC claims will make. This is a real priority.

Neil Gray (Airdrie and Shotts) (SNP): We have always known that austerity is a political choice, but now, thanks to Philip Alston, we know that poverty is also this Government's political choice as we consider his findings into areas like the near-£5 billion benefit freeze cut next year, the 1950s women who have been impoverished by pension changes, and targeting children with austerity via the two-child limit. What different choices can we expect from this new Secretary of State?

Amber Rudd: I have to say that I think the hon. Gentleman's comments are outrageous. It is in no way our intention to do any of the things he set out in that way. The purpose of this Department—[*Interruption.*] It is what the hon. Gentleman said, and I think I have made my views on the UN rapporteur absolutely clear. The hon. Gentleman need only listen to what we are saying and actually look at the evidence—look at the evidence of people getting back into work, of people getting higher paid jobs. The political choice that we are making on the Government Benches is for a stronger economy to deliver the jobs that are wanted by his constituents and mine.

Jeremy Lefroy (Stafford) (Con): May I welcome my right hon. Friend to her post and suggest she pays attention to what the right hon. Member for East Ham (Stephen Timms) said a bit earlier, because that is very important in terms of cash flow and the position facing people coming on to universal credit? The Under-Secretary of State for Work and Pensions, my hon. Friend the Member for North Swindon (Justin Tomlinson), made

some welcome points in response to that question, but we need to build on that for the future and also build on the work my right hon. Friend's predecessor did in this respect.

Amber Rudd: I thank my hon. Friend for his comments, and he is absolutely right: I am well aware of the need to ensure that people have access to those cash benefits as soon as possible. We have already made some adjustments to that, and I will do all I can to ensure that we do better.

T5. [907684] **Alex Cunningham** (Stockton North) (Lab): My constituent Natalie Tingle works hard in her job and as a student, but is £400 a month worse off after switching to universal credit and losing child tax credit. She now gets just £12 a month, as her student loan is counted as income, and she is getting into debt. Will the Minister investigate her circumstances and find a way to help?

The Minister for Employment (Alok Sharma): I am very happy to meet the hon. Gentleman and discuss that particular case.

T9. [907688] **Henry Smith** (Crawley) (Con): I am very grateful to Crawley DWP staff, who successfully helped with the transition to universal credit in June. Will my right hon. Friend update the House on the support available to claimants who are transferring?

Amber Rudd: I congratulate my hon. Friend on his work with the jobcentre in Crawley to ensure that claimants get the best benefits. We have had some changes from the Budget, as he will be aware, and will bring forward more details of regulations to help to deliver those outcomes as soon as possible.

T8. [907687] **Jamie Stone** (Caithness, Sutherland and Easter Ross) (LD): May I also welcome the Secretary of State to her post on the Front Bench? In the past I have mentioned the problem of the lack of online access in the remotest parts of my constituency, but in addition there is the problem of people in my constituency who cannot, as we say in the highlands, work a computer. They do not have the skills. What is going to be done to address that issue?

Amber Rudd: Yes, it is a very important point and one that we are well aware of. We cannot assume that everybody can, as the hon. Gentleman puts it, work a computer. We have made provision in the arrangements to ensure that people can have access and that job coaches can work with people remotely via telephone and also engage in their communities, perhaps in different places from the jobcentre. However, I will keep a careful eye on this issue to ensure that we are delivering a truly comprehensive service, so that everybody, whether they can work a computer or not, can access it.

Ms Esther McVey (Tatton) (Con): May I warmly welcome my right hon. Friend to her position and wish her every success? She will know that youth unemployment has fallen by half since 2010, so does she agree that ours is the party of opportunity and the party for young people?

Amber Rudd: Let me take the opportunity again to thank my right hon. Friend for the extraordinary work that she did in this Department, particularly on the Disability Confident campaign, but also on encouraging women into work. She is a particular champion of women and social mobility, so yes, I agree with her: it is this party that is the party of opportunity.

T10. [907689] **Dr Paul Williams** (Stockton South) (Lab): I have received a letter from a constituent who is a universal credit caseworker. She describes overworked staff looking after so many cases that people receive payments only when they complain. Will the Minister respond to this whistleblower's allegation of chaos?

Alok Sharma: If the hon. Gentleman has a particular case to raise, I am happy to discuss it, but I should say that I and my colleagues go up and down the country to jobcentres, and I am afraid that the characterisation that he described is not the one we find. We find work coaches who are really enthusiastic about delivering universal credit and supporting people on a one-to-one basis. When it comes to payments, 80% of people get their full payment on time for the first assessment period and 90% will be receiving at least part-payment, but of course we require information to be provided to us—for instance about childcare or other costs—before we can make those payments.

Sir Mike Penning (Hemel Hempstead) (Con): I have sat here patiently through questions, and there have been lots of congratulations from across the House, particularly to the Secretary of State and the previous Secretary of State, quite rightly, but the people who should be congratulated are those in jobcentres and those who have got the jobs. In my constituency of Hemel Hempstead, which is a new town—it is 70 years old, but we are a new town—we have the lowest unemployment ever. In 2010 it was 2,460; it is now 820. Those people should be congratulated.

Amber Rudd: I thank my right hon. Friend for pointing out the real benefits seen over the past few years and how important it is that the system helps individuals into work. It is the people who have got the new jobs who need the congratulations, but also the work coaches, who for the first time provide a personal service to ensure that every individual is helped into work.

Dan Carden (Liverpool, Walton) (Lab): Professor Philip Alston talks about things that those of us who choose to see them see in our constituencies every time we are back there. The new Secretary of State comes into a Department where her Ministers are on autopilot, denying the real, lived experiences of my constituents. Instead of showing the signs of Stockholm syndrome, why does she not give us a break from the past and not misrepresent reports, but actually listen to the UN special rapporteur?

Amber Rudd: The fact that I think that the UN rapporteur's report is wrong does not mean that we do not listen to other reports and experts in the area. The hon. Gentleman does not seem interested in the facts surrounding the success of the scheme. We can hold these two things in our heads: overall, UC is being successful and work is at record levels—these are good

things—while also acknowledging that there are not insignificant areas that need changing and addressing. We can do both those things.

David Morris (Morecambe and Lunesdale) (Con): In Morecambe, we have had universal credit for the past two years; we were one of the very first places where it was rolled out. It is a success. I congratulate my right hon. Friend on going from the Back Benches to the Front Bench again, and I invite her to Morecambe to see Gary Knowles and his fantastic team, to hear from them at first hand how they are making universal credit a success in Morecambe.

Amber Rudd: I thank my hon. Friend for his invitation, and I would be delighted to take him up on it. I encourage all colleagues from across the House to take the opportunity, if they have not done so yet, to go into jobcentres and speak to the work coaches, who will show them how the system works and how this personal approach is so different from what has happened in the past and so much more constructive for individuals.

Several hon. Members *rose*—

Mr Speaker: The hon. Member for Stoke-on-Trent North (Ruth Smeeth) has perambulated within the Chamber, but there is no dishonour in that.

Ruth Smeeth (Stoke-on-Trent North) (Lab): In advance of the imminent urgent question, I want to say that universal credit is due to be imposed on the north of my constituency just before Christmas. I wrote to the Secretary of State's predecessor twice asking for it to be delayed, if only until the new year. Will the new Secretary of State please look favourably on this request?

Amber Rudd: We are not stopping, ceasing or pausing the system, but we always make sure that we change it where it needs to be changed, to ensure that it operates in people's best interests.

Alex Burghart (Brentwood and Ongar) (Con): I am delighted to welcome the new Secretary of State to her place, and I thank the old Secretary of State—[HON. MEMBERS: "Former!"] My apologies—I thank the former Secretary of State for all she did, not least in acquiring the additional money for universal credit. I am delighted to say that we now have record disability employment in this country. Will the Minister confirm that the Department will continue to work on giving assistive technology to disabled people to help them to find work?

Sarah Newton: I thank my hon. Friend for that question about a really important matter. It is great to see the use of the tech fund in access to work. We are always working on this, and on Wednesday we should have a really good announcement to make on expenditure through the challenge fund, which will enable even further use of technology to support people into work.

David Hanson (Delyn) (Lab): In congratulating the new Secretary of State, may I commend to her the "Panorama" programme that was filmed in my constituency last week? It showed chaos in the universal credit system, poverty and people being evicted, as well as landlords

not accepting that the system worked in their interest. Will she watch that programme and report to me on its contents?

Amber Rudd: I am always grateful for suggestions of programmes to watch. I will try to do so, but I cannot promise to report to the right hon. Gentleman, as he requires.

Tom Pursglove (Corby) (Con): Youth unemployment is at record lows; more women are in work; and we have the lowest unemployment rate in this country since the 1970s, with unemployment down by more than half from 2010 in Corby and east Northamptonshire. What role does my right hon. Friend believe universal credit has played specifically in delivering that success?

Amber Rudd: I thank my hon. Friend for reminding the House of the tremendous benefits of universal credit and the tremendous advantages of an economy that is growing and providing so much new work for our constituents. Yes, of course universal credit has an important part to play in delivering those advances.

Stephanie Peacock (Barnsley East) (Lab): In March, I wrote to the DWP regarding a systematic error in the housing element of universal credit that was incorrectly deducting £70 from claims. I was assured that the fault was known and the fix was on its way, but eight months later my constituents are still having their money taken. When will the Government sort out this mess?

Alok Sharma: If the hon. Lady would like to have a discussion about this case, I will of course look into it. Quite a lot of the time, I find that when Opposition colleagues raise issues, they do not always follow up with the individual cases. I hope that on this occasion, she will do so.

Several hon. Members *rose*—

Mr Speaker: Order. I am sorry to disappoint remaining colleagues, not for the first time and assuredly, I predict, not for the last. Demand massively outstrips supply, but time is our enemy and we must now move on.

Debbie Abrahams (Oldham East and Saddleworth) (Lab): On a point of order, Mr Speaker.

Mr Speaker: The point of order will come after the urgent question. [*Interruption.*] I hope that it is not a point of argument or of advocacy, but a point of order requiring an authoritative ruling from the Chair. I am sure the hon. Lady is an honest seeker after truth.

Debbie Abrahams: On a point of order, Mr Speaker. Although I was very disappointed with the dismissive response from the Secretary of State and Ministers to the UN rapporteur's report on poverty in the UK, it was nothing compared with the remarks made by the hon. Member for Spelthorne (Kwasi Kwarteng) on "The Andrew Marr Show" yesterday in response to a question regarding the report and the dire circumstances faced by Emily Lydon. Emily is brain damaged, following her mother contracting Creutzfeldt-Jakob disease when she was pregnant. She is being forced to sell her home as a result of transferring on to universal credit. The hon. Gentleman absolutely dismissed her plight, and he brought

shame not only on the Government, but on this House by the type of remarks he made. Have you had any indication that he will be making an apology to Emily and to this House? If not, how can I take this further?

Mr Speaker: The short answer is: no, I have received no such indication of any plan on the part of the Minister or any other Minister to make a statement

on that matter. However, the hon. Lady, using the parliamentary guile she has nurtured over a period of years in this place, has registered, with some force, her—and possibly others'—concerns, to which I feel sure, through parliamentary means, she will return before long. If there are no further points of order flowing from questions, or purporting to flow from questions, we come now to the urgent question.

Johnston Press: Administration

3.41 pm

Tom Watson (West Bromwich East) (Lab) (*Urgent Question*): To ask the Secretary of State for Digital, Culture, Media and Sport if he will make a statement on the impact of Johnston Press going into administration.

The Secretary of State for Digital, Culture, Media and Sport (Jeremy Wright): As the House will know, on Friday Johnston Press confirmed that it was going into administration. Johnston Press has debts of £220 million that were due to be repaid in June next year. It operates, as the House knows, titles at local, regional and national levels. It has explored a range of refinancing options over the past 18 months, including a debt-for-equity swap with bondholders. In October, it entered into a formal sales process, but no suitable buyer was found. On Saturday, it was announced that the newspapers and assets owned by Johnston Press would be acquired by JPI Media, a new consortium established of Johnston Press creditors. JPI Media has said that the operation of the newspapers and websites will continue. It has also said that the debt will be reduced to £85 million, repayable by the end of 2023, and that it will be injecting £35 million into the company to help it operate, including supporting the transition to digital. It has also released a statement saying that the situation will have an impact on employees and pension holders on the defined pension scheme, and that it is working through what this will mean for about 250 current members of staff who are impacted. The Pension Protection Fund has been notified. As the House knows, this is a fund set up by the Government to provide pension benefits to members of defined-benefit schemes whose sponsoring employers have become insolvent. The PPF, with the assistance of the trustees of the scheme, will assess whether the scheme needs to enter the PPF.

Over the weekend, I spoke to David King, formerly the chief executive of Johnston Press and now the chief executive of JPI Media, and today I spoke to its head director. They set out that they believed this move was the best course of action for the long-term future of their staff and titles and that the only alternative would have been liquidation and redundancies. Like Members from across the House, I am committed to a vibrant and free press. Johnston Press, with more than 200 titles and 2,000 staff serving communities across the UK, plays a significant part in that—three of these titles serve my constituency. Its future sustainability is therefore very important to us all.

My deepest sympathies are with anyone who is facing uncertainty as a result of the changes. However, it is important to note that the takeover may come under the rules as set out in the Enterprise Act 2002. Under that legislation, where it appears that a relevant merger or takeover situation arises, the Secretary of State can consider, in a quasi-judicial capacity, whether it raises media public-interest considerations. As such, I am sure that the House will understand that at this stage I will not set out any views on the impact of this specific transaction.

What is clear is that this is an example of the challenges faced by the newspaper industry more broadly and in particular of the challenges faced by local papers. Such

papers help to bring together local voices and shine a light on important local issues, in communities, courtrooms and council chambers. It is clear, though, that such papers have to make difficult decisions to try to adapt to the changing market. At this challenging time for print journalism, we are working hard to ensure its sustainability. In March, we launched an independent review, chaired by Dame Frances Cairncross. It will look into how the production and distribution of high-quality journalism can be sustained in a changing market, with a particular focus on the online space. Dame Frances's report and recommendations will be published early next year. Next week, the Minister for Digital and the Creative Industries will host an open session with Dame Frances, so that Members of this House and of the other place can share their views on these important issues.

At national and local levels, a press that can hold the powerful to account remains an essential component of our democracy. That is what this Government are working to support.

Tom Watson: I, too, spoke to David King this weekend. Like many right hon. and hon. Members from Government and Opposition parties, I was alarmed at the plans for Johnston Press to go into administration. This centuries-old British company has more than 200 newspapers that report vital local, regional and national news and hold the powerful to account. Although, as the Secretary of State says, the buy-out by JPI seems to have averted the imminent closure of those publications, their long-term future, and that of hundreds of jobs, is far from certain.

This is part of a bigger, long-term global strategic question: in this digital age of information abundance, how can local democracy be preserved through quality local journalism? Since 2005, 200 local newspapers have closed and we have lost half all local journalists. For 10 years, we have seen the impact of digital disruption on local journalism. After eight years of the current Administration, all we hear is the Secretary of State referring to a process that they currently articulate as the Cairncross review.

Whilst Ministers prevaricate and hold open sessions, the tech oligopolies have consolidated their media advantage by dominating digital ad revenues. They continue to avoid fair taxes and will pay less once the Government's corporation tax cuts are introduced under the Finance Bill. Some have even allowed criminal data breaches on their platforms. Worse still, they sneer at Parliaments around the world that try to hold them to account. I remind the House again that even Rupert Murdoch showed greater respect for our democratic institutions than Mark Zuckerberg, who refused to appear before our Digital, Culture, Media and Sport Committee.

Specifically on the Johnston Press, which is a victim of the long-term strategic changes in the media market that the Secretary of State's colleagues, including the Parliamentary Private Secretary, the hon. Member for West Aberdeenshire and Kincardine (Andrew Bowie), who is chuntering from a sedentary position, seem to think are funny—

Andrew Bowie (West Aberdeenshire and Kincardine) (Con) *indicated dissent*.

Tom Watson: Or the hon. Member for Mid Worcestershire (Nigel Huddleston), sitting next to him, then.

Will the Secretary of State confirm that no one currently on a pension from Johnston Press will receive a shortfall in payments? Will the Government step in if they are going to? Will the pension regulator assess what obligation the new entity has to those employees set to lose out?

I understand that JPI Media was apparently established back in September. When was the Secretary of State made aware of that, because, clearly, the writing was on the wall for Johnston Press when the new entity was established, and what meetings has he or his ministerial team had since the creation of JPI Media, to protect the interests of Johnston Press workers?

There is a crisis in local newspapers that we have known about for many years and that, whatever our politics, it is all our civic duties to address. The Secretary of State has been in post for only 134 days. In that time, he has overseen the resignation of a respected Minister, made an obvious and humiliating policy climbdown on fixed odds betting terminals, while ignoring what everyone knew would be the inevitable crisis in local news. He should have given a statement to the House today, not been dragged here to give a woeful answer in an urgent question. After 134 days in post, he needs to wake up and stop sleeping on the job.

Jeremy Wright: Let me start by agreeing with the hon. Gentleman that this is indeed a long-term problem that requires some long-term solutions. As he rightly says, local papers have been closing since 2005, but, if my memory serves me correctly, it was not my party in government in 2005; it was his. It really will not do for him to bring what is a serious issue—and a long-term one, as he says—to this House and try to make it into a bit of political point scoring against the current Secretary of State. I do not mind, but those who are affected by these changes will want to hear something a little more constructive from him and the Labour party.

Let me answer the pensions question. The hon. Gentleman asks me about current pensioners. As far as I understand it, they will not be affected. Anyone in receipt of their pension now will continue to be paid. The changes will affect those who are currently in employment, and we believe that there are 250 or so in total.

The next point that the hon. Gentleman makes is that this problem was apparent for some time. He is right, of course, and, as I said in my response to him, the problems affecting local media have been apparent for some time. They are structural problems, which is precisely why we believe that the right approach to take is to ask for an independent assessment of those structural problems, which Dame Frances Cairncross is carrying out and which will be completed shortly. When it is, we have asked Dame Frances to give clear indications of what she believes the answers may be so that we can consider what action a Government can properly take. That is the right approach to what is a structural and long-term problem, as he says.

In answer to another of the hon. Gentleman's questions, I indicated to him in my initial response that I have had a conversation with David King, as he did over the weekend, and I spoke to JPI's lead director today. Those are the conversations that I have had since this announcement was made on Friday. He seems to suggest that the Government should do more. He will be aware

that, in addition to the Cairncross review, we have made concessions on business rates for newspapers, and we have looked at other ways in which we can help. He will be well aware that local papers were very clear that if the Government had brought into force section 40 of the Crime and Courts Act 2013, they would be significantly affected by it. Indeed, Johnston Press itself responded to the consultation on this matter. The hon. Gentleman may have seen what it said, but, in case he missed it, let me remind him. It said that the impact of section 40 could cost its business £6.7 million. It went on to say that it would force many of its papers that operate on the slimmest of margins to become unprofitable and that they would therefore have to be closed.

I respect the hon. Gentleman's position on section 40. It is long held and, by him, deeply felt. What he cannot do is come to this House and accuse the Government of doing too little to help local papers when he himself would take action that would profoundly damage them.

Mr John Whittingdale (Maldon) (Con): I welcome my right hon. and learned Friend's recognition that the economic difficulties facing Johnston Press are the same ones that are now affecting all local newspapers, and that this situation is contributing to a real threat to the proper functioning of local democracy. Will he consider that one way of addressing this is to build on the BBC's local democracy initiative, which is already funding 150 journalists? The obvious people to make an extra contribution towards this initiative are the internet technology giants, which are responsible for at least some of the problems now affecting newspapers.

Jeremy Wright: I will first address my right hon. Friend's second point. He is right that we need to consider the impact on local news of the increasing transfer of particular advertising to online platforms. Of course, it is also important to consider how we ensure that content is properly paid for when it is used. He is also right that local democracy reporters have a part to play. It is important to note that the content they produce is made available to local newspapers, and I am sure that this assists those local newspapers in producing copy.

Hannah Bardell (Livingston) (SNP): Local journalism and local journalists are the lifeblood of our media. I welcome much of what the Secretary of State has said, although we have not heard enough about the guarantee for pensions, workers' rights and jobs, and I have spoken to a number of journalists who are deeply concerned. He will know that the National Union of Journalists has voiced significant concerns about the long-term intentions of the company's new owners, amid fears that it has been purchased with a view to asset stripping. Does he believe that it would be prudent for the new owners to make a commitment to staff regarding their motivations for taking over and to offer assurances about their long-term plans for Johnston Press?

Much has been said about what can be done, and the demise of Johnston Press has largely been put down to the rise of digital media, so I am sure that the Secretary of State will find it more than passing strange that the previous chief executive will be the new chief executive in that new company. A company has failed, and I think we all find it very strange that it has shut down, moved

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on some of its debts and pension liabilities, and popped up with a shiny new name. We must be sure that the workers' rights and pensions are protected.

The Secretary of State may know that Norway has the strongest penetration of digital news subscriptions of any country, as almost two thirds of Norwegians mostly find news by going directly to traditional news providers. He may therefore also find it strange that one of the major shareholders—the Norwegian investor, Christen Ager-Hanssen, who is in Parliament today—has been shut out and that his shares are now valueless. Will the Secretary of State meet me, the hon. Member for West Bromwich East (Tom Watson) and Mr Ager-Hanssen to discuss the issues? I recommend Lesley Riddoch's film, "Nation", which looks at Norway's model of funding the second newspaper in every region of Norway. Will he look at that model and compel Frances Cairncross to include it in the review in order to look at the options available for workers, who we think of today?

Jeremy Wright: Let me pick up three of the hon. Lady's points. First, she mentioned pensions. As I said, the Pension Protection Fund is now engaged with this, and the action it now takes is a matter for that body. It is important that the fund and the Pensions Regulator have the chance to consider this properly, as they are now doing.

Secondly, the hon. Lady asked about the long-term commitment of the new owners. Again, that is a matter for them. What I should have said is that, as she will appreciate, the headquarters of Johnston Press are in Edinburgh, so it is of course necessary for us to work with the Scottish Government to ensure that, if further actions are necessary, we take them in conjunction with the Scottish Government.

Finally, the hon. Lady invited me to meet her, the shadow Secretary of State and a shareholder. Earlier, I mentioned the risk that there is a quasi-judicial role for me to complete in this process. We do not yet know whether I will need to do so, but I think it best that I am prudent about that at this stage so, if she will forgive me, I will not accept her kind invitation at this point.

Mr Edward Vaizey (Wantage) (Con): I refer the House to my entry in the Register of Members' Financial Interests, in case it is relevant. I am well served in my constituency by an excellent local paper, *The Herald*, and an excellent local radio service, provided by BBC Oxford. We have done a lot to try to support local newspapers, not least through the BBC reporting initiative and the alleviation of business rates. Can the Secretary of State comment on whether local councils and, indeed, Government will continue to place statutory advertising in local newspapers, which is a source of valuable income?

Jeremy Wright: I am grateful to my right hon. Friend. He has personally done a great deal in this space, which the House should note. He makes a good point about what local government in particular can do. It is important that, in addition to putting pressure on central Government, as the House is doing now, we also seek to speak to our respective local authorities, to ensure that they play any role they can in the preservation of our important local newspapers.

Lisa Nandy (Wigan) (Lab): We do not need a review to tell us that this is a story of pure greed. A handful of people have creamed off huge profits and left a debt-laden struggling company in the hands of hedge funds, with staff yet again paying the price. That hedge fund rescue package will be of little comfort to smaller titles like the *Wigan Evening Post* and the *Wigan Observer* that will not prove lucrative for asset strippers and face a very uncertain future at best. Will the Secretary of State intervene to ensure that long-term guarantees are provided for those smaller titles? They are not just the lifeblood of local democracy, as he rightly said; they are also the only talent pipeline left for young working-class people to break into journalism, and those young people are today left wondering what on earth the future holds for them.

Jeremy Wright: These titles are important, for the reasons that the hon. Lady gives. As I have explained, there are good reasons why I must be cautious at this stage in what I say about this particular transaction, but she has my assurance that I will be looking for the new owners of these titles to give what assurance they can that they recognise what she has said, what I have said and what we have all said so far in this exchange about the importance of these local titles and the need to maintain them where we can.

Mr Shailesh Vara (North West Cambridgeshire) (Con): May I first pay tribute to my two local newspapers, the *Hunts Post*, whose editor is Daniel Mansfield, and the *Peterborough Telegraph*, which is now owned by JPI Media, and in particular the editor, Mark Edwards, and his staff, who do a fantastic job serving the local community?

My right hon. and learned Friend spoke of the need to reduce debts by £85 million and the possibility of job losses. Will he give the House an assurance that the next time he speaks with Mr David King, he will press him not only to do the statutory minimum to help these people, but to do anything else that can be reasonably expected to help those who are unfortunate enough to lose their jobs?

Jeremy Wright: Yes.

Louise Haigh (Sheffield, Heeley) (Lab): Following the news, there was widespread public support for the *Sheffield Star*, the *Sheffield Telegraph* and the excellent *Yorkshire Post*, and particularly for the staff who work for those papers. The Secretary of State said earlier that he believed that all those in receipt of a pension would be protected. There is concern that those in receipt of a final salary pension will not be protected when they move over to the new company. Can he provide clarity on that?

Jeremy Wright: My understanding is that all those currently in receipt of their pension will not be affected by this change. As the hon. Lady will see, the Pensions Minister, my hon. Friend the Member for Hexham (Guy Opperman), is sitting next to me, and if that is incorrect, one of us will write to her to explain, but that is my understanding.

Rebecca Pow (Taunton Deane) (Con): Having worked in the media for a great part of my life and for many years as a freelancer, I really understand the importance

of our local newspapers and the type of publications that Johnston Press publishes, for not only disseminating news but training journalists. It is a place for people to start learning their trade, and they then go on to national papers. We need these people. Can the Secretary of State give an assurance that he is taking high-quality journalism to heart and that the review will look at the balance between traditional publications and online publishers? We need balance and fairness.

Jeremy Wright: Yes, I am happy to do that. In fact, the first newspaper I ever appeared in was my hon. Friend's local newspaper, so it has a particular place in my heart. She is right: one thing that we expect Dame Frances Cairncross to do, and upon which we will wish to act, is to preserve good-quality, well-sourced, authoritative journalism at local and national levels. It is fundamental to the way in which we hold power to account, and it is an important part of the antidote to so-called fake news, on which my hon. Friend's Select Committee has done such good work.

Rachel Reeves (Leeds West) (Lab): I refer to my declaration in the Register of Members' Financial Interests.

May I pick up on the point made by my hon. Friend the Member for Sheffield, Heeley (Louise Haigh), who asked what will happen to people who are currently in receipt of pensions? I do not think it is correct to say, as the Secretary of State has said, that their pensions will not be affected, because they will be uprated in line with consumer prices index inflation rather than retail prices index inflation for years to come. If someone expects to carry on taking a pension for 20 years, they will lose out on thousands of pounds if their pension is uprated at this lower rate. Will the Secretary of State confirm that people who are currently in receipt of final salary pension schemes at JPI Media, to which they have now been transferred from Johnston Press, may indeed lose out to the tune of thousands of pounds because of these changes?

Jeremy Wright: Again, I must I am afraid remind the House of what I said earlier. There are good reasons why, at this stage at least, I need to be cautious about what I say about the detail of this transaction and the background to it. What I would say to the hon. Lady is that it is very clear that this business was having significant difficulty before this transaction was carried out over the course of the weekend, and were these businesses to have been liquidated there would have been very serious consequences for all concerned. As I say, it is important that I am cautious at this stage about what I say.

Sir Peter Bottomley (Worthing West) (Con): I am occasionally able to write in a local newspaper, and such newspapers occasionally write about me.

May I put it to my right hon. and learned Friend that Sir Ray Tindle, the founder and president of the Tindle Newspapers Group, is right in saying that from daily national newspapers we expect speed and from local newspapers we expect detail? As well as our concern for the journalists and the pensioners, should we not be concerned for local communities? Local papers cover catastrophe and they cover celebration, and they provide the details of ordinary community life that matters so much to so many of our constituents.

Jeremy Wright: Yes. My hon. Friend puts it extremely well, and that is exactly why we are all concerned for the future of local journalism. We are concerned about the titles that we are specifically discussing this afternoon, but also for the broader future of local journalism. That is precisely why the Government are taking the actions I have laid out.

Mr Barry Sheerman (Huddersfield) (Lab/Co-op): As we all know, it is the pensioners and the workers whom we care about, as well as the communities and, as my hon. Friend the Member for Wigan (Lisa Nandy) said, the pipeline of journalists, with people from ordinary backgrounds getting into journalism. However, if we are looking at this whole media area, will the Secretary of State bear in mind the question whether the Cairncross review is broad enough, and as other hon. Members have said, the remit is right for looking at something like taking money from the BBC, to which another Member referred? I do not want us to take money from the BBC; I want to take money from Google, Facebook and all those people who do not pay their taxes.

Jeremy Wright: We certainly expect Frances Cairncross to talk about online companies, too. That is a very important part of her remit, and she will look very specifically at what they do, particularly with regard to online advertising, which is a major component of the issue we are discussing. I can give the hon. Gentleman that reassurance. We will of course await what she says. I commend to him the opportunity next week, which I described earlier, of going to talk to her himself and to express his views directly.

Kirstene Hair (Angus) (Con): Does my right hon. and learned Friend agree that we must look carefully at the impact that online platforms are having on these titles, such as the *Arbroath Herald* and the *Brechin Advertiser*? What role can his Department play in trying to underpin a sustainable model for local news?

Jeremy Wright: Yes, I agree with my hon. Friend. As I have said, the online presence of different kinds of news and different kinds of advertising is a structural challenge to the way in which local papers are operating. That is precisely why we have asked Dame Frances Cairncross to do what she is doing, and I very much look forward to hearing what she has to say.

Frank Field (Birkenhead) (Ind): Is the Secretary of State happy with the policy that is developing of companies running up a white flag, dipping into administration and then very quickly reappearing minus their pension duties?

Jeremy Wright: No, if that is the intention I am certainly not happy. The right hon. Gentleman will know that the PPF and the regulator will need to look at this transaction and decide what they make of it, and there may come a time when I need to do so too. We will wait first for the PPF and the regulator to make their judgments.

Mr Robert Goodwill (Scarborough and Whitby) (Con): The first page that many of my constituents turn to when they open their *Whitby Gazette* or *Scarborough News* is the family notices—the births, marriages and

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deaths—if only to check that they are still alive themselves. Does the Secretary of State recognise the importance of that element of local newspapers, particularly for those who do not have access to digital media?

Jeremy Wright: Yes, I do, and that is one of the many reasons why we are all concerned to ensure that local papers have a presence in the media landscape and a long-term future.

Diana Johnson (Kingston upon Hull North) (Lab): May I stress to the Secretary of State the importance of regional newspapers? *The Yorkshire Post*, founded in 1754, has been essential in making the case for Yorkshire and the north in the latest rail timetabling shambles. It is important that we have regional journalism that allows pressure to be put on the Government, so what does the Secretary of State think he can do to ensure that there is strong, independent regional journalism in this country?

Jeremy Wright: I rather agree with the hon. Lady that there is a significant role for the regional press as well as the local press. It is a part of the landscape that we need to consider carefully. She will be aware of the *Hull Daily Mail*, which does good work online. That is an important point, because we must accept, as the local press does, that people are increasingly consuming their news online. Local papers need to be able to adapt to that. Some, such as that paper, are doing so very successfully, and others need to learn similar lessons.

John Howell (Henley) (Con): Does the Secretary of State agree that we should be celebrating a good news story today, in that all operations have continued and will continue in the future? Does he agree that the company has spoken clearly about both keeping employee rights and ensuring that the newspaper titles continue to be printed?

Jeremy Wright: My hon. Friend is right—the alternatives available to Johnston Press at this stage were immeasurably worse. As I set out to the House at the outset, a number of steps were taken to seek an alternative course, none of which was successful. He is right to recognise that, at this point at least, all the titles continue and all jobs have been retained, but of course, as we have discussed this afternoon, there are many long-term challenges facing not just that company but others in the same space.

Christine Jardine (Edinburgh West) (LD): I declare an interest: I write a weekly unpaid column for *The Scotsman*, which despite its troubles is possibly still the proudest title among daily newspapers in Scotland. Along with its sister the *Edinburgh Evening News*, it is one of the titles affected by the changes. I have had communications over the weekend from executives of the former company and from the new owners, and from former colleagues, now constituents, who are concerned about exactly the issue that has been raised today. They fear that they stand to lose tens of thousands of pounds from their pensions now that they have left the company, because under PPF rules they could lose 10%. I appreciate the Secretary of State's possible

quasi-judicial position, but can he assure the House that he will bear in mind the position of both the staff and former staff of the titles affected?

Mr Speaker: I was hoping that the question mark was approaching, and fortunately it did, just in time.

Jeremy Wright: I entirely understand the concern that the hon. Lady and others have expressed. We are particularly concerned for those employed now and those in receipt of their pensions. As I have said, the PPF will need to determine its view of the transaction first, and then, in conjunction with the trustees of the current pension scheme, it will need to determine what action should be taken. She is right to express concern, and we have too. We will continue to pay close attention to what all the relevant bodies say.

Sir Mike Penning (Hemel Hempstead) (Con): The *Hemel Gazette* in my constituency is a Johnston Press paper. Although no people in my constituency work on it, my thoughts are with those who are concerned about their future and their pensions. May I ask about a group of people we have not heard about, the small suppliers and the small creditors? They will have heard about everything going on this weekend, with the big creditors taking over the same management team. That must be of real concern to the small creditor—whether that is legal. They stand to lose thousands and thousands of pounds and may well go under because the big companies will get all the money, while the company will operate in exactly the same way as before but under a slightly different name.

Jeremy Wright: I hope my right hon. Friend will forgive me—I am going to sound like a cracked record by the end of this urgent question—but there are reasons why I need to be cautious at this stage about what I say about the transaction and the way it has been conducted. There will be inquiries made into the way in which this has transpired, including the effect on small creditors. At this stage, we must await some of those conclusions before taking matters further.

Ian Murray (Edinburgh South) (Lab): Johnston Press pursued a very aggressive acquisition strategy over the past 10 years, which has partly put it in this position. It has left titles such as *The Scotsman* and the *Edinburgh Evening News* operating on very, very small numbers of staff. Can the Secretary of State tell us whether there is any liability to the public purse and if so what he will be doing to pursue the new company to ensure that the public purse is repaid?

Jeremy Wright: For the reasons I have just given, I will not comment on the nature of the transaction itself. The hon. Gentleman is right that over the preceding years Johnston Press has acquired a number of different titles. That, of course, is a matter for its judgment. In the process of looking at the transaction, it will have to answer for judgments and decisions it has made. At this stage, however, we must await what the various bodies I have described conclude.

Maggie Throup (Erewash) (Con): The *Ilkeston Advertiser*, part of the JPI Media group, is the last remaining weekly local newspaper in my constituency. What more support can my right hon. Friend offer such local titles to help them to survive, because they play such an important part in our communities?

Jeremy Wright: We can all do our bit to ensure we support our local titles. It is right that some titles move more online, as that is where the reader is going, and it is right that the Government do what they can. We have mentioned some of the financial incentives that the Government have already brought forward. Beyond that, I look forward to more structural and long-term solutions emerging from the Cairncross review and our considerations of it.

Gavin Robinson (Belfast East) (DUP): Mr Speaker, your encyclopaedic knowledge should include the *Belfast News Letter*, the longest continuously printed English language daily paper, printed from 1737. It notably revealed that America had struck independence in 1776. It is one of the titles under consideration with Johnston Press. I hope the Secretary of State understands that there is more to this than just currently employed staff and future and current pension holders; there is an historical legacy and a contemporary contribution to the principle of a free press.

Mr Speaker: It is a notably illustrious organ, I feel sure. I also feel sure that the organ concerned will get to hear of the hon. Gentleman's intervention.

Jeremy Wright: The hon. Gentleman makes a very good point—one that had not yet surfaced in this conversation. As he says, it is not just about those who work on these publications now, or even those who read them now; it is about those who have worked on and read them, over preceding centuries in the case of the publication he mentions. They are an important part of the fabric of our local communities. For that reason, we wish to see them preserved. As I have said, it may be that they are not preserved in quite the form they were in the 1770s, but there is an opportunity for local papers to grow with the times and for us to continue to support them even into the 21st century.

James Heapey (Wells) (Con): My constituency is served by seven local newspapers, all with separate circulations. Time means I cannot, like some colleagues, get them all into *Hansard*. However, five of them are owned by the Mirror Group. Last week, the editors of those five titles were made redundant. In the light of what has happened with the Johnston Press, will the Secretary of State say what conversations he might have had with the Mirror Group to check on its ongoing commitment to local newspapers?

Jeremy Wright: I am now alerted to that. The process that we described—in the form of the Cairncross review—is designed to confront some of the systemic challenges that affect not just Johnston Press, but many other companies in this space. There is nothing particularly unique, I think it is fair to say, in the experience that Johnston Press has been having. It is a structural challenge for local newspapers and one that we must address in a structural way.

Tracy Brabin (Batley and Spen) (Lab/Co-op): The *Batley & Birstall News* has been serving my constituency for 140 years and, with the *Spenborough Guardian*, is a much loved title. They have fantastic campaigns such as "Love Your High Street". My concern about the reconfiguration is that there will be some asset stripping

and only the most profitable titles will remain. While *The Yorkshire Post* is fantastic—I applaud it for its journalism, which is very rigorous and wide-reaching—my concern is that the smaller titles, which provide a counter-narrative to some of the harshest, most polarising voices elsewhere, will be lost to our communities.

Jeremy Wright: Again, I understand the hon. Lady's concern and her enthusiasm for her local titles. As has been said, it is right to point out that at this stage all titles are preserved by this move. The alternatives, as far as Johnston Press could see, were all immeasurably worse, but both she and I will want to hear from the new owners about their plans for the longer term. It is only fair to give them space to develop those plans, but once they have done so, she and I will wish to seek further information about what they intend to do.

John Lamont (Berwickshire, Roxburgh and Selkirk) (Con): The Johnston Press group has four titles in my constituency—*The Southern Reporter*, *The Berwickshire News*, the *Hawick News*, and the *Selkirk Weekend Advertiser*, which provide excellent local news to my constituents—but in an increasingly competitive environment, particularly with BBC local platforms, which I know cause them great concern, what more can the Government do to support local journalism?

Jeremy Wright: We can do more and we seek to find inventive ways of doing more to account for the changing circumstances in which all these newspapers find themselves. If I may, I will make a conditional point that my hon. Friend brings to mind. Those observing these proceedings might be surprised that Members of this House, who are held to account by local newspapers, would mourn their passing, but it is credit to our democracy that all of us believe that it is right that those in power should be held to account. That applies not just to those in Whitehall, but to town halls up and down the country and, dare I say it, to local Members of Parliament, who are held to account in some cases by four publications at once.

Sir Kevin Barron (Rother Valley) (Lab): Johnston Press at Dinnington in my constituency was a crucial part of a £163 million coalfield regeneration project under the Labour Government in 2006. It currently boasts *The Yorkshire Post*—I believe it to be a national newspaper—and prints many other national titles for the north of England as well. The Minister said what he would like to do to make sure that the jobs are there—that is right and proper—but will he tell us what influence he has on the Pension Protection Fund and the regulator?

Jeremy Wright: As the right hon. Gentleman will appreciate, both are independent. They make their own judgments and we must let them do that, but the Government will want to consider the position once they have done so, and to seek to know whether there is further action we can take. The right hon. Gentleman is right, as was his hon. Friend the Member for Kingston upon Hull North (Diana Johnson), that there is an important regional component to our press. We might, as he says, argue that that verges on the national in some cases—[*Interruption.*] We should certainly not miss the argument that there is a regional layer to our press which adds considerably to oversight and scrutiny, and we must seek to preserve it where we can.

Kevin Foster (Torbay) (Con): Torbay is well served by a mix of media, including a traditional newspaper, the *Herald Express*, a community-owned hyper-local newspaper, the *Torbay Times*, and the more citizen journalism-based The People's Republic of South Devon, which is online—I suspect Opposition Members might prefer its editorials. Will the Minister look at how we can sustain local newsrooms by perhaps reviewing how local media operations can become more cross-platform, particularly by looking at such things as small-scale digital audio broadcasting?

Jeremy Wright: Yes, we will look at that. We want to consider all possible ways of assisting the more general landscape that my hon. Friend describes. There may well be more that online companies can do to help, more that companies elsewhere can do, perhaps more that the BBC can do, and certainly more that local and national Government can do. We will look at all the possibilities.

Bill Esterson (Sefton Central) (Lab): This is just the latest example of what the Work and Pensions Committee described as “ripping off pensioners” using pre-packs. I understand that the Government announced they were holding a review into the impact on pensions of pre-pack administrations. Has the Secretary of State discussed when that review and its results are likely to be published, and when some of the pressure on the Pension Protection Fund will be relieved, as it is under enormous strain and going way beyond what it was intended to do?

Jeremy Wright: The Pension Protection Fund has over £30 billion-worth of assets and can cover these liabilities. On the hon. Gentleman's broader point, again I am fortunate that my hon. Friend the Pensions Minister is sitting along the row from me. I am sure he will write to the hon. Gentleman with the timescales he seeks.

Matt Warman (Boston and Skegness) (Con): As a former journalist, it strikes me that the party that stopped section 40 and facilitated local democracy reporters has a great deal to be proud of in this House. On the subject of local democracy reporters, it occurs to me that the Cairncross review has a huge opportunity to propose far more of that sort of thing, and it would be much more profitable for all of us if we ended up with a set of measures that resulted directly in local democracy reporters, for instance, rather than a simple fund.

Jeremy Wright: My hon. Friend speaks with considerable expertise, as he says, and I hope he will find time next Wednesday, or on another occasion, to come and speak to Dame Frances and discuss with her the matters he has raised.

Helen Goodman (Bishop Auckland) (Lab): I am very glad that neither the highly esteemed *Northern Echo* nor the excellent *Teesdale Mercury* is affected. Given that there is a structural problem, will the Secretary of State consider extending the Localism Act 2011 to local newspaper titles so that local communities and journalists can take them over, run them on a co-operative basis and protect them from this asset stripping?

Jeremy Wright: That is an interesting idea. If the hon. Lady will forgive me, I will consider it.

Henry Smith (Crawley) (Con): Although Johnston Press being in administration is a source of concern, will the Secretary of State join me in welcoming JPI Media's statement that existing titles, such as the *Crawley Observer*, will continue? In his dealings with the new company, will he continue to press that point?

Jeremy Wright: Yes, I will. As my hon. Friend says, those who work in publications such as the one he mentions could have found themselves redundant today, so this is a good start, but we will need to know a good deal more about the new owners' intentions, and as I have indicated, I will continue to seek further reassurances from them.

Judith Cummins (Bradford South) (Lab): *The Yorkshire Post* is a great example of the role that regional newspapers play in strengthening our democracy at all levels. What concrete steps has the Secretary of State taken to strengthen the industry, protect jobs and secure current pension rights at Johnston Press?

Jeremy Wright: I have mentioned some of the things the Government have already done, such as introducing concessions on business rates and ensuring that section 40 of the Crime and Courts Act 2013 does not come into force and damage local journalism considerably, and we will do more. It is important that we consider these issues in the round, because they are structural problems that have been around a long time, as we have already discussed. I am sure that the hon. Lady will look carefully at Dame Frances Cairncross's findings, as will the Government. We do not have long to wait, and when we have them, I think we will have a clearer idea of what the structural solutions might be to these structural challenges.

Huw Merriman (Bexhill and Battle) (Con): Like its Johnston Press stablemate, the *Buckingham Advertiser*, the *Bexhill Observer* hosts a fine selection of local contributors, as well as the occasional musings of its MP. I chair the all-party group on the BBC. What further steps can the Secretary of State take to discuss with the BBC how more content can be shared—not just writers' content, but perhaps video packages as well?

Mr Speaker: In respect of the journals to which the hon. Gentleman referred, for personal and family reasons it is fair to say he has a foot in both camps.

Jeremy Wright: My hon. Friend is right: there are further conversations that we can have with the BBC. Local democracy reporters have already been mentioned. I know that the BBC is very proud of what it has done in that regard and is keen to see what more might be done, and my hon. Friend's suggestion is a very interesting and practical one which we will take up with it.

Danielle Rowley (Midlothian) (Lab): When I graduated from Edinburgh Napier university with a first-class degree in journalism, I was told that I would be hard pushed to find work in a rapidly declining industry, but I was lucky enough to get work experience at my local Johnston Press-owned newspaper, the *Midlothian Advertiser*. Such local titles are essential for young people starting out, particularly—as was pointed out earlier by my

hon. Friend the Member for Wigan (Lisa Nandy)—those from working-class backgrounds. What is the Secretary of State doing to support those young working-class journalists?

Jeremy Wright: I agree with the hon. Lady. The point about the talent pipeline is very important. We all know, from our experience as constituency Members of Parliament, very good young journalists who are starting their careers on local publications, and who will hope and expect to move on to national publications thereafter. That is one reason why it is important for us to maintain a route through local journalism, which is what we seek to do. As I have said, we have already taken a number of measures, but there are a further number that we can take. It is important for all those journalists who start where the hon. Lady did to see not just a future for themselves in local journalism, but a real career path that will excite them and make them want to continue.

Mohammad Yasin (Bedford) (Lab): Do the Government think that social media giants such as Facebook and Google should do more to support local and regional journalism, and what action are they taking to protect the future of the local and regional press?

Jeremy Wright: You will not forgive me, Mr Speaker, if I answer the second part of the question all over again, but in relation to the first part, the hon. Gentleman is right: we expect companies such as Facebook and Google to engage with this argument. They are not entirely separate from it. It is fair to say that both those companies have already taken some actions to support local journalism—quite right too—but we shall expect them to do more. We shall want, in the course of the broader review that we are conducting, to look not just at the effect of the prioritisation of news on digital platforms, but at the way in which online advertising is working. All that has an effect.

Matt Rodda (Reading East) (Lab): I refer Members to my entry in the Register of Members' Financial Interests.

As a former local newspaper journalist, I pay tribute to local newspapers, particularly the *Reading Chronicle*, the *Henley Standard* and the *The Wokingham Paper*. When the Secretary of State's review ends, will he commit himself to using all his powers to try to level the playing field between these very worthy but struggling local newspapers and the tech giants?

Jeremy Wright: As I have said, I think that we need to look carefully at the balance between the elements that the hon. Gentleman has mentioned. It is undoubtedly

part of the structural challenge that we have been discussing this afternoon, and I do not believe that we can come up with the appropriate structural answer unless we have considered those elements properly.

Alex Sobel (Leeds North West) (Lab/Co-op): There are three Johnston Press titles in my constituency—

Tom Watson: Name them.

Alex Sobel: Thanks. One of those papers, *The Yorkshire Post*, is vital to our campaign for One Yorkshire devolution. Without *The Yorkshire Post*, we would not have been able to bring forward a diverse set of parties.

On 14 October, in *The Observer*, Roy Greenslade produced a devastating critique of the way in which what has happened to Johnston Press came to pass. When the banks failed, they were deemed to be too big to fail. Now the same thing has happened. When Johnston Press ceased to be a family firm, huge acquisitions were made based on debt. Will the Secretary of State be looking at future acquisitions, whether they are debt-backed or not, and will he be looking into the media industries?

Jeremy Wright: I think we must be concerned with all similar transactions in this space, because that is important for the reasons that we have given. The hon. Gentleman will understand why—as I have already said—I will not comment specifically on the way in which this transaction has been conducted.

Jim Shannon (Strangford) (DUP): There are Johnston Press publications in my constituency. My hon. Friend the Member for Belfast East (Gavin Robinson) referred to the *Belfast News Letter*, which is a provincial paper. The unions have expressed concern about the defined-benefit pension scheme, and have also warned that any changes in future payments in line with Pension Protection Fund payment rules would be a terrible blow to affected staff. Will the Secretary of State keep the feet of JPI Media to the fire to ensure that pensions are protected?

Jeremy Wright: Yes, I will certainly seek to do that. As I have said, I am grateful to the Pensions Minister, the Under-Secretary of State for Work and Pensions, my hon. Friend the Member for Hexham (Guy Opperman), who has been present throughout this urgent question. Many of the points that have been raised relate to matters surrounding the pension scheme, and my hon. Friend has been listening attentively to them. I know that he will wish to pick up on some of the points that have been made.

Points of Order

4.34 pm

Tom Watson (West Bromwich East) (Lab): On a point of order, Mr Speaker. I asked the Secretary of State if he could confirm that no one currently on a pension from Johnston Press would receive a shortfall in payments. He said to me that current pensioners would not be affected, but I am afraid that during the course of this discussion the National Union of Journalists has contradicted his account and said that some pensioners who retired under the age of 65 would indeed be affected. Is there a remedy by which the Secretary of State could check his facts and come back to the House before *Hansard* hits the presses tonight so that we can have an accurate account of the facts of the Johnston Press administration?

Mr Speaker: The short answer is that every hon. and right hon. Member is responsible for the veracity of what he or she says in the House. The corollary of that is that if any Member has erred, and if it is a matter not of opinion but of indisputable fact, it is incumbent upon that Member to correct the record. I do not know whether the Secretary of State thinks he has erred, but there is recourse available, either now, if the facts of the case are clear, or after reflection. The Secretary of State is not under any obligation to come to the Dispatch Box, but if he wishes to do so, he can.

The Secretary of State for Digital, Culture, Media and Sport (Jeremy Wright): Further to that point of order, Mr Speaker. Perhaps I should simply say this. I, too, will check the record, but I recall saying that I gave my understanding of the current situation. I think that I also undertook to make sure that that was correct, and I shall do so.

Tom Watson: Further to that point of order, Mr Speaker—

Mr Speaker: Very well. We cannot have an ongoing exchange on this, but the generosity of spirit for which I am renowned in all parts of the House gets the better of me, and I shall indulge the hon. Gentleman at this point.

Tom Watson: I have an account of exactly what the Secretary of State said. He said, “The hon. Gentleman asked me about current pensioners. As far as I understand it, they will not be affected. Anyone in receipt of their pension now will continue to be paid. The changes will affect those who are currently in employment and we believe 250 or so in total.” So if it is in fact the case that current pensioners will receive a shortfall, will he agree to come back to the House and put the matter right?

Mr Speaker: The shadow Secretary of State is nothing if not persistent. His terrier-like quality is well known to all throughout the House and to many beyond it. I do not think anything he has said is incompatible with what the Secretary of State said. The hon. Gentleman quoted the Secretary of State as saying, “As far as I understand it”. I think that what I gleaned from the Secretary of State is that he will go away and check whether what he said was correct. In the event that a

correction is required, there are many witnesses to his willingness to correct the record. I think we will leave it there for now. I hope that honour is served. The shadow Secretary of State has made his point with considerable force and alacrity, and the Secretary of State has displayed his customary courtesy.

Pete Wishart (Perth and North Perthshire) (SNP): On a point of order, Mr Speaker. You have no doubt been observing with alarm and great concern the events in the House of Lords in which Members of the other place have overturned a decision of the Lords Privileges and Conduct Committee to suspend one of its Members for the most serious of sexual allegations. This sends the appalling message that these Houses of Parliament are not serious in tackling sexual harassment, and that we as an institution are prepared to defend our own and not take complainants seriously. Mr Speaker, I know that you have no responsibility for that undemocratic disgrace of an institution down the corridor, but there were allegations that a place in the House of Lords, in our legislature, was offered in return for sexual favours. You will know that the appointment of places in the House of Lords is a matter for the Prime Minister, supplied by lists from party leaders who all have a place in this House. What can this House do to ensure that this matter is robustly and effectively investigated?

Mr Speaker: I am grateful to the hon. Gentleman for giving me advance notice of his intention to raise this point of order. Let me begin by saying what I suppose will be universally acknowledged—namely, that these are serious matters. I know that there are strongly held views in the House, and outside it, on the case to which he has referred and on Thursday’s proceedings in the Lords. I hope he will not object if I note, en passant, that he is well known for having strong views on the nature, composition and source of membership of the other House, which he frequently expresses in colourful terms. However, I do not think that this House would be well served by itself pursuing serious personal allegations against a Member of the Lords, especially where the House of Lords has itself not decided on any outcome. The House of Lords has, as I understand it, referred this matter back for consideration. I am not justifying that; nor am I criticising it. I am simply noting what I believe to be the factual position. These are matters for the House of Lords. I urge Members to think how we would resent it if Members of that place raised an equivalent matter about a Member here that had been remitted to the Standards Committee for its further consideration. The issue is important, and it will be considered elsewhere. I respect the integrity of the hon. Gentleman in raising his legitimate concern.

Pete Wishart: Further to that point of order, Mr Speaker. I understand that, but appointments to the House of Lords are a matter for this House, and there is a serious allegation that an offer of membership of the House of Lords was based on sexual favours. Surely that must therefore be a matter for this House that must be vigorously investigated.

Mr Speaker: The case will have to be determined. In so far as the hon. Gentleman is drawing to my and the House’s attention the fact that there is a role for Members of this House in relation to the other House, I think it

fair for me, in neutral terms, to acknowledge that what he has said, as a matter of fact, is true. Perhaps we can leave it there for now. I hope that the hon. Gentleman feels that he has made his point with force. On the assumption that the appetite of colleagues to raise points of order has now been exhausted, the Clerk will now proceed to read the Orders of the Day.

Finance (No. 3) Bill

(Clauses 5, 6, 8 to 10, 15, 16, 19, 20, 22, 23, 38 to 42, 46, 47, 61, 62, 68 to 78, 83, 89 and 90, schedules 3, 4, 7, 8, 15 and 18 and certain new clauses and new schedules)

[1ST ALLOCATED DAY]

Considered in Committee

[SIR LINDSAY HOYLE *in the Chair*]

Clause 5

BASIC RATE LIMIT AND PERSONAL ALLOWANCE

4.42 pm

Kirsty Blackman (Aberdeen North) (SNP): I beg to move amendment 6, page 2, line 24, leave out subsection (4).

This amendment would take out provisions removing the legal link between the personal allowance and the national minimum wage.

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

Clauses 5 and 6 stand part.

Clauses 8 to 10 stand part.

Clause 38 stand part.

That schedule 15 be the Fifteenth schedule to the Bill.

Clauses 39 to 42 stand part.

New clause 1—*Additional rate threshold and supplementary rate*—

“The Chancellor of the Exchequer must, no later than 5 April 2019, lay before the House of Commons a distributional analysis of—

- (a) the effect of reducing the threshold for the additional rate to £80,000, and
- (b) the effect of introducing a supplementary rate of income tax, charged at a rate of 50%, above a threshold of £125,000.”

New clause 2—*Impact of provisions of section 5 on child poverty and equality*—

“(1) The Chancellor of the Exchequer must review the impact of the provisions of section 5 and lay a report of that review before the House of Commons within six months of the passing of this Act.

(2) A review under this section must consider the impact of the changes made by section 5 on—

- (a) households at different levels of income,
- (b) people with protected characteristics (within the meaning of the Equality Act 2010),
- (c) the Treasury’s compliance with the public sector equality duty under section 149 of the Equality Act 2010,
- (d) different parts of the United Kingdom and different regions of England, and
- (e) levels of relative and absolute child poverty in the United Kingdom.

(3) In this section—

‘parts of the United Kingdom’ means—

- (a) England,
- (b) Scotland,
- (c) Wales, and
- (d) Northern Ireland;

‘regions of England’ has the same meaning as that used by the Office for National Statistics.”

New clause 3—Review of the effectiveness of entrepreneurs' relief—

“(1) Within twelve months of the passing of this Act, the Chancellor of the Exchequer must review the effectiveness of the changes made to entrepreneurs' relief by Schedule 15, against the stated policy aims of that relief.

(2) A review under this section must consider—

- (a) the overall number of entrepreneurs in the UK,
- (b) the annual cost of entrepreneurs' relief,
- (c) the annual number of claimants per year,
- (d) the average cost of relief paid per claim, and
- (e) the impact on productivity in the UK economy.”

New clause 7—Review of changes to entrepreneurs' relief—

“(1) The Chancellor of the Exchequer must review the impact on investment in parts of the United Kingdom and regions of England of the changes made to entrepreneur's relief by Schedule 15 to this Act and lay a report of that review before the House of Commons within six months of the passing of this Act.

(2) A review under this section must consider—

- (a) the effects of the provisions on business investment,
- (b) the effects of the provisions on employment, and
- (c) the effects of the provisions on productivity.

(3) In this section—

‘parts of the United Kingdom’ means—

- (a) England,
- (b) Scotland,
- (c) Wales, and
- (d) Northern Ireland;

‘regions of England’ has the same meaning as that used by the Office for National Statistics.”

This new clause would require a review of the impact on investment of the changes made to entrepreneurs' relief which extend the minimum qualifying period from 12 months to 2 years.

New clause 8—Review of geographical effects of provisions of section 9—

“‘The Chancellor of the Exchequer must review the differential geographical effects of the changes made by section 9 and lay a report of that review before the House of Commons within six months of the passing of this Act.’”

This new clause would require a geographical impact assessment of income tax exemptions relating to private use of an emergency vehicle.

New clause 9—Report on consultation on certain provisions of this Act—

“(1) No later than two months after the passing of this Act, the Chancellor of the Exchequer must lay before the House of Commons a report on the consultation undertaken on the provisions in subsection (2).

(2) Those provisions are—

- (a) section 5,
- (b) section 6,
- (c) section 8,
- (d) section 9,
- (e) section 10,
- (f) Schedule 15,
- (g) section 39
- (h) section 40,
- (i) section 41, and
- (j) section 42.

(3) A report under this section must specify in respect of each provision listed in subsection (2)—

- (a) whether a version of the provision was published in draft,
- (b) if so, whether changes were made as a result of consultation on the draft, and

- (c) if not, the reasons why the provision was not published in draft and any consultation which took place on the proposed provision in the absence of such a draft.”

This new clause would require a report on the consultation undertaken on certain provisions of this Act – alongside new clauses 11, 13 and 15.

New clause 18—Review of public health and poverty effects of Basic Rate Limit and Personal Allowance—

“(1) The Chancellor of the Exchequer must review the public health and poverty effects of the provisions of section 5 to this Act and lay a report of that review before the House of Commons within six months of the passing of this Act.

(2) A review under this section must consider—

- (a) the effects of those provisions on the levels of relative and absolute poverty in the UK,
- (b) the effects of those provisions on life expectancy and healthy life expectancy in the UK, and
- (c) the implications for the public finances of the public health effects of those provisions.”

New clause 19—Personal allowance—

“‘The Chancellor of the Exchequer must, no later than 5 April 2019, lay before the House of Commons an analysis of the distributional and other effects of a personal allowance in 2019-20 of £12,750.’”

This new clause would require a distributional analysis of the effect of increasing the personal allowance to £12,750.

Kirsty Blackman: What a pleasure it is, Mr Deputy Speaker, to speak first in this debate. I very much appreciate the way the selection has worked out in my favour today. I rise to speak to amendment 6 and new clauses 7, 8, 9 and 19 in my name and the names of my SNP colleagues. For the avoidance of doubt, should the Opposition press new clause 1, new clause 3, or new clause 18, we will support them.

As I am sure that you, Mr Deputy Speaker, and those on the Treasury Bench will be unsurprised to hear, I would like to start by raising my concerns about the process. It is the case that the personal allowance is reserved while matters relating to the upper limit of basic rate taxation are devolved. I therefore have issues with the way that clause 5 is constructed. I request, as I did on Second Reading, that in future years these two sections of the Finance Bill are split and considered separately. I hope that the Minister and officials will take that on board in drafting future Finance Bills. It would make the debate cleaner and easier to follow for MPs and for those outside the House. As I have said previously, there are real issues with the way that the House scrutinises both tax and spending measures, and this would be a simple change that would ensure that better scrutiny could be brought to bear on these matters.

Amendment 6 would take out provisions removing the legal link between the personal allowance and the national minimum wage. The legal link between the two was put in place to kick in in years where the personal allowance was below £12,500. I have two concerns with the removal of this link. First, we have no guarantee that the personal allowance will not in future be reduced to less than £12,500, because this House cannot bind a future House of Commons and a future Government might decide to reduce, rather than increase, the personal allowance.

4.45 pm

Secondly, the minimum wage that is in place still discriminates on the basis of age. It is not fair that those under 25 are paid less than those over 25, yet the UK

Government are backing this age discrimination. I do not believe that an over 25-year-old can live on the minimum wage as it is set, and neither does the Living Wage Foundation. I also do not believe that a 16-year-old who might reasonably have the same outgoings as somebody over 25 can live on £4.35 an hour. It is also depressing to note that 16 and 17-year-olds have had an increase of only 3.6% in their minimum wage while the rise for those aged over 25 is 4.9%. I do not understand how the UK Government can justify that, and I think they should remove the age discrimination in relation to the minimum wage so that everybody is paid a fair wage and the minimum wage is enough to live on, instead of being at a level that people cannot live on.

Alison Thewliss (Glasgow Central) (SNP): I of course support my hon. Friend's point on increasing the minimum wage for under-25s. Is she aware that the gap between the rate for 16 and 17-year-olds and the higher rate has widened over the past three years?

Kirsty Blackman: I am not surprised that that has happened, because any Government who believe that a 16-year-old can live on less than an over 25-year-old are not going to make rational decisions in relation to pay for those at the younger end of the age spectrum. It would be a very good move if the UK Government were to change their policy and move to a situation where 16 and 17-year-olds, and those all the way up to 25, and in fact those over 25, were paid an amount they could actually live on, rather than an amount that does not enable them to buy the day-to-day essentials.

Richard Graham (Gloucester) (Con): This is a small, but I think important, point: does the hon. Lady accept that that minimum level is exactly what it says—a minimum level? Many people, including my apprentice, earn far more than that, but if we set the level much higher, we are likely to reduce the number of opportunities available to 16 and 17-year-olds.

Kirsty Blackman: I do not believe that that is true. I know somebody who went for a job interview, and at the end of it they were offered the job. The person offering them the job actually said, "How old are you, because I want to see how little I can pay you?" Those decisions are being taken because of the discriminatory nature of the way the minimum wage is set. What we should have—and this is an argument I have made to the Government on a huge number of occasions on a number of different things—is a situation where those on the bottom of the pile are protected first, and then we should get rid of discriminatory practices where people might discriminate against 16 and 17-year-olds. I would raise the bar, rather than lower it; that is generally an argument I have made to the UK Government.

New clause 19, which we hope to push to a vote today, proposes that the Chancellor brings forward a report that analyses the distributional and other effects of a rise in the personal allowance to £12,750 in 2019-20. It is Scottish National party policy that the personal allowance be raised to £12,750. Given the increasing, and staggering, levels of in-work poverty, given the UN report criticising the UK Government's implementation of austerity, and given the fact that millions of families across the UK have savings of less than £100, increasing

the personal allowance even by a small amount will have an impact on the individuals and families who are struggling the most.

It is no incentive to work if we know that when we work we will still not be able to get out of all-consuming poverty. We need a UK Government who recognise that those who earn the least are suffering the most. In Scotland, the SNP has recognised that and we have made progressive changes to the tax system.

I do not want to live in a country where children are going hungry. The UK Government have got their head firmly in the sand on this issue. I do not understand how they can continue along this track when we are having people come into our surgeries in tears because they have not eaten in days.

Mr Jim Cunningham (Coventry South) (Lab): The hon. Lady is right. There are probably between 3 million and 4 million people in this country on poverty wages and a large number of them are driven to use food banks. Food banks were introduced for people waiting to get their refugee status sorted out, not for this purpose. Does the hon. Lady agree that they have, however, now become an institution in this country?

Kirsty Blackman: I absolutely agree and will come on to food banks, but on refugees and those seeking leave to remain in the UK, these are the people I see in my surgeries in the highest levels of poverty. They cannot work because the UK Government are not allowing them to, even though they have a valid immigration application. Concerns have been raised with me about individuals whose children are literally starving as a result of the UK Government saying that they cannot work or have recourse to public funds. This is a hostile environment that is impacting directly on the lives of children. The UK Government need to rethink. The bar should be set where children are not starving as a result, and then we can take action against those who are trying to swizz the system.

The only decent meal that some children receive is the meal that they have at school. The UK Government cannot continue to say that food bank use is increasing in European countries too, as if that somehow makes it okay. They have a responsibility to step up and to change the tax system, the minimum wage and the social security system to ensure that no child ever goes hungry.

Our new clause 7 would require a review of the impact on investment of changes to entrepreneurs' relief, which extend the minimum qualifying period from 12 months to two years. Given that we have Brexit hanging over us and the massive uncertainty that that brings, putting another hurdle in the way of businesses is probably not the right course of action. Both the Chartered Institute of Taxation and the Association of Taxation Technicians have raised concerns about the unintended consequences of the change. I believe that a review is the only sensible option going forward. The Treasury regularly makes tax changes, but it does not regularly review their effectiveness, even after they have been in place for a number of years, and when it does it rarely makes those reviews public. It is all well and good to think that something may have a certain effect, but it is necessary to check whether the intended effect has come about. If such changes are made, a review should

[Kirsty Blackman]

be undertaken regularly—certainly in the following two years—and it should be made public, in the interests of transparency and good policy making, so that everybody can see not just that the change has taken place, but what its effect has been, so that we are up front and honest and everybody is clear.

New clause 8 concerns the geographical effect of clause 9. The UK Government often fail to recognise the rurality of many of Scotland's communities, and I am not clear that this change will not have a significant effect on those in our most remote communities. These are places where it is hard to get the staff we need for our life-saving services and where depopulation is a real and ever-present concern. They are also places that will be hit incredibly hard by ending freedom of movement. Given the hit to our crofters over the convergence uplift that was supposed to be given to rural communities in Scotland but was allocated elsewhere, it is clear that the UK Government are not prioritising our rural communities. They need to sense-check any such proposals and change them to ensure that they do not cause further difficulty for those living in our most remote areas, not just in Scotland but in other areas of the UK where being far from centres of population is an issue.

New clause 9 would require a report on the consultation undertaken on certain provisions of the Bill. Glyn Fullelove, the chair of the Chartered Institute of Taxation's technical committee, has been critical of a number of measures in the Bill that were not previously consulted on, saying:

"The effects of inadequate scrutiny in the past are visible in the amount of tinkering in the new Bill".

That is something I raised on Second Reading. He goes on:

"would all these tweaks have been necessary if there had been adequate consultation and more thorough scrutiny in the first place?"

If the Government intend to take back control, they need to ensure that control is in the hands of MPs, with adequate advice provided by expert stakeholders. It cannot be appropriate for tax changes to be drafted by officials and put into a Bill by the UK Government, with no opportunity for stakeholders to give oral evidence, no amendment of the law resolution and a total lack of a review of these clauses. That is not a sensible way to run anything, let alone a country. I have severe concerns about this part of the Bill. My concerns are mostly about transparency and process, as well as the lack of scrutiny of many of the measures.

In relation to the changes to personal allowance, the Government have not been progressive. We would expect that from a Conservative Government, but if they look up the road in Scotland, they will see that the changes that we have made have benefited the people at the bottom of the pile. The UK Government need to do more to benefit those people.

Lastly, the UK Government need to take seriously the fact that the personal allowance is not devolved to Scotland but the basic rate is, and changes need to be made. I would appreciate it if the Minister committed to considering making changes in the drafting of the Bill to separate out the devolved and reserved issues, so that we can have proper debates and better read-across,

so that we can have transparency in the discussion of tax and spend in this place and so that we can make better laws as a result.

Julian Knight (Solihull) (Con): It is an enormous pleasure to speak in this Committee stage of the Finance (No.3) Bill, and it is an even greater pleasure to follow the hon. Member for Aberdeen North (Kirsty Blackman) in today's debate. There are always many responses to a Budget and a Finance Act, and people often look at them and pull them apart over time. In this case, however, I think most people would say that the Budget and Finance Bill have been tremendously well received among financial commentators and many pressure groups. One of the areas that have been most well received is the bringing forward by a year of the increases to personal allowances. The increase to £12,500 for basic rate taxpayers and £50,000 for the higher—40p—taxpayers will make a direct impact on the lives of 32 million of our fellow residents.

Leo Docherty (Aldershot) (Con): Is my hon. Friend absolutely delighted, as I am, that this means that a basic rate taxpayer is paying some £1,200 less in tax, on an annual basis, than they were in 2010?

Julian Knight: My hon. Friend is correct. The very recent change will benefit basic rate taxpayers to the tune of £120 a year—a direct tax cut for millions of hard-working Britons—and that is to be welcomed.

Rebecca Pow (Taunton Deane) (Con): Does my hon. Friend—I nearly called him my right hon. Friend, but he is not yet; perhaps he will be in the future—agree that the difference in the figures is stark? The personal allowance was £6,475 when this policy kicked in in 2010, and it has gone way up to £12,500. Surely, that is of huge benefit to the people we want to give more money to.

Julian Knight: I thank my hon. Friend for that short intervention. She makes a really good point, and it is almost the next point that I was going to make. The personal allowance will have nearly doubled in just eight short years. That is against a backdrop of trying to get the public finances under control from a debt of £152 billion a year—11% of GDP—which is an astronomical level outside wartime. It represents a real achievement for the Government to have been able to put this amount of money into the pockets of millions of hard-working Britons each year, so that their living standards can rise, despite the difficult decisions we have had to make.

Members from all parts of the House will probably know that I am no particular lover of the Liberal Democrats, and I am pleased to say that in my constituency of Solihull, we are now 24,000 votes ahead of them. However, I pay tribute to them in one respect. In the 2010 coalition agreement, we took on board what the Lib Dems had been proposing, and it was an excellent idea. I am pleased that the Conservative party was open enough to take on that idea and follow it through, from the coalition agreement, to raise those standards of living and raise personal allowances. I pay tribute to that sort of ideas process from the coalition. We have carried it on, as we see it as a key way in which to reduce inequality and expand opportunity.

5 pm

The £50,000 higher rate tax threshold is also being delivered a year early. Opposition Members often criticise the new threshold, saying it is a tax cut for wealthier people and so on, but it will be taking many thousands of people whom one would not think should be paying the higher rate out of paying 40% income tax. For example, deputy headmasters and headteachers often earn more than the £50,000 threshold. It is wrong that so many hard-working public and private sector workers are dragged into the higher rate of tax. Furthermore, that has a damaging effect on the overall productivity of the economy, because someone who could earn extra by doing extra overtime, taking on a second job, or doing consultancy or freelance work is less likely to do so if they think the tax authorities would take half the money they would earn by doing so. This measure is therefore eminently sensible, to prevent the most productive in our economy from being penalised in this way and to allow them to continue to earn. We have seen fiscal drag in this country over the past 17 years, since the end of the first Blair Government's sticking to the Major Government's financial strategy. Since then, the fiscal drag has meant that more and more people who should not have been paying the 40% rate of tax have been dragged into it. I am pleased that has been acknowledged by this Government with this measure, and I am happy to support it this evening.

Labour Members have also talked about reducing the advanced rate threshold to £80,000, which is a fool's errand. We know from history that, in general, when we penalise at the top end, our tax take comes down. Putting dogma aside, we know there is a sweet spot in the taxation system, where we should try to maximise our revenues while supporting productivity and ensuring there are sufficient incentives in the tax system. The placing of the original advanced rate was a political move in itself; for some 98% of the time that Gordon Brown was Chancellor or Prime Minister, he kept the rate at 40% and did not increase it, because he saw the reality of the situation, which is that the more we allow people to keep of their own money and the more they can keep in their pocket, the better it is for the economy more widely and the greater the tax take. This was political manoeuvring in advance of the 2010 election in order for my party to fall into a bear trap by suggesting we would not decrease the advanced rate of tax.

I should make another point about reducing the advanced rate to £80,000. The amount of money that that would raise would be negligible, if not actually negative, and the number of spending commitments tied to that proposal are disproportionate to any sort of potential income that could be raised, even in the best-case scenario. So the tax allowances as they stand in respect of the basic rate and the advanced rate strike the right balance for our economy in the future.

Alex Chalk (Cheltenham) (Con): My hon. Friend talks about the incentives created by reducing the tax on individuals, but does he agree that this has an impact on businesses, too? Where high street businesses such as my local ones in Cheltenham now have a lower tax burden, with one third coming off their business rates, that provides an incentive for them to take on new employees, grow their business and deliver a more prosperous high street?

Julian Knight: My hon. Friend is completely correct. The realities are that the more tax people keep in their pockets—the more of their earnings they keep, without that money going through the Government filter—the more efficient it is, the better it is for the economy, and the better it is for what is known as the multiplier effect through a local economy. My hon. Friend's on-the-ground view, reported here in Committee, is testament to why the process really benefits high streets and wider local economies.

Rebecca Pow: My hon. Friend has not yet touched on this, but the Government have kept down the corporation tax rate. Does he agree that in areas such as the south-west, where productivity is on average lower than it is in the rest of the country, it is crucial that we leave more money in local businesses so that they can invest, which will help with skills and eventually raise productivity?

Julian Knight: My hon. Friend is absolutely correct. Not only does cutting corporation tax increase the tax take, as we know, but in the round it allows companies to employ more people—I think that it has made a major contribution to the jobs miracle in this country—which then feeds through the taxation system and the multiplier and into the economy more widely, thereby boosting growth and productivity, plus the tax take down the line.

The abolition of stamp duty for first-time buyers of shared ownership properties worth more than £300,000 is an important step for our economy and for strivers in our country. We all know the difficulties that come about in respect of home ownership. I got my first home when I was 31—many years ago, I hasten to add—but I had to buy outside London to get on to the ladder. Even then, people were making enormous sacrifices to find their way on to the property ladder.

Frankly, the situation that I faced is nothing compared with what younger people face now. Not only is it now more difficult in respect of having the income required to get the amount of loan needed to buy, but many people have to rely on what is known as the bank of mum and dad. All that has a damaging effect on equality in our society and the passing down of wealth through the generations if we end up in a situation where those who gain housing wealth do so only if their fathers or mothers had that housing wealth themselves.

Alex Burghart (Brentwood and Ongar) (Con): My hon. Friend is giving an important speech. Does he agree that in this context it is extremely important that we have embarked on the biggest programme of house building since the 1950s?

Julian Knight: That is exactly right. The point may not be specifically germane to the amendments we are debating, but my hon. Friend is absolutely correct about the context. This is just part of one strand of the strategy that we have to bring about an increase not only in home ownership but in the number of properties available to rent and basically for housing throughout the country. We know from the number of households that are forming that we need to build much more than we are building. This measure is part of considering the issues in the round, so I congratulate the Government in that respect.

[Julian Knight]

We are now seeing the effects of things such as Help to Buy and of measures that—pardon the pun—build on Help to Buy, such as the abolition of stamp duty for shared ownership properties worth more than £300,000. According to the *Financial Times*—such an august newspaper that it never actually employed me—the rate of home ownership among first-time buyers is now at its highest in a decade. There is a long way to go before we get anywhere near where we were in the 1980s, for instance, but it has been a remarkable turnaround compared with where we were in 2010. The abolition of stamp duty for these properties sends a strong message, not only to people in shared ownership homes but to people more generally, that opportunities are out there and that we will help them by not imposing stamp duty.

Let me turn to tax fairness for individuals, which, I think, overarches the clauses and amendments to the Bill. We would not know this from hearing some of the arguments in this place, but the tax gap in the UK is one of the lowest in the developed world. That does not mean that there is not more to be done. Although we took some first steps in this Budget with internet companies and with organisations such as Amazon, everyone recognises that we need to go further, and we hope to move together in an international context to ensure tax fairness.

Since 2010, we have seen a cracking down on evasion—for example, in film investment schemes and schemes that collectively invest in property to avoid stamp duty. There has been a real concentration by Her Majesty's Revenue and Customs and Treasury Ministers to ensure that people are aware that everyone should be paying their fair share in society. The hon. Member for Aberdeen North (Kirsty Blackman) mentioned tax equality and how much people are paying at the top end. I find it very telling that the top 1% in our society currently pay 28% of the tax, whereas the top 10% pay 60% of the tax. People would not believe that given the discussions that go on so often. However, this Government have done more towards closing that tax gap and towards ensuring equality in the tax system than anyone else in my lifetime. They have been very laser-like in their focus, and they should be congratulated on that.

Stephanie Peacock (Barnsley East) (Lab): Does the hon. Gentleman agree that that gap will get wider if answers to my written questions are correct? In answer to a parliamentary question that I tabled, the Government admitted that the majority of their tax cuts would go to upper-rate taxpayers. Is that not exactly why we need the Government to publish the distributional impact of the tax cuts they are making?

Julian Knight: I am afraid that I really do not see the hon. Lady's point. What I do see is the fact that we are giving tax cuts to 32 million people across the board, and, instead of being so churlish, the Labour party should welcome that.

Leo Docherty: Does my hon. Friend agree that the hon. Lady should check *Hansard* to see my question of a few moments ago in which I said that, since 2010, a basic rate taxpayer will pay £1,200 less in tax, which clearly shows that this Government are on the side of the hardest working?

Julian Knight: My hon. Friend answered the hon. Lady's intervention better than I did, so I do welcome what he said.

Let me sum up. In its treatment of tax thresholds and stamp duty, the Bill lays out a fairer tax system. It is a tax system predicated on a better society, and it is a system where people who can pay have to pay their fair share, but where that is achieved without being punitive and without, frankly, trying to put dogma over the reality of the situation.

Peter Dowd (Bootle) (Lab): I am glad to have this opportunity to debate the issues surrounding new clauses 1, 2 and 3 in my name and the names of others in the Committee of the whole House, and to discuss them in the context of the Government's attempts to distract attention from their woes. We have just had a lesson in voodoo economics from the hon. Member for Solihull (Julian Knight).

Members need to pay attention to Labour's proposals in relation to new clauses 1, 2 and 3, but I must first point out that, in response to the Government's authoritarian restrictions on amending this Bill, we had asked whether the entire legislation could be debated on the Floor of this House. That would at least have ensured a scintilla of constructive discussion among Members on the whole Bill. Alas, our request was denied by the Government, and we are left yet again asking for reviews and assessments as set out in our new clauses. It is important none the less to get these issues about child poverty out into the open. The Government increasingly seek to implement their austerity agenda—for that is what it is—behind closed doors. They will no doubt see our new clauses as an irritant that would highlight the differences between a slash-and-burn approach to public services by the Government juxtaposed with a policy of investment, renewal and rebuilding from this party based on a fair taxation system, as identified in our new clauses.

The Government have practised their manoeuvres in Committees that they have stitched up to give themselves the majority, which they do not deserve, and they do not have the guts to allow proper amendments to their Bill. No Minister has had the decency to defend that position and it is pretty pathetic. The electorate did not give them that mandate, but they arrogantly take it in any event, so it is important that we debate and tease out the issues that we have set out in new clauses 1, 2 and 3.

Leo Docherty: The hon. Gentleman mentions tax cuts. Will he describe whether the Opposition support the tax cuts laid out in the Bill?

5.15 pm

Peter Dowd: The hon. Gentleman was that busy talking about sizzling sausages and Marxism last week that he did not hear what I had to say. Now, it is not for me to constantly repeat myself—although I know the Tories do it all the time—so I suggest he reads last week's debate in *Hansard*.

Luckily, I am pleased to see that even these mendacious measures are not enough to prevent this Government from a slow-motion collapse. The twists and turns continue. If the weekend reports in the media—specifically *The Sunday Times*—are anything to believe, if this House votes against the deal, No. 10 has a “dark strategy to twist arms.”

So what is the cunning plan? Well, No. 10 seeks to “encourage a crash in financial markets after losing a first vote in the hope this stampedes MPs into voting for it a second time”.

This is ordinarily known as extra-parliamentary activity. The fact that the media are actually putting that scuttlebutt into print, however bizarre, simply shows the desperation in No. 10, so it is important that we do tease out the issues, as we will with new clauses 1, 2 and 3, but this situation bears witness to the siege mentality now at pathological—some might even say clinically obsessive—levels in Downing Street.

Emma Hardy (Kingston upon Hull West and Hessle) (Lab): I am sure that my hon. Friend, like me, was glued to the television at 10 o'clock last night, watching a documentary “A Northern Soul”, about a man called Steve living in poverty in Hull and his inspiring work to help the children living in that city. I therefore give my hon. Friend my wholehearted support in particular for new clause 2, which would provide for a tax impact assessment to look at how we can genuinely help people like Steve who have suffered so badly under this Government.

Peter Dowd: My hon. Friend is right. I am afraid that the Government are in denial over the question of child poverty; I will come back to that point shortly.

Quite simply, the Prime Minister and those around her have lost the plot; and there have been plenty of plots recently. This Government would not know progress if it stared them in the face, which is why we need new clauses 1, 2 and 3. It is little wonder that the Government have presided over eight years of economic ineptitude that have seen our tax system and society becoming increasingly unequal.

As I said on Second Reading, Labour will not stand in the way of any change that would put additional income into the pockets of low and middle earners. Maybe that answers the question of the hon. Member for Aldershot (Leo Docherty), so he might not have to look at *Hansard*. Low and middle earners have borne the brunt of the economic failure of this Government and we will not take that cash out of their pockets. However, we believe that the richest in our society and those with the broadest shoulders should pay more tax to help support our public services and finally end austerity. This is not a controversial view, at least among the morally orthodox.

Leo Docherty: The hon. Gentleman mentions tax increase. If Labour were to put in its plans for a wholesale renationalisation of major parts of our economy, how much extra tax would the average British taxpayer be paying?

Peter Dowd: Dear, dear—none. The hon. Gentleman really has to take his nose out of the Tory voodoo economics book, widen his horizons and look at Labour’s “Funding Britain’s Future”.

One only needs to look at our European neighbours to see that the rate of tax on higher earners in this country is relatively low compared with Germany, France, Sweden and even Ireland. To set the ball rolling, Labour’s new clause 1 would require the Chancellor to lay before the House a distributional analysis of the effect of reducing the tax threshold for the additional rate to £80,000 and introducing a 50% supplementary rate for those earning more than £125,000 a year.

These are Labour’s policies, committed to in Labour’s very, very popular manifesto of 2017. They will put—*[Interruption.]* I know that Government Members do not like to hear this, but these policies will put the country on a much fairer fiscal footing, ensuring that the wealthy pay their fair share for the restoration of our social fabric, which is crumbling after eight years of gruelling Tory austerity.

The fact is that since the financial crash a decade ago, the very rich have only become richer. The Institute for Fiscal Studies identified that the top 1% have received an increase in share of total income from 5.7% in 1990 to 7.8% in 2016. In response to the hon. Member for Aldershot, it is no wonder they are paying more taxes—they have had the biggest share of total income.

Rachel Maclean (Redditch) (Con): Does the hon. Gentleman not accept that this Government are determined to tackle these important issues of income inequality, to the point where income inequality and inequality of disposable income are now at their lowest level since before the financial crisis, when his party were managing the economy?

Peter Dowd: Well, they are not making a very good job of it—there are 4 million people in poverty. That is the fact. Conservative Members can deny that until they are blue in the face, but that is the reality.

Let us move on to the issue of infant mortality. Infant mortality has risen for the first time since the 1990s, when the Tories were last in government, and, as I indicated, there are 4.5 million people living in poverty. That is a fact, and they should not pretend otherwise. They should at least have the guts to admit that their policies have got us into this situation.

This stark contrast in living standards has been driven by the Government’s remorseless austerity agenda, which has chopped away at our fiscal checks and balances. By narrowing the tax base while continuing austerity, they have entrenched poverty and inequality across the nations and regions, leaving vulnerable groups—particularly women—worse off.

Louise Haigh (Sheffield, Heeley) (Lab): My hon. Friend is making a really important point, and it is reflected in the changes to life expectancy that we have seen over the last eight years. Life expectancy for the poorest women in Sheffield has fallen by four years since the Conservatives came to power in 2010. Is that not a further reflection of the devastating impact of austerity on inequality in this country?

Peter Dowd: Quite simply, it is shameful—it is as simple as that.

New clause 2 would require the Treasury to undertake an equalities impact assessment of the changes to the personal allowance and its impact particularly on child poverty. This assessment will include households at different income levels, groups protected by the public sector equality duty and the regions and nations—this is the Labour party speaking for the whole of the United Kingdom.

Such an assessment is needed now more than ever. The Social Metrics Commission recently found, as I indicated before, that 4.5 million children are living in poverty in the United Kingdom. That is shameful.

[Peter Dowd]

The Government claim that none of this matters as long as parents are finding work, which ignores the fact that work is no longer a sustainable route out of poverty. Indeed, the Joseph Rowntree Foundation found that more than two thirds of children in poverty live in a working family.

We know that the assessment set out in new clause 2 will further justify the United Nations special rapporteur's investigation into this Government's policy of austerity last week. The poverty envoy found that the policies of austerity had inflicted "great misery" on our citizens, and he went as far as to say that the "fabric of British society" is falling apart as a result. That is absolutely damning.

Alex Chalk: The hon. Gentleman is talking a lot about the politics of austerity. The United Kingdom last lived within its means in 2001. Under a Labour Government, when would the United Kingdom next live within its means?

Peter Dowd: I do not accept the premise of these trumped-up ideas from voodoo economics presented by the Tory party. The reality is that the report was absolutely damning. It was absolutely devastating, and Government Members should be ashamed that somebody from the United Nations should come to this country and objectively lay out the facts as they are.

Sadly, in true Trumpian style, the Government chose to ignore the UN special rapporteur. Live on "Channel 4 News", the Financial Secretary to the Treasury buried his head in the sand, saying

"there is a...strong push to reduce poverty".

Well, it is not getting pushed hard enough. The Financial Secretary refused to acknowledge that there are 1.5 million people living in destitution, despite repeated questioning. A cursory look at this Government's policies demonstrates that, for eight years, they have felt it was reasonable to punish the poorest to let the bankers off the hook. How can this Government be so out of touch?

I now turn to new clause 3. According to HMRC's own statistics, over £400 billion a year is spent in tax reliefs. Entrepreneurs' relief costs £2.7 billion a year alone, and benefits only 52,000 people.

Alex Chalk: The hon. Gentleman is very generous in giving way a second time. If Labour Members were to get back into power, would they change the tax system so that people had to pay tax from £6,750, as in 2010? Does he agree that that would cost working people an additional £1,000-plus a year?

Peter Dowd: I suggest that the hon. Gentleman reads the shadow City Minister's article on LabourList, which sets that out very clearly.

Jonathan Reynolds (Stalybridge and Hyde) (Lab/Co-op): I'll send you a copy.

Peter Dowd: My hon. Friend will send the hon. Gentleman a copy and he will sign it—and Conservative Members might actually learn something. I know it is difficult for my hon. Friends to grasp the concept that Conservative Members might learn something, but they actually might.

Entrepreneurs' relief costs £2.7 billion a year alone, and benefits only 52,000 people. This bloated relief—and it is bloated—is overwhelmingly spent on a small number of wealthy individuals, with 6,000 claimants receiving relief on gains of over £1 million. I will repeat that: 6,000 claimants receive relief on gains of £1 million. It is no wonder then that the IFS and the Resolution Foundation have called for it to be scrapped. Clause 38 and schedule 15 represent yet another Conservative half-measure.

Rachel Maclean: As a former entrepreneur, as in my entry in the Register of Members' Financial Interests, I did not benefit from this particular relief, but many in that community do benefit from it. Does the hon. Gentleman believe that this should be scrapped, which would penalise people who start businesses in this country and go on to employ people who then pay taxes and put food on the table for their families? Is the position of the Labour party to be completely anti-entrepreneurs?

Peter Dowd: The Treasury has not reviewed the relief and does not know whether it is working, but it has chucked £2.7 billion—I repeat, £2.7 billion—at a relief that affects only 52,000 people. There is something not quite right with that. I get that and my hon. Friends get that, but Conservative Members are in denial about it, as they are about child poverty.

Leo Docherty: Given that the hon. Gentleman is against relief for entrepreneurs, will he tell the Committee whether he is also against small businesses being relieved of their rates, with business rates being slashed by one third? [Interruption.]

Peter Dowd: Out of courtesy I will respond to the hon. Gentleman. What we want is a fair taxation system, which is completely and utterly alien to the Government. It is as simple as that.

Stephanie Peacock: My hon. Friend pointed out that the Government are in denial on child poverty. That is absolutely clear in my constituency in Barnsley, where 6,000 children live in poverty. Does he agree that poverty is a political choice caused by the Conservative party?

5.30 pm

Peter Dowd: My hon. Friend is right, and for the Tories that choice comes first, second and third, and it always will.

On one hand the Government are lengthening the qualifying time for investors from one year to two, but on the other hand they are ensuring that shareholders will be protected from falling below the 5% threshold needed to claim the relief when a company is sold. It is hard to see how this confused measure will tackle the growing cost of the relief.

Naturally, the Opposition, the Resolution Foundation and the IFS are not the only ones who have found this measure perplexing to say the least. The Chartered Institute of Taxation has raised deep concerns about its retroactive nature, its lack of clarity and the likelihood that the reforms will hit small businesses the hardest—the businesses that the hon. Member for Redditch (Rachel Maclean) no doubt had in mind in her intervention. Far from making the relief more equitable, this measure will

instead insulate wealthier claimants who can rely on expensive tax advisers to navigate red tape, ensuring that the cost of the relief will continue to bloom.

The cost of corporate welfare has risen steadily under this Conservative Government. In fact, I would go so far as to say that it is the one form of welfare that Government Members support. In contrast, the Labour party is committed to undertaking a full and comprehensive review of corporate tax reliefs when—not if—we reach government. That is why we have tabled new clause 3, which would require the Government to undertake a full review of entrepreneurs' relief. The review would consider the overall number of entrepreneurs in the United Kingdom, the annual cost of the relief, the cost per claim and the impact of the relief on productivity in the UK—productivity that is 15% below our comparators in the G7 and 35% below the Germans. The Government should be getting to grips with that fact, not fiddling around with entrepreneurs' relief.

Government Members should ask themselves how they can justify the amount of money going to 52,000 people while our public services are falling into disrepair. This relief is clearly in need of urgent review to ensure that the taxpayer is not being ripped off. They should be clear that if they choose to vote against new clause 3, they are voting against the interests of taxpayers across the country. Again, this is £2.7 billion for 52,000 people.

I hope that Government Members will support our new clauses 1, 2 and 3, for the reasons that I have outlined. This authoritarian Government of the rich, by the rich, for the rich have lost all credibility to manage the affairs of this country. They no longer know what they stand for, nor do they have the courage to find out. This Bill of broken promises takes us no further forward in meeting this country's mounting challenges, so I call on Members throughout the House to support Labour's proposals to create a fairer society and a fairer tax system. If we are unable to change the Government's course, we will challenge the Bill at every step of the way, notwithstanding the authoritarian shackles put on us by this authoritarian Government, and we will use it to put an end to this aimless and divided Government.

Richard Graham: It is a pleasure to follow the hon. Member for Bootle (Peter Dowd), although there were moments during his speech when I found myself wondering whether history was being rewritten in a remarkably creative way.

The changes that the Government have proposed come against a background of remarkable achievement in cutting the deficit by four fifths, reducing the unemployment rate to its lowest since the 1970s, giving 32 million people tax cuts and taking 1.7 million out of income tax altogether. Some of those things were denied by the hon. Gentleman, who claimed at one point that the rich were only getting richer. I think it therefore falls to me to offer a few statistics to put his comments into context.

The first comes from the Institute for Fiscal Studies analysis of what went on under the previous Labour Government. The hon. Gentleman, who is chuntering with his colleague the shadow Chancellor, should focus on that IFS analysis. The independent analysis from the IFS shows very clearly that on most measures income inequality during the 13 years of the previous Labour

Government went up. Part of the reason for that was explained, helpfully, by the hon. Member for Norwich South (Clive Lewis) in an interesting interview with *The Guardian* the other day. He pointed out that the attitude of the previous Labour Government was, to quote the former deputy Prime Minister, Lord Mandelson, "intensely relaxed" about the filthy rich. The hon. Member for Norwich South rightly went on to say that during the 13 years of the Labour Government:

"The huge fortunes of those at the very top...were left almost untouched."

That is why the work done by this Government, which for example includes scrapping child benefit in 2013 for those earning over £50,000, has led to the lowest tax gap for a very long time. The percentage of income tax paid by the top 1% has doubled under the Conservative Government. The hon. Member for Bootle therefore needs to think hard about that IFS analysis. Income inequality went up under the 13 years of the Labour Government and it has gone down in eight years under the Conservatives.

There are other points worth highlighting. For example, people on lower and middle incomes actually have more money in their pockets now than at the start of the financial crisis under the previous Labour Government. The gap, as I pointed out, between those on the lowest and highest incomes is lower than it was when the Labour Government left power in 2010. In fact, income inequality is now close to its lowest point since 1986. That is a remarkable achievement. Over the past 30 years, which include 13 of a Labour Government, income inequality narrowed sharply under this Conservative Government.

Labour Members have made a lot of points about employment, so it is worth highlighting that the growth in employment benefits most the poorest 20% of households. The employment rate is now up by more than seven percentage points on where it was before the financial crisis under Labour in 2007. Thanks to the national living wage, the income of the lowest earners has actually grown by almost 5% since 2015, higher than at any other point across the earnings distribution. The actual situation today in our economy for those working is therefore very different from that painted by those on the Opposition Benches and by the hon. Gentleman.

A crucial and major difference between the Labour party and the Government is on taxing business. The uncomfortable truth for Opposition Members who would like to tax business more is that since the Government cut corporation tax in 2010 receipts have gone up by 50%, generating an extra £20 billion in 2016 over what was generated in 2010. The extra £20 billion we found for the NHS above inflation for this five-year period does not come from nowhere; it comes from increased receipts and growth in the economy. That extra £20 billion raised from corporation tax, as a result of cutting corporation tax, is one of the critical economic differences between those on the Government side of the House and those on the Opposition side. The Opposition still believe that if they tax businesses more they will get more tax. The truth, however, is that if we tax businesses less we incentivise business and entrepreneurs, generating more tax receipts to put into our vital public services.

Julian Knight: Does my hon. Friend recognise that £20 billion happens to be exactly the same amount of extra money that the Government have pledged to put into our national health service?

Richard Graham: Exactly. The figures are a coincidence, but my hon. Friend is absolutely right to highlight that we are putting the same amount of extra money into the NHS—the largest ever amount invested into our national health service.

Leo Docherty: My hon. Friend is painting a very lucid picture of how the Government differ from the Opposition with regard to tax, but does he agree that that also applies to our approach to private property? The discussion that the Labour party is having about the wholesale renationalisation of major parts of our economy is deeply alarming, and it should come clean to the public about how much that would actually cost.

Richard Graham: My hon. Friend is absolutely right. The remark made by the shadow Chancellor earlier that the public—all our constituents—would have to pay zero extra to fund the widespread nationalisation of all the utility companies, the train companies and anything else was really quite extraordinary. To be honest, I would be surprised if somebody did not raise that on a point of order in terms of misleading the House and the nation, because clearly those figures are a mile away from what independent analysts have calculated.

Rachel Maclean: Has the shadow Chancellor not been on record stating that it does not matter if his sums do not add up, and that it is largely irrelevant, which demonstrates my hon. Friend's point?

Richard Graham: My hon. Friend is absolutely right. As she knows well, the truth of the last Labour Government—during their 13 years—was that although they promised no more boom and bust, they gave us the biggest bust in peacetime history as a result of wildly overspending. I am afraid the net result of that is, as always, that the poorest feel the effects worst. In my constituency of Gloucester, 6,000 people lost their jobs during the great recession under Labour. Only since the Conservative Government came back have we seen employment rise sharply and youth unemployment and unemployment fall sharply.

Jonathan Reynolds: I will not repeat the debate that we always have about a global financial crisis not being solely contained in the UK, but on the earlier intervention that the hon. Gentleman took, the shadow Chancellor is not on the record as saying that his sums do not add up and that that does not matter. Let us remind the Committee that the only party that published costings of its policies at the election was Labour. It is genuinely misleading the Committee to claim that the shadow Chancellor said anything other than that.

Richard Graham: I thank the hon. Gentleman for his intervention, but will he confirm to the Committee what I heard the shadow Chancellor say earlier in answer to a question from one of my colleagues? He said that there would be zero additional cost to the taxpayer from the enormous, widespread renationalisation policy of Labour; will the hon. Member for Stalybridge and Hyde (Jonathan Reynolds) confirm that there will not be a single penny of additional cost?

Jonathan Reynolds: The shadow Chancellor did not speak from the Dispatch Box. I think the hon. Gentleman is thinking of the shadow Chief Secretary, my hon. Friend

the Member for Bootle (Peter Dowd)—the two should not be confused. On nationalisation, I think the point that my hon. Friend was trying to make is that we can simply look at British history to see how this works. If we take an asset into public ownership and the return from that asset is greater than the cost of the borrowing to take it on, there is no net cost to the taxpayer, and certainly, income tax will not have to rise to cover that.

The Chairman of Ways and Means (Sir Lindsay Hoyle): Order. We are not having a debate on party policy. We have amendments and clauses before us and we are straying from them—I know you wanted to get through your speech very quickly, Mr Graham.

Richard Graham: You are entirely right as always, Sir Lindsay. It was helpful to have it exposed that there is clearly a significant difference of opinion between the shadow Chief Secretary and the shadow Chancellor on whether there will be any additional costs from the policies of the Opposition—[*Interruption.*] I have taken a lot of interventions, so I will cease from taking them so that I can come, as you suggested Sir Lindsay, to a rapid closure, which I am sure will be welcomed by Opposition Members.

Having made the crucial point on our approach to investment in business, let me finish on the annual investment allowance, which is a crucial part of the Budget and the clauses under discussion. This is important because it encourages businesses to invest in expensive technology that, over time, will allow them to grow and employ more people. I could give a dozen examples from my constituency of where this has been true. To give it some flavour, I will highlight just one area. The hon. Member for Stalybridge and Hyde will know, having visited China with me last week, how far we have gone in increasing our exports to China. From Gloucester alone, we are exporting a huge number of manufactured goods, including the landing gear on all Airbus aircraft.

5.45 pm

Peter Dowd: If the hon. Gentleman is so sure of his position, what is wrong with providing for a review of the effectiveness of entrepreneurs' relief, as new clause 3 would do?

Richard Graham: The hon. Gentleman is kind to mention that, but the fact is that we on the Government side of the House believe strongly in incentivising the entrepreneurs. They are the ones producing the technologies of the future—Fintech, Edtech, every sort of tech—and the reason why this country has seen more investment in technology in London alone in the last year than Germany, Spain, Ireland, the Netherlands and France put together. These incentives to businesses are what generate the additional tax revenue I highlighted earlier.

The changes to gambling tax are among the most significant measures proposed. These are fundamentally about what is morally right, and I am delighted that the Government have found a way to do the right thing, not just by reducing the maximum stake for fixed odds betting terminals from £100 to £2, but by introducing it rapidly and by raising the remote gambling duty from 15% to 21%. If I could make one request of the excellent Minister, it would be that he consider other ways to reduce the amount of online gambling advertising and to raise more tax revenue from it.

This is an important discussion. Some of the facts offered earlier by the Opposition were completely astray from reality, and I strongly support what the Government are doing to incentive business, encourage more people into work and, above all, benefit the lowest earners. It is worth finishing with one last statistic from the OECD: the proportion of jobs that are low-paid is at its lowest level in this country for at least 20 years. That is a significant achievement on which we can hope to build yet further in the future.

Sir Vince Cable (Twickenham) (LD): I wish to say a few words about amendment 18, which would remove clause 5. I spoke on this at length on Second Reading, so I do not need to say a great deal.

The difficulty with clause 5 is that it combines two very different measures, the first being to lift the low earners threshold. As the hon. Member for Solihull (Julian Knight) reminded us a few minutes ago, this was a policy that I and my colleagues pursued in government, and it is not something I at all disagree with. The second, however, is a much more substantial measure to lift the tax threshold for middle earners. I do not pretend for a moment that people at the higher rate threshold are rich people—at the bottom end, they are paid less than Members of Parliament—but we need to get beyond the headlines and look at the actual numbers.

The lower threshold is to be lifted by £650, and 20% of that is £130, so the people solely on standard rate tax will get £130 in their pocket as a result of this measure. Of course, that is welcome. It is about a 2% increase, which is roughly in line with inflation, and is unquestionably a good thing. For the high earners threshold, however, we are talking about much bigger sums of money—a £3,650 increase in the threshold. Multiplied by 20%, and we are talking about £730, but of course high earners also benefit from the standard rate threshold increase. Add the two together and we have got £860. This measure, which is badged as a measure to help low earners, helps low earners to take home £130 a year and high earners £860 a year. On no conceivable measure could that be described as some enlightened policy for helping the low paid.

Having said that, I should add that there are things that the Government could have done as part of the policy of reducing fiscal drag. I fully understand the need at the margin to stop people being dragged into higher tax rates, and something could have been done to offset that. The Chancellor himself has acknowledged that there are extremely expensive and lavish tax reliefs on pension contributions for upper earners, which cost the country about £25 billion a year. I think that if he had chosen to offset the upper-rate threshold measure by some reduction in pension tax relief for the high paid, such that it neutralised it, many of us would have thought that that was quite a reasonable way of making progress, but he did not, despite the urgent need for revenue.

In an ideal world we would be looking at tax cuts for everyone, but we are not in an ideal world. There are issues of priorities. As several Conservative Members have reminded us—former Chancellors, among others—we are living in a world of severe fiscal restrictions, despite the proclamation of the end of austerity. There are other purposes for which the money could have been better used. We are talking about £2.8 billion in the first year,

tapering to about £1.7 billion a year, of which roughly half is for the upper rate threshold. We can all think of many, many ways of spending that money, but for me the priority would have been fully restoring the cuts in universal credit that were made two years ago. The Government have partly done that, but with the additional sum of £1.3 billion, the Chancellor could have returned universal credit to the levels at which it was placed two years ago, in the Osborne Budget. The money could also have been used to end the benefits freeze a year early. The continuation of that freeze means that the poorest 30% in the population are being dragged down as a result of the Budget, but ending the freeze a year early could have offset that. Obviously there are many other purposes for which the money could have been used, but those would have been my priorities.

This measure, politically, was obviously intended to enable the Chancellor to proclaim that the end of austerity is not just about public spending, but about cutting taxes. There is nothing wrong with that general proposition, but the problem is that it is dishonest: that is not what is actually happening. The revenue line in the Red Book shows clearly that as a result of revenue measures, council tax will rise by £6 billion over the next five years—that it will rise by considerably more than income tax is being cut. What, essentially, is happening is that as a result of the reduction, or the freezing, of spending on support for local councils, the councils are making up their revenue through council tax increases to the maximum extent allowed. The Government, according to their own numbers, believe that council tax revenue will rise by £6 billion to about £40 billion. That, as I have said, more than cancels out the income tax cuts, most of which in any case accrue to higher-rate earners. So this is not a tax-cutting Budget at all. It is, indirectly, a tax-raising Budget, and I hope that that will be pointed out to members of the Government when they use such rhetoric in future.

I simply wish to move my amendment, and we will seek to oppose clause 5 stand part.

Leo Docherty: It is an honour to follow the right hon. Member for Twickenham (Sir Vince Cable).

I welcome the Bill. As we consider the amendments, we are faced with a stark choice that faces all politicians and members of the public when they consider the basic question of how we manage our economy and how we manage tax and spending. It is the stark choice between responsibility and recklessness. If we cast our eyes back over the last eight years, we see the benefits of the responsible, balanced approach of the Conservatives. Since 2010 the deficit has decreased by 80%, and the economy has grown for eight consecutive years, by a total of 17%. Unemployment is at its lowest rate since 1975—the year before I was born—and the Government are managing to boost public spending while simultaneously cutting tax. I am particularly pleased about the almost doubling of basic-rate tax relief: those on the basic rate are paying £1,205 less every year than they were paying in 2010, which is a tremendous step forward.

Julian Knight: The increases in the minimum wage and the living wage have also had a fundamental impact on the earning capacity of people at the lower end of the income scale in our society.

Leo Docherty: Absolutely, and the bottom line is that that allows more people to spend more of their own money doing what they want. That is what this Government deliver.

Grant Shapps (Welwyn Hatfield) (Con): Does not the rise in the tax-free allowance from £6,475 to £12,500 also mean that the tax collector will no longer have to waste time chasing and trying to track down people who are earning the basic salary to secure very small amounts that probably cost more to collect than they constitute in receipts?

Leo Docherty: My right hon. Friend has made a very good point. The rise is not just good for the taxpayer, but good for the Government.

This balanced, responsible approach is in stark contrast to the reckless and ideologically driven approach of the Opposition. Members will probably need no reminding that in 2016 the shadow Chancellor declared, “I am a Marxist”. He pursues—well, let us call it a policy of half-based Marxism mixed with 1970s-style union militancy.

Rachel Maclean: Does my hon. Friend recall that, along the same lines, the Labour Opposition were preparing for capital flight and a run on the pound, and does he share my alarm at that prospect?

The Chairman of Ways and Means (Sir Lindsay Hoyle): Order. May I share my wisdom with you both? The debate is about the clauses and new clauses before us. Members tried to go down this route once before. The new clauses are quite clear, and the clauses are quite clear. I am sure Mr Docherty wishes to stick to that, and I am sure Members will not tempt him again.

Leo Docherty: You are absolutely right, Sir Lindsay. I certainly will not be tempted to stray from the clauses and new clauses that we are considering.

It is, of course, important to consider the approach to ownership of private property that the shadow Chancellor and his party laid out last year in a document that Members can obtain from the Library, entitled “Alternative Models of Ownership”.

Lyn Brown (West Ham) (Lab): Why is this relevant?

Leo Docherty: It is relevant because it puts renationalisation at the front and centre of the Labour party’s economic policy. Regrettably, there are no figures in the document. That is because the cost of renationalisation, calculated by the Centre for Policy Studies, would be £176 billion: £6,471 for every single household. That is a deeply alarming fact.

That approach was given further voice when, just last week, the shadow Chancellor made a speech at an event hosted by Red Pepper. He discussed his broad economic approach, and his approach to tax and private property. He promised that the Labour manifesto would be even more radical than the last. This is relevant because, referring to Labour’s approach to the private ownership of land, the shadow Chancellor said:

“One of the big issues we’re now talking about is land, how do we go about looking at collective ownership of land”.

The Chairman of Ways and Means (Sir Lindsay Hoyle): Order. We have strayed completely from where we should be. If the hon. Gentleman wants a debate on the Opposition,

he needs to wait until the right moment. Today is not that moment. This is about the new clauses that we are discussing, and what he is talking about is not relevant. I have allowed him a little leeway, but we have now strayed too far. I would like him to concentrate on the new clauses.

6 pm

Leo Docherty: I am grateful to you, Sir Lindsay. I will come back more pertinently and conclude by bringing the debate back to the effect on small businesses. I hugely welcome the cut in business rates in the Finance Bill.

Julian Knight: Enterprise relief is the subject of one of the amendments. Does my hon. Friend agree that it is wrong-headed to say that only 52,000 people would benefit from the said changes proposed in the Bill? Does he agree that we should take account of the fact that many employees and others will benefit from entrepreneurs bringing about these businesses, and does he therefore support the changes to enterprise relief?

Leo Docherty: I am wholehearted in my support for the changes to entrepreneurs’ relief. I was in my constituency of Aldershot on Friday, visiting one of the many small and medium-sized enterprises that are the backbone of our economy there. Gemini Tec is one of the leading manufacturers of short circuit boards in the country, and that business is successful because of the entrepreneurs who have been driving it forward for the past 40 years. They do not ask any special favours from the Government. Indeed, they want the Government to keep out of their way and let them thrive. However, if the Government can in some way create an ecosystem and an atmosphere, through measures such as entrepreneurs’ relief, that is wholeheartedly to be commended. We have a tradition of tremendous innovation and creativity—not least in Aldershot, north Hampshire, the Blackwater Valley and Farnborough—and this drives a lot of the job creation that we are now seeing in this country. As I have said, this has led to the lowest rates of unemployment since 1975, the year before I was born.

Ruth George (High Peak) (Lab): Does the hon. Gentleman believe that money to support entrepreneurs is being well spent through the Government giving an average of £450,000 in entrepreneurs’ relief each to just 6,000 entrepreneurs? Does he acknowledge that the Government will take £1.5 billion off the 300,000 small businesses that will lose out through the universal credit minimum income floor, which the Government are driving through?

Leo Docherty: This is not a debate on universal credit. This is actually about job creation. That is the more important point when it comes to entrepreneurs’ relief.

Kirsty Blackman: New clauses 3 and 7 both ask the Government to say exactly what the effect of entrepreneurs’ relief will be. Does the hon. Gentleman agree that it would be best for reliefs to be targeted to ensure that the most jobs are created, the most people benefit and the most businesses can grow as a result of the changes? Does he therefore agree that it would be good for the Government to explain why their proposal is better than any other proposals?

Leo Docherty: Of course the best way to measure the effect of this is in employment growth. I expect these changes to further deepen the positive impact and the positive growth in employment that we have seen recently. Having considered these amendments, I am delighted to welcome the Bill wholeheartedly. Government Members must be confident about supporting our balanced approach, in contrast to the reckless and ideologically driven approach of the Labour party. We must consider this not just in economic or fiscal terms, but in human terms. Free-market capitalism has been one of the greatest forces that the world has ever seen. It has lifted 1.5 billion people out of poverty in the past 30 years. We should be confident about that, and we should be confident in our balanced and responsible approach. I am delighted to welcome the Bill this evening.

Debbie Abrahams (Oldham East and Saddleworth) (Lab): Before I speak to my new clause 18, I want to gently chastise the hon. Member for Gloucester (Richard Graham). He is not in his place at the moment, but I am sure that someone will respond to this for him. He very inappropriately raised quite selective data on inequalities, a subject that I spent nearly 20 years working on before I came to this place. He should know that we are the seventh most unequal country of the 30 developed countries in relation to income inequality. By some measures, we do worse than others, but overall, economic equality is not just about income; it is also about pay and wealth. We need to be mindful of this fact, and selectively reporting data is not a practice that we should be indulging in.

I should like to declare an interest as the chair of the all-party parliamentary group for health in all policies and as a fellow of the Faculty of Public Health, following more than 20 years of national and international work in this field prior to becoming an MP. It is lovely to see you in the Chair, Madam Deputy Speaker. New clause 18 would require the Government to commit to undertaking an assessment of the effects of the personal taxation measures in the Budget—including changes in the personal allowance and the higher rate threshold—on poverty, on the public's health, including their life expectancy and healthy life expectancy, and in turn on public services.

The reason I have tabled this new clause is that, over the past eight years or so, I have seen the gains made under the previous Labour Government being totally reversed by this Government. Those gains included the reduction in the number of children and older people living in poverty and the improvements in health including an increase in our life expectancy and reductions in health inequalities. As the UN's special rapporteur on extreme poverty and human rights, Philip Alston, said on Friday, the cuts and reforms introduced in the past few years have brought misery and torn at our social fabric. He went on:

“British compassion for those who are suffering has been replaced by a punitive, mean-spirited and callous approach”.

As I mentioned in my point of order earlier, I am afraid the Under-Secretary of State for Exiting the European Union, the hon. Member for Spelthorne (Kwasi Kwarteng) demonstrated this exact point in his comments on the “The Andrew Marr Show” yesterday. The lack of humanity he showed in his response to the plight of Emily Lydon, who is being forced to sell her home because of issues

with transitioning on to universal credit, shamed not only himself and the Government of which he is a Minister, but this whole House.

Peter Dowd: Does my hon. Friend agree that the massive cuts in the public health budgets that are now controlled by local authorities have simply made matters considerably worse in the public health field?

Debbie Abrahams: My hon. Friend is totally right. Those budgets were ring-fenced to start with, but they are now absolutely emaciated. This is stopping us doing the prevention work that we should be doing. We made massive investments in public health, and they were having a real impact in terms of health gain. I am afraid that that is now going by the bye.

We know that there are 14 million people living in poverty in the United Kingdom, 8 million of whom are working—the highest level ever. It is fine for Conservative Members to speak on a positive note about employment rates, but they should be asking themselves why we have such high levels of in-work poverty. That, too, brings shame on us. Two thirds of the 4 million children living in poverty are from working households. How on earth are young people expected to learn and to excel at school if they are constantly hungry?

Alison Thewliss: The hon. Lady might not have had a chance to read it yet, but the all-party parliamentary group on infant feeding and inequalities, which I chair, produced a report that came out last week. It found that even working families are now struggling to meet the cost of infant formula, so they are having to stretch it out, to the detriment of their children's health. So this problem is starting even before children go to school, because babies are not getting the nutrition that they need.

Debbie Abrahams: That is absolutely right. I will come on to some of the really worrying figures about how, from birth, our children are being affected because of the poverty that they are experiencing.

What about disabled people? Disabled people are twice as likely to live in poverty as non-disabled people because of the extra costs that they face around their disability. We have seen their social security support become absolutely emaciated. Given that we are the fifth richest country in the world, that is shocking—absolutely shocking. Four million disabled people are already living in poverty, with many now continually finding that they are becoming more and more isolated in their own homes.

Since 2015, as analysis from the Institute for Fiscal Studies and others has shown, those who are in the lowest income decile have lost proportionately more income than any other group as a consequence of personal taxation and social security changes. That is the important thing. My new clause is not just about taxation. We cannot see that in isolation from how we then ensure, as a country, that we are supporting people on low incomes—and that support is completely inadequate. What was put forward in the Budget does not go anywhere near repairing the damage that was done in the summer Budget of 2015.

Last month's Budget produces only marginal gains to the household income of the poorest, while reducing the number of higher-rate taxpayers by 300,000.

[Debbie Abrahams]

The Government's regressive measures have done nothing to reduce the gap between the rich and the poor. When cuts to household incomes are combined with the cuts to public spending and services, the impact is even more dramatic, and again with disproportionate cuts to Government funding to towns and cities across the north, as evidence has repeatedly shown.

The effects of all this on life expectancy are now being seen, with health gains made over decades now falling away. Life expectancy has been stalling since 2011, and it is now flatlining, particularly in older age groups and for older women. In the same week—the very same week—that these data came out last year, the Government actually increased the state pension age. We know that our life expectancy is flatlining. For women—think about the 1950s-born women—it is going backwards, yet we are still putting up the state pension age. What is going on?

On top of this there are regional differences in how long people will live, with these health inequalities reflecting the socioeconomic inequalities across the country. Life expectancy for men in Windsor and Maidenhead stands at 81.6 years, while in my Oldham and Saddleworth constituency it is 77. Even within these areas, there are differences in how long people will live. Again, in the Windsor and Maidenhead local authority area, the life expectancy gap is 5.8 years for men and 4.8 years for women, while in my constituency it is 11.4 years for men and 10.7 years for women. These health inequalities are reflected right across the country. The gains Labour made in reducing health inequalities are now being reversed.

Similarly, the Royal College of Paediatrics and Child Health reported last month that infant mortality has started to increase for the first time in 100 years. Four in 1,000 babies will not reach their first birthday in the UK, compared with 2.8 in the EU. These are the unacceptable consequences of austerity. I welcome the Department of Health and Social Care commissioning Public Health England to investigate the causes of this declining health status, but it is very late in the day. Public health specialists—renowned epidemiologists such as Professor Sir Michael Marmot, Professor Martin McKee and many others—have been calling for this for the past 18 months. We already know from the work that they have been doing that they are pointing the finger towards austerity. It is imperative that in addition to stopping austerity, and the misery and poverty that is being wrought, we tackle the inequalities within and between regions and communities.

An analysis of the effects of the Budget's personal taxation measures is part of this, but it should not be seen in isolation. This would be outside the scope of the Bill, but the Government should be doing an analysis of their social security and public spending cuts. Reducing the gap between the rich and the poor is not just good for the economy. As evidence from totemic reports such as "The Spirit Level" shows, life expectancy then increases, as well as educational attainment, social mobility, trust, and much more. Fairer, more equal societies benefit everyone. Inequalities are not inevitable—they are socially reproduced and they can be changed—but to tackle them in all their forms takes commitment, it takes courage, and it takes leadership.

6.15 pm

Jack Brereton (Stoke-on-Trent South) (Con): It is a pleasure to speak in this part of the debate. I really do think that this is the best Finance Bill that we have seen in some years. I return to the point that I made on Second Reading: Governments do not have their own money, only taxpayers' money. It is absolutely imperative to remember that and to remember that taxes are paid in the expectation that they will be spent wisely and necessarily. Where the Government can find a way to enable taxpayers to keep more of their own hard-earned money, they should do so.

Helping families in constituencies like mine better to meet the costs of living is absolutely critical. I am therefore a strong supporter of clause 5, raising the personal allowance for us all and the scope of the basic rate to more of the middle earners who have previously been dragged into higher rates of taxes than they should have faced. These are not the top earners, but will often be the likes of middle management, senior nurses, or lower-rank inspectors in the police, and they have previously been penalised by this punitive higher rate of tax.

The increase in the personal allowance is the latest in a line of such increases. This will mean that a typical basic-rate taxpayer will pay £1,205 less tax in the next tax year than they did in 2010-11. Importantly, the increase to £12,500 comes a year earlier than planned. That can happen because the public finances are in a better shape than had been predicted, thanks to the hard work of the British people and the sound fiscal management of my right hon. Friends the Chancellor and the Chief Secretary, and the Ministers on the Front Bench. They know that taxpayers' money is taxpayers' money, and they have rightly allowed taxpayers to keep more of it as soon as it has been possible to do so, as we see in these clauses. This is combined with inflation coming back under control and wages rising again in real terms. The lowest paid have not only been taken out of income tax altogether but enjoy an increased national living wage.

Leo Docherty: I share my hon. Friend's thoughts about the increase in the personal allowance. Does he agree that one of the very significant positive things in this Finance Bill is also the—I am sorry; I will let him continue.

Jack Brereton: I thank my hon. Friend for his comments.

As I was saying, allowing taxpayers to keep more than it would have been possible to do previously is combined with inflation coming back under control and wages rising again in real terms. The lowest paid have not only been taken out of income tax altogether but enjoy an increased national living wage, thanks to this Government. We are seeing the lowest paid paying less tax but also bringing home more money. The annual earnings of a full-time—

Alison Thewliss: Does the hon. Gentleman not accept that the national living wage is not actually a wage that one can live on, and that it does not apply to those under the age of 25? In fact, the gap for those aged 16 and 17 has been going up every year.

Jack Brereton: The national living wage is a critical part of ensuring that some of the lowest paid in our society earn much more and take home more pay.

Earnings for a full-time minimum-wage worker will have increased by £2,750 since it was introduced in April 2016.

Leo Docherty *rose*—

Jack Brereton: My hon. Friend can have a better go this time.

Leo Docherty: I am very grateful to my hon. Friend for giving way and giving me another chance. He mentioned inflation. Does he share my view that the fact that the annual deficit has been reduced by 80% since 2010 is another very significant piece of progress with regard to inflation?

Jack Brereton: I agree with my hon. Friend's comments, which show the responsible approach we on this side of the House have taken to the economy, compared with the approach the previous Labour Government took.

Peter Dowd *rose*—

Jack Brereton: And now the hon. Gentleman is going to tell us about Labour's future approach if they ever get back into office.

Peter Dowd: As the hon. Gentleman is talking about borrowing, does he agree that the Tory party in the last eight years has borrowed more money than all Labour Governments put together?

Jack Brereton: The hon. Gentleman will have seen the figures that show that debt is now coming down to lower levels than ever before, and we have seen the deficit back under control after the failings of the previous Labour Government who got us into an horrendous mess that working families in this country ended up paying for.

We are now seeing the numbers of low-paid workers at a record low, and we are seeing low taxpayers now paying record low levels of tax. The astonishing turnaround achieved in making work pay, not least through tax measures like those before us today, means that the Office for Budget Responsibility has now revised up its assumptions for the trend labour market participation rates and revised down its estimate of the equilibrium rate of employment. As the Treasury rightly highlights in the Red Book paragraph 1.15, both of these revisions raise the level of potential output, which is good news for the sustainability of the labour market boom which has undoubtedly been the greatest achievement of the policies pursued by this Conservative Government.

Ruth George: Would the hon. Gentleman not agree with the Institute for Fiscal Studies that the cumulative impact of personal tax and benefit reform since 2015 has been that the bottom two thirds of society is far worse off and that the only people who are better off under this Government's policies are the top third?

Jack Brereton: I totally disagree. We have seen increases in the national living wage and reduced tax in this Budget, and further measures in this Budget to support UC.

Vicky Ford (Chelmsford) (Con): Does my hon. Friend agree that the fact we should be looking at is the fact reported by the OECD that the proportion of jobs that are low paid is at the lowest level for the past two decades? We should be celebrating that.

Jack Brereton: That is absolutely right. We should be looking at those figures, not some of the figures being used by Opposition Members, who want to keep people on a level of pay that is lower than it would ever be, because they want to keep people out of work and keep people in the workless society we saw under the previous Labour Government.

We on this side of the House have made work pay, and the long-term benefits of doing so are clear in the expansion of our non-inflationary production potential. The last time unemployment was so low, 40 or more years ago, there were massive peaks in inflation. The contrast with today is stark and we should be proud of our work as a country in digging ourselves out of the mess left by the Labour party.

For people in Stoke-on-Trent making work pay has added to the renaissance of our fine, proud city and its industries, and the situation is the same in once-forgotten manufacturing towns across the country, which are seeing a revival in real jobs for real levels of take home pay. Indeed the ONS estimates that real household disposable income per head was 4% higher in quarter 2 of 2018 than at the start of 2010, and the OBR expects it will increase by a further 3.2% by the end of 2023. At the same time, income inequality is down, and is lower than it was in 2010. To refute a number of the claims made from the Opposition Front Bench, the number of children in absolute low-income poverty has fallen since 2010.

Peter Dowd: I hear what the hon. Gentleman says, but if he is so convinced of his policies in relation to the issues he is talking about, why will he not support the provision in section 5 of the Act of an impact assessment on child poverty and equality? What has he got to fear?

Jack Brereton: The reason is that the facts show that the number of children living in absolute poverty has fallen since 2010 and will continue to fall, because of the policies of this Conservative Government.

Vicky Ford: Does my hon. Friend agree that for every £1 those on low income pay in tax, £4 of public spending goes towards them, whereas for those on higher income, for every £5 they pay in tax they receive only £1 back in public spending, and that is because we are a fair society, which means that well-off people contribute to helping those on lower incomes?

Jack Brereton: I thank my hon. Friend for those comments, which show that the highest earners are paying their fair share, while the lowest paid in society are being supported as much as we can. That is what this Government have been doing: reducing taxes for the lowest paid in society and ensuring that the lowest paid can be paid more.

I reject many of the views of the hon. Member for Oldham East and Saddleworth (Debbie Abrahams). She made some comments about statistics and then used statistics in her own way. I will also refer to the

[Jack Brereton]

G7 by saying that only in the UK and Japan have the lowest paid seen their wages grow in that time, and income inequality is lower than it was previously.

Debbie Abrahams: On a point of order, Dame Eleanor. The hon. Member for Stoke-on-Trent South (Jack Brereton) suggests that I have used statistics inappropriately. I can cite all my sources of evidence; can he?

The First Deputy Chairman of Ways and Means (Dame Eleanor Laing): Order. The hon. Lady knows that that is not a point of order for the Chair; it is a point of debate, and, as I have said many times in here—and so has Mr Speaker—fortunately it is not the duty of the Chair to decide between one set of statistics and another. It all depends on how one applies the statistics, and the hon. Lady is perfectly at liberty to intervene on the hon. Member for Stoke-on-Trent South (Jack Brereton), as is he to take an intervention from her, where they can continue the argument between them, but I will take no part in it.

Jack Brereton: Thank you, Dame Eleanor. The statistics I have used show that income inequality is lower than it was before the crash, and this is all alongside our continuing to reduce the deficit and debt, and meeting our targets three years early, while continuing to invest more in our vital public services. This responsible approach to public finances has seen our economy and the number of jobs boom, compared with the spiralling-out-of-control economy under Labour.

I was pleased that the Minister with responsibility for high streets—the Under-Secretary of State for Housing, Communities and Local Government, my hon. Friend the Member for Rossendale and Darwen (Jake Berry)—visited my constituency on Friday and talked about some of the measures we are taking in this Budget to support towns like Longton and Fenton in my constituency, helping to address some of the issues on the high street. I hope we can get some of the £650 million pot announced in the Budget to convert many of their empty premises back into use and help with business rates to ensure that retailers with a rateable value of under £51,000 will receive relief, as that will be hugely welcome by the smallest retailers in our towns.

I also want to comment on some of the views expressed by Opposition Members about entrepreneurs' relief. I was shocked that some of the views were so anti-business and anti-enterprise. We must condemn those views, which are damaging businesses in constituencies up and down the country.

Peter Dowd *rose*—

Jack Brereton: Can the hon. Gentleman answer that one?

Peter Dowd: The hon. Gentleman must not misquote. We are looking for an assessment of entrepreneurs' relief, and if he believes that what he suggests is good value for money for taxpayers he would support a review of that relief. What is wrong with that?

Jack Brereton: I just wanted to talk about the relief in Stoke-on-Trent as well. Entrepreneurs' relief in my constituency will help many businesses that are starting up.

We have some fantastic retention rates in Stoke-on-Trent; we have some of the highest new business start-up retention rates in the country, and that relief is critical in helping those businesses.

The measures introduced in the Budget to increase the time period from 12 to 24 months will help to ensure that it is businesses that are genuinely contributing to our economy that will receive the relief, making a huge contribution to the development of new technologies and innovation that we so much support in our economies throughout the country.

The proposed reductions in corporation tax in the Budget and the relief on capital allowances, which my hon. Friend the Member for Gloucester (Richard Graham) spoke about, will also be a huge support for many of the businesses in my constituency, particularly manufacturers. Around 15% of the economy in Stoke-on-Trent is made up of manufacturing businesses. Those measures will be a huge support for those businesses, increasing the amount of machinery and equipment that they can buy. Increasing relief on capital allowances and the investment allowance up to £1 million will help more of those businesses to buy new equipment and invest in the plant in their factories. I welcome that measure, which will help not just those manufacturing businesses, but the huge number of businesses up and down the country that produce that machinery and the workforces in those industries, which are so valued up and down the country.

6.30 pm

Rachel Maclean: Does my hon. Friend agree that when we are talking about support for businesses, through entrepreneurs' relief and all these other measures, we are talking not just about the people who own those businesses, but about the people working in them who have a job because of these measures?

Jack Brereton: Absolutely, and we want to see the number of those workers and the opportunities and jobs in those industries continue to grow. That is why it is so shocking to hear views from the Opposition that would damage the jobs miracle that we have seen over the last few years in this country.

Wages are rising, inflation is stable, unemployment has been so low for so long that the Office for Budget Responsibility believes that the equilibrium rate has fallen, income inequality is down and disposable income is up. This is the extraordinary record of making work pay. It is a huge economic success story, after the financial meltdown that the Labour party presided over. I want to see the success continue, and I know that to do so this House must support the Bill. I shall continue to do so, not least because of the concrete measures it contains for putting money in the pockets of Stoke-on-Trent's very many hard-working people.

Thelma Walker (Colne Valley) (Lab): I begin by reflecting on the purpose of our society—the purpose of our communities, locally and nationally. The great Labour Prime Minister Clement Attlee said:

“No social system will bring us happiness, health and prosperity unless it is inspired by something greater than materialism.”

I agree with Clement Attlee. To me and many others in this House, the aspiration is to create and be part of a community and society that cares for one another and

enables everyone to succeed in life, in whatever form success takes—a society that is safe and secure from cradle to grave and that provides accessible healthcare, quality housing, outstanding education and secure employment. A Government's ultimate goal should be the wellbeing of its citizens, and there is much evidence to suggest that higher levels of wellbeing can lead to higher levels of job performance and productivity and greater job satisfaction. That is the society I want to live in.

Unfortunately, to say that that is not a reality under the current Government is an understatement. This Finance Bill does nothing to deliver the people of this country's wellbeing. On new clause 2, a UN report just last week told us that the Government have inflicted "great misery" on our people, with "punitive, mean-spirited and often callous" austerity policies, driven by a political desire to undertake social re-engineering rather than by economic necessity. This is from the United Nations poverty envoy. We are told that levels of child poverty are "not just a disgrace, but a social calamity and economic disaster".

The Budget was an opportunity to make some attempt to right those wrongs. Did it offer full and fair funding for our teachers and education service? No. Did it offer reassurance for those suffering the consequences of the cruel and callous roll-out of universal credit? No. Did it attempt to put an end to the causes of homelessness and destitution? No. Did it commit to funding our police services to help halt the massive increase in violent crime? No. Did it commit to funding our local councils, suffering 50% cuts, which are damaging the very fabric of our society? No. Did it do anything to relieve the hardship felt by so many women across our country? No.

Some 14 million of our citizens—our people; a fifth of the population—are living in poverty. One and a half million are destitute, with no money for even basic essentials. Up to 40% of children will be living in poverty by 2022. This Finance Bill is about lip service and rhetoric—pretending to care about the poor and vulnerable, but doing nothing substantial to address the misery and suffering felt by so many in our society. There is so much poverty and inequality in our country, and our country has never been more miserable or divided—divided geographically, generationally and economically. We have poverty in our cities, towns and villages, but under this Government there is a poverty of compassion, a poverty of empathy and a poverty of insight into what real, ordinary people's lives are like.

My mum said to me a few years before her death, having lived through the depression in the 1930s and survived the Manchester blitz in the second world war: "I'm glad I'm at the end of my life and not at the start when I look at what this Government are doing to our society. They're punishing people for being poor". Enough now. The people of this country have had enough. Labour will keep up the pressure and fight for those who are stuck in poor-quality housing, those who are struggling to feed their families and those who are not yet old enough to understand what poverty is and how it may impact their life. They deserve better.

I would like to finish with a quotation from the philosopher Thomas Paine:

"It is error only, and not truth, that shrinks from inquiry."

It is interesting that the Government are currently facing so many questions and inquiries, both within this House and beyond.

Alex Burghart: It is an honour to speak in this debate and to follow the hon. Member for Colne Valley (Thelma Walker).

One of the most striking things about the Chancellor's Budget speech was the moment in history that it reflected. As the Committee will know, in 2010 the Government—the coalition Government, as then was—inherited the largest peacetime deficit in our history, yet the Chancellor was able to stand at the Dispatch Box and say that the deficit had fallen by four fifths, from just under 10% to 1.9%, and that it would be less than 1% by 2023-24. This is an extraordinary achievement, not of this House or even this Government, but of the British people, who, yes, have had to cut their cloth to make it happen. However, it has been an essential task, yet sometimes, listening to some hon. Members, we can be led to believe that it could have been wished away, that it did not matter or that it was something that the Conservative party invented.

But that is not so. The deficit is a real, serious thing. The deficit is the debt that we pass on to our children and to our children's children. It is the debt that we have not cleared ourselves. We have a responsibility to the future. We have a responsibility to pass on a natural environment that is not polluted and we have a duty to pass on an economy that is not polluted.

Kevin Foster (Torbay) (Con): I am listening to my hon. Friend's opening remarks with great interest. He is right to talk about the importance of tackling the deficit, yet we sometimes hear comments from the Opposition about debt going up. If they are so concerned about the level of debt, can he confirm to me how many deficit reduction measures he believes they have supported?

Alex Burghart: I thank my hon. Friend for his comments. I believe that the answer to his question is none, but I stand to be corrected.

Alongside the Budget, we heard the remarkable news last week that wage growth is at its highest level for a decade. That welcome return to growth benefits people in my constituency and around the country. In addition, we have the best employment figures in my lifetime. Sometimes, we are given the impression that such figures are idle statistics that mean nothing—that the Government are just chirruping on about that silly little thing, employment—but employment is not a marginal thing. Employment is what gives our constituents the opportunity to work, to support their families, to play their part in society and to have independence and choice. It is the greatest gift that the economy can bestow.

I always enjoy Finance Bill debates, because I am a genuine fan of the hon. Member for Bootle (Peter Dowd). I assure *Hansard* that I am not being sarcastic when I say that I genuinely enjoy his company and his speeches. Over the years we have shared in the House, we have enjoyed some debates on the Beatles, on Plutarch and on sausages. Today, I shall add to that list by picking him up on voodoo economics.

The hon. Gentleman has accused us of voodoo economics when it comes to reducing corporation tax and thus bringing greater revenue into the Exchequer. I encourage him, in the spirit of friendship, to go and talk to some of the businesses that have onshored to the UK to take advantage of our extraordinarily competitive corporation tax rates. That is why people are coming to

[Alex Burghart]

this country to do business. It is why they are choosing to raise revenue here and pay taxes here. That is good for them, it is good for our economy and it is good for the people who use our public services. I respectfully suggest that if anyone wants an example of voodoo economics, they should look to the attempt to dig up the dead and rotting corpse of socialism, reinvigorate it with magic spells and have it wandering the streets, looking to bring rack and ruin. We find real voodoo economics in the suggestion that it will cost nothing to renationalise a range of utilities and services. As my hon. Friend the Member for Aldershot (Leo Docherty) has pointed out, it will not cost nothing; it will cost at least £176 billion. Contrary to what the shadow Chancellor says, it will not pay for itself. It will be paid for by British taxpayers.

Leo Docherty: My hon. Friend is making an eloquent speech. He is right to point out the voodoo economics surrounding the Labour party's plan for nationalisation. As he has said, we are not simply talking about the fact that it will cost £176 billion across the whole country; if we divide that up per household, my constituents in Aldershot are deeply alarmed at the prospect of having to pay £6,471 for this madness.

Alex Burghart: I imagine that they are; they have every right to be very concerned—nay, furious—about it.

Several clauses in the Finance Bill have been misrepresented. They put more money in people's pockets and make more money available to businesses, not for the sake of some blind ideological exercise, but because Conservatives know that growth matters most to our economy. We would all like to have more money for public services today, but if we get that additional money by raising taxes, there will be less money in the economy and, ultimately, less revenue, so less money for public services. The only way to increase the size of the slice of the pie that goes to public services is by increasing the size of the pie. The only way to do that effectively is by giving people opportunities to spend more of their own money, and by giving businesses opportunities to set up, survive, grow, employ people and share wealth.

6.45 pm

For that reason, I fully support the measures in clause 5, which provide an opportunity to take yet more people out of income tax, building on the work done by the coalition Government. To return to a point made earlier by my hon. Friend the Member for Solihull (Julian Knight), it is very easy to create fiscal drag by having people pay higher taxes. Reducing those taxes reduces the drag and increases the amount of money in the economy. More people spend more money, which helps businesses to employ more people and creates a virtuous cycle from which we all benefit.

Peter Dowd: The hon. Gentleman refers to things being virtuous. I am sure that he believes that new clause 1 is virtuous, in that it sets out an assessment of the effect of reducing the threshold for the additional rate to £80,000, which is the Labour party's policy. If he wants the facts and the evidence, why does he not support new clause 1, which will enable us to get all the facts and the evidence? Then we can have another debate, in which we can talk about Plutarch and Cicero until the cows come home.

Alex Burghart: I would certainly take up the hon. Gentleman's offer to talk about Cicero, but I am sure that I would be ruled out of order.

The First Deputy Chairman of Ways and Means (Dame Eleanor Laing): For the sake of clarity, no—Cicero is always pertinent to everything.

Alex Burghart: Cicero, as the hon. Gentleman knows, was one of the great minds of the Roman senate, and I can say with full certainty what he would have made of new clause 1. He would have said that it was a waste of time. We can rely on the Treasury to keep us informed of all the ins and outs of Government policy. We do not need additional laws and additional bureaucracy to achieve that. I know that the hon. Gentleman is a great lover of reviews. We have sat in many Committees together over the years, and he has tabled amendments calling for review upon review, which Parliament has always, sadly, declined to accept.

Kevin Foster: I am very much enjoying my hon. Friend's speech. Does he agree that many analyses must have been done in the Treasury between 1997 and 2010 about why it was sensible to keep the tax rates as they were? The highest earners now pay slightly more, in terms of percentage rate, than they did throughout most of Labour's 13 years in government, except for the last couple of months. It is quite strange to hear Labour Members' enthusiasm for this type of taxation now that they are in opposition.

Alex Burghart: As ever, my hon. Friend puts it extremely well. "Wise after the event" might be one of the Labour party's mottos.

I am pleased to welcome, in clauses 41 and 42, further improvements to stamp duty to help more people to get on the housing ladder and buy the homes that they so richly deserve. Those measures will put more money into the system and encourage the building of more homes, to allow us to progress down the route of building what must be built for the home owning democracy.

Alongside that, I was pleased to see an additional £1.7 billion being put into universal credit, to give the poorest people in society more money in their pockets—money that benefits them and flows straight into the economy. I take this opportunity to thank my right hon. Friend the Member for Tatton (Ms McVey), who is not in her place, for her service as Secretary of State for Work and Pensions. She did her job extremely well. It was under her leadership that a number of improvements were made to universal credit and this decision to put an additional £1.7 billion into the service was concluded. That Secretary of State bore her unfair share of personal criticism while she was in that job; the person rather than the issue was often played. Although I fully take on board the remarks made by the hon. Member for Colne Valley (Thelma Walker) about the desire of that great Labour Prime Minister Clement Attlee for a caring society, when I have seen and heard some of the slander thrown at my right hon. Friend the Member for Tatton, I have had to wonder whether all parts of the left are really as caring as Clement Attlee would have had them.

Rachel Maclean: Does my hon. Friend agree with Cicero on this point: when you have no basis for argument, you should abuse the plaintiff?

Alex Burghart: My hon. Friend quotes Cicero far better than I ever could, and I regret only that she did not do so in the original Latin—we can hope for such things next time.

John Howell (Henley) (Con): I am not going to quote Cicero, although I am perfectly able to do so, but I think the debate needs to progress as it should do. Is the cut in stamp duty, particularly for shared ownership schemes, going to have a major impact? Has my hon. Friend done any assessment of how much that is going to affect the people who are trying so desperately hard to get on to the housing ladder in his constituency and in mine? Does he have anything to support this argument?

Alex Burghart: I have no doubt that a cut in stamp duty will help homebuyers across the country, in my hon. Friend's constituency and in mine. I am lucky to represent a constituency in Essex, near London. Our area has much to recommend it, but the price of housing is high. We are going through a programme of home building, reflecting the Government's broader ambitions. I know from knocking on doors and speaking to young people and their parents that it is difficult to get on that housing ladder. Every incremental improvement that this Government can make on things such as stamp duty helps to make the dream of home ownership a reality for those young people and their families.

Neil O'Brien (Harborough) (Con): On my hon. Friend's point about incrementalism, does he recognise that the welcome cut in stamp duty for first-time buyers comes on top of ending the crazy slab-based system of stamp duty land tax which was built up under Gordon Brown? This Government got rid of it, so that we no longer had a situation where paying £1 more for a house triggers a tax increase that could be worth thousands and thousands of pounds.

Alex Burghart: My hon. Friend is too modest; I know not only that it was an excellent reform brought about under a Conservative Administration, where we went from the LEGO building-block approach to stamp duty that he described to something much smoother and more pristine, but that he was working in the Treasury at the time and was instrumental in bringing about that excellent reform. It has made stamp duty not only fairer, but much more sensible for anyone seeking to buy a property.

Let me turn to business, clause 38 and the necessary additional relief being given to entrepreneurs. As a number of hon. Members have made clear, these are people who are looking to start businesses, so as to employ people, and to create an economic dynamism in their communities and their areas. I go back to remarks made by my hon. Friend the Member for Stoke-on-Trent South (Jack Brereton) about how he has seen employment and business growth in his area. I was having a conversation earlier with another hon. Friend from the north-east, where the Conservatives again have seats in Parliament—that is no accident. We have seats in Parliament in the north-east because of the record levels of jobs growth and business growth that have happened in those constituencies since 2010. Voters understand success and successful policies when they see them, which is why people such as my hon. Friend are capable of winning seats such as Stoke-on-Trent South. This happened because of the enormous benefits of Conservative policy since 2010.

A measure in the Budget that has meant a great deal to my area has been the substantial improvement in business rates. As I say, Brentwood and Ongar is a hive of Thatcherite prosperity. It has a huge number of small, medium-sized and large enterprises within its boundaries, most of which have been built by the sweat of local people, and are the product of good, old-fashioned British graft and nous. People in my area are proud of their high streets and want to see them do well. They want their local retail areas to be bustling and thriving. These measures are an enormous shot in the arm for those smaller businesses, which add not only vibrancy and character, but employment and economic opportunity to our local areas. I cannot praise them highly enough.

In conclusion, this is a Budget to help the people who drive the economy. It is a Budget for the businesses that help drive the economy. It offers dynamism to the economy. It will help deliver the growth we need to grow our revenues and our public services, and offer a future for our children which has jobs and is not shackled by an enormous debt left by the previous Government.

Ruth George: With such disagreement on statistics between hon. Members on both sides of the House, it would be helpful to refer to an impartial observer from the United Nations who has spent the past two weeks going across the United Kingdom and looking at our levels of poverty and the associated political choices. It is a damning indictment of not just our country but our Government that he concluded:

“The experience of the United Kingdom, especially since 2010, underscores the conclusion that poverty is a political choice. Austerity could easily have spared the poor, if the political will had existed to do so. Resources were available to the Treasury at the last budget that could have transformed the situation of millions of people living in poverty, but the political choice was made to fund tax cuts for the wealthy instead.”

I find that absolutely shocking in this day and age, given that there is so much evidence on this, not just from the likes of the Institute for Fiscal Studies, but in every region and on every street in our country. I live in a relatively affluent constituency, but I have had thousands of constituents come to me suffering from poverty.

Lyn Brown: I am grateful to my hon. Friend for mentioning this, because the rapporteur came to my constituency last week and I sat through a harrowing three hours listening to the testimonies of people who are really in need and suffering. So I am genuinely grateful to her for raising this issue now.

7 pm

Ruth George: I find it hard to believe that any of us, as Members of Parliament who are seen to be compassionate and caring people who represent our constituents, do not have struggling constituents coming to them. A single parent came to me who has had to give up his job because his child is disabled. He has found that he is going to lose the disability element of child tax credit and will be £1,500 a year worse off. He said, “This Government says that it will protect the most vulnerable in society. If they cannot protect disabled children, who is more vulnerable? Who are these people that they claim to be protecting?” Answers are there none.

As I said, the Institute for Fiscal Studies has shown that since 2015, the overall impact of tax and benefit reforms has hit the poorest two thirds of the population. They are the ones who have lost out—the poorest have

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lost out by a shocking 10% of their income. The only section of society to have gained is the richest third. The only difference the Budget will make to the incomes of the poorest 10% is that instead of their losing 10% of their income, they will now lose 9.8%. I am sorry, but when we are the fifth richest economy, that is just not good enough.

The previous speaker, the hon. Member for Brentwood and Ongar (Alex Burghart), praised the previous Secretary of State for Work and Pensions, the right hon. Member for Tatton (Ms McVey). Admittedly, she argued for Budget redistribution to people on universal credit, but the increase in the work allowance gives £630 a year to 2.4 million families. That will not make anyone better off: 3.2 million families were due to lose an average of £2,500 a year; now, those families will lose an average of £2,100 a year. The Budget will not make those people better off; it will make them very slightly less worse off.

When 14 million people—a fifth of the population—are in poverty, what do the Government have to say to them? What do they have to say to the 4 million people who live 50% below the poverty line, or to the 1.5 million who are destitute? Are they proud of those figures? Are they proud to meet people like my constituent Billy, who is doing his best? He suffers from a disability and has taken on some self-employed work, with tax credits. He has done his very best and recently took on an afternoon shift with Royal Mail, delivering the Christmas post. He has just found out that when that job ends after Christmas, he will be put on to universal credit. Because of the minimum income floor, he will have absolutely no income whatsoever to see him through until the months when he can work again as an entertainer. What do the Government have to say to people like Billy? How is he supposed to get by? He has sought to do his best and to do what the Government have asked people to do—go out and get a job—but people like him are punished for it.

When 8 million working people are in poverty, that is not a benefit to them. Two thirds of children living in poverty are in working households. Does the hon. Member for Brentwood and Ongar think that their parents' employment is a gift? These children are still in poverty. Employment is a benefit only where it can lift a household and children out of poverty.

Alex Burghart: I fully respect the hon. Lady's position on welfare—I often think it is a gift to the Government that she does not serve on the Front Bench—but it is slightly absurd to suggest that people are not better off in work. They are better off in work. We would all like people to earn more money in work, but to suggest, as Opposition Members often do, that work is no benefit is ludicrous. Work does help. It is a route out of poverty. The first stage of getting into work is not the conclusion of the journey.

Ruth George: I am afraid that for constituents like mine, about whom I was speaking earlier, work is not a route out of poverty. For them, trying a temporary job and moving into work is a fast route on to universal credit and into absolute poverty.

In spite of all the promises made to the House when cuts to universal credit were forced through after the 2015 Budget, not everyone will be protected as they

move from legacy benefits to universal credit. Not even half the people who transfer from legacy benefits to universal credit will be protected from the average £2,100-worth of cuts. Managed migration has been delayed and reduced, and the criteria for transferring people from legacy benefits to universal credit have been widened so much that 4 million people will move on to universal credit naturally, with no protection whatsoever. Fewer than 3 million people will move over under managed migration. That is contrary to the promises that were made to the House when those cuts were brought in.

Some absolute anomalies in universal credit will seriously increase the amount of child poverty, which is why at the very least the Government have a duty to measure the impact of the provisions in their Budget. Some 3.2 million children are due to be affected by the two-child limit, and 1.4 million of those children live in families with four children or more, who will lose an average of £7,000 a year. That is a huge amount of money, which no family with children can afford to lose, much less the poorest and those households bringing up children on such low incomes. According to the Office for Budget Responsibility, £3.2 billion will be taken off people with disabilities by 2023.

What about the self-employed? The Government claim to support entrepreneurship, but their entrepreneurs' relief enables 6,000 people making profits of more than £1 million on the sale of their business to benefit by an average of almost half a million pounds each. That costs this country and its economy £2.7 billion. People starting out in self-employment, on low earnings, such as my constituent Billy, are among the 430,000 who will lose an average of £3,000 a year, mostly because of the minimum income floor.

Neil O'Brien: Is the hon. Lady calling for entrepreneurs' relief to be completely scrapped?

Ruth George: I believe that the relief should be reviewed, which is what new clause 3 would require. We could then see its impact on the most well off and on the poorest, and in particular its impact among those who aspire to be entrepreneurs and who aspire to bring themselves out of—

Neil O'Brien: So you don't know.

Ruth George: That is what the new clause would require. If the Government wanted us to abolish entrepreneurs' relief and had given us a Finance Bill that we could actually amend, and if they had the courage to put their policies to votes on the Floor of the House and to give us any alternative, other than to amend the Bill to require reviews, we would gladly do so. Perhaps the Minister could indicate from his sedentary position whether he is prepared to allow the Committee to make such an amendment to abolish entrepreneurs' relief.

The Financial Secretary to the Treasury (Mel Stride)
rose—

The First Deputy Chairman of Ways and Means (Dame Eleanor Laing): Order. It is not for the hon. Lady to ask questions of the Minister at this point. When the Minister is speaking, she might wish to try to intervene at that point, but she cannot require the Minister to answer her question at this point. She can

expect him to answer it when he addresses the Committee later. Having said that, if the Minister wishes to jump up at this point, I will not stop him. It is an interesting matter.

Mel Stride: I was just going to say that, as the hon. Lady will know, all amendments need to be in scope and that that is ultimately a decision for Mr Speaker. I am sure that he has taken the appropriate decisions in this case—[*Interruption.*]

Ruth George: My hon. Friend the Member for West Ham (Lyn Brown) has just said from a sedentary position that the Government have set the parameters for the scope of amendments in this Bill. The same happened with the previous two Finance Bills that they brought to the House. They have not allowed any substantive amendments to the Bill. They will not allow their policies to be tested on the Floor of the House, because those policies have been found wanting in terms of redistribution of wealth from the best off in our society to the poorest. It is actually the poorest who pay 42% of their income, while the richest pay just 34%. How is that fair?

This Budget has done nothing to support the poorest people. After raising VAT to 20%, the Government have doubled insurance tax and are raising council tax across the country by 5% a year, hitting the poorest in our society and hitting those who can afford it the least. They are also hitting those who are homeowners with universal credit. We have heard that the Government aspire to support homeowners, so why is it that, under universal credit, 74% of people who lose out are actually homeowners? They have seen their clawback of income nearly doubling from 39% under the Labour Government to 63% under this Government, and it is going up to 75% for taxpayers.

If the Government disagree with our analysis that this Budget is not helping people in poverty and that it is actually entrenching the serious divides and the serious destitution and poverty within our society, they should prove their case by supporting our amendment for an equalities impact assessment. But they have form on this. I have been calling for an equalities impact assessment of universal credit changes since 2015 and since I first came to this House, and it has been refused. They are now refusing to hold one in this Budget. Anyone would think that this Government had something to hide. I know from people around my constituency, which is relatively affluent, that it is not just the poorest people who are appalled at the level of food bank use, the level of homelessness and the level of evictions that are being inflicted on the poorest people in our society. People across my constituency are writing to me, imploring me to stand up for the poorest, because otherwise we are poorer as a society.

Rachel Maclean: It is a pleasure to follow the hon. Member for High Peak (Ruth George). I rise to speak in favour of the Bill and against the Opposition amendments. I will start by correcting a comment that I made earlier. Just to correct the record, let me say that I incorrectly said—I apologise to the House—that the shadow Chancellor was on record saying that the fact that Labour's numbers did not add up was largely irrelevant. I offer my apologies as it was not the shadow Chancellor who said that, but a Labour party adviser who wrote it in a book that was endorsed by the shadow Chancellor.

Peter Dowd: The actual author of that article called the Prime Minister a word that would be unparliamentary if that is what he said. He called her that particular word. If the author is calling the Prime Minister a particular word, should the hon. Lady not accept the fact that the author did not say that?

The First Deputy Chairman of Ways and Means (Dame Eleanor Laing): Order. The hon. Gentleman is rightly respecting parliamentary language. Rather than refer to language that is unparliamentary, if he simply wants to say that the alleged author of those alleged words denies them, he is at liberty to do so.

Peter Dowd: Thank you very much, Dame Eleanor. That is precisely what I wanted to say.

7.15 pm

Rachel Maclean: I thank the hon. Gentleman for his intervention, but I fear that we are getting bogged down and dragged into areas that I do not wish to go into, given that I do not have very much time. I merely wish to make the point that Labour's record demonstrates its disregard for managing public finances responsibly. What it also does, as we have heard from Members, particularly from those on the shadow Front Bench, is help us to see their approach to entrepreneurs—those people who sacrifice and work, sometimes for decades, to start businesses. They seek to attack and punish those people who often put their lives on the line and who often take considerable sacrifices to start businesses. Those entrepreneurs up and down the country may not be paying themselves for many, many years because they have to meet the payroll of their workers. We see the approach from the Opposition to those people. We are talking about entrepreneurs' relief that will come to fruition only when that entrepreneur wishes to sell or dispose of part of a business that may have lasted over a lifetime during which they have paid tax, contributed to our economy and created jobs.

Peter Dowd *rose*—

Rachel Maclean: I am sorry, but as much as I enjoy debating with the hon. Gentleman, I will not take any more interventions because I do not have much time and I have taken one already.

We have heard a lot of philosophy tonight. I will not quote Cicero again, but I will draw the House's attention to the Jewish philosopher Maimonides who said more than 2,000 years ago that the greatest form of social justice and charity is to start a business and to create jobs. Therefore, I reject the Opposition's amendment on the entrepreneurs' relief. However, we should definitely keep it under review, and I am absolutely sure that the Treasury will do so because we on the Government Benches want to ensure value for taxpayers' money in all the things that we do. We recognise that we are spending not the Government's money, but our constituents' money, and we need to do that carefully.

I now wish to address the movement on the tax thresholds, because this relates to a fundamental Conservative value.

John Howell: Will my hon. Friend give way?

Rachel Maclean: I am sorry but I will not give way. I only have a couple of minutes left. Please forgive me.

[Rachel Maclean]

The movement on the tax thresholds is a fundamental point at the heart of our Conservative philosophy, which is freedom of the individual to spend their own hard-earned money how they wish. What this Budget and this Finance Bill are doing is taking people out of tax. A basic rate taxpayer will pay £1,205 a year less than in 2010, when Labour left office, and that is, effectively, a pay rise for those people, leaving them with more money in their pockets.

Let me say this to the Opposition: they often talk about how they want people to pay more tax. Well, people are free to pay more tax voluntarily, but, surprisingly enough, that is not often what people do. What we do see as a result of our tax policy of lowering tax rates is a greater tax take coming into the Exchequer. We see that fundamental principle illustrated time and again because of the policies advocated and enacted by the Government. It is right to lower the tax thresholds for low and middle-income earners. In fact, the shadow Chancellor and the shadow Chief Secretary do not even oppose that; they agree that we should keep those tax thresholds low. We need look no further than corporation tax, as those receipts are up 50% to £53.6 billion because of the lowering of the rate that has happened under this Government. That is £53.6 billion more for this Government to spend on strong public services up and down the country.

Anneliese Dodds (Oxford East) (Lab/Co-op): Surely, the hon. Lady is aware that just about every analysis that has been done regarding the reason for the increase in corporation tax revenue says that it is due not to the reduction in rates, but to factors such as the banks' return to profitability after the financial crisis, so it is not right to link the two.

Rachel Maclean: I do not accept those comments because we have seen new businesses in my constituency and in the constituencies of many other hon. Members. In Redditch, we have record rates of business start-ups because of measures in this Budget, this Finance Bill and other Budgets. I am a great supporter of the Bill because it will drive more revenue into the Exchequer that I would like to see spent on strong public services in Redditch.

Mel Stride: May I say what a pleasure it is to serve under your chairmanship, Dame Eleanor?

Let me first pick up on some of the comments made by the hon. Member for Aberdeen North (Kirsty Blackman), speaking from the Scottish National party Front Bench. She raised the issue of the higher rate threshold in clause 5 and asked whether the Bill might be organised in a slightly different manner. The most important thing is that we have put forward the information in a simple and straightforward way. As I am sure she is aware, the rise to the basic rate limit is dealt with in clause 5(1), with the amendment to £37,500 in the Income Tax Act 2007. That of course gets added to the personal allowance. The higher rate threshold is UK-wide for both dividends and savings income, which is what the amendment to the Income Tax Act deals with and focuses on.

Clause 5(2), Dame Eleanor—as I know you and other Members of the House will be aware, having read this Bill in significant detail—deals with the rise in the personal allowance to £12,500, which once again is a

UK-wide scope. Therefore, it is appropriate that it is in a clause that is not subject to the provisions of English votes for English laws.

Clause 5(4)—I notice the hon. Member for Aberdeen North looking at this quite closely—also breaks the link between the personal allowance and the national minimum wage, which is once again a UK-wide measure. On the hon. Lady's very specific point, it is appropriate that all these measures are contained within one clause.

The hon. Lady also mentioned the national minimum wage and the level at which it is set for those aged 16 to 24. She will know that a review is currently being conducted by the Low Pay Commission, which will report in spring 2019, although the commission has said in the past that increases up towards the level of the national living wage—which is what I think the hon. Lady is seeking—may have a detrimental impact on the level of employment. Of course, this Government have overseen a halving of the level of youth unemployment since 2010, something of which we are justly proud.

The hon. Lady brought up the issue of raising the personal allowance to £12,750, in line with her party's new clause 19. The important point is that we have been able to raise the personal allowance from around £6,500 in 2010 right the way up to £12,500, taking about 4 million of the lowest paid out of tax altogether. That comes at huge cost, and the estimated cost of going still further, to the level that hon. Lady suggests, would be of the order of £1.5 billion. For that reason, we believe that the very significant rise that we have put in place is proportionate and should be welcomed by many of the lowest income earners, whom the hon. Lady quite rightly seeks to protect.

The hon. Lady raised the issue of poverty, as did a number of other hon. and right hon. Members. I remind the Committee that there are 1 million fewer people living in absolute poverty than in 2010, including 300,000 children. It is also the case that there are two thirds of a million fewer children living in workless households. We have heard a great deal about the importance of employment and our record on employment, with virtually the highest level of employment in our history and the lowest level of unemployment since the mid-1970s. Work is a very important route out of poverty and we have a strong record in that respect.

A number of Members mentioned entrepreneurs' relief. The hon. Member for Aberdeen North suggested that the shift from the one-year to the two-year qualifying condition might actually impose a hurdle to entrepreneurship—I think that was the expression she used—but we see it as important that we at least have entrepreneurs who are not in and out within a period of 12 months, but who are actually there for the longer term. Of course, the Labour party seems to be entirely hostile to the whole notion of an entrepreneurs' relief, which is not surprising given the general approach it seems to take towards business.

John Howell: Will my right hon. Friend comment on the fact that entrepreneurs' relief is aimed at securing longer-term investment? This country has been very used to short-term investment, but it has done nothing for us. We need people to invest in the longer term.

Mel Stride: My hon. Friend is exactly right. This is why we also have the enterprise investment scheme and the seed enterprise investment scheme, and why we have

made this change to entrepreneurs' relief. An interesting fact is that of those who benefit from the entrepreneurs' relief, around a third go on to reinvest in further businesses, so those tax savings are being reinvested in further economic activity.

I turn to the comments of the hon. Member for Bootle (Peter Dowd), who made a number of important points—or, should I say, he made a number of points about important matters? That might be slightly more to the point. However, I agree entirely with my hon. Friend the Member for Brentwood and Ongar (Alex Burghart), who is no longer in his place; I have a great affection for the shadow Minister, particularly the Plutarch and Cicero quotes of which he is most fond. In fact, I will share one with him that does not apply to him in any way, of course:

“Any man can make mistakes, but only a fool persists in his error.”

I think that is probably more appropriate to the leader of his party than to the hon. Gentleman himself.

The hon. Gentleman raised the issues of the amount of tax burden shouldered by the wealthiest in the country. I remind him that under this Government the wealthiest 1% pay a full 28% of all income tax; it was about 24% when the Labour party was in power. As my hon. Friend the Member for Gloucester (Richard Graham) pointed out, the lowest 20% of earners have benefited the most since 2010, from the combination of changes to tax, the national living wage and other factors.

The hon. Gentleman mentioned the UN rapporteur and my appearance on Channel 4. I have to point out that the rapporteur produced, I think, a 24-page report based on around two weeks' fact-finding in this country. The Government's view is that the conclusions drawn were disproportionate to say the least. The hon. Gentleman suggested that I did not answer the questions put to me on that particular occasion, which I dispute. However, it is indisputable that he failed to answer the question of my hon. Friend the Member for Cheltenham (Alex Chalk) as to exactly what the Opposition would do with the personal allowance, given the exception that they are taking to our tax measures in the Budget.

Debbie Abrahams: Can the Minister recollect whether there has been a UN report in the last eight years that this Government have agreed with?

Mel Stride: Well, I am not here to debate UN reports of any description and whether the Government agree with them, other than to make the point that this particular report is rather disproportionate, given the remarks that I made earlier about what has happened to absolute poverty and children of workless households and so on.

7.30 pm

The Budget reported on the remarkable achievements of this Government and the British people in cleaning up the aftermath of the recession, with eight straight years of economic growth, over 3.3 million more people in work, regular wages growing at their fastest pace in almost a decade, an economy back on its feet again and austerity coming to an end. It is thanks to the hard work of the British people and this Government's careful management of the public finances that the Chancellor could set out a series of measures in the Budget to help families and businesses right across Britain. The clauses

in this group legislate for some of those measures by cutting taxes, making it easier for first-time buyers to purchase a home and cheaper to switch to greener transport, and making the tax system for businesses and charities simpler and fairer.

At the heart of this Government's strategy on living standards is the principle that hard-working people should keep more of their money and that the best way to help families is to cut taxes, not raise them. Our record speaks for itself. When we came into office, the personal allowance was £6,475 and the higher rate threshold was £43,875. Last year, the Chancellor increased the two thresholds, and now this Government have gone all the way to £12,500 and £50,000 respectively, meeting our manifesto commitment. Clause 5 of the Bill delivers on that promise one year early, meaning that a typical basic rate taxpayer will pay £130 less in income tax in 2019-20 than this year, and meeting our manifesto commitment at the earliest affordable opportunity.

These changes mean that compared with 2015, we have cut taxes for 32 million people, over 1.7 million people will pay no income tax at all and nearly 1 million fewer people will pay the higher rate of income tax. As well as raising the thresholds a year early, clause 5 sets out how we will maintain our low-tax policy for the rest of this Parliament. We will keep the personal allowance and higher rate threshold at the same levels in 2020-21, meaning a tax cut in that year as well, with 32.3 million individuals paying less tax in 2020-21 compared with 2015-16.

Once the personal allowance reaches £12,500 next year, current legislation means that it will be linked to increases in the national minimum wage. That was intended to ensure that someone working 30 hours a week on the national minimum wage would not pay income tax, but in fact, increasing the personal allowance to £12,500 means that someone on the national minimum wage will already pay no income tax next year and will pay no income tax in every year of the forecast period. Clause 5 restores the link with indexation by the consumer prices index, meaning that the value of these allowances is not eroded by price increases over time and the value of the personal allowance continues to be higher than if we maintained the national minimum wage link.

Amendment 6 attempts to prevent that change. Making the personal allowance equal to the relevant national minimum wage for 2019-20 would mean that the personal allowance was actually lower than £12,500 in every year of the forecast period. I know that the SNP like to raise taxes—indeed, they have done so by exercising their newly devolved tax powers in Scotland—but I have no idea why they would wish to increase the tax burden in that way. To be fair, I am sure that that was not the intention behind the amendment, so I urge the Committee to resist it.

New clauses 1 and 19 would require the Government to publish a distributional analysis of the Opposition's income tax policy and of a £250 increase to the personal allowance. That is unnecessary. This Government are more transparent than any other, publishing a detailed distributional analysis at Budget 2018. We do not need further analysis to know that the Opposition's proposals would be an inefficient, economically distortive way to try to raise revenue by raising taxes for over 1.5 million people.

The impact of the Opposition's income tax policy is immediately obvious to anyone with even a rudimentary grasp of economics. Soaring tax rates and lower thresholds would raise taxes on millions of people, harming wealth creation and making the UK a less competitive country. The Labour party's draconian plans would drive away investment and erode our ability to raise revenue to fund our vital public services. Their plans would also destroy jobs, as every Labour Government in history have done—*[Interruption.]* I know that the hon. Member for Bootle will remind me of Ramsay MacDonald in 1924, but it was a minority Labour Government, and rather a long time ago.

Further analysis of increasing the personal allowance by £250 is also unnecessary. The Government could increase the personal allowance to £12,500 a year earlier than planned only because of our careful management of the public finances. Raising the personal allowance by a further £250 would cost an estimated £1.5 billion, in addition to the £2.8 billion that we are already spending in 2019-20 on lowering the burden of taxation on more than 32 million people. We do not need further analysis of a policy that is unaffordable in the context of our balanced fiscal approach. I therefore hope that Members will not press the new clauses to a vote.

New clauses 2 and 18 would require the Government to provide analysis of the impact of clause 5 on a range of different protected characteristics and health impacts. As I have stated, the Government have been completely transparent. We published a detailed distributional analysis at Budget 2018, which shows that the poorest households have gained the most as a percentage of net income since this Chancellor and Prime Minister took office. The Government carefully consider the impact of their decisions on those sharing protected characteristics, in line with our legal obligations and our strong commitment to promoting fairness.

As well as cutting income tax, the Bill takes further steps to help with the cost of living, making it easier to get on the property ladder. The last Finance Act permanently abolished stamp duty land tax for many first-time buyers. From its introduction until June 2018, the relief has been claimed on 121,500 property transactions, with an average saving of £2,300 per transaction. The changes made by clause 41 will allow those paying SDLT in stages, such as through shared ownership schemes, to claim first-time buyers' relief. Previously, only those who elected to pay their SDLT on the whole market value of the property could do so.

The tax system should back hard-working people to switch to all-electric and plug-in hybrid cars, paving the way for an economy fit for the future. Clause 8 delivers on that. Clause 9 will ensure that police officers, firefighters and ambulance crews are not unintentionally subject to a tax charge on the private use of their emergency vehicles.

New clause 8 would require HMRC to publish a report into the geographical effects of clause 9, but clause 9 will be applied in the same way across the United Kingdom, so there is no need for that.

I want to leave a minute for the hon. Member for Aberdeen North to speak, so I will conclude. The clauses that we have debated today deliver on this Government's commitment to cut red tape, to deliver effective tax relief and to cut taxes for over 32 million hard-working people—a commitment to cut taxes that

stands in stark contrast to the reckless hikes proposed by the Labour party. Their plans are laid bare by their proposed amendments to the Bill, which place an ocean of true blue water between our drive to get tax down and theirs to let it rip. Of course, Labour will say, as they have in this debate, that only the wealthy will pay and that the ordinary taxpayer will be left alone, but their plans will see 1.5 million people clobbered, including headteachers, consultants in our health service and the great creators of enterprise and wealth from whom we all benefit.

We know the age-old truth, that Labour will not stop there. Their recklessness would consume far more than they profess. Just like their predecessors, they will not stop with the so-called privileged few. In time, they will widen the net, broaden the base and drag more and more into punitive taxation to feed the habit of the wanton and the insatiable. Labour's true message to the millions of hard-working people up and down our United Kingdom is that in the end, they will come not just for the better off; they will come for you. We will continue to stand up for hard-working families up and down our country, with plans that work and an economy that delivers. I commend these clauses to the Committee.

Kirsty Blackman: This has been an interesting and wide-ranging debate, although I cannot say that I share the enthusiasm of the First Deputy Chairman of Ways and Means (Dame Eleanor Laing) for Cicero.

I want to pick up the comments of Government Members about hard-working people. They regularly use that term to mean people who are earning above the higher rate threshold, and it sounds as though they are saying that people who are on the minimum wage—people who are retail workers, hospitality workers, carers, cleaners—do not work hard, when in fact they do. They work incredibly hard, and our lives would not be the same if it were not for those people working incredibly hard on the minimum wage. We will push new clause 19 to a vote for that reason.

Lastly, I beg to ask leave to withdraw amendment 6.

Amendment, by leave, withdrawn.

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

The Committee divided: Ayes 292, Noes 10.

Division No. 258]

[7.40 pm

AYES

Adams, Nigel	Blackman, Bob
Afolami, Bim	Blunt, Crispin
Afriyie, Adam	Boles, Nick
Aldous, Peter	Bone, Mr Peter
Allan, Lucy	Bottomley, Sir Peter
Allen, Heidi	Bowie, Andrew
Amess, Sir David	Bradley, Ben
Andrew, Stuart	Bradley, rh Karen
Argar, Edward	Brady, Sir Graham
Atkins, Victoria	Braverman, Suella
Bacon, Mr Richard	Brereton, Jack
Badenoch, Mrs Kemi	Brine, Steve
Baker, Mr Steve	Brokenshire, rh James
Baldwin, Harriett	Bruce, Fiona
Barclay, Stephen	Buckland, Robert
Bebb, Guto	Burghart, Alex
Bellingham, Sir Henry	Burns, Conor
Beresford, Sir Paul	Burt, rh Alistair
Berry, Jake	Cairns, rh Alun

Cartlidge, James
 Caulfield, Maria
 Chalk, Alex
 Chishti, Rehman
 Chope, Sir Christopher
 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
 Cox, rh Mr Geoffrey
 Crabb, rh Stephen
 Crouch, Tracey
 Davies, Chris
 Davies, David T. C.
 Davies, Glyn
 Davies, Mims
 Davies, Philip
 Davis, rh Mr David
 Dinenege, Caroline
 Djanogly, Mr Jonathan
 Docherty, Leo
 Double, Steve
 Dowden, Oliver
 Doyle-Price, Jackie
 Drax, Richard
 Duddridge, James
 Duguid, David
 Duncan Smith, rh Mr Iain
 Dunne, Mr Philip
 Ellis, Michael
 Ellwood, rh Mr Tobias
 Eustice, George
 Evennett, rh Sir 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
 Freer, Mike
 Fysh, Mr Marcus
 Gale, Sir Roger
 Garnier, Mark
 Ghani, Ms Nusrat
 Gibb, rh Nick
 Gillan, rh Dame Cheryl
 Glen, John
 Goldsmith, Zac
 Goodwill, rh Mr Robert
 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
 Hayes, rh Mr John
 Heald, rh Sir Oliver
 Heapey, James
 Heaton-Harris, Chris
 Heaton-Jones, Peter
 Henderson, Gordon
 Herbert, rh Nick
 Hermon, Lady
 Hinds, rh Damian
 Hoare, Simon
 Hollingbery, George
 Hollinrake, Kevin
 Hollobone, Mr Philip
 Holloway, Adam
 Howell, John
 Huddleston, Nigel
 Hughes, Eddie
 Hurd, rh Mr Nick
 Jack, Mr Alister
 James, Margot
 Javid, rh Sajid
 Jayawardena, Mr Ranil
 Jenkin, Sir Bernard
 Jenkyns, Andrea
 Jenrick, Robert
 Johnson, rh Boris
 Johnson, Dr Caroline
 Johnson, Gareth
 Johnson, Joseph
 Jones, Andrew
 Jones, rh Mr David
 Jones, Mr Marcus
 Kawczynski, Daniel
 Keegan, Gillian
 Kennedy, Seema
 Kerr, Stephen
 Knight, Julian
 Kwarteng, Kwasi
 Lamont, John
 Lancaster, rh Mark
 Leadsom, rh Andrea
 Lee, Dr Phillip
 Lefroy, Jeremy
 Leigh, Sir Edward
 Letwin, rh Sir Oliver
 Lewer, Andrew
 Lewis, rh Brandon
 Liddell-Grainger, Mr Ian
 Lidington, rh Mr David
 Lopez, Julia
 Lopresti, Jack
 Lord, Mr Jonathan
 Loughton, Tim
 Mackinlay, Craig
 Maclean, Rachel
 Main, Mrs Anne
 Mak, Alan
 Malthouse, Kit
 Mann, Scott
 Masterton, Paul
 May, rh Mrs Theresa
 Maynard, Paul
 McVey, rh Ms Esther

Mercer, Johnny
 Merriman, Huw
 Metcalfe, Stephen
 Miller, rh Mrs Maria
 Milling, Amanda
 Mills, Nigel
 Milton, rh Anne
 Mitchell, rh Mr Andrew
 Moore, Damien
 Mordaunt, rh Penny
 Morgan, rh Nicky
 Morris, Anne Marie
 Morris, David
 Morris, James
 Morton, Wendy
 Murray, Mrs Sheryll
 Murrison, Dr Andrew
 Neill, Robert
 Newton, Sarah
 Nokes, rh Caroline
 Norman, Jesse
 O'Brien, Neil
 Offord, Dr Matthew
 Opperman, Guy
 Parish, Neil
 Patel, rh Priti
 Paterson, rh Mr Owen
 Pawsey, Mark
 Penning, rh Sir Mike
 Penrose, John
 Percy, Andrew
 Perry, rh Claire
 Philp, Chris
 Pincher, Christopher
 Poulter, Dr Dan
 Pow, Rebecca
 Prentis, Victoria
 Prisk, Mr Mark
 Pritchard, Mark
 Pursglove, Tom
 Quin, Jeremy
 Quince, Will
 Raab, rh Dominic
 Redwood, rh John
 Rees-Mogg, Mr Jacob
 Robertson, Mr Laurence
 Robinson, Mary
 Ross, Douglas
 Rowley, Lee
 Rudd, rh Amber
 Rutley, David
 Sandbach, Antoinette
 Seely, Mr Bob
 Selous, Andrew
 Shapps, rh Grant
 Sharma, Alok
 Shelbrooke, Alec
 Simpson, rh Mr Keith

Skidmore, Chris
 Smith, Chloe
 Smith, Henry
 Smith, rh Julian
 Smith, Royston
 Soames, rh Sir Nicholas
 Soubry, rh Anna
 Spelman, rh Dame Caroline
 Spencer, Mark
 Stephenson, Andrew
 Stevenson, John
 Stewart, Iain
 Stewart, Rory
 Streeter, Mr Gary
 Stride, rh Mel
 Stuart, Graham
 Sturdy, Julian
 Sunak, Rishi
 Swayne, rh Sir Desmond
 Swire, rh Sir Hugo
 Syms, Sir Robert
 Thomas, Derek
 Thomson, Ross
 Throup, Maggie
 Tolhurst, Kelly
 Tomlinson, Justin
 Tomlinson, Michael
 Tracey, Craig
 Tredinnick, David
 Trevelyan, Mrs Anne-Marie
 Truss, rh Elizabeth
 Tugendhat, Tom
 Vaizey, rh Mr Edward
 Vara, Mr Shailesh
 Vickers, Martin
 Villiers, rh Theresa
 Walker, Mr Charles
 Walker, Mr Robin
 Wallace, rh Mr Ben
 Warburton, David
 Warman, Matt
 Watling, Giles
 Whately, Helen
 Wheeler, Mrs Heather
 Whittaker, Craig
 Whittingdale, rh Mr John
 Wiggan, Bill
 Williamson, rh Gavin
 Wollaston, Dr Sarah
 Wood, Mike
 Wragg, Mr William
 Wright, rh Jeremy
 Zahawi, Nadhim

Tellers for the Ayes:

**Jo Churchill and
 Michelle Donelan**

NOES

Cable, rh Sir Vince
 Davey, rh Sir Edward
 Farron, Tim
 Hobhouse, Wera
 Jardine, Christine
 Lamb, rh Norman
 Lloyd, Stephen

Lucas, Caroline
 Moran, Layla
 Stone, Jamie

Tellers for the Noes:

**Mr Alistair Carmichael and
 Tom Brake**

Question accordingly agreed to.

Clause 5 ordered to stand part of the Bill.

7.55 pm

More than three hours having elapsed since the commencement of proceedings, the proceedings were interrupted (Order, 12 November).

The Chair put forthwith the Questions necessary for the disposal of the business to be concluded at that time (Standing Order No. 83D).

Clauses 6, 8 to 10 and 38 ordered to stand part of the Bill.

Schedule 15 agreed to.

Clauses 39 to 42 ordered to stand part of the Bill.

New Clause 1

ADDITIONAL RATE THRESHOLD AND SUPPLEMENTARY RATE

'The Chancellor of the Exchequer must, no later than 5 April 2019, lay before the House of Commons a distributional analysis of—

(a) the effect of reducing the threshold for the additional rate to £80,000, and

(b) the effect of introducing a supplementary rate of income tax, charged at a rate of 50%, above a threshold of £125,000.'—(*Peter Dowd.*)

Brought up.

Question put, That the clause be added to the Bill.

The Committee divided: Ayes 262, Noes 293.

Division No. 259]

[7.57 pm

AYES

Abbott, rh Ms Diane
 Abrahams, Debbie
 Ali, Rushanara
 Allin-Khan, Dr Rosena
 Amesbury, Mike
 Antoniazzi, Tonia
 Ashworth, Jonathan
 Bailey, Mr Adrian
 Bardell, Hannah
 Barron, rh Sir Kevin
 Beckett, rh Margaret
 Benn, rh Hilary
 Berger, Luciana
 Betts, Mr Clive
 Black, Mhairi
 Blackford, rh Ian
 Blackman, Kirsty
 Blackman-Woods, Dr Roberta
 Blomfield, Paul
 Brabin, Tracy
 Bradshaw, rh Mr Ben
 Brock, Deidre
 Brown, Alan
 Brown, Lyn
 Brown, rh Mr Nicholas
 Bryant, Chris
 Buck, Ms Karen
 Burgon, Richard
 Butler, Dawn
 Byrne, rh Liam
 Cadbury, Ruth
 Cameron, Dr Lisa
 Campbell, rh Mr Alan
 Campbell, Mr Ronnie
 Carden, Dan
 Champion, Sarah
 Chapman, Jenny
 Charalambous, Bambos
 Cherry, Joanna

Clwyd, rh Ann
 Coaker, Vernon
 Cooper, Julie
 Cooper, Rosie
 Cooper, rh Yvette
 Cowan, Ronnie
 Coyle, Neil
 Crausby, Sir David
 Crawley, Angela
 Creasy, Stella
 Cruddas, Jon
 Cryer, John
 Cummins, Judith
 Cunningham, Alex
 Cunningham, Mr Jim
 Daby, Janet
 David, Wayne
 Davies, Geraint
 Day, Martyn
 De Cordova, Marsha
 De Piero, Gloria
 Dent Coad, Emma
 Dhesi, Mr Tanmanjeet Singh
 Docherty-Hughes, Martin
 Dodds, Anneliese
 Doughty, Stephen
 Dowd, Peter
 Drew, Dr David
 Dromey, Jack
 Duffield, Rosie
 Eagle, Ms Angela
 Eagle, Maria
 Edwards, Jonathan
 Efford, Clive
 Elliott, Julie
 Ellman, Dame Louise
 Elmore, Chris
 Esterson, Bill
 Evans, Chris

Farrelly, Paul
 Fellows, Marion
 Field, rh Frank
 Fitzpatrick, Jim
 Fletcher, Colleen
 Flint, rh Caroline
 Fovargue, Yvonne
 Foxcroft, Vicky
 Frith, James
 Furniss, Gill
 Gaffney, Hugh
 Gardiner, Barry
 George, Ruth
 Gethins, Stephen
 Gibson, Patricia
 Gill, Preet Kaur
 Glindon, Mary
 Godsiff, Mr Roger
 Goodman, Helen
 Grady, Patrick
 Grant, Peter
 Gray, Neil
 Green, Kate
 Greenwood, Lilian
 Greenwood, Margaret
 Griffith, Nia
 Grogan, John
 Haigh, Louise
 Hanson, rh David
 Hardy, Emma
 Harman, rh Ms Harriet
 Harris, Carolyn
 Hayes, Helen
 Hayman, Sue
 Healey, rh John
 Hendry, Drew
 Hepburn, Mr Stephen
 Hill, Mike
 Hillier, Meg
 Hodgson, Mrs Sharon
 Hoey, Kate
 Hollern, Kate
 Hosie, Stewart
 Huq, Dr Rupa
 Hussain, Imran
 Jarvis, Dan
 Johnson, Diana
 Jones, Darren
 Jones, Gerald
 Jones, Graham P.
 Jones, Helen
 Jones, Sarah
 Jones, Susan Elan
 Kane, Mike
 Keeley, Barbara
 Kendall, Liz
 Khan, Afzal
 Killen, Ged
 Kinnock, Stephen
 Kyle, Peter
 Laird, Lesley
 Lake, Ben
 Lammy, rh Mr David
 Lavery, Ian
 Lee, Karen
 Lewell-Buck, Mrs Emma
 Lewis, Clive
 Linden, David
 Lloyd, Tony
 Long Bailey, Rebecca
 Lucas, Caroline
 MacNeil, Angus Brendan
 Madders, Justin
 Mahmood, Mr Khalid
 Mahmood, Shabana
 Malhotra, Seema
 Mann, John
 Marsden, Gordon
 Martin, Sandy
 Maskell, Rachael
 Matheson, Christian
 Mc Nally, John
 McCabe, Steve
 McCarthy, Kerry
 McDonagh, Siobhain
 McDonald, Andy
 McDonald, Stewart Malcolm
 McDonald, Stuart C.
 McDonnell, rh John
 McFadden, rh Mr Pat
 McGinn, Conor
 McGovern, Alison
 McInnes, Liz
 McKinnell, Catherine
 McMahan, Jim
 McMorris, Anna
 Mearns, Ian
 Miliband, rh Edward
 Monaghan, Carol
 Morden, Jessica
 Morgan, Stephen
 Morris, Grahame
 Murray, Ian
 Nandy, Lisa
 Newlands, Gavin
 Norris, Alex
 O'Hara, Brendan
 O'Mara, Jared
 Onn, Melanie
 Onwurah, Chi
 Osamor, Kate
 Owen, Albert
 Peacock, Stephanie
 Pearce, Teresa
 Pennycook, Matthew
 Perkins, Toby
 Phillips, Jess
 Phillipson, Bridget
 Platt, Jo
 Pollard, Luke
 Powell, Lucy
 Qureshi, Yasmin
 Rashid, Faisal
 Rayner, Angela
 Reed, Mr Steve
 Rees, Christina
 Reeves, Ellie
 Reeves, Rachel
 Reynolds, Emma
 Reynolds, Jonathan
 Rimmer, Ms Marie
 Rodda, Matt
 Rowley, Danielle
 Ruane, Chris
 Ryan, rh Joan
 Saville Roberts, Liz
 Shah, Naz
 Sheerman, Mr Barry
 Sheppard, Tommy
 Sherriff, Paula
 Siddiq, Tulip
 Skinner, Mr Dennis
 Slaughter, Andy
 Smeeth, Ruth

Smith, Eleanor
 Smith, Jeff
 Smith, Laura
 Smith, Nick
 Smith, Owen
 Smyth, Karin
 Snell, Gareth
 Sobel, Alex
 Starmer, rh Keir
 Stephens, Chris
 Stevens, Jo
 Streeting, Wes
 Stringer, Graham
 Sweeney, Mr Paul
 Tami, Mark
 Thewliss, Alison
 Thomas, Gareth
 Thomas-Symonds, Nick
 Thornberry, rh Emily
 Timms, rh Stephen
 Trickett, Jon
 Turley, Anna

Turner, Karl
 Twist, Liz
 Umunna, Chuka
 Vaz, Valerie
 Walker, Thelma
 Watson, Tom
 West, Catherine
 Western, Matt
 Whitehead, Dr Alan
 Whitfield, Martin
 Whitford, Dr Philippa
 Williams, Hywel
 Williams, Dr Paul
 Williamson, Chris
 Wilson, Phil
 Wishart, Pete
 Yasin, Mohammad
 Zeichner, Daniel

Tellers for the Ayes:
Thangam Debbonaire 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
 Bebb, Guto
 Bellingham, Sir Henry
 Beresford, Sir Paul
 Berry, Jake
 Blackman, Bob
 Blunt, Crispin
 Boles, Nick
 Bone, Mr Peter
 Bottomley, Sir Peter
 Bowie, Andrew
 Bradley, Ben
 Bradley, rh Karen
 Brady, Sir Graham
 Braverman, Suella
 Brereton, Jack
 Brine, Steve
 Brokenshire, rh James
 Bruce, Fiona
 Buckland, Robert
 Burghart, Alex
 Burns, Conor
 Burt, rh Alistair
 Cairns, rh Alun
 Cartlidge, James
 Caulfield, Maria
 Chalk, Alex
 Chishti, Rehman
 Chope, Sir Christopher
 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, rh Mr Geoffrey
 Crabb, rh Stephen
 Crouch, Tracey
 Davies, Chris
 Davies, David T. C.
 Davies, Glyn
 Davies, Mims
 Davies, Philip
 Davis, rh Mr David
 Dinenage, Caroline
 Djanogly, Mr Jonathan
 Docherty, Leo
 Double, Steve
 Dowden, Oliver
 Doyle-Price, Jackie
 Drax, Richard
 Duddridge, James
 Duguid, David
 Duncan Smith, rh Mr Iain
 Dunne, Mr Philip
 Ellis, Michael
 Ellwood, rh Mr Tobias
 Eustice, George
 Evannett, rh Sir 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
 Freer, Mike
 Fysh, Mr Marcus
 Gale, Sir Roger
 Garnier, Mark
 Ghani, Ms Nusrat
 Gibb, rh Nick
 Gillan, rh Dame Cheryl
 Glen, John

Goldsmith, Zac
 Goodwill, rh Mr Robert
 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
 Hayes, rh Mr John
 Heald, rh Sir Oliver
 Heapey, James
 Heaton-Harris, Chris
 Heaton-Jones, Peter
 Henderson, Gordon
 Herbert, rh Nick
 Hermon, Lady
 Hinds, rh Damian
 Hoare, Simon
 Hollingbery, George
 Hollinrake, Kevin
 Hollobone, Mr Philip
 Holloway, Adam
 Howell, John
 Huddleston, Nigel
 Hughes, Eddie
 Hurd, rh Mr Nick
 Jack, Mr Alister
 James, Margot
 Javid, rh Sajid
 Jayawardena, Mr Ranil
 Jenkin, Sir Bernard
 Jenkyns, Andrea
 Jenrick, Robert
 Johnson, rh Boris
 Johnson, Dr Caroline
 Johnson, Gareth
 Johnson, Joseph
 Jones, Andrew
 Jones, rh Mr David
 Jones, Mr Marcus
 Kawczynski, Daniel
 Keegan, Gillian
 Kennedy, Seema
 Kerr, Stephen
 Knight, Julian
 Kwarteng, Kwasi
 Lamont, John
 Lancaster, rh Mark
 Leadsom, rh Andrea
 Lee, Dr Phillip
 Lefroy, Jeremy
 Leigh, Sir Edward
 Letwin, rh Sir Oliver
 Lewer, Andrew
 Lewis, rh Brandon

Liddell-Grainger, Mr Ian
 Lidington, rh Mr David
 Lopez, Julia
 Lopresti, Jack
 Lord, Mr Jonathan
 Loughton, Tim
 Mackinlay, Craig
 Maclean, Rachel
 Main, Mrs Anne
 Mak, Alan
 Malthouse, Kit
 Mann, Scott
 Masterton, Paul
 May, rh Mrs Theresa
 Maynard, Paul
 McVey, rh Ms Esther
 Mercer, Johnny
 Merriman, Huw
 Metcalfe, Stephen
 Miller, rh Mrs Maria
 Milling, Amanda
 Mills, Nigel
 Milton, rh Anne
 Mitchell, rh Mr Andrew
 Moore, Damien
 Mordaunt, rh Penny
 Morgan, rh Nicky
 Morris, Anne Marie
 Morris, David
 Morris, James
 Morton, Wendy
 Murray, Mrs Sheryll
 Murrison, Dr Andrew
 Neill, Robert
 Newton, Sarah
 Nokes, rh Caroline
 Norman, Jesse
 O'Brien, Neil
 Offord, Dr Matthew
 Opperman, Guy
 Parish, Neil
 Patel, rh Priti
 Paterson, rh Mr Owen
 Pawsey, Mark
 Penning, rh Sir Mike
 Penrose, John
 Percy, Andrew
 Perry, rh Claire
 Philp, Chris
 Pincher, Christopher
 Poulter, Dr Dan
 Pow, Rebecca
 Prentis, Victoria
 Prisk, Mr Mark
 Pritchard, Mark
 Pursglove, Tom
 Quin, Jeremy
 Quince, Will
 Raab, rh Dominic
 Redwood, rh John
 Rees-Mogg, Mr Jacob
 Robertson, Mr Laurence
 Robinson, Mary
 Ross, Douglas
 Rowley, Lee
 Rudd, rh Amber
 Rutley, David
 Sandbach, Antoinette
 Seely, Mr Bob
 Selous, Andrew
 Shapps, rh Grant
 Sharma, Alok

Shelbrooke, Alec
 Simpson, rh Mr Keith
 Skidmore, Chris
 Smith, Chloe
 Smith, Henry
 Smith, rh Julian
 Smith, Royston
 Soames, rh Sir Nicholas
 Soubry, rh Anna
 Spelman, rh Dame Caroline
 Spencer, Mark
 Stephenson, Andrew
 Stevenson, John
 Stewart, Iain
 Stewart, Rory
 Streeter, Mr Gary
 Stride, rh Mel
 Stuart, Graham
 Sturdy, Julian
 Sunak, Rishi
 Swayne, rh Sir Desmond
 Swire, rh Sir Hugo
 Syms, Sir Robert
 Thomas, Derek
 Thomson, Ross
 Throup, Maggie
 Tolhurst, Kelly
 Tomlinson, Justin
 Tomlinson, Michael

Tracey, Craig
 Tredinnick, David
 Trevelyan, Mrs Anne-Marie
 Truss, rh Elizabeth
 Tugendhat, Tom
 Vaizey, rh Mr Edward
 Vara, Mr Shailesh
 Vickers, Martin
 Villiers, rh Theresa
 Walker, Mr Charles
 Walker, Mr Robin
 Wallace, rh Mr Ben
 Warburton, David
 Warman, Matt
 Watling, Giles
 Whately, Helen
 Wheeler, Mrs Heather
 Whittaker, Craig
 Whittingdale, rh Mr John
 Wiggin, Bill
 Williamson, rh Gavin
 Wollaston, Dr Sarah
 Wood, Mike
 Wragg, Mr William
 Wright, rh Jeremy
 Zahawi, Nadhim

Tellers for the Noes:
Jo Churchill and
Michelle Donelan

Bailey, Mr Adrian
 Bardell, Hannah
 Barron, rh Sir Kevin
 Beckett, rh Margaret
 Benn, rh Hilary
 Berger, Luciana
 Betts, Mr Clive
 Black, Mhairi
 Blackford, rh Ian
 Blackman, Kirsty
 Blackman-Woods, Dr Roberta
 Blomfield, Paul
 Brabin, Tracy
 Bradshaw, rh Mr Ben
 Brake, rh Tom
 Brock, Deidre
 Brown, Alan
 Brown, Lyn
 Brown, rh Mr Nicholas
 Bryant, Chris
 Buck, Ms Karen
 Burgon, Richard
 Butler, Dawn
 Byrne, rh Liam
 Cable, rh Sir Vince
 Cadbury, Ruth
 Cameron, Dr Lisa
 Campbell, rh Mr Alan
 Campbell, Mr Gregory
 Campbell, Mr Ronnie
 Carden, Dan
 Carmichael, rh Mr Alistair
 Champion, Sarah
 Chapman, Jenny
 Charalambous, Bambos
 Cherry, Joanna
 Clwyd, rh Ann
 Coaker, Vernon
 Coffey, Ann
 Cooper, Julie
 Cooper, Rosie
 Cooper, rh Yvette
 Cowan, Ronnie
 Coyle, Neil
 Crausby, Sir David
 Crawley, Angela
 Creasy, Stella
 Cruddas, Jon
 Cryer, John
 Cummins, Judith
 Cunningham, Alex
 Cunningham, Mr Jim
 Daby, Janet
 Davey, rh Sir Edward
 David, Wayne
 Davies, Geraint
 Day, Martyn
 De Cordova, Marsha
 De Piero, Gloria
 Dent Coad, Emma
 Dhesi, Mr Tanmanjeet Singh
 Docherty-Hughes, Martin
 Dodds, Anneliese
 Dodds, rh Nigel
 Donaldson, rh Sir Jeffrey M.
 Doughty, Stephen
 Dowd, Peter
 Drew, Dr David
 Dromey, Jack
 Duffield, Rosie

Eagle, Ms Angela
 Eagle, Maria
 Edwards, Jonathan
 Efford, Clive
 Elliott, Julie
 Ellman, Dame Louise
 Elmore, Chris
 Esterson, Bill
 Evans, Chris
 Farrelly, Paul
 Farron, Tim
 Fellows, Marion
 Field, rh Frank
 Fitzpatrick, Jim
 Fletcher, Colleen
 Flint, rh Caroline
 Fovargue, Yvonne
 Foxcroft, Vicky
 Frith, James
 Furniss, Gill
 Gaffney, Hugh
 Gardiner, Barry
 George, Ruth
 Gethins, Stephen
 Gibson, Patricia
 Gill, Preet Kaur
 Girvan, Paul
 Glindon, Mary
 Godsiff, Mr Roger
 Goodman, Helen
 Grady, Patrick
 Grant, Peter
 Gray, Neil
 Green, Kate
 Greenwood, Lilian
 Greenwood, Margaret
 Griffith, Nia
 Grogan, John
 Haigh, Louise
 Hanson, rh David
 Hardy, Emma
 Harman, rh Ms Harriet
 Harris, Carolyn
 Hayes, Helen
 Hayman, Sue
 Healey, rh John
 Hendry, Drew
 Hepburn, Mr Stephen
 Hermon, Lady
 Hill, Mike
 Hillier, Meg
 Hobhouse, Wera
 Hodgson, Mrs Sharon
 Hoey, Kate
 Hollern, Kate
 Hosie, Stewart
 Huq, Dr Rupa
 Hussain, Imran
 Jardine, Christine
 Jarvis, Dan
 Johnson, Diana
 Jones, Darren
 Jones, Gerald
 Jones, Graham P.
 Jones, Helen
 Jones, Sarah
 Jones, Susan Elan
 Kane, Mike
 Keeley, Barbara
 Kendall, Liz

Question accordingly negatived.

New Clause 2

IMPACT OF PROVISIONS OF SECTION 5 ON CHILD POVERTY AND EQUALITY

(1) The Chancellor of the Exchequer must review the impact of the provisions of section 5 and lay a report of that review before the House of Commons within six months of the passing of this Act.

(2) A review under this section must consider the impact of the changes made by section 5 on—

- (a) households at different levels of income,
- (b) people with protected characteristics (within the meaning of the Equality Act 2010),
- (c) the Treasury's compliance with the public sector equality duty under section 149 of the Equality Act 2010,
- (d) different parts of the United Kingdom and different regions of England, and
- (e) levels of relative and absolute child poverty in the United Kingdom.

(3) In this section—

“parts of the United Kingdom” means—

- (a) England,
- (b) Scotland,
- (c) Wales, and
- (d) Northern Ireland;

“regions of England” has the same meaning as that used by the Office for National Statistics.—(*Peter Dowd.*)

Brought up.

Question put, That the clause be added to the Bill.

The Committee divided: Ayes 287, Noes 292.

Division No. 260]

[8.12 pm

AYES

Abbott, rh Ms Diane
 Abrahams, Debbie
 Ali, Rushanara
 Allin-Khan, Dr Rosena
 Amesbury, Mike
 Antoniazzi, Tonia
 Ashworth, Jonathan
 Austin, Ian

Khan, Afzal
Killen, Ged
Kinnock, Stephen
Kyle, Peter
Laird, Lesley
Lake, Ben
Lamb, rh Norman
Lammy, rh Mr David
Lavery, Ian
Lee, Karen
Leslie, Mr Chris
Lewell-Buck, Mrs Emma
Lewis, Clive
Linden, David
Little Pengelly, Emma
Lloyd, Stephen
Lloyd, Tony
Long Bailey, Rebecca
Lucas, Caroline
MacNeil, Angus Brendan
Madders, Justin
Mahmood, Mr Khalid
Mahmood, Shabana
Malhotra, Seema
Mann, John
Marsden, Gordon
Martin, Sandy
Maskell, Rachael
Matheson, Christian
Mc Nally, John
McCabe, Steve
McCarthy, Kerry
McDonagh, Siobhain
McDonald, Andy
McDonald, Stewart Malcolm
McDonald, Stuart C.
McDonnell, rh John
McFadden, rh Mr Pat
McGinn, Conor
McGovern, Alison
McInnes, Liz
McKinnell, Catherine
McMahon, Jim
McMorrin, Anna
Mearns, Ian
Miliband, rh Edward
Monaghan, Carol
Moran, Layla
Morden, Jessica
Morgan, Stephen
Morris, Grahame
Murray, Ian
Nandy, Lisa
Newlands, Gavin
Norris, Alex
O'Hara, Brendan
O'Mara, Jared
Onn, Melanie
Onwurah, Chi
Osamor, Kate
Owen, Albert
Peacock, Stephanie
Pearce, Teresa
Pennycook, Matthew
Perkins, Toby
Phillips, Jess
Phillipson, Bridget
Platt, Jo
Pollard, Luke
Powell, Lucy
Qureshi, Yasmin
Rashid, Faisal

Rayner, Angela
Reed, Mr Steve
Rees, Christina
Reeves, Ellie
Reeves, Rachel
Reynolds, Emma
Reynolds, Jonathan
Rimmer, Ms Marie
Robinson, Gavin
Rodda, Matt
Rowley, Danielle
Ruane, Chris
Ryan, rh Joan
Saville Roberts, Liz
Shah, Naz
Shannon, Jim
Sheerman, Mr Barry
Sheppard, Tommy
Sherriff, Paula
Shuker, Mr Gavin
Siddiq, Tulip
Skinner, Mr Dennis
Slaughter, Andy
Smeeth, Ruth
Smith, Angela
Smith, Eleanor
Smith, Jeff
Smith, Laura
Smith, Nick
Smith, Owen
Smyth, Karin
Snell, Gareth
Sobel, Alex
Starmer, rh Keir
Stephens, Chris
Stevens, Jo
Stone, Jamie
Streeting, Wes
Stringer, Graham
Sweeney, Mr Paul
Tami, Mark
Thewliss, Alison
Thomas, Gareth
Thomas-Symonds, Nick
Thornberry, rh Emily
Timms, rh Stephen
Trickett, Jon
Turley, Anna
Turner, Karl
Twist, Liz
Umunna, Chuka
Vaz, Valerie
Walker, Thelma
Watson, Tom
West, Catherine
Western, Matt
Whitehead, Dr Alan
Whitfield, Martin
Whitford, Dr Philippa
Williams, Hywel
Williams, Dr Paul
Williamson, Chris
Wilson, Phil
Wilson, rh Sammy
Wishart, Pete
Yasin, Mohammad
Zeichner, Daniel

Tellers for the Ayes:
Thangam Debbonaire 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
Bebb, Guto
Bellingham, Sir Henry
Beresford, Sir Paul
Berry, Jake
Blackman, Bob
Blunt, Crispin
Boles, Nick
Bone, Mr Peter
Bottomley, Sir Peter
Bowie, Andrew
Bradley, Ben
Bradley, rh Karen
Brady, Sir Graham
Braverman, Suella
Brereton, Jack
Brine, Steve
Brokenshire, rh James
Bruce, Fiona
Buckland, Robert
Burghart, Alex
Burns, Conor
Burt, rh Alistair
Cairns, rh Alun
Cartlidge, James
Caulfield, Maria
Chalk, Alex
Chishti, Rehman
Chope, Sir Christopher
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, rh Mr Geoffrey
Crabb, rh Stephen
Crouch, Tracey
Davies, Chris
Davies, David T. C.
Davies, Glyn
Davies, Mims
Davies, Philip
Davis, rh Mr David
Dinenage, Caroline
Djanogly, Mr Jonathan
Docherty, Leo
Double, Steve
Dowden, Oliver
Doyle-Price, Jackie
Drax, Richard
Duddridge, James
Duguid, David
Duncan Smith, rh Mr Iain
Dunne, Mr Philip
Ellis, Michael
Ellwood, rh Mr Tobias
Eustice, George
Evennett, rh Sir 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
Freer, Mike
Fysh, Mr Marcus
Gale, Sir Roger
Garnier, Mark
Ghani, Ms Nusrat
Gibb, rh Nick
Gillan, rh Dame Cheryl
Glen, John
Goldsmith, Zac
Goodwill, rh Mr Robert
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
Hayes, rh Mr John
Heald, rh Sir Oliver
Heapey, James
Heaton-Harris, Chris
Heaton-Jones, Peter
Henderson, Gordon
Herbert, rh Nick
Hinds, rh Damian
Hoare, Simon
Hollingbery, George
Hollinrake, Kevin
Hollobone, Mr Philip
Holloway, Adam
Howell, John
Huddleston, Nigel
Hughes, Eddie
Hurd, rh Mr Nick
Jack, Mr Alister
James, Margot
Javid, rh Sajid
Jayawardena, Mr Ranil
Jenkin, Sir Bernard
Jenkyns, Andrea

Jenrick, Robert
 Johnson, rh Boris
 Johnson, Dr Caroline
 Johnson, Gareth
 Johnson, Joseph
 Jones, Andrew
 Jones, rh Mr David
 Jones, Mr Marcus
 Kawczynski, Daniel
 Keegan, Gillian
 Kennedy, Seema
 Kerr, Stephen
 Knight, Julian
 Kwarteng, Kwasi
 Lamont, John
 Lancaster, rh Mark
 Leadsom, rh Andrea
 Lee, Dr Phillip
 Lefroy, Jeremy
 Leigh, Sir Edward
 Letwin, rh Sir Oliver
 Lewer, Andrew
 Lewis, rh Brandon
 Liddell-Grainger, Mr Ian
 Lidington, rh Mr David
 Lopez, Julia
 Lopresti, Jack
 Lord, Mr Jonathan
 Loughton, Tim
 Mackinlay, Craig
 Maclean, Rachel
 Main, Mrs Anne
 Mak, Alan
 Malthouse, Kit
 Mann, Scott
 Masterton, Paul
 May, rh Mrs Theresa
 Maynard, Paul
 McVey, rh Ms Esther
 Mercer, Johnny
 Merriman, Huw
 Metcalfe, Stephen
 Miller, rh Mrs Maria
 Milling, Amanda
 Mills, Nigel
 Milton, rh Anne
 Mitchell, rh Mr Andrew
 Moore, Damien
 Mordaunt, rh Penny
 Morgan, rh Nicky
 Morris, Anne Marie
 Morris, David
 Morris, James
 Morton, Wendy
 Murray, Mrs Sheryll
 Murrison, Dr Andrew
 Neill, Robert
 Newton, Sarah
 Nokes, rh Caroline
 Norman, Jesse
 O'Brien, Neil
 Offord, Dr Matthew
 Opperman, Guy
 Parish, Neil
 Patel, rh Priti
 Paterson, rh Mr Owen
 Pawsey, Mark
 Penning, rh Sir Mike
 Penrose, John
 Percy, Andrew
 Perry, rh Claire
 Philp, Chris

Pincher, Christopher
 Poulter, Dr Dan
 Pow, Rebecca
 Prentis, Victoria
 Prisk, Mr Mark
 Pritchard, Mark
 Pursglove, Tom
 Quin, Jeremy
 Quince, Will
 Raab, rh Dominic
 Redwood, rh John
 Rees-Mogg, Mr Jacob
 Robertson, Mr Laurence
 Robinson, Mary
 Ross, Douglas
 Rowley, Lee
 Rudd, rh Amber
 Rutley, David
 Sandbach, Antoinette
 Seely, Mr Bob
 Selous, Andrew
 Shapps, rh Grant
 Sharma, Alok
 Shelbrooke, Alec
 Simpson, rh Mr Keith
 Skidmore, Chris
 Smith, Chloe
 Smith, Henry
 Smith, rh Julian
 Smith, Royston
 Soames, rh Sir Nicholas
 Soubry, rh Anna
 Spelman, rh Dame Caroline
 Spencer, Mark
 Stephenson, Andrew
 Stevenson, John
 Stewart, Iain
 Stewart, Rory
 Streeter, Mr Gary
 Stride, rh Mel
 Stuart, Graham
 Sturdy, Julian
 Sunak, Rishi
 Swayne, rh Sir Desmond
 Swire, rh Sir Hugo
 Syms, Sir Robert
 Thomas, Derek
 Thomson, Ross
 Throup, Maggie
 Tolhurst, Kelly
 Tomlinson, Justin
 Tomlinson, Michael
 Tracey, Craig
 Tredinnick, David
 Trevelyan, Mrs Anne-Marie
 Truss, rh Elizabeth
 Tugendhat, Tom
 Vaizey, rh Mr Edward
 Vara, Mr Shailesh
 Vickers, Martin
 Villiers, rh Theresa
 Walker, Mr Charles
 Walker, Mr Robin
 Wallace, rh Mr Ben
 Warburton, David
 Warman, Matt
 Watling, Giles
 Whately, Helen
 Wheeler, Mrs Heather
 Whittaker, Craig
 Whittingdale, rh Mr John
 Wiggin, Bill

Williamson, rh Gavin
 Wollaston, Dr Sarah
 Wood, Mike
 Wragg, Mr William
 Wright, rh Jeremy

Zahawi, Nadhim

Tellers for the Noes:
 Michelle Donelan and
 Jo Churchill

Question accordingly negated.

New Clause 19

PERSONAL ALLOWANCE

“The Chancellor of the Exchequer must, no later than 5 April 2019, lay before the House of Commons an analysis of the distributional and other effects of a personal allowance in 2019-20 of £12,750.”—(*Kirsty Blackman.*)

This new clause would require a distributional analysis of the effect of increasing the personal allowance to £12,750.

Brought up.

Question put, That the clause be added to the Bill.

The Committee divided: Ayes 34, Noes 290.

Division No. 261]

[8.27 pm

AYES

Bardell, Hannah
 Black, Mhairi
 Blackford, rh Ian
 Blackman, Kirsty
 Brock, Deidre
 Brown, Alan
 Cameron, Dr Lisa
 Cherry, Joanna
 Cowan, Ronnie
 Crawley, Angela
 Day, Martyn
 Docherty-Hughes, Martin
 Edwards, Jonathan
 Gethins, Stephen
 Gibson, Patricia
 Grady, Patrick
 Grant, Peter
 Gray, Neil
 Hendry, Drew
 Hosie, Stewart
 Lake, Ben
 MacNeil, Angus Brendan
 Mc Nally, John
 McDonald, Stewart Malcolm
 McDonald, Stuart C.
 Monaghan, Carol
 Newlands, Gavin
 O'Hara, Brendan
 Sheppard, Tommy
 Stephens, Chris
 Thewliss, Alison
 Whitford, Dr Philippa
 Williams, Hywel
 Wishart, Pete

Tellers for the Ayes:
 David Linden and
 Marion Fellows

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
 Bebb, Guto
 Bellingham, Sir Henry
 Beresford, Sir Paul
 Berry, Jake
 Blackman, Bob
 Blunt, Crispin
 Boles, Nick
 Bone, Mr Peter
 Bottomley, Sir Peter
 Bowie, Andrew
 Bradley, Ben
 Bradley, rh Karen
 Brady, Sir Graham
 Braverman, Suella
 Brereton, Jack
 Brine, Steve
 Brokenshire, rh James
 Bruce, Fiona
 Buckland, Robert
 Burghart, Alex
 Burns, Conor
 Burt, rh Alistair
 Cairns, rh Alun
 Cartledge, James
 Caulfield, Maria
 Chalk, Alex
 Chishti, Rehman
 Chope, Sir Christopher
 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, rh Mr Geoffrey
 Crabb, rh Stephen
 Crouch, Tracey
 Davies, Chris
 Davies, David T. C.
 Davies, Glyn
 Davies, Mims
 Davies, Philip
 Davis, rh Mr David
 Dinanage, Caroline
 Djanogly, Mr Jonathan
 Docherty, Leo
 Double, Steve
 Dowden, Oliver
 Doyle-Price, Jackie
 Drax, Richard
 Duddridge, James
 Duguid, David
 Duncan Smith, rh Mr Iain
 Dunne, Mr Philip
 Ellis, Michael
 Ellwood, rh Mr Tobias
 Eustice, George
 Evennett, rh Sir 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
 Freer, Mike
 Gale, Sir Roger
 Garnier, Mark
 Ghani, Ms Nusrat
 Gibb, rh Nick
 Gillan, rh Dame Cheryl
 Glen, John
 Goldsmith, Zac
 Goodwill, rh Mr Robert
 Graham, Luke
 Graham, Richard
 Grant, Bill
 Grant, Mrs Helen
 Gray, James
 Grayling, rh Chris
 Green, Chris
 Green, rh Damian
 Greening, rh Justine
 Grieve, rh Mr Dominic
 Griffiths, Andrew
 Gyimah, Mr Sam
 Hair, Kirstene
 Halfon, rh Robert
 Hall, Luke
 Hammond, Stephen
 Hancock, rh Matt
 Hands, rh Greg
 Harper, rh Mr Mark
 Harrington, Richard
 Harris, Rebecca
 Harrison, Trudy
 Hart, Simon
 Hayes, rh Mr John
 Heald, rh Sir Oliver
 Heappey, James
 Heaton-Harris, Chris
 Heaton-Jones, Peter
 Henderson, Gordon
 Herbert, rh Nick
 Hermon, Lady
 Hinds, rh Damian
 Hoare, Simon
 Hollingbery, George
 Hollinrake, Kevin
 Hollobone, Mr Philip
 Holloway, Adam
 Howell, John
 Huddleston, Nigel
 Hughes, Eddie
 Hurd, rh Mr Nick
 Jack, Mr Alister
 James, Margot
 Javid, rh Sajid
 Jayawardena, Mr Ranil
 Jenkin, Sir Bernard
 Jenkyns, Andrea
 Jenrick, Robert
 Johnson, rh Boris
 Johnson, Dr Caroline
 Johnson, Gareth
 Johnson, Joseph
 Jones, Andrew
 Jones, rh Mr David
 Jones, Mr Marcus
 Kawczynski, Daniel
 Keegan, Gillian
 Kennedy, Seema
 Kerr, Stephen
 Knight, Julian
 Kwarteng, Kwasi
 Lamont, John
 Lancaster, rh Mark
 Leadsom, rh Andrea
 Lee, Dr Phillip
 Lefroy, Jeremy
 Leigh, Sir Edward
 Letwin, rh Sir Oliver
 Lewer, Andrew
 Lewis, rh Brandon
 Liddell-Grainger, Mr Ian
 Lidington, rh Mr David
 Lopez, Julia
 Lopresti, Jack
 Lord, Mr Jonathan
 Loughton, Tim
 Mackinlay, Craig
 Maclean, Rachel
 Main, Mrs Anne
 Mak, Alan
 Malthouse, Kit
 Mann, Scott
 Masterton, Paul
 May, rh Mrs Theresa
 Maynard, Paul
 McVey, rh Ms Esther
 Mercer, Johnny
 Merriman, Huw
 Metcalfe, Stephen
 Miller, rh Mrs Maria
 Milling, Amanda
 Mills, Nigel
 Milton, rh Anne
 Mitchell, rh Mr Andrew
 Moore, Damien
 Mordaunt, rh Penny
 Morris, Anne Marie

Morris, David
 Morris, James
 Morton, Wendy
 Murray, Mrs Sheryll
 Murrison, Dr Andrew
 Neill, Robert
 Newton, Sarah
 Nokes, rh Caroline
 Norman, Jesse
 O'Brien, Neil
 Offord, Dr Matthew
 Opperman, Guy
 Parish, Neil
 Patel, rh Priti
 Paterson, rh Mr Owen
 Pawsey, Mark
 Penning, rh Sir Mike
 Penrose, John
 Percy, Andrew
 Perry, rh Claire
 Philp, Chris
 Pincher, Christopher
 Poulter, Dr Dan
 Pow, Rebecca
 Prentis, Victoria
 Prisk, Mr Mark
 Pritchard, Mark
 Pursglove, Tom
 Quin, Jeremy
 Quince, Will
 Raab, rh Dominic
 Redwood, rh John
 Rees-Mogg, Mr Jacob
 Robertson, Mr Laurence
 Robinson, Mary
 Ross, Douglas
 Rowley, Lee
 Rudd, rh Amber
 Rutley, David
 Sandbach, Antoinette
 Seely, Mr Bob
 Selous, Andrew
 Shapps, rh Grant
 Sharma, Alok
 Shelbrooke, Alec
 Simpson, rh Mr Keith
 Skidmore, Chris
 Smith, Chloe
 Smith, Henry
 Smith, rh Julian
 Smith, Royston
 Soames, rh Sir Nicholas
 Spelman, rh Dame Caroline
 Spencer, Mark
 Stephenson, Andrew
 Stevenson, John
 Stewart, Iain
 Stewart, Rory
 Streeter, Mr Gary
 Stride, rh Mel
 Stuart, Graham
 Sturdy, Julian
 Sunak, Rishi
 Swayne, rh Sir Desmond
 Swire, rh Sir Hugo
 Syms, Sir Robert
 Thomas, Derek
 Thomson, Ross
 Throup, Maggie
 Tolhurst, Kelly
 Tomlinson, Justin
 Tomlinson, Michael
 Tracey, Craig
 Tredinnick, David
 Trevelyan, Mrs Anne-Marie
 Truss, rh Elizabeth
 Tugendhat, Tom
 Vaizey, rh Mr Edward
 Vara, Mr Shailesh
 Vickers, Martin
 Villiers, rh Theresa
 Walker, Mr Charles
 Walker, Mr Robin
 Wallace, rh Mr Ben
 Warburton, David
 Warman, Matt
 Watling, Giles
 Whately, Helen
 Wheeler, Mrs Heather
 Whittaker, Craig
 Whittingdale, rh Mr John
 Wiggin, Bill
 Williamson, rh Gavin
 Wollaston, Dr Sarah
 Wood, Mike
 Wragg, Mr William
 Wright, rh Jeremy
 Zahawi, Nadhim
Tellers for the Noes:
Michelle Donelan and
Jo Churchill

Question accordingly negated.

Clause 68

CARBON EMISSIONS TAX

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

The Temporary Chairman (Sir George Howarth): With this it will be convenient to discuss the following:

Clauses 69 to 77 stand part.

Amendment 10, in clause 78, page 51, line 32, after “may”, insert—

“(subject to section (Review of expenditure implications of Part 3))”.

Antecedent to new clause 10.

Clause 78 stand part.

Amendment 14, in clause 89, page 66, line 30, at end insert—

“(1A) The Chancellor of the Exchequer must, no later than the date provided for in subsection (1C), lay before the House of Commons a statement of the circumstances (in relation to the outcome of negotiations with the EU) that give rise to the exercise of the power.

(1B) The statement under subsection (1A) must be accompanied by—

- (a) an assessment of the fiscal and economic effects of the exercise of those powers and the circumstances giving rise to them;
- (b) a comparison of those fiscal and economic effects with the effects if—
 - (i) a negotiated withdrawal agreement and a framework for a future relationship with the EU had been agreed to, and
 - (ii) the United Kingdom had remained a member of the European Union;
- (c) a statement by the Office for Budget Responsibility on the accuracy and comprehensiveness of the assessment under paragraph (a) and the comparison under paragraph (b).

(1C) The date provided for in this subsection is—

- (a) a date which is no less than seven days before the date on which a Minister of the Crown proposes to make a motion for the purposes of section 13(1)(b) of the European Union Withdrawal Act 2018 and after the passing of this Act, or
 - (b) a date which is no less than seven days before the date on which a Minister of the Crown proposes to make a motion for the purposes of section 13(6)(a) of the European Union Withdrawal Act 2018 and after the passing of this Act, or
 - (c) a date which is no less than seven days before the date on which a Minister of the Crown proposes to make a motion for the purposes of section 13(8)(b)(i) of the European Union Withdrawal Act 2018 and after the passing of this Act, or
 - (d) the date on which this Act is passed,
- whichever is the earliest.”

This amendment requires the first use of the powers intended to modify tax legislation in the event of a no deal Brexit to be accompanied by a statement of the circumstances and a comparative analysis of their impact, accompanied by an OBR assessment.

Amendment 15, page 66, line 30, at end insert—

“(1A) No regulations under this section may be made until the Chancellor of the Exchequer has laid a statement before the House of Commons setting out—

- (a) a list of the powers in relevant tax legislation that the Treasury has acquired since June 2016 in connection with the United Kingdom’s withdrawal from the European Union,
- (b) a list of the powers in relevant tax legislation the Treasury expects to acquire if—
 - (i) a withdrawal agreement and a framework for a future relationship with the European Union have been agreed to, or
 - (ii) the United Kingdom has left the European Union without a negotiated withdrawal agreement.
- (c) a description of any powers conferred upon the House of Commons (whether by means of the approval or annulment of statutory instruments or otherwise) in connection with the exercise of the powers set out in subsection (b).”

Amendment 22, page 66, line 30, at end insert—

“(1A) The Chancellor of the Exchequer must, no later than a week after the passing of this Act and before exercising the power in subsection (1), lay before the House of Commons a review of the following matters—

- (a) the fiscal and economic effects of the exercise of those powers and of the outcome of negotiations for the United Kingdom’s withdrawal from the European Union giving rise to their exercise;
- (b) a comparison of those fiscal and economic effects with the effects if a negotiated withdrawal agreement and a framework for a future relationship with the EU had been agreed to;
- (c) any differences in the exercise of those powers in respect of—
 - (i) Great Britain, and
 - (ii) Northern Ireland;
- (d) any differential effects in relation to the matters specified in paragraphs (a) and (b) in relation between—
 - (i) Great Britain, and
 - (ii) Northern Ireland.”

Amendment 7, page 67, line 1, leave out subsection (5) and insert—

“(5) No statutory instrument containing regulations under this section may be made unless a draft has been laid before and approved by a resolution of the House of Commons.”

This amendment would make clause 89 (Minor amendments in consequence of EU withdrawal) subject to affirmative procedure.

Amendment 20, page 67, line 2, at end insert—

“(5A) No regulations may be made under this section unless the United Kingdom has left the European Union without a negotiated withdrawal agreement.”

Amendment 2, page 67, line 13, at end insert—

“(7) This section shall, subject to subsection (8), cease to have effect at the end of the period of two years beginning with the day on which this Act is passed.

(8) The Treasury may by regulations provide that this section shall continue in force for an additional period of up to three years from the end of the period specified in subsection (7).

(9) No regulations may be made under subsection (8) unless a draft has been laid before and approved by a resolution of the House of Commons.”

Clause 89 stand part.

Amendment 8, in clause 90, page 67, line 16, after “may”, insert—

“(subject to subsections (1A) and (1B))”

This amendment is antecedent to Amendment 9.

Amendment 9, page 67, line 18, at end insert—

“(1A) Before proposing to incur expenditure under subsection (1), the Secretary of State must lay before the House of Commons—

- (a) a statement of the circumstances (in relation to negotiations relating to the United Kingdom’s withdrawal from the European Union) that give rise to the need for such preparatory expenditure, and
- (b) an estimate of the expenditure to be incurred.

(1B) No expenditure may be incurred under subsection (1) unless the House of Commons comes to a resolution that it has considered the statement and estimate under subsection (1A) and approves the proposed expenditure.”

This amendment would require a statement on circumstances (in relation to negotiations) giving rise to the need for, as well as an estimate of the cost of, preparatory expenditure to introduce a charging scheme for greenhouse gas allowances. The amendment would require a Commons resolution before expenditure could be incurred.

Clause 90 stand part.

New clause 10—*Review of expenditure implications of Part 3—*

“(1) The Chancellor of the Exchequer must review the expenditure implications of commencing Part 3 of this Act and lay a report of that review before the House of Commons within six months of the passing of this Act.

(2) No regulations may be made by the Commissioners under section 78(1) unless the review under subsection (1) has been laid before the House of Commons.”

This new clause would require a review within 6 months of the expenditure implications of introducing a carbon emissions tax. It would prevent Part 3 coming into effect until such a review had been laid before the House of Commons.

New clause 11—Report on consultation on certain provisions of this Act (No. 2)—

“(1) No later than two months after the passing of this Act, the Chancellor of the Exchequer must lay before the House of Commons a report on the consultation undertaken on the provisions in subsection (2).

(2) Those provisions are—

- (a) sections 68 to 78,
- (b) section 89, and
- (c) section 90.

(3) A report under this section must specify in respect of each provision listed in subsection (2)—

- (a) whether a version of the provision was published in draft,
- (b) if so, whether changes were made as a result of consultation on the draft,
- (c) if not, the reasons why the provision was not published in draft and any consultation which took place on the proposed provision in the absence of such a draft.”

This new clause would require a report on the consultation undertaken on certain provisions of this Act – alongside new clauses 9, 13 and 15.

New clause 17—Review of the carbon emissions tax (No. 2)—

“Within twelve months of the commencement of Part 3 of the Act, the Chancellor of the Exchequer must review the carbon emissions tax to determine—

- (a) the effect of the carbon emissions tax on the United Kingdom’s carbon price in the context of non-participation in the European Union emissions trading scheme, and
- (b) the effect of the carbon emissions tax on the United Kingdom’s ability to comply with its fourth and fifth carbon budgets.”

The Exchequer Secretary to the Treasury (Robert Jenrick):

In these parts of the Bill, we make sensible preparations for our exit from the European Union. While right hon. and hon. Members across the House may well disagree on Brexit, I would hope that all would wish to see us prepare as carefully as possible so that we can maintain the stability of the tax system; provide as much certainty for the taxpayer as possible; in respect of carbon pricing, meet our commitments to the environment; and do all those things in all eventualities, including in the event of no deal, which is clearly not the Government’s preference but remains a possibility.

At Budget, the Government announced essential provisions to ensure that the tax system can continue to function in any outcome.

Neil Gray (Airdrie and Shotts) (SNP): The Minister talks about preparations for no deal. In the OBR’s “Blue Book”, it quoted assessments made by economists who suggested that the economy had already shrunk by between 2% and 2.5% since the referendum, and the Library has suggested that that has cost the UK economy anywhere between £40 billion and £50 billion. Does he agree with that assessment, and what work has been going on in the Treasury to account for it?

Robert Jenrick: What I can tell the hon. Gentleman is that the economy has been growing for eight years—for five years, in every successive quarter. Unemployment is at its lowest rate in my lifetime and employment is at its highest. The British economy is sound and robust, and that is exactly why in the Budget the Chancellor was able to make the tax cuts for 32 million of our citizens and the increased spending on the NHS.

Neil Gray rose—

Robert Jenrick: I will not give way again at this stage, but I could come back to the hon. Gentleman later.

The changes that we have outlined in these clauses will, I hope, signal that the UK is committed to maintaining stability and certainty for taxpayers and for businesses across the economy, especially in respect of the environmental tax provisions that I will talk about in a moment. Clauses 69 to 78 will allow the Government to introduce a carbon emissions tax to replace the EU emissions trading scheme—the ETS—in the event of no deal. Clause 90 will allow for essential preparatory expenditure to begin work on a domestic emissions trading scheme in the event that one is required. Clause 89 will introduce a power to make minor technical amendments to UK tax legislation—essential for maintaining the continued effect of the tax system.

Let me turn first to clauses 68 to 78 with respect to the carbon emissions tax. These clauses will take effect only if the UK leaves the European Union in 2019 without a deal. The clauses will give the Government the power to introduce a no-deal carbon emissions tax. The rate for 2019 would be set at £16 per tonne of carbon dioxide equivalent, and the tax would cover the same electricity generators and industrial businesses that currently participate in the EU ETS. The tax would provide the same protections against carbon leakage as the EU ETS. Operators would pay the tax only on emissions of carbon dioxide and other greenhouse gases emitted above an allowance set for each installation in advance of the tax year. This is in line with the EU ETS system of free emissions allowances.

In effect, the carbon emissions tax would seek initially to replicate the effects of the EU ETS as closely as possible, in the event of no agreement. This is important, as I hope hon. Members in all parts of the House will agree, for two reasons: first, because we want to provide certainty for businesses and for the energy industry to enable them to make investment and business decisions with confidence, as the industry has asked us to do; and secondly, because maintaining a carbon price is a key component of meeting our legally binding climate change commitments.

8.45 pm

Dr David Drew (Stroud) (Lab/Co-op): Does the Minister accept that now that the Government have greater freedom of operation, this is fairly timid? We have an emissions crisis in this country, as we do across the rest of the world. Why are the Government not being more ambitious in trying to bear down on emissions, as seen in the Intergovernmental Panel on Climate Change report?

Robert Jenrick: I appreciate the point the hon. Gentleman makes, but perhaps he has missed the argument I have tried to make, which is that this is not prejudging the

[Robert Jenrick]

later outcome of how we should handle our carbon pricing as we leave the EU; it is trying to ensure that in the unlikely event, which the Government wish to avoid, of a no-deal Brexit we can maintain the system as close as possible to the present one. We chose the price of £16 because that is broadly the same as where the EU's floating price has been in recent months. Of course the price has floated very widely from as low as £6 to as high as over £20, so making that assessment is not a precise exercise, but we believe that £16 is a reasonable figure to maintain stability, and that seems to have been well received by the industry and environmental groups.

Clause 90 is about preparatory expenditure. Alongside preparing for no deal, the Government are developing long-term alternatives to the EU emissions trading scheme. As set out already in the outline political declaration on the future relationship between the EU and the UK, we are considering options for co-operation on carbon pricing, including, if possible, linking a UK national greenhouse gas emissions trading system with the EU ETS. Clause 90 will allow Departments to begin preparatory expenditure on a UK ETS, which is included in the Bill, to prepare for a linked or unlinked domestic trading scheme. It does not mean, as I said earlier, that a final decision has been made as to which option to implement, but it does ensure that all the options are kept open and we can proceed with the kind of planning that one would expect.

I shall now turn briefly to amendments 8, 9 and 10 and new clause 10 tabled by the SNP. Amendments 8 and 9 propose that the Government must table a statement on the circumstances that require expenditure in the case of clause 90 and an estimate of the expenditure to be incurred and that the House would come to a resolution to approve that expenditure. New clause 10 and amendment 10 would require the Chancellor to review the expenditure implications of the carbon emissions tax and lay a report of that review before the House within six months of the passing of the Bill, and no regulations could be made by the commissioners unless that had taken place.

A statement of circumstances, as required by amendments 8 and 9, is in our opinion unnecessary. We are legislating because the UK is leaving the EU, and as part of that we have to prepare a domestic ETS, as mentioned in the outline political declaration, and for a carbon emissions tax only in the event of no deal.

More importantly, with all these amendments, the Finance Bill is not and has never been the place for detailed questions of expenditure. The Finance Bill is primarily a Bill about tax. Parliament gets other opportunities to review and vote on departmental expenditure, and if that is important to the hon. Member for Aberdeen North (Kirsty Blackman), I suggest that she direct her scrutiny to the estimates process when it arises in due course.

New clause 17 would require the Chancellor to review the carbon emissions tax to determine its effect on the UK carbon price and the UK's ability to comply with its fourth and fifth carbon budgets. We are confident that the carbon emissions tax would be similarly effective to the EU ETS, and I can assure Members that there are already robust requirements to report on progress towards the UK's emissions reductions targets. For example, the Climate Change Act 2008 provides a world-leading governance framework that we certainly support. First, it

ensures that the Government are required to prepare and lay before Parliament an annual statement of emissions, setting out the total amount of greenhouse gases emitted to, and removed from, the atmosphere across the UK and the steps taken to calculate the net UK carbon accounts. Secondly, the independent Committee on Climate Change is required to prepare and lay before Parliament an annual report on the Government's progress towards meeting the UK's carbon budgets, which the Government are required to respond to. Thirdly, the Government are required to prepare and lay before Parliament a statement setting out performance against each carbon budget period and the 2050 target. We believe that, taken together, these are strong existing mechanisms, which are respected and understood, to ensure that we monitor and report to Parliament on greenhouse gas emissions. I therefore urge hon. Members to reject new clause 17.

Let me turn to amendments 2, 7 and 21 to clause 89, which deals with minor amendments in consequence of our EU withdrawal. We need to ensure that the tax system continues to work effectively and that we maintain stability and certainty, including in the event that the UK leaves without a deal. To allow us to do that, clause 89 will allow minor technical amendments to be made to UK tax law to keep it working as it does now and to update it to continue to work with changes made to other areas of law on account of EU exit. Clause 89 will provide the Government with the power to make such minor amendments.

These are, I stress again, minor and technical changes that are absolutely necessary to maintain the continued effect of tax legislation in the unlikely event of no deal. I can reassure the Committee that the power is not being taken to make changes to do anything other than ensure that existing tax legislation continues to have effect in the event of no deal. It will not be used to change tax policy or the tax paid by taxpayers. To reassure the Committee of that, I have placed a list of changes that the Government intend to make under the power in the Library and sent a copy to the shadow Chief Secretary to the Treasury.

Vicky Ford: I thank the Minister for reaffirming that it is not the Government's intention to leave with no deal. It is the intention to leave with a deal. On tax, there seemed to be some confusion over the weekend about the draft withdrawal agreement. Some people seemed to suggest that the UK would be bound into the EU tampon tax for a further five years. Can he confirm that under the withdrawal agreement, VAT on goods sold after the transition period will be subject to rates set by the British Government, not EU law?

Robert Jenrick: My hon. Friend, who is always well informed, is correct on both counts.

Vicky Ford: I thank my hon. Friend for confirming that from the Dispatch Box. Does he therefore agree that, before jumping to conclusions about what the draft withdrawal agreement says, colleagues should instead look at No. 10's response to Steerpike's 40 so-called horrors and at the true facts and answers from the lawyers who negotiated it before coming up with their own concerns?

Robert Jenrick: I would obviously advise all right hon. and hon. Members to read the withdrawal agreement, unlike the Leader of the Opposition, and not to rush

to conclusions. The document produced by No. 10 to which my hon. Friend refers, which rebuts over 40 suggested flaws in the agreement, was very instructive, and I certainly found it helpful.

To finish on this point, I re-emphasise that I have laid before the House a comprehensive list of the changes that will need to be made to tax legislation. I advise right hon. and hon. Members who are interested to take a look at it. They will see that the changes are indeed minor and technical items that are not, I hope, controversial.

Amendments 14 and 22 would require the Government to publish an economic and fiscal analysis of the effects of our exit from the European Union before using the powers in clause 89. I can reassure the Committee that the Government have already confirmed that before we bring forward the vote on the final deal, we will ensure that Parliament is presented with the appropriate analysis in good time to make an informed decision. The Chancellor set that out in his letter of 23 August to the Chair of the Treasury Committee, a copy of which is in the public domain. He said that that analysis would look at the economic and fiscal effects of leaving the EU.

To provide Members with further detail today, I can confirm that that analysis will bring together evidence from across the Government, insight from external stakeholders and a range of data and analytical tools. The analysis will consider the long-term costs and benefits of moving to new trading relationships with the EU and the rest of the world. Having considered the amendment and spoken to several right hon. and hon. Members, I am happy to confirm that the baseline for this comparison will be the status quo—that is, today's institutional arrangements with the EU. The analysis will consider a modelled no-deal scenario, or World Trade Organisation terms; a modelled analysis of an FTA scenario; and a modelled analysis of the Government's proposed deal. Each will be compared against the status quo of the current institutional arrangements within the EU.

Amendment 14 would not require the analysis to be published until after the Bill receives Royal Assent. As a result, the Bill would not be binding on the Government until after the meaningful vote had taken place. I hope that the commitment that the Government have made today and the conversations that I have had with Members from across the House will provide reassurance that we will publish an appropriate analysis—the analysis that right hon. and hon. Members seek—in good time before the meaningful vote.

I turn briefly to the OBR's role, which is mentioned in amendment 14. The House will know that the OBR's remit is clearly defined in the Budget Responsibility and National Audit Act 2011, and that the amendment, which asks the OBR to assess our analysis of the effects of a deal, goes beyond its statutory responsibilities. That would set an undesirable precedent, with Parliament being able to commission specific pieces of work from the OBR on an ad hoc basis outside the clear and bounded remit set in the OBR's charter. That would effectively transform the OBR into a parliamentary budget office, fundamentally changing its purpose and potentially damaging its credibility. Such a decision should be taken only after a full and frank debate on its own merits.

The House will be aware that the Treasury Committee, which is headed by my right hon. Friend the Member for Loughborough (Nicky Morgan), has appointed Sir Stephen Nickell, formerly of the OBR, to provide an

independent view of the Government's analysis. My officials have already had initial conversations with Sir Stephen about the scope and scale of his review, to ensure that we can provide him and his team with the necessary information in due course. I hope that that gives further reassurance to Members that scrutiny, of the nature that they seek, of the Government's work will be undertaken by the Treasury Committee.

Furthermore, the OBR has already published a detailed review of the approach taken in the analysis provided across Whitehall, comparing it with other academic publications since the referendum. We believe that extending the OBR's remit, as proposed by amendment 14, would require the OBR to analyse alternatives to Government policy. That would draw the OBR into political debate and expose it to a significant risk to its credibility and that of the UK's fiscal framework. It remains highly unlikely that the OBR could, in the time available, go beyond the points it has already made in its discussion paper in any assessment of the Government's analysis, bearing in mind its capacity and modelling today.

As for the effects of the power mentioned in amendment 20, I hope that my previous assurances will reassure right hon. and hon. Members that the Government intend to use the power not to introduce tax policy changes, but merely to secure the continued effective operation of the tax system. I hope that my right hon. and hon. Friends who sought this amendment will see that we have listened and engaged and that the reassurances that I have provided today achieve the amendment's purpose. I therefore urge them not to proceed with their amendments.

I turn to amendment 15, which calls for the Government to provide a list of powers in relevant tax legislation that the Treasury has acquired since June 2016, or that it expects to acquire, relating to any EU exit scenario. All such powers have been passed as primary legislation. They have been scrutinised by this House and were voted through accordingly. As with all legislation, that which relates to these powers is in the public domain, should anyone wish to examine it. I do not think that it is necessary to reprise this list. I hope that hon. Members will see that amendment 15 is therefore entirely unnecessary, and I encourage them not to proceed with it.

9 pm

Amendment 20 asks that no regulations be made under this power unless the UK has left the European Union without a negotiated withdrawal agreement. As is the job of any responsible Government, we are preparing for all possible EU exit outcomes, which extends to the unlikely event of no deal. As I have already said, that is not the Government's preferred outcome. The power is tightly drafted only to provide scope for the sort of minor, technical changes I have set out in my letter to Mr Deputy Speaker. At the current time, we need the power to make changes in the event of no deal, but providing stability for tax legislation and for the taxpayer is of paramount importance into the future, regardless of our EU exit outcome. I want to ensure we can deliver that in any scenario, even if I have focused more on the unlikely event of no deal; this is what the power will provide for. However, no matter when we use the power, our intention for its use would remain the same and would not be broader in any eventuality. I hope this reassures hon. Members of the Government's intentions in this respect, so there is no need for amendment 20.

New clause 11 calls for a report detailing the consultation process for the legislation discussed in this session. As my right hon. Friend the Financial Secretary said earlier this evening, the information asked for is in the public domain, and I encourage Members to examine it. For the legislation relevant to our exit from the European Union, it has either not been possible or would be unnecessary to publish these things in draft. Clause 89 contains a closely drafted power that would not have benefited from consultation and will not change the taxpayer experience—indeed, it will do quite the opposite, in that it seeks to ensure continuity.

Clauses 68 to 78 introduce the legislation for a carbon emissions tax and need to be introduced in this Bill to be ready for March 2019. The Government have already committed to consult on the detail of this tax during 2019. Clause 90 lays the ground for preparatory expenditure. Again, it would not benefit from consultation. However, we will continue engagement with stakeholders and the devolved Administrations on the most effective long-term approach to carbon pricing post Brexit. This is an important decision for the country, and I look forward to those discussions, including meeting colleagues from the Scottish Government in due course. I hope that these answers will satisfy the House and that colleagues will not proceed with their proposals.

These clauses take a number of essential steps to ensure that UK tax legislation is prepared for any EU exit outcome. We will continue to responsibly prepare for every eventuality to ensure stability both for the UK taxpayer and for businesses. These measures are pragmatic steps that any responsible Government would need to take. Importantly, these measures are essential provisions for ensuring the continued effect of the UK tax system and for maintaining stability. For all these reasons, I therefore hope that they will command respect from across the House and ask that they stand part of the Bill.

Jonathan Reynolds (Stalybridge and Hyde) (Lab/Co-op): It is lovely to see you in the Chair, Dame Rosie, and thank you for calling me to speak for the Opposition on our second grouping, which includes clause 89. As the Minister has helpfully explained, this group deals with the operation of tax law in the UK after our withdrawal from the EU, with a consequential set of Brexit-related amendments. This week, we have all seen the complete chaos the Government have unleashed on the country with their disastrous handling of the Brexit negotiations. We are just months away from the UK's exit, and it seems the Conservative party remains as divided as ever over what to do next. As the Leader of the Opposition explained in his address to the CBI earlier today, this proposed Brexit deal offers no certainty at all and in many ways is the worst of all worlds, offending remain and leave voters in equal measure. So after two years of negotiations, we are teetering dangerously close to a no-deal Brexit, which should simply never have been an option. It would be bad for individuals, for businesses and for the economy, and Labour will do all we can to prevent it.

As we have said repeatedly, Labour wants the Government to negotiate a comprehensive and permanent customs union that gives the UK a say in future trade deals and ensures that there will be no hard border in Northern Ireland. We would protect workers' rights,

block any race to the bottom and negotiate a strong single-market relationship that gives businesses continued access to European markets for goods and services.

I would like to think that we are heading for a more stable time, but that seems unlikely. I was appalled to read press reports at the weekend that Downing Street's alleged strategy is to encourage a crash in the financial markets should the deal fail to pass through Parliament, to pressure MPs into voting for it a second time. I can only hope that those reports were false. We should never forget that the markets reflect people's savings, investments and pensions. They should not be used as a political device by the Conservative party.

It is also worrying that the Government are steadfastly using Brexit to substantially transfer powers from Parliament to the Executive. The Opposition have warned about this repeatedly, throughout the passage of each piece of legislation connected to the UK's withdrawal from the EU. We should be deeply worried about this unprecedented transfer of powers.

We see another example in this Bill. In clause 89, which is rather innocently named "Minor amendments in consequence of EU withdrawal", Ministers give themselves the power to make amendments to tax law outside the normal due process. Good checks and balances make for good government, which is why the Opposition have tabled a series of amendments that would help to address the democratic deficit that the provisions in the Bill would create, if passed unchecked. We do not believe it is possible to make a democratic case for the transfer to the Treasury of powers to make changes to tax law in perpetuity, which is why Labour's amendment 2 proposes a sunset clause to the Brexit powers that the Bill will confer on the Treasury. It would ensure that those powers can only be used within two years of the passage of the Bill. Surely that offers sufficient time for the Government to use them as is required.

As the Minister outlined, the Government's case is that during our withdrawal from the EU there may be a situation in which some elements of tax law need changing urgently or at short notice. However, we do not believe that there is a case for the powers, unless the UK crashes out of the EU with no deal. The agreement of a deal, with an attached transition period, should provide room for preparation, without the need to furnish the Executive with powers to make changes to the law unilaterally.

The number of Treasury-related statutory instruments that are currently being passed to create a new financial regulatory regime proves the point. Although it has been far from ideal for Ministers and their shadows, the use of secondary legislation is an improvement on the taking of such decisions behind closed doors in the Treasury.

Kevin Hollinrake (Thirsk and Malton) (Con): The hon. Gentleman said earlier that in his relationship with the European Union he would expect to have a say in trade deals by being part of a customs union, but even when we were full members of the European Union and it agreed the Comprehensive Economic and Trade Agreement with Canada, his party refused to vote for that deal in this House. How on earth does he think that that will work on a completely third-party, third-nation basis?

Jonathan Reynolds: I am happy to take that point, which although a little outside the remit of the Bill is none the less interesting. For us, the relationship that we

would seek with the EU would be based quite simply on a solid cost-benefit analysis of what is in the UK's best interests. If we look at the various options on offer, given that half the world is already in a regional trading bloc or a customs union of some sort, it is absolutely clear that what we would risk losing by losing frictionless trade with the European Union would never be gained by external trade deals with the rest of the world. A customs union is therefore the right way to go forward. Were the UK to enter one, we clearly could not have a situation in which we were unilaterally exposed to the deals that the EU did with other countries without having a say, so it is a pretty logical position. That does not mean that those deals would always receive the backing of all parts of this House. Elements of those deals might be unacceptable.

The point about sovereignty, which comes from Brexiteers in the main, is so important, because people say, for instance, "Let's not do a customs union, let's do a deal with Donald Trump's America," but would our constituents really accept unilateral access to the NHS for American healthcare providers? Of course they would not. Would our constituents accept hormone-treated beef in the supermarkets? Personally, I do not think they would. The question is always about the balance between what is in the proposed economic relationship and the political oversight that should go with it. That position is fairly logical and straightforward.

James Cartledge (South Suffolk) (Con): The hon. Gentleman has just said that he would have a customs union and a say in those trade deals. How would we have a say if we were in a customs union run by the European Union yet not in it anymore? I do not understand that.

Jonathan Reynolds: We are not proposing to remain in the customs union but not be a member of the EU. We are discussing joining a new customs union that we would negotiate with the European Union. I will say to the hon. Gentleman—I do not think that I am revealing any secrets here—that for a large number of Conservative MPs and, indeed, perhaps for the Treasury itself, that is their preferred solution; they are just not in a position to negotiate that or to request that because of the parliamentary arithmetic of the Conservative party. It does also have the very substantial benefit of our being able to honour our commitments under the Good Friday agreement. That is something that should have been a much bigger part of the referendum negotiations, and it should certainly be a paramount concern for this House going forward. I will get back to the Finance Bill, but I hope that that allays the concerns of Conservative colleagues and makes it quite clear what we think the relationship should be going forward.

James Cartledge: How would the hon. Gentleman have a say? This would be a customs union with the European Union which we would have left. How would he have a say in it? We would not have a vote anymore.

Jonathan Reynolds: That is what we are proposing that we would negotiate. That is the entire basis of the proposal. I have no doubt that such an arrangement was on offer and may still be on offer from the European Union. The hon. Gentleman is well-informed and I always look forward to his contributions in these debates. I am sure that he has contacts as we do in other

European Parliaments or perhaps in the Commission itself. If he does some investigations, he will see that that was always a preferred option for many people and it is, without question, the right way of going forward for the national interest of this country.

Kevin Hollinrake *rose*—

Jonathan Reynolds: We will try one more intervention

Kevin Hollinrake: The hon. Gentleman mentioned earlier in his remarks that a certain deal might be a betrayal of the leave voters. There were plenty of myths flying about during the referendum campaign, but one area that probably was quite plausible was that if we left the European Union, we would be able to do independent trade deals—not through the European Union, but independent bilateral trade deals. Does he not see that his customs union would effectively mean that we could not do independent trade deals and that would be a real betrayal of leave voters who expect to be able to do exactly that?

Jonathan Reynolds: I think quite the reverse. What leave voters were promised was that the economic relationship would not leave anyone worse off and, in effect, would not be ruptured at all. That was the promise made in explicit terms by leading leave campaigners. Where there were concerns that motivated that leave vote, they were heavily about sovereignty and also about immigration. I do not think that the specific trading relationships that this country has with other parts of the world were a particularly paramount issue in the campaign. I know that it is a sensitive issue for leave campaigners to talk about the fact that immigration was a big part of that campaign, but, without question, it was in my constituency. In terms of that future trading relationship, it is by far the best thing to focus on what is simply in the best economic interests of the country once we leave the political side of the European Union with all of the objections that leave voters had to it. I do not think that leaving in such a way that preserves the best of our economy, minimises the disruption and honours our commitments under the Good Friday agreement is a betrayal at all. Many people want to see that economic relationship continue, even if they were of a position and a viewpoint that we are leaving the political side of the European Union with all that entails.

I will now get back to amendment 15, Dame Eleanor, before we are all rightly admonished for straying from the Finance Bill. The measure lays out a stipulation to provide clarity around which powers in relevant tax legislation have been transferred to the Treasury since June 2016 in connection with the UK's exit. It also covers the powers that the Treasury expects to acquire, and, most importantly, it requires Ministers to set out a timeline for when these powers are to be returned to Parliament—I think the Minister missed off that last point in his speech.

Dr Rupa Huq (Ealing Central and Acton) (Lab): My hon. Friend is doing a good job on amendment 15, but I think that he has missed the good news of my hon. Friend the Member for Streatham (Chuka Umunna) following his tenacious work. It looks like we have some movement on amendment 14 from the Government, and we will get these impact assessments before the

[*Dr Rupa Huq*]

meaningful vote. Will my hon. Friend, the shadow Minister, comment on the fact that the last time we saw such a thing was in the horrors of the Reading Room? We were shown that in every region of our nation, even in London where my own seat is, every sector of our economy will be worse off under every form of Brexit. Will he comment on that?

9.15 pm

Jonathan Reynolds: I thank my hon. Friend for that intervention; I always welcome good news from my hon. Friend the Member for Streatham. Yes, it is very welcome that the Government have conceded on this point, reflecting the parliamentary arithmetic. I am not sure that they did it voluntarily, until they saw the names on the Order Paper. Transparency about the consequences of different types of Brexit arrangements has to be a good thing, because the country and all Members of this House should be as well informed as possible. It is extremely pleasing to see the Government concede on this point.

Jonathan Edwards (Carmarthen East and Dinefwr) (PC): I also pay tribute to the work of the hon. Member for Streatham on this issue. I was happy to support him, as he has led a very valid endeavour that I hope will inform our decision making in the weeks to come.

Will the hon. Member for Stalybridge and Hyde (Jonathan Reynolds) confirm that if these assessments indicate quite clearly that the status quo offers the best economic prospects for every part of the British state, the Labour party will support the status quo as the preferred Brexit option as we approach the next few weeks?

Jonathan Reynolds: The points I made about transparency are relevant, as every Member of this House will make different assessments. We all know that Brexit is not just an economic concern; political concerns about sovereignty and issues such as immigration form part of the decision that each of us would make. But it has to be a good thing for every part and region of the UK to have the maximum degree of transparency on the economic options available to us. Surely, transparency is the best way forward.

I return to amendment 15, which goes to the heart of what I was trying to articulate—that is, our concerns about the unprecedented power grab that this Government are undertaking. The Government have spent the last two years seizing all manner of tax powers with no regard to the constitutional role of this House. Meanwhile, Ministers have refused to honour any level of transparency, and outline once and for all a clear list of the powers that the Treasury has acquired since the referendum in June 2016 and those it expects to acquire by the time the UK leaves the EU. Amendment 15 would address this and oblige the Chancellor to publish a comprehensive list of the powers the Treasury has acquired and the powers it will then expect to acquire, and to state when we might see those powers returned to the House, where they surely belong.

Amendment 21 would provide a further important element of accountability. This would oblige the Government to deliver a review of the impact of using

the powers conferred by clause 89 on tax receipts. This amendment would deliver greater transparency around the true impact of the Brexit deal that the Government have negotiated. It is vital that we have that data available so that we can discuss this in depth and quickly identify if a particular impact has occurred.

In amendment 22, the Opposition are also calling for a review of the Brexit powers being handed to the Treasury. This amendment would require the Chancellor to publish a statement assessing how the powers handed to the Treasury in this Bill would be applied respectively to Great Britain and Northern Ireland. We tabled this amendment because we need urgently to establish whether these powers will cause disparity in the treatment of Northern Ireland in comparison to the rest of the UK. Members may ask why there is urgency on this point, but it is clear from the draft withdrawal agreement that under the so-called backstop arrangement Northern Ireland will maintain a regulatory alignment with the European Union. This is the case in particular in relation to EU customs law, but it also applies to compliance with elements of single market regulation in areas such as the technical regulation of goods, agricultural production, environmental regulation, state aid and other areas of north-south co-operation between Northern Ireland and the Republic. Northern Ireland will also be included in parts of EU VAT and excise regimes and in the EU single electricity market, so Northern Ireland's compliance with EU rules and regulations will be enforced by the EU Commission and the European Court of Justice.

With this in mind, it is clear that the powers handed to the Treasury by this legislation may not be applicable to Northern Ireland in the legal and regulatory areas under which EU authority remains supreme. We therefore seek a review of where each of the powers being granted to the Treasury can be applied in the event that the Prime Minister's draft agreement successfully passes. This is clearly a very important amendment, and one which we hope Members of the Democratic Unionist party will also see value in passing. We therefore call on all Members of the House to look carefully at amendment 22 and support it in the Lobby.

Finally, new clause 17 would require the Government to publish a review of the effectiveness of introducing a UK carbon emissions tax in the event of a no-deal Brexit, in terms of helping the UK to meet its carbon emissions targets and carbon reduction commitments. The new clause builds on Labour's commitment to ensure that 60% of the UK's energy comes from zero-carbon or renewable sources by 2030.

It is worrying that making provisions for collapsing out of the European emissions trading scheme and all the benefits and economies of scale that it brings is one of the scant mentions of green issues in this Finance Bill. Our exit from the European Union cannot be used as an excuse to take a step back from action on climate change, as was outlined starkly in the report published last month by the Intergovernmental Panel on Climate Change. As I highlighted in my Second Reading speech last week, we are already lagging behind our European counterparts on green finance, as they are forging ahead with sovereign bond funds and mandatory climate disclosure laws. Our new clause would ensure that the Government were held accountable for making progress on reducing emissions, without using Brexit as an excuse to stall.

Joseph Johnson (Orpington) (Con): I have arrived late to the debate, relatively speaking, having been detained by the trains in my previous role.

I wish briefly to address amendment 14, tabled by the hon. Member for Streatham (Chuka Umunna). We stand at a critical moment in our nation's post-war history, and the decisions we take in the next few days and weeks will shape not just what happens over the next few months and years but our entire lifetimes. It is vital that we take these decisions in full possession of the facts and that we are answering the right questions. I believe amendment 14 will help us to do exactly that.

The Government are attempting to frame the choice before us in a binary way: the Prime Minister's deal or no deal at all, which is effectively vassalage as rule takers on the one hand, or chaos and disruption on the other. As I said in my resignation letter last week, I believe that to present the country with this narrow choice represents the single greatest failure of British statecraft since the Suez crisis in the 1950s, for neither choice is in the national interest. Amendment 14 rightly seeks to expose this for what it is and will make clear everything to full public scrutiny. Both options—deal and no deal—are significantly worse for the UK than our present arrangements, and the amendment will make that clear by requiring the Government to be transparent.

Any serious appraisal of a major policy change needs to measure the costs and benefits against a clear economic baseline. Indeed, the Green Book—the Treasury manual on how to appraise policies, programmes and projects—states clearly that the Government's preferred course of action must always be assessed against a “do nothing, business as usual” benchmark. If the business as usual option—in this case, staying in the EU—were not to be included in any such appraisal, the process would be contrary to the Government's own manual, in addition to being clearly below the standard applied in any well-run business.

I am worried and concerned that it appears to have taken an amendment that the Government would have been in no position to overturn to secure their commitment that this full appraisal will eventually be published in time for it to be fully considered by Members of this House before the meaningful vote. Members need to know detailed information about this appraisal. We need to know the impact, region by region and sector by sector, because the impact, as hon. Members have made clear, will vary sharply around the country. We also need to know which groups in society will suffer the most, relative to other courses of action available to us as a country. I would be grateful if the Minister, in his winding-up speech, could confirm that that will form part of the appraisal that the Government publish and that the OBR will provide an independent assessment of the Government's appraisal.

If we have learned anything from the chaos of the past 30 months, it is that facts are sacred. This debate has been characterised by falsehoods and misinformation from day one. It is extraordinary that we have now had to force the Government, at this relatively late stage, to publish the vital information necessary for an informed public debate. Some may say that this horse has long bolted, but I say it is better late than never. I believe that amendment 14 will go some way to righting this wrong.

Given that the reality of Brexit has proved to be so far from what was once promised during the campaign, the democratic thing to do is not just to accept amendment 14, as my hon. Friend the Minister has done, and to publish the like-for-like economic analysis showing how costly this Brexit will be, but to give the public the final say about whether they really want to proceed on this hopeless basis.

Chuka Umunna (Streatham) (Lab): It is a pleasure to follow the hon. Member for Orpington (Joseph Johnson), who kindly spoke in favour of amendment 14. The amendment is in my name and in those of the right hon. Member for Broxtowe (Anna Soubry) and 70 other Members from all parts of the House. I want to take this opportunity to thank all the Members who have supported this amendment.

As the Minister said, what we were seeking to do with this amendment to clause 89—as he says, the clause allows the Government to make amendments to UK tax law—is to ensure that this House is provided with all the information needed for it to come to an informed decision. The Prime Minister made a very important admission last week, both outside No. 10 and in this House, where she moved on from the falsehood that has been peddled by too many, which is that this House has only two choices: the withdrawal agreement that has been presented by the Government, or leaving without an agreement at all. She moved on from that to the very clear choice that we now know faces this country: no Brexit, no deal or the agreement that the Government are putting forward. As may already have been said in this debate, this is arguably the biggest decision that this House will be making since the second world war, and it is absolutely vital that we are provided with the requisite data in order to come to an informed decision.

For the benefit of the record, our amendment seeks to make the exercise of the powers sought in clause 89, which the Minister mentioned, subject to the publication of a proper economic impact assessment of, and comparison between, each of the three scenarios the Prime Minister has set out before any meaningful vote on the withdrawal agreement takes place under the provisions of the European Union (Withdrawal) Act 2018. It is true, as the Minister said, that this Bill is likely to become an Act after the meaningful vote, but the amendment we have tabled is worded in such a way that its provisions will need to have been complied with before the meaningful vote in order for the powers under clause 89—to keep the tax system running in the event of no deal—to be usable.

I want very quickly to explain why we felt it was necessary to table this amendment and to deal with the three principal objections, which have been made in the House before, standing in the way of providing the information that this House needs to make a decision.

Kevin Hollinrake: I think it was Mark Twain who first said, “You should never make predictions, particularly about the future”. The hon. Gentleman refers to these forecasts as data, but does he accept that they are not data? They would simply be predictions, and as predictions they are inherently unreliable because they cannot take into account the reaction of business to the different scenarios we may be in. Does he accept that they are simply a forecast and cannot be relied on as facts?

Chuka Umunna: The hon. Gentleman intervened at precisely the moment when I was about to deal with that point, which is one of the three objections that are raised to our being provided with this important information. I will go through each of them, and I will address his point.

The first argument that is usually put up as to why the House should not be provided with the relevant economic impact assessments, which the Government are producing internally in any event, is that publishing that analysis would undermine the ongoing negotiations. That is clearly ridiculous. The leaking of the cross-Whitehall economic impact assessments by BuzzFeed in January had no obvious impact on the Government's negotiating position vis-à-vis the European Commission, and frankly it is not as if those on the other side of the negotiating table will not have access to similar economic forecasts and models so that they can come to similar conclusions.

9.30 pm

The second argument, which I would argue is more distasteful, is that Treasury forecasts cannot be relied upon—not because of their accuracy, which the hon. Gentleman just referred to, but because they have somehow been rigged. The Brexit champions, most of whom sit on the Government Benches, tell us that the Treasury is stuffed full of civil servants whom they describe as remainiacs, remoaners and God knows what else, and who they suggest doctor the figures to say what they want. I say to the civil servants here today and those listening that there is no shame in believing, as I do, that the best deal with the European Union is the one that we have now.

I want to say very clearly on the record that the routine denigration of our civil servants, in all Departments, and the questioning of their independence by the European Research Group is a complete and absolute disgrace. These are dedicated, faithful public servants doing their jobs, and they do not deserve to have their motives impugned.

I note that these champions of the Brexit cause take issue with the accuracy and independence of Treasury forecasts when they are on Brexit issues, but when it comes to the impact of austerity on the public finances or changes to benefits—the cack-handed introduction of universal credit, for example—they are never shy of quoting official forecasts that suit them.

Let us not forget that those who question the robustness and accuracy of forecasts do not exactly have a very good record of forecasting themselves. Let us not forget what the now ex-ex-Brexit Secretary, the right hon. Member for Haltemprice and Howden (Mr Davis), said. This guy said that we would get a free trade and customs agreement concluded before March 2019. The right hon. Member for Wokingham (John Redwood), who is often in debates such as this, told us:

“Getting out of the EU can be quick and easy—the UK holds most of the cards”.

And as we all know, the former Foreign Secretary famously went around the country in a big red bus proclaiming that Brexit would lead to £350 million a week extra going into the NHS.

Then, of course, there has been the ultimate forecast from these people over the past 48 hours. This ERG has been going around stamping its feet and telling us all that if it does not get the extreme form of Brexit that it

wants, the poor Prime Minister will have these 48 letters going in calling for a vote of no confidence in her. As far as I am aware, she is still sitting in Downing Street right now. I do not know whether the ERG has hit the 48 letters it said there were going to be, but the bottom line is that these individuals, who impugn the motives of Treasury civil servants and call into question the accuracy of their forecasts, are in no position whatsoever to lecture any of us on the accuracy of forecasts given the huge, outlandish claims that they have made over the past few years.

Luke Graham (Ochil and South Perthshire) (Con): The hon. Gentleman talks about statistics. Does he not agree with me that many Members—this is shared across the House—use statistics as a drunk man uses a lamppost: for support, rather than illumination? Will he join me in trying to strengthen the Office for Budget Responsibility, so it can have more resources and ensure the statistics presented to the House are objectively verified?

Chuka Umunna: I have to say that when I gave way to the hon. Gentleman I did not imagine I would actually end up agreeing with what he said. He pre-empts my final point, which is that I understand the general worry about the accuracy of official forecasts. The bottom line is that we are never going to get forecasts that are 100% accurate, but we have to work with a certain number of assumptions to make policy, as I am sure he will discover if he has the privilege of serving in government.

On the point he makes about the OBR, I was quite careful in how I drafted the amendment. Its powers and capacity from a resource point of view are circumscribed, but there is no reason why we should not change the statutory remit of the OBR. At the very least, for those who worry about the accuracy of forecasts, we could see whether the OBR would be prepared to do an evaluation on the methodology and the techniques it uses to produce the forecasts by the Treasury.

Dr Sarah Wollaston (Totnes) (Con): Does the hon. Gentleman agree that this issue relates not just to future forecasting? The Health and Social Care Committee has been hearing that hundreds of millions of pounds are already being spent by pharmaceutical companies on no-deal contingency planning—money that would be far better invested in our NHS.

Chuka Umunna: I could not agree more with the hon. Lady.

I will finish by saying this: the reason we tabled the amendment, and why I think so many colleagues on all sides of the House supported it, is because ultimately it is an assertion of parliamentary sovereignty. If the House were denied this really important information in order to come to a considered informed view, it would make a mockery of the argument that says the reason for withdrawing from the European Union is to assert parliamentary sovereignty.

I did not expect to be in this position at the beginning of today. I am grateful to the Minister for making this important concession and for making the promise, at the Dispatch Box, that we will get the economic impact assessments that we sought to secure through the amendment. Given the firm commitment he has made

to the Committee, I will not be pressing the amendment to a vote. I would like to take this opportunity to thank all Members who supported it. Ultimately, we have done this because we think it is important that our constituents understand why we make the big decision that we are going to have to make in the next few weeks.

Justine Greening (Putney) (Con): I was a signatory to amendment 14 because I think that good policy making needs good evidence at its heart. That is what the amendment sought to do. I think we all recognise that the debate on our future relationship with the European Union has often been characterised by facts that have turned out not to be facts, and, far too often, by lofty ideals and phrases that have had little meaning to back them up in practice. It is now time, as we come to possibly the most crucial parliamentary debate in 50 or 60 years, for Members to have the information they need to be able to take an informed decision—and, dare I say, for members of the public to have the information they need to be able to convey to their own Members of Parliament what they think about that information and why they want their MP to vote accordingly.

I welcome the statement the Minister made at the beginning of this debate, in which he set out his plans to provide more information to the House. Along with the rest of the Treasury, he will play a vital role in ensuring that we have an informed debate. I was one of those MPs who earlier this year went to the Reading Room—I actually went three times—to wade through the Treasury analysis. I would like a similar level of detail so that, again, Members are able to analyse the impact of the three different choices facing our country, as the Prime Minister has now set out: whether we have the deal that she proposed, whether we leave effectively with no deal, or whether we keep the existing deal with the European Union. I would like a level of analysis that includes a sectoral split in relation to the different impacts of the different deals on different sectors, as well as a regional and geographical split, so that we, as Members of Parliament representing very different communities in very different parts of the country, can really understand what the geographical impact of Brexit and the options will be.

I would like the analysis perhaps to go beyond what we originally had from the Treasury, so that we can understand what the impact on GDP might be for employment and jobs. There will be many MPs who do not believe that unemployment is a price worth paying for some of the options on the table. I believe that MPs and communities have a right to be informed about the risks to local jobs before casting their votes in favour of different options. Of course, we need to see, for all the options, the impact on public finances, both in the short and longer terms. I know that the Minister has in mind a period of 15 years for forecasting. I think that that is absolutely necessary for us to see not just the immediate shorter-term effect, but the medium and longer-term structural impacts of any route forward on our economy.

Kevin Hollinrake: I know that my right hon. Friend is in favour of a people's vote that would have three different options—deal, no deal, or remain—but as she will concede, it was difficult enough to explain the different implications to people in the first referendum, even with a binary choice, and there were a lot of

different opinions about those implications. How easy does she think it will be to explain what the outcomes and implications of all those three different options might be?

Justine Greening: I have no doubt that at the last election, at which my hon. Friend was elected, there were many different candidates on his ballot paper, and I do not think that his constituents were prevented from making the very fine choice they made. They were quite capable of working their way through the different options. This House has MPs representing very different parties and communities, and again, the electorate have been perfectly capable of working their way through what, as we all know, are often very lengthy and different party manifestos. Like any election, this is a choice about the future. There are different choices, just like in any election, and we should not limit the choices to two just for the sake of it. Arguments can be made for having a two-choice referendum, but saying that it is too complicated for the British public is not one that holds in practice. This is a British public who regularly choose between many different alternatives and indeed, in some elections, are sophisticated enough to vote tactically to get the outcome that they want.

My proposal, as my hon. Friend may be aware, is that people have not just one but two other choices. That will enable them to pick their own compromise, because it is clear to me that this House will not be able to reach a compromise and will just vote against all the different paths. I have no doubt that we will come back to that debate and I very much respect the different views that people have in this House. This is an important debate and we need to get a route forward. I simply reflect on the fact that my view remains as it was back in July. Regrettably perhaps, this House is gridlocked, and my advice now, as it was back then, is that, rather than ignoring that fact, we have to confront it as a Parliament, however difficult that is. We need to make a proposal on how to get through it, so that ideally, we do not reach that moment of crisis when we have seen every single option ahead of us on Brexit voted down.

I was quite surprised, when the Treasury did its previous impact assessment, that more MPs did not go to the Reading Room to look at it. As I understand it, about 60 MPs out of 650 booked themselves time to look through the analysis. It is crucial that MPs look at it. I thought it was important to do so, but clearly if MPs find it hard to go to the Treasury, the Treasury must go to MPs. I would very much recommend that that analysis be sent out to every Member and, if he can, that the Minister finally sets out what he means by publishing analysis “in good time”. If Members have parliamentary questions to submit, clearly it is important that the House should have time to scrutinise it all properly.

9.45 pm

The Prime Minister has acknowledged, as has the hon. Member for Streatham (Chuka Umunna), to whom I pay tribute for tabling the amendment, which I support, that there are three options facing our country. It means that we do not have to have a divisive debate about what direction we take. We can simply reflect the fact that there are three options and that they all have pros and cons. We need to have a measured debate, not a divisive one, but whether it is divisive will depend on all of us

and how we conduct ourselves over the coming weeks and on whether we can accept that people have different views, respect those views and then engage with them constructively.

I have no doubt that the analysis the Treasury will produce, having conceded on this amendment, will be one of the ways by which we give ourselves and the country the chance to have an informed debate on the most important question to have faced this country in over half a century.

Kirsty Blackman: I rise to speak in favour of SNP amendments 7 to 10 and new clauses 10 and 11. I would also like to mention amendments 14, 15, 22, 20 and 2 and new clause 17, all of which we would be comfortable supporting, if any of them are pushed to the vote.

There has been a lengthy discussion across the Committee on trade deals. People are confusing free trade agreements and trade deals. It is perfectly possible to make arrangements that improve the flow of trade without signing an FTA; they are two very separate things. It is not understood widely enough that any trade agreement between countries involves compromise. Whatever is signed up to between, let's say, the UK and the USA will involve the UK having to give some things away as well as gaining something.

The consultation on trade deals looked at trade deals with New Zealand and Australia, with the comprehensive and progressive agreement for trans-pacific partnership, and with the US. However, despite the fact that UK Government Members have talked about how important our trade is with countries such as South Korea and how fast it has grown, the Government have not consulted on that and they did not do so because we have those trade deals already, as a member of the EU. That is why our trade has grown so quickly with South Korea.

Thank you for your indulgence, Dame Rosie. I will move now to the actual subject of the debate. Our amendment 7 asks that clause 89 be subject to the affirmative resolution procedure. I appreciate that the Minister has put a list in the Library, and I will take a look at the list of tax changes he proposes to make under the clause, but I am on the Committee that is sifting the statutory instruments the Government are bringing forward, and some of those SIs that the Government think should be taken under the negative procedure should never have been so proposed. Some are fairly dramatic changes to the law—to powers or new institutions, for example—and yet are being put to the statutory instrument sifting Committee as negative instruments.

I hope that the Minister will forgive me, but I do not trust the Government to introduce only measures in the category that we believe should be subject to the negative procedure. I will look carefully at that list, but I will still press amendment 7, because, given my experience of Ministers, I do not yet have the level of comfort that I need.

Robert Jenrick: I hope that in due course the hon. Lady will have an opportunity to read the letter that is in the Library and see that these are truly minor technical amendments, changing, for example, a reference to the EU to a reference to the EU and the UK, and a reference to euros to a reference to pounds sterling. I hope that, in due course, she will be comfortable with those minor technical changes.

Kirsty Blackman: As I have said, I will definitely read the letter. However, I draw the Minister's attention to the House of Lords Committee that met, I understand, on 17 November—or possibly not, as that was at the weekend, but very recently—to discuss the Finance Bill 2019. Someone drew my attention to an article by Wendy Bradley, which talks about HMRC's powers and about power creep. Wendy Brady says that

“it is incumbent on Parliament to determine whether the powers it has given HMRC are sufficient and being exercised correctly”.

That, in my view, is important in relation not just to HMRC, but to the powers of the Treasury and the powers of Ministers. I think it important for Parliament to consider what delegated authority we are handing over, whether to the Minister, to the Treasury, to the Chancellor, or to HMRC directly. As I have said before, the Government do not adequately review these matters, publicise those reviews and repeat them regularly. It is important to have a handle on this, especially now, when so much delegated authority is being given to various institutions. It is important for someone to have an idea of how much power has been taken away from Parliament and ceded to those institutions and for there to be a regular review of whether it is still necessary for it to be in their hands.

Let me now say something about the release of the analysis and the changes that the Minister has said he will make. I praise the hon. Member for Streatham (Chuka Umunna) for his work and his amendment and for creating the real change that we have seen in the Government's position today. It is important for us to be able to support and trust that analysis—to believe that it is accurate. Mention of the OBR was positive in that regard, because people trust that the OBR is an impartial observer of these matters.

The hon. Member for Ochil and South Perthshire (Luke Graham) initiated a debate in Westminster Hall about the OBR's remit, and I found it incredibly interesting. I learnt a huge amount about the workings of other organisations around the world. We do not have an organisation that reviews Government policy impartially across the board because the OBR's remit is so tight, being confined to scrutiny of budgetary matters. I was pleased to support the hon. Gentleman that day. Widening the OBR's remit would be extremely useful, because, as I have said, people out there trust the OBR to get this right.

A status quo baseline against which all the options should be compared is important, and I am pleased that the Minister referred to it. What was said about whether the analysis will be produced in good time was also important, especially given the lack of time that we had to scrutinise the Bill and the short period during which it was in our hands before we had to talk about it on Second Reading. It was only published on the Wednesday, and then we had to stand up and talk about it on the Monday. Let me say again that if the Government want us to trust, they need to gain that trust, and they must therefore produce legislation in what is actually good time, rather than what they say is good time.

Obviously, everything in the Bill is a prediction. Everything in the Red Book is a prediction for future years. Everything that the Government predict, in terms of their tax take for the changes to entrepreneurs relief or anything else in the Red Book, is a prediction. We have to work on that basis, but we must have the best possible predictions, and, as I have said, they must be

looked at by an impartial observer so that we can be absolutely sure that they are as close to accurate—or as close to a best guess—as they can possibly be.

Jonathan Edwards: A number of Members have talked about the upcoming votes being the most important votes that we will ever undertake as Members of Parliament. Does the hon. Lady therefore agree that it is vital that the independent assessment should be published in the public domain, so that our constituents can understand the decisions that we are making? We should not have to have one of those Reading Room scenarios, as we did with previous assessments.

Kirsty Blackman: I agree. The Reading Room provided for the cross-Whitehall analysis was not fit for purpose, in that I could not go there and mull over the papers in the way that I would normally do. Generally, if I am presented with a Finance Bill, for example, I will sit at home and read it. That is what I like to do on a Saturday night. I will sit at home and read these things. We have to be able to access any analysis that is published in a way that suits us, and releasing it publicly would be the best possible way to do this. Another reason for doing that is that the external stakeholders could provide their comments in the best possible way, so I entirely support the hon. Gentleman's suggestion.

New clause 11 asks for a report on the consultations that have, or have not, been carried out in relation to the tax measures. As I said on Second Reading, not enough of the tax measures in the Bill were consulted on this year. I understand that there were more such consultations in previous years. If we do not want the Government to have to row back next year because they have screwed something up as a result of inadequate consultation, it will be important for these tax measures to be published and consulted on and for us to get the expert advice that we need from the stakeholders.

Clause 90 is just bizarre. I read it, and then I had to go back and read it again because I could not believe that a clause would give the Government the power to spend whatever they liked. It does not cap the spend on the emissions reduction trading scheme's preparatory expenditure. I was genuinely confused about how the Government could propose that. The clause will give the Government *carte blanche*. Our amendment 9 and our new clause 10 ask for a Commons resolution and an expenditure review before that expenditure can take place. We think it reasonable—and I am sure the general public would think it reasonable—that if the Government want to spend money on something, they should tell us how much they intend to spend.

The Government are spending money to stand still. This is a cost, and the Government have to spend the money for things to be exactly the same after Brexit as they are today. It is a cost that we would not have if we were not leaving the European Union. The Minister talked about the estimates process. I am pleased that he is as interested and excited by the estimates process as I am. I talk on the estimates whenever I possibly can. There are two parts to the estimates process: one in February and the other in July. I am not sure whether this money counts as in-year spend or as part of next year's spend. We might be able to discuss it in February, which would be great, because at least that would be before we leave the EU. However, if it is classed as next

year's expenditure, we might not be able to discuss it until July, by which point the money will have been spent.

Patrick Grady (Glasgow North) (SNP): We can discuss this all we like during the estimates process, but does my hon. Friend agree that it is incredibly difficult to actually vote on any of this? Despite all the promises made when the English votes for English laws system was introduced, it really is impossible for Members of Parliament to have a say on specific aspects of Government spending through the estimates process.

Kirsty Blackman: That is absolutely the case. The Minister's comments about the lack of ability to scrutinise spend in the Finance Bill were incredibly illuminating. The reality is that we cannot adequately scrutinise or amend spend anywhere. I was talking to some people about the Budget process and the Finance Bill in the last couple of weeks, and about how the two fit together. I explained that we discuss tax in the Finance Bill, but that we do not discuss spend until the estimates process. Some spending measures will come through, at which point we will sanction them. For example, if the immigration Bill comes forward, we would imagine that it would have some spend associated with it, and we will debate that spend at that time. But a huge proportion of the billions of pounds that the Government spend on a regular basis is only ever discussed during the departmental estimates, which we cannot amend or change. I do not understand how we can have a Parliament that is supposed to be so powerful and supposed to be taking back control when we do not have control over Government spend, which is surely fundamental to how the Government behave.

10 pm

I am a bit on my high horse in relation to Government tax and spend, but this is incredibly important. Surely, one of the most important things that we do is to scrutinise the Government's spending, and we are not able to do it adequately because the rules of this House bar us from doing so. We cannot scrutinise tax adequately in relation to this Bill because the Government have failed to introduce an amendment of the law resolution, so we cannot propose anything tangible or very tangible. Then the Government will stand up in the Public Bill Committee and say, "They are just asking for a review. We are going to say no because it is just a review." We are asking for a review as we cannot move anything that has any actual effect because the Government are not introducing an amendment of the law resolution. This part of the Bill, particularly clause 90, really bugs me. I was really annoyed that there was a total lack of clarity from the Government—that the explanatory notes did not even say how much they intended to spend on this.

In relation to the minor and consequential amendments, I am very pleased that the Minister has put forward a list of the proposed changes that he intends to take place. In reality, however, even though he has put forward this list, he is not held to it. He is given more wide-ranging power than it actually appears from that list. Therefore, he could in future, because of the powers that are being given, introduce something that is not on the list. We will be looking to press amendment 7.

Grant Shapps: I rise briefly to address clause 89, which is on an amendment to tax legislation in consequence of EU withdrawal, and to make one specific comment to the Minister that I hope he will take on board and do something about.

I chair the all-party parliamentary group on general aviation, which has as its membership 177 Members from across this House and other place. There is a particular issue that I am very keen for the Minister to know about in relation to pilot training. According to Boeing, the world will need 790,000 more pilots in the next 20 years. The UK, with English as our language and with our history in aviation, should be in an absolutely key place to train new pilots, but there is a massive problem: in this country, people have to pay for that training themselves. It costs about £100,000, and then the Government charge £20,000 VAT on top of that. The all-party group has taken up this issue with the Chancellor of the Exchequer. He tells us that it is tracked into EU regulations and there is nothing that we can do about it during our time within the EU. However, I want to make an impassioned plea to the Minister to have a really good think about what we could do with regard to clause 89.

It is clear and obvious—one need only travel on an aircraft anywhere to realise this—that the pilots in this country, and indeed worldwide, but in this country generally, are nearly all male, nearly all middle-class and nearly all from backgrounds where families might say, “I’ll tell you what—we’ll remortgage our home and let you go and spend £120,000 on learning to be a commercial pilot.” That puts off too many people from too many hard-to-reach sections of society. That puts off a lot of people, particularly women, who we want to persuade into these very well-paid STEM—science, technology, engineering and maths—jobs, which really should be the future for this country.

Sir Roger Gale (North Thanet) (Con): The ambassador for the all-party group is Carol Vorderman, who has probably done more than any other single living person to try to encourage young women to take up aviation as a profession, but the young women she is trying to persuade are hitting the buffers all the time because they are coming up against this cost. That is driving our trainee pilots overseas to places like Spain, which does not have the VAT, when we ought to be training them at home. Should this not be taken on board by the Treasury?

Grant Shapps: My hon. Friend is absolutely right. This is a crazy situation. We are driving pilot training out of the UK, but English is the language of the air and should be our natural advantage. Our ambassador for the all-party group Carol Vorderman regularly reminds us that she wanted to go into the Air Force but was rejected, not through any lack of knowledge, STEM education or mathematical ability, but because she was a woman. It cannot be right that our Government are not able to address this.

I am very hopeful that the Minister will take on board clause 89, which will allow the amendment to tax legislation in consequence of leaving the EU, to do what other EU countries have somehow already managed to do—such as Spain, which does not charge VAT on pilot training. This gives us an enormous opportunity as a

country to take a big chunk out of the global pilot training market, which should be, in effect, a massive export for the UK.

While we are on the VAT issue, I have one other point. This country has the ability to lead aviation into a much quieter, cleaner and more environmentally friendly future. The future of aviation eventually is to have electricity in planes—electric planes—but that will not happen without having the same dedication and enthusiasm that this Government and the previous one showed towards electric vehicles transferred to electric aviation.

This is a revolution in aviation that is coming, but it would be very encouraging if we saw the UK lead the way, and, again, this is in no small part down to how VAT is treated, in terms of not only pilot training but the inquiry, investigation, research and development that goes into electric aircraft.

The all-party group is starting a STEM aviation working group headed by a fantastic woman called Karen Spencer from Harlow College. It has the aviation STEM college at Stansted airport, where it is training 294 youngsters this year and over 500 young people next year in STEM aviation qualifications. I encourage the Minister to go and see it for himself. I believe that if we work together on this we can make aviation a much more inclusive profession, and it starts with clause 89 and what can be done under these amendments to tax legislation in consequence of EU withdrawal.

Vicky Ford: I too wish to speak about clause 89, which allows the Treasury to make minor amendments to tax legislation after we have left the EU.

EU tax issues are often extremely controversial. I think back to EU tax decisions I have seen in the past, such as the decision not to introduce a financial transaction tax, which this side of the House always strongly objected to but the other side would strongly have proposed at a European level. We objected to it because we felt it would have unintended economic consequences. Then there were the changes to the VAT MOSS—mini one-stop shop—situation for digital tax for small businesses. These decisions were taken without deep consultation or deep impact assessments, but were then found to have a huge number of unintended consequences. There were also the controversial issues to do with VAT on tampon taxes that sometimes came back.

Anneliese Dodds: It is important that Members are not misled, and it is important to say for the purposes of accuracy that a number of EU countries are looking to move forward with a financial transactions tax through the open method of co-ordination that I know the hon. Lady is very well aware of through her expert knowledge of the EU.

Vicky Ford: That brings me back to the point I was making: EU taxation matters can be hugely controversial, partly because decisions affecting tax at an EU level are often unanimous decisions, and therefore it would be very difficult for one member state to change them if a decision has gone wrong. Because they are so controversial it is worth thinking about the delegation of powers given to Ministers here. Indeed, during my time looking at European matters, I long argued for the concept of better regulation before decisions were made. People should be consulted and impact assessments published.

Only after the assessments have been made public and the views of stakeholders who might be affected taken into consideration should decisions be made.

That is why I sit on ESIC, the European Statutory Instruments Committee, to which the hon. Member for Aberdeen North (Kirsty Blackman) referred. It was a Committee that I argued we needed. She suggested that when it decides to change a negative instrument to an affirmative instrument, that is because of some controversy with the Government's decision, but by establishing that Committee, under the excellent chairmanship of my right hon. Friend the Member for Derbyshire Dales (Sir Patrick McLoughlin), we can ensure extra transparency in these complex decisions. I genuinely believe that we should think carefully before giving delegated powers to Ministers. However, clause 89 is very much about making minor decisions. It is tightly worded, and I do not believe that the amendments tabled by Opposition Members are necessary, as they would cause over-complexity. Amendments under clause 89 would be necessary, were we to leave the EU without a deal.

I am absolutely convinced that leaving the EU without a deal is not in the interests of this country, and I am glad to hear Ministers confirm that. However, I would also be glad to hear Ministers confirm that they will give Members a great deal more detail about the impact assessments of a no-deal scenario and a deal scenario, and also how that compares with remaining a member of the European Union, before our final vote on the withdrawal agreement, so that we can all be fully apprised of the impacts and make our decisions wisely.

Kevin Hollinrake: I want to speak first to amendment 14. The hon. Member for Streatham (Chuka Umunna) is no longer in his place, but he said that all the choices before us were the worst possible choices and worse than the deal that we have today. I was certainly not someone who campaigned to leave the European Union—I have my reservations about our departure from an institution of which we have been a member for effectively 45 years—but we should not ignore the opportunities that lie ahead of us.

I do not look at these things through rose-tinted spectacles, but many years ago, following protests by those concerned about the impact on their livelihoods of imports from India by the East India Company and the successful lobbying of their Members of Parliament, legislation was introduced from 1700 called the Calico Acts, which banned all imports of calico—rough-cotton cloth—from India. That gave rise to the industrial revolution, because at that point we could not produce enough calico, so Watt linked his steam engine to Hargreaves's spinning jenny and mass production resulted.

Martin Docherty-Hughes (West Dunbartonshire) (SNP): The hon. Gentleman mentions the historical Calico Act. He does know that it also impoverished the people of India, rather than just creating the industrial revolution.

Kevin Hollinrake: The hon. Gentleman may well be aware of that fact, but that is not the point that I was making. I am not keen to impoverish people from any nation; the point is that what happened gave rise to a huge opportunity. Amendment 14 looks at one side of the equation, as if we can rely on a Treasury forecast simply as fact. It does not take into account the other

side of the equation, which is that business will respond to the future framework that it is part of. There are concerns about the future, but there are also opportunities.

I want to talk mainly about clauses 68 to 78, which concern our carbon emissions. The hon. Member for Stroud (Dr Drew) seemed to imply that we were not succeeding at reducing our carbon emissions, but actually the UK is fifth in the world in the climate change performance index, a German-based index published every year by Germanwatch. We are ahead of many countries that people might think would be ahead of us, including France, Italy and Germany. I cannot say that our climate change credentials are second to none, but they are second to those of only four other countries. Every other country that we might mention—other than, I think, Norway, Sweden and Lithuania—is behind us on that performance index. We are performing admirably in carbon emissions, but we need the right mechanisms to enable us to continue that success. The carbon emissions tax that the Exchequer Secretary to the Treasury described earlier is a good framework to ensure that the carbon price is right and business has stability in the undesirable event of a no-deal situation.

10.15 pm

Vicky Ford: Does my hon. Friend agree that stability in the carbon pricing regime is as important as any other area of business legislation? That is why it is important that we deal with the devil in the detail in the Bill.

Kevin Hollinrake: My hon. Friend makes a good point. Above all, business is looking for stability. It is absolutely right that in the worst-case scenario, in which we end up with no deal, we have a stable framework to enable us to manage our future trading relationship with the European Union.

Vicky Ford: Does my hon. Friend agree that although the clause is helpful in giving some stability, it does not give anything like the level of stability that would be delivered by a negotiated exit?

Kevin Hollinrake: It is hugely important that we have the negotiated exit that we all want. No deal is the worst possible option, and it is not where we want to go. Nevertheless, we cannot take no deal off the table.

I return to my key point about our future energy emissions and ensuring that we reduce our carbon emissions wherever we can. We are world leaders in moving our electricity production away from coal, which we have committed to phasing out by 2025, and into gas.

James Heapey (Wells) (Con): My hon. Friend has done an awful lot of research into the energy mix that we might require to achieve those targets. Does he agree that carbon pricing sends an important signal to ensure that the phase-out of coal is delivered on time and that other technologies—such as gas and renewables—come online to enable us to hit those targets?

Kevin Hollinrake: My hon. Friend is absolutely right. He has a great deal of knowledge in this area, too, and I absolutely defer to it. This discussion about the most energy-efficient way to produce our electricity has run throughout my parliamentary career. I know that my hon. Friend is not a big fan of shale gas, but there are

[Kevin Hollinrake]

petroleum exploration and development licences right across my constituency. Over the last three years I have not had a frack-free day; in fact, I spent some time out in Pennsylvania looking at shale gas exploration out there. The US has used shale gas to excellent effect in reducing its carbon emissions.

James Heapey: My hon. Friend is very kind to give way a second time. The issue is not necessarily where the gas comes from, but the fact that it is an important part of our future generation capacity and it is, for now, indispensable to the delivery of heat. Whether it is delivered onshore or elsewhere is not necessarily the important part of that debate.

Kevin Hollinrake: It is interesting; my hon. Friend says that the point is not where gas comes from, but imported gas has a larger carbon footprint. That is particularly true if it is put in large ships that go from Qatar to the UK, in which case its temperature has to be reduced to about minus 156 °C in order to liquefy it. If we produce gas domestically, its carbon footprint is much smaller, and that is why shale gas makes sense. As he knows, we import about half our gas, but by 2030 we will be importing about 70% of it. It makes sense to produce something that we would otherwise have to import. On that point, I am happy to conclude, and I am grateful for the opportunity to speak.

Question put and agreed to.

Clause 68 accordingly ordered to stand part of the Bill.

Clauses 69 to 78 ordered to stand part of the Bill.

Clause 89

MINOR AMENDMENTS IN CONSEQUENCE OF EU WITHDRAWAL

Amendment proposed: 22, page 66, line 30, at end insert—

“(1A) The Chancellor of the Exchequer must, no later than a week after the passing of this Act and before exercising the power in subsection (1), lay before the House of Commons a review of the following matters—

- (a) the fiscal and economic effects of the exercise of those powers and of the outcome of negotiations for the United Kingdom’s withdrawal from the European Union giving rise to their exercise;
- (b) a comparison of those fiscal and economic effects with the effects if a negotiated withdrawal agreement and a framework for a future relationship with the EU had been agreed to;
- (c) any differences in the exercise of those powers in respect of—
 - (i) Great Britain, and
 - (ii) Northern Ireland;
- (d) any differential effects in relation to the matters specified in paragraphs (a) and (b) in relation between—
 - (i) Great Britain, and
 - (ii) Northern Ireland.”—(*Jonathan Reynolds.*)

Question put, That the amendment be made.

The Committee divided: Ayes 271, Noes 295.

Division No. 262]

[10.20 pm

AYES

Abbott, rh Ms Diane
Abrahams, Debbie

Ali, Rushanara
Allin-Khan, Dr Rosena

Amesbury, Mike
Antoniazzi, Tonia
Ashworth, Jonathan
Bailey, Mr Adrian
Bardell, Hannah
Barron, rh Sir Kevin
Beckett, rh Margaret
Benn, rh Hilary
Berger, Luciana
Betts, Mr Clive
Black, Mhairi
Blackford, rh Ian
Blackman, Kirsty
Blackman-Woods, Dr Roberta
Blomfield, Paul
Brabin, Tracy
Bradshaw, rh Mr Ben
Brake, rh Tom
Brock, Deidre
Brown, Alan
Brown, Lyn
Brown, rh Mr Nicholas
Bryant, Chris
Buck, Ms Karen
Burgon, Richard
Butler, Dawn
Byrne, rh Liam
Cable, rh Sir Vince
Cadbury, Ruth
Cameron, Dr Lisa
Campbell, rh Mr Alan
Campbell, Mr Ronnie
Carden, Dan
Carmichael, rh Mr Alistair
Champion, Sarah
Chapman, Jenny
Charalambous, Bambos
Cherry, Joanna
Clwyd, rh Ann
Coaker, Vernon
Cooper, Julie
Cooper, Rosie
Cooper, rh Yvette
Cowan, Ronnie
Coyle, Neil
Crausby, Sir David
Crawley, Angela
Creasy, Stella
Cryer, John
Cummins, Judith
Cunningham, Alex
Cunningham, Mr Jim
Daby, Janet
Davey, rh Sir Edward
David, Wayne
Davies, Geraint
Day, Martyn
De Cordova, Marsha
De Piero, Gloria
Dent Coad, Emma
Dhesi, Mr Tanmanjeet Singh
Docherty-Hughes, Martin
Dodds, Anneliese
Doughty, Stephen
Dowd, Peter
Drew, Dr David
Dromey, Jack
Duffield, Rosie
Eagle, Ms Angela
Eagle, Maria
Edwards, Jonathan
Efford, Clive

Elliott, Julie
Ellman, Dame Louise
Elmore, Chris
Esterson, Bill
Evans, Chris
Farrelly, Paul
Farron, Tim
Fellows, Marion
Field, rh Frank
Fitzpatrick, Jim
Fletcher, Colleen
Flint, rh Caroline
Fovargue, Yvonne
Foxcroft, Vicky
Frith, James
Furniss, Gill
Gaffney, Hugh
Gardiner, Barry
George, Ruth
Gethins, Stephen
Gibson, Patricia
Gill, Preet Kaur
Glendon, Mary
Godsiff, Mr Roger
Goodman, Helen
Grady, Patrick
Grant, Peter
Gray, Neil
Green, Kate
Greenwood, Lilian
Greenwood, Margaret
Griffith, Nia
Grogan, John
Haigh, Louise
Hanson, rh David
Hardy, Emma
Harman, rh Ms Harriet
Harris, Carolyn
Hayes, Helen
Hayman, Sue
Healey, rh John
Hendrick, Sir Mark
Hendry, Drew
Hepburn, Mr Stephen
Hill, Mike
Hillier, Meg
Hobhouse, Wera
Hodgson, Mrs Sharon
Hoey, Kate
Hollern, Kate
Hosie, Stewart
Huq, Dr Rupa
Hussain, Imran
Jardine, Christine
Jarvis, Dan
Johnson, Diana
Jones, Darren
Jones, Gerald
Jones, Graham P.
Jones, Helen
Jones, Sarah
Jones, Susan Elan
Kane, Mike
Keeley, Barbara
Kendall, Liz
Khan, Afzal
Killen, Ged
Kinnock, Stephen
Kyle, Peter
Laird, Lesley
Lake, Ben
Lamb, rh Norman

Lammy, rh Mr David
 Lavery, Ian
 Leslie, Mr Chris
 Lewell-Buck, Mrs Emma
 Lewis, Clive
 Linden, David
 Lloyd, Stephen
 Lloyd, Tony
 Long Bailey, Rebecca
 Lucas, Caroline
 MacNeil, Angus Brendan
 Madders, Justin
 Mahmood, Mr Khalid
 Mahmood, Shabana
 Malhotra, Seema
 Mann, John
 Marsden, Gordon
 Martin, Sandy
 Maskell, Rachael
 Matheson, Christian
 Mc Nally, John
 McCabe, Steve
 McCarthy, Kerry
 McDonagh, Siobhain
 McDonald, Andy
 McDonald, Stewart Malcolm
 McDonald, Stuart C.
 McDonnell, rh John
 McFadden, rh Mr Pat
 McGinn, Conor
 McGovern, Alison
 McInnes, Liz
 McKinnell, Catherine
 McMahan, Jim
 McMorrin, Anna
 Mearns, Ian
 Miliband, rh Edward
 Monaghan, Carol
 Moran, Layla
 Morden, Jessica
 Morgan, Stephen
 Morris, Grahame
 Murray, Ian
 Nandy, Lisa
 Newlands, Gavin
 Norris, Alex
 O'Hara, Brendan
 O'Mara, Jared
 Onn, Melanie
 Onwurah, Chi
 Osamor, Kate
 Owen, Albert
 Peacock, Stephanie
 Pearce, Teresa
 Pennycook, Matthew
 Perkins, Toby
 Phillips, Jess
 Phillipson, Bridget
 Platt, Jo
 Pollard, Luke
 Powell, Lucy
 Qureshi, Yasmin
 Rashid, Faisal
 Rayner, Angela

Reed, Mr Steve
 Rees, Christina
 Reeves, Ellie
 Reeves, Rachel
 Reynolds, Emma
 Reynolds, Jonathan
 Rimmer, Ms Marie
 Rodda, Matt
 Rowley, Danielle
 Ruane, Chris
 Ryan, rh Joan
 Saville Roberts, Liz
 Shah, Naz
 Sheerman, Mr Barry
 Sheppard, Tommy
 Sherriff, Paula
 Shuker, Mr Gavin
 Siddiq, Tulip
 Skinner, Mr Dennis
 Slaughter, Andy
 Smeeth, Ruth
 Smith, Angela
 Smith, Eleanor
 Smith, Jeff
 Smith, Laura
 Smith, Nick
 Smith, Owen
 Smyth, Karin
 Snell, Gareth
 Sobel, Alex
 Starmer, rh Keir
 Stephens, Chris
 Stevens, Jo
 Streeting, Wes
 Stringer, Graham
 Sweeney, Mr Paul
 Tami, Mark
 Thewliss, Alison
 Thomas, Gareth
 Thomas-Symonds, Nick
 Thornberry, rh Emily
 Timms, rh Stephen
 Trickett, Jon
 Turley, Anna
 Turner, Karl
 Twist, Liz
 Umunna, Chuka
 Vaz, Valerie
 Walker, Thelma
 West, Catherine
 Western, Matt
 Whitehead, Dr Alan
 Whitfield, Martin
 Whitford, Dr Philippa
 Williams, Hywel
 Williams, Dr Paul
 Williamson, Chris
 Wilson, Phil
 Yasin, Mohammad
 Zeichner, Daniel

Tellers for the Ayes:
Thangam Debonnaire 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
 Bebb, Guto
 Bellingham, Sir Henry
 Beresford, Sir Paul
 Berry, Jake
 Blackman, Bob
 Blunt, Crispin
 Boles, Nick
 Bone, Mr Peter
 Bottomley, Sir Peter
 Bowie, Andrew
 Bradley, Ben
 Bradley, rh Karen
 Brady, Sir Graham
 Braverman, Suella
 Brereton, Jack
 Brine, Steve
 Brokenshire, rh James
 Bruce, Fiona
 Buckland, Robert
 Burghart, Alex
 Burns, Conor
 Burt, rh Alistair
 Cairns, rh Alun
 Cartlidge, James
 Caulfield, Maria
 Chalk, Alex
 Chope, Sir Christopher
 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, rh Mr Geoffrey
 Crabb, rh Stephen
 Crouch, Tracey
 Davies, Chris
 Davies, David T. C.
 Davies, Glyn
 Davies, Mims
 Davies, Philip
 Davis, rh Mr David
 Dinenage, Caroline
 Djanogly, Mr Jonathan
 Docherty, Leo
 Double, Steve
 Dowden, Oliver
 Doyle-Price, Jackie
 Drax, Richard
 Duddridge, James
 Duguid, David
 Duncan Smith, rh Mr Iain
 Dunne, Mr Philip
 Ellis, Michael
 Ellwood, rh Mr Tobias
 Eustice, George
 Evannett, rh Sir 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
 Freer, Mike
 Fysh, Mr Marcus
 Gale, Sir Roger
 Garnier, Mark
 Gauke, rh Mr David
 Ghani, Ms Nusrat
 Gibb, rh Nick
 Gillan, rh Dame Cheryl
 Glen, John
 Goldsmith, Zac
 Goodwill, rh Mr Robert
 Graham, Luke
 Graham, Richard
 Grant, Bill
 Grant, Mrs Helen
 Gray, James
 Grayling, rh Chris
 Green, Chris
 Green, rh Damian
 Greening, rh Justine
 Grieve, rh Mr Dominic
 Griffiths, Andrew
 Gyimah, Mr Sam
 Hair, Kirstene
 Halfon, rh Robert
 Hall, Luke
 Hammond, rh Mr Philip
 Hammond, Stephen
 Hancock, rh Matt
 Hands, rh Greg
 Harper, rh Mr Mark
 Harrington, Richard
 Harris, Rebecca
 Harrison, Trudy
 Hart, Simon
 Hayes, rh Mr John
 Heald, rh Sir Oliver
 Heapey, James
 Heaton-Harris, Chris
 Heaton-Jones, Peter
 Henderson, Gordon
 Herbert, rh Nick
 Hermon, Lady
 Hinds, rh Damian
 Hoare, Simon
 Hollingbery, George
 Hollinrake, Kevin
 Hollobone, Mr Philip
 Holloway, Adam
 Howell, John
 Huddleston, Nigel
 Hughes, Eddie
 Hurd, rh Mr Nick
 Jack, Mr Alister
 James, Margot
 Javid, rh Sajid
 Jayawardena, Mr Ranil
 Jenkin, Sir Bernard
 Jenkyns, Andrea
 Jenrick, Robert
 Johnson, rh Boris
 Johnson, Dr Caroline
 Johnson, Gareth
 Johnson, Joseph
 Jones, Andrew
 Jones, rh Mr David
 Jones, Mr Marcus
 Kawczynski, Daniel
 Keegan, Gillian

Kennedy, Seema
 Kerr, Stephen
 Knight, Julian
 Kwarteng, Kwasi
 Lamont, John
 Lancaster, rh Mark
 Leadsom, rh Andrea
 Lee, Dr Phillip
 Lefroy, Jeremy
 Leigh, Sir Edward
 Letwin, rh Sir Oliver
 Lewer, Andrew
 Lewis, rh Brandon
 Lewis, rh Dr Julian
 Liddell-Grainger, Mr Ian
 Lidington, rh Mr David
 Lopez, Julia
 Lopresti, Jack
 Lord, Mr Jonathan
 Loughton, Tim
 Mackinlay, Craig
 Maclean, Rachel
 Main, Mrs Anne
 Mak, Alan
 Malthouse, Kit
 Mann, Scott
 Masterton, Paul
 May, rh Mrs Theresa
 Maynard, Paul
 McVey, rh Ms Esther
 Mercer, Johnny
 Merriman, Huw
 Metcalfe, Stephen
 Miller, rh Mrs Maria
 Milling, Amanda
 Mills, Nigel
 Milton, rh Anne
 Mitchell, rh Mr Andrew
 Moore, Damien
 Mordaunt, rh Penny
 Morgan, rh Nicky
 Morris, Anne Marie
 Morris, David
 Morris, James
 Morton, Wendy
 Murray, Mrs Sheryll
 Murrison, Dr Andrew
 Neill, Robert
 Newton, Sarah
 Nokes, rh Caroline
 Norman, Jesse
 O'Brien, Neil
 Offord, Dr Matthew
 Opperman, Guy
 Parish, Neil
 Patel, rh Priti
 Paterson, rh Mr Owen
 Pawsey, Mark
 Penning, rh Sir Mike
 Penrose, John
 Percy, Andrew
 Perry, rh Claire
 Philp, Chris
 Pincher, Christopher
 Poulter, Dr Dan
 Pow, Rebecca
 Prentis, Victoria
 Prisk, Mr Mark
 Pritchard, Mark
 Pursglove, Tom
 Quin, Jeremy
 Quince, Will

Raab, rh Dominic
 Redwood, rh John
 Rees-Mogg, Mr Jacob
 Robertson, Mr Laurence
 Robinson, Mary
 Ross, Douglas
 Rowley, Lee
 Rudd, rh Amber
 Rutley, David
 Sandbach, Antoinette
 Seely, Mr Bob
 Selous, Andrew
 Shapps, rh Grant
 Sharma, Alok
 Shelbrooke, Alec
 Simpson, rh Mr Keith
 Skidmore, Chris
 Smith, Chloe
 Smith, Henry
 Smith, rh Julian
 Smith, Royston
 Soames, rh Sir Nicholas
 Soubry, rh Anna
 Spelman, rh Dame Caroline
 Spencer, Mark
 Stephenson, Andrew
 Stevenson, John
 Stewart, Iain
 Stewart, Rory
 Streeter, Mr Gary
 Stride, rh Mel
 Stuart, Graham
 Sturdy, Julian
 Sunak, Rishi
 Swayne, rh Sir Desmond
 Swire, rh Sir Hugo
 Syms, Sir Robert
 Thomas, Derek
 Thomson, Ross
 Throup, Maggie
 Tolhurst, Kelly
 Tomlinson, Justin
 Tomlinson, Michael
 Tracey, Craig
 Tredinnick, David
 Trevelyan, Mrs Anne-Marie
 Truss, rh Elizabeth
 Tugendhat, Tom
 Vaizey, rh Mr Edward
 Vara, Mr Shailesh
 Vickers, Martin
 Villiers, rh Theresa
 Walker, Mr Charles
 Walker, Mr Robin
 Wallace, rh Mr Ben
 Warburton, David
 Warman, Matt
 Watling, Giles
 Whately, Helen
 Wheeler, Mrs Heather
 Whittaker, Craig
 Whittingdale, rh Mr John
 Wiggin, Bill
 Williamson, rh Gavin
 Wollaston, Dr Sarah
 Wood, Mike
 Wragg, Mr William
 Wright, rh Jeremy
 Zahawi, Nadhim

Tellers for the Noes:
Jo Churchill and
Michelle Donelan

Question accordingly negated.

Amendment proposed: 7, page 67, line 1, leave out subsection (5) and insert—

“(5) No statutory instrument containing regulations under this section may be made unless a draft has been laid before and approved by a resolution of the House of Commons.”—(*Kirsty Blackman.*)

This amendment would make clause 89 (Minor amendments in consequence of EU withdrawal) subject to affirmative procedure.

Question put, That the amendment be made.

The Committee divided: Ayes 41, Noes 296.

Division No. 263]

[10.34 pm

AYES

Bardell, Hannah	Hosie, Stewart
Black, Mhairi	Lake, Ben
Blackford, rh Ian	Lamb, rh Norman
Blackman, Kirsty	Lloyd, Stephen
Brake, rh Tom	Lucas, Caroline
Brock, Deidre	MacNeil, Angus Brendan
Brown, Alan	Mc Nally, John
Cameron, Dr Lisa	McDonald, Stewart Malcolm
Carmichael, rh Mr Alistair	McDonald, Stuart C.
Cherry, Joanna	Monaghan, Carol
Cowan, Ronnie	Moran, Layla
Crawley, Angela	Newlands, Gavin
Day, Martyn	O'Hara, Brendan
Docherty-Hughes, Martin	Saville Roberts, Liz
Edwards, Jonathan	Sheppard, Tommy
Farron, Tim	Stephens, Chris
Gethins, Stephen	Thewliss, Alison
Gibson, Patricia	Whitford, Dr Philippa
Grady, Patrick	Williams, Hywel

Tellers for the Ayes:
David Linden and
Marion Fellows

NOES

Adams, Nigel	Buckland, Robert
Afolami, Bim	Burghart, Alex
Afriyie, Adam	Burns, Conor
Aldous, Peter	Burt, rh Alistair
Allan, Lucy	Cairns, rh Alun
Allen, Heidi	Cartlidge, James
Amess, Sir David	Caulfield, Maria
Andrew, Stuart	Chalk, Alex
Argar, Edward	Chishti, Rehman
Atkins, Victoria	Chope, Sir Christopher
Bacon, Mr Richard	Clark, Colin
Badenoch, Mrs Kemi	Clark, rh Greg
Baker, Mr Steve	Clarke, rh Mr Kenneth
Baldwin, Harriett	Clarke, Mr Simon
Barclay, Stephen	Cleverly, James
Bebb, Guto	Clifton-Brown, Sir Geoffrey
Bellingham, Sir Henry	Coffey, Dr Thérèse
Beresford, Sir Paul	Collins, Damian
Berry, Jake	Costa, Alberto
Blackman, Bob	Courts, Robert
Blunt, Crispin	Cox, rh Mr Geoffrey
Boles, Nick	Crabb, rh Stephen
Bone, Mr Peter	Crouch, Tracey
Bottomley, Sir Peter	Davies, Chris
Bowie, Andrew	Davies, David T. C.
Bradley, Ben	Davies, Glyn
Bradley, rh Karen	Davies, Mims
Brady, Sir Graham	Davies, Philip
Braverman, Suella	Davis, rh Mr David
Brereton, Jack	Dinenage, Caroline
Brine, Steve	Djanogly, Mr Jonathan
Brokenshire, rh James	Docherty, Leo
Bruce, Fiona	Double, Steve

Dowden, Oliver
 Doyle-Price, Jackie
 Drax, Richard
 Duddridge, James
 Duguid, David
 Duncan Smith, rh Mr Iain
 Dunne, Mr Philip
 Ellis, Michael
 Ellwood, rh Mr Tobias
 Eustice, George
 Evnnett, rh Sir 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
 Freer, Mike
 Fysh, Mr Marcus
 Gale, Sir Roger
 Garnier, Mark
 Gauke, rh Mr David
 Ghani, Ms Nusrat
 Gibb, rh Nick
 Gillan, rh Dame Cheryl
 Glen, John
 Goldsmith, Zac
 Goodwill, rh Mr Robert
 Graham, Luke
 Graham, Richard
 Grant, Bill
 Grant, Mrs Helen
 Gray, James
 Grayling, rh Chris
 Green, Chris
 Green, rh Damian
 Greening, rh Justine
 Grieve, rh Mr Dominic
 Griffiths, Andrew
 Gyimah, Mr Sam
 Hair, Kirstene
 Halfon, rh Robert
 Hall, Luke
 Hammond, rh Mr Philip
 Hammond, Stephen
 Hancock, rh Matt
 Hands, rh Greg
 Harper, rh Mr Mark
 Harrington, Richard
 Harris, Rebecca
 Harrison, Trudy
 Hart, Simon
 Hayes, rh Mr John
 Heald, rh Sir Oliver
 Heappey, James
 Heaton-Harris, Chris
 Heaton-Jones, Peter
 Henderson, Gordon
 Herbert, rh Nick
 Hermon, Lady
 Hinds, rh Damian
 Hoare, Simon
 Hollingbery, George
 Hollinrake, Kevin
 Hollobone, Mr Philip
 Holloway, Adam
 Howell, John
 Huddleston, Nigel
 Hughes, Eddie

Hurd, rh Mr Nick
 Jack, Mr Alister
 James, Margot
 Javid, rh Sajid
 Jayawardena, Mr Ranil
 Jenkin, Sir Bernard
 Jenkyns, Andrea
 Jenrick, Robert
 Johnson, rh Boris
 Johnson, Dr Caroline
 Johnson, Gareth
 Johnson, Joseph
 Jones, Andrew
 Jones, rh Mr David
 Jones, Mr Marcus
 Kawczynski, Daniel
 Keegan, Gillian
 Kennedy, Seema
 Kerr, Stephen
 Knight, Julian
 Kwarteng, Kwasi
 Lamont, John
 Lancaster, rh Mark
 Leadsom, rh Andrea
 Lee, Dr Phillip
 Lefroy, Jeremy
 Leigh, Sir Edward
 Letwin, rh Sir Oliver
 Lewer, Andrew
 Lewis, rh Brandon
 Lewis, rh Dr Julian
 Liddell-Grainger, Mr Ian
 Lidington, rh Mr David
 Lopez, Julia
 Lopresti, Jack
 Lord, Mr Jonathan
 Loughton, Tim
 Mackinlay, Craig
 Maclean, Rachel
 Main, Mrs Anne
 Mak, Alan
 Malthouse, Kit
 Mann, Scott
 Masterton, Paul
 May, rh Mrs Theresa
 Maynard, Paul
 McVey, rh Ms Esther
 Mercer, Johnny
 Merriman, Huw
 Metcalfe, Stephen
 Miller, rh Mrs Maria
 Milling, Amanda
 Mills, Nigel
 Milton, rh Anne
 Mitchell, rh Mr Andrew
 Moore, Damien
 Mordaunt, rh Penny
 Morgan, rh Nicky
 Morris, Anne Marie
 Morris, David
 Morris, James
 Morton, Wendy
 Murray, Mrs Sheryll
 Murrison, Dr Andrew
 Neill, Robert
 Newton, Sarah
 Nokes, rh Caroline
 Norman, Jesse
 O'Brien, Neil
 Offord, Dr Matthew
 Opperman, Guy
 Parish, Neil

Patel, rh Priti
 Paterson, rh Mr Owen
 Pawsey, Mark
 Penning, rh Sir Mike
 Penrose, John
 Percy, Andrew
 Perry, rh Claire
 Philp, Chris
 Pincher, Christopher
 Poulter, Dr Dan
 Pow, Rebecca
 Prentis, Victoria
 Prisk, Mr Mark
 Pritchard, Mark
 Pursglove, Tom
 Quin, Jeremy
 Quince, Will
 Raab, rh Dominic
 Redwood, rh John
 Rees-Mogg, Mr Jacob
 Robertson, Mr Laurence
 Robinson, Mary
 Ross, Douglas
 Rowley, Lee
 Rudd, rh Amber
 Rutley, David
 Sandbach, Antoinette
 Seely, Mr Bob
 Selous, Andrew
 Shapps, rh Grant
 Sharma, Alok
 Shelbrooke, Alec
 Simpson, rh Mr Keith
 Skidmore, Chris
 Smith, Chloe
 Smith, Henry
 Smith, rh Julian
 Smith, Royston
 Soames, rh Sir Nicholas
 Soubry, rh Anna
 Spelman, rh Dame Caroline
 Spencer, Mark
 Stephenson, Andrew
 Stevenson, John
 Stewart, Iain

Stewart, Rory
 Streeter, Mr Gary
 Stride, rh Mel
 Stuart, Graham
 Sturdy, Julian
 Sunak, Rishi
 Swayne, rh Sir Desmond
 Swire, rh Sir Hugo
 Syms, Sir Robert
 Thomas, Derek
 Thomson, Ross
 Throup, Maggie
 Tolhurst, Kelly
 Tomlinson, Justin
 Tomlinson, Michael
 Tracey, Craig
 Tredinnick, David
 Trevelyan, Mrs Anne-Marie
 Truss, rh Elizabeth
 Tugendhat, Tom
 Vaizey, rh Mr Edward
 Vara, Mr Shailesh
 Vickers, Martin
 Villiers, rh Theresa
 Walker, Mr Charles
 Walker, Mr Robin
 Wallace, rh Mr Ben
 Warburton, David
 Warman, Matt
 Watling, Giles
 Whately, Helen
 Wheeler, Mrs Heather
 Whittaker, Craig
 Whittingdale, rh Mr John
 Wiggin, Bill
 Williamson, rh Gavin
 Wollaston, Dr Sarah
 Wood, Mike
 Wragg, Mr William
 Wright, rh Jeremy
 Zahawi, Nadhim

Tellers for the Noes:
Michelle Donelan and
Jo Churchill

Question accordingly negated.

10.46 pm

More than six hours having elapsed since the commencement of proceedings, the proceedings were interrupted (Programme Order, 12 November).

The Chair put forthwith the Question necessary for the disposal of the business to be concluded at that time (Standing Order No. 83D).

Clauses 89 and 90 ordered to stand part of the Bill.

The occupant of the Chair left the Chair (Programme Order, 12 November).

The Deputy Speaker resumed the Chair.

Progress reported; Committee to sit again tomorrow.

Business without Debate

DRAFT PARLIAMENTARY BUILDINGS (RESTORATION AND RENEWAL) BILL (JOINT COMMITTEE)

Motion made,

That this House concurs with the Lords Message of Tuesday 23 October, that it is expedient that a Joint Committee of Lords and Commons be appointed to consider and report on the Draft

Parliamentary Buildings (Restoration and Renewal) Bill presented to both Houses on Thursday 18 October 2018 (Cm 9710), and that the Committee should report on the draft Bill by Thursday 28 February 2019.

That a Select Committee of six Members be appointed to join with a committee to be appointed by the Lords for this purpose.

That the Committee shall have power—

- (i) to send for persons, papers and records;
- (ii) to sit notwithstanding any adjournment of the House;
- (iii) to report from time to time;
- (iv) to appoint specialist advisers; and
- (v) to adjourn from place to place within the United Kingdom.

That the quorum of the Committee shall be three; and

That Neil Gray, Meg Hillier, Mr David Jones, Sir Edward Leigh, Dame Caroline Spelman and Mark Tami be members of the Committee.—(*Amanda Milling.*)

Hon. Members: Object.

PRIVATE MEMBERS' BILLS

Motion made,

That, notwithstanding the provisions of Standing Order No. 14(8), Private Members' bills shall have precedence over government business on 25 January 2019, 8 February 2019 and 8 March 2019.—(*Amanda Milling.*)

Hon. Members: Object.

DELEGATED LEGISLATION

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

CONSTITUTIONAL LAW

That the draft Tax Collection and Management (Wales) Act 2016 and the Land Transaction Tax and Anti-avoidance of Devolved Taxes (Wales) Act 2017 (Consequential Amendments) Order 2018, which was laid before this House on 10 October 2018, be approved.—(*Amanda Milling.*)

Question agreed to.

JUSTICE

Ordered,

That Ruth Cadbury be discharged from the Justice Committee and Janet Daby be added.—(*Bill Wiggin, on behalf of the Selection Committee.*)

UK Entry Visas

Motion made, and Question proposed, That this House do now adjourn.—(*Amanda Milling.*)

10.50 pm

Patrick Grady (Glasgow North) (SNP): I am pleased to have secured this debate. I start with a slight sense of déjà vu, because in June 2016 I led a short debate in Westminster Hall on visas for visitors from sub-Saharan Africa. It was a different Minister in that debate, mind you; he went on to become the Secretary of State for Housing, Communities and Local Government, so who knows what awaits the Minister for Immigration if she can improve on the answers that I received then?

Sadly, many of the issues that I raised that day are still relevant today, and if anything the situation has deteriorated further and goes beyond the experiences of those in one region of Africa. The Minister will know that at Prime Minister's questions on 24 October I raised the increasing concerns among academics, the creative industries, businesses, non-governmental organisations and basically anyone and any organisation with links to overseas counterparts who might want to travel to the UK. The experience of the visa system of both individuals and organisations stands in stark contrast to Home Office rhetoric and the Government's stated ambition of building a "global Britain". The situations that I hinted at in PMQs barely scratch the surface, but they all exemplify the huge frustrations created by both practical failures in the visa application system and the overall policy failure of what essentially remains a hangover of the hostile environment policy.

Throughout the summer of this year, the media were full of reports of festivals disrupted by the denial of visas to artists from different parts of the world. The director of the Edinburgh international book festival described the problems faced by over a dozen authors seeking to attend as "humiliating". Peter Gabriel, the founder of WOMAD, expressed alarm after at least three acts were unable to perform, saying that

"our UK festival would now have real problems bringing artists into this country,"

many of whom

"no longer want to come to the UK because of the difficulty, cost and delays with visas, along with the new fear that they will not be welcomed."

That is borne out by the experience of Celtic Connections, which has been a major highlight of Glasgow's cultural scene for the past 25 years. Its director Donald Shaw has recently said that visa refusals are undermining the festival's musical internationalism, and that at least two major world acts have pulled out of next year's festival simply due to the hassle and stress of the visa application process.

Jim Shannon (Strangford) (DUP): I congratulate the hon. Gentleman on bringing this issue to the House for its consideration and on his endeavours on behalf of universities and students from all over the world. Does he agree that it is essential to our universities that there is a quick but effective visa system, and that every effort must be made to ensure that the system for applications to study here has top security procedures but at the same time is streamlined and quick?

Patrick Grady: Absolutely, and I will have some examples from my constituency in a couple of moments.

In the debate in June 2016 I listed example after example of delays and denials experienced by members of the Scotland Malawi Partnership. I declare an interest, because the partnership provides pro bono secretariat support to the all-party parliamentary group on Malawi, which I chair. The Minister may also know that in February, I and my hon. Friend the Member for Paisley and Renfrewshire North (Gavin Newlands) had to raise an urgent case at business questions, because just days before they were due to fly to Scotland a group of Malawian schoolchildren and priests had been denied visas, which they had been assured would be granted, risking thousands of pounds that pupils and families in Scotland had raised to bring them over.

Martin Docherty-Hughes (West Dunbartonshire) (SNP): On that point about members of religious faiths, in West Dunbartonshire we have St Margaret of Scotland hospice, run by the Sisters of Charity, who have hospices across the entirety of the UK from Hackney to my constituency. Does my hon. Friend agree that the problems facing us are affecting not only people of religious faith, such as them, but those in hospices across the UK trying to deliver social work, palliative care and frontline services?

Patrick Grady: Absolutely, and I would have thought that if anyone was going to honour their visa requirement to come here for a short period and then go back to their country of origin, it would be members of religious orders whose vows of obedience and stability mean that they need to remain where they are based.

Departments at the University of Glasgow frequently encounter difficulties in bringing over visiting academics. Last year, the Home Office denied a UK entry visa to Dr Nazmi al-Masri, the vice-president for external relations at the Islamic University of Gaza, despite the fact that he had a 30-year history of entering and returning from the United Kingdom, and that he was due to travel to support research programmes funded by the UK Government's own research councils. The situation is perverse and the list goes on.

Examples emerge from all around the world on a weekly and sometimes daily basis. No fewer than 17 researchers were reported as being unable to attend the Women Leaders in Global Health Conference hosted by the London School of Hygiene and Tropical Medicine last week, which the organisers said was tantamount to discrimination and bad for science research in the UK, and means that they may have to consider hosting events overseas in the future. Pioneering anti-poaching female rangers from Zimbabwe were denied entry to collect humanitarian awards on 3 November. The Syrian journalist Humam Husari was granted entry, again to collect an award, only after high-profile complaints. Here in Parliament, on a weekly if not daily basis, events I have been to recently hosted by the Industry and Parliament Trust and various all-party groups all have similar stories which are heard frankly with embarrassment and cringing by the UK-based participants.

Carol Monaghan (Glasgow North West) (SNP): Many of the academics my hon. Friend talks about are from sub-Saharan Africa, India and the middle east. Does he share my concerns that post Brexit this may involve academics from across Europe too?

Patrick Grady: That is a very real concern and I will touch on Brexit just before I finish.

It is no wonder that I heard a very senior official from the African Union, who himself had had to produce a marriage certificate and bank statements even though he was invited to attend an event by the Lord Mayor of London, tell me such meeting recently that he is not surprised when he sees business class flights from Addis Ababa to Brussels full, but similar flights to the UK more than half empty. These are not examples of a UK that is open for business. These are not examples of a global Britain. These are not examples of a Home Office that has abandoned the hostile environment. These are examples of failure across the board: failure of policy and failure of practice.

Will the Minister confirm what the Government's policy on entry visas actually is? Can she explain why so many stakeholders feel that an effective travel ban is in place for certain countries and regions, particularly Africa and Asia? Can she explain why the reality experienced by so many sponsoring organisations is so different from the rhetoric of global Britain? Will she confirm or deny whether there is any connection with the net migration target and the rates of rejection for visitor visas? Do the Government really believe that everything on these islands is so wonderful that they must presume that everyone who applies for a visa secretly wants to abscond; that musicians, authors, academics, scientists, business owners and senior civil servants will take one look at the streets of mother Britannia paved with gold, and abandon their families and careers for a job in the UK's gig economy? Laughable although that idea is, that is the impression that is being given.

Deidre Brock (Edinburgh North and Leith) (SNP): As a representative of Scotland's festival city and as the constituency MP for Edinburgh's book festival, may I congratulate my hon. Friend on this important debate? Is he aware of any evidence of invited artists absconding during planned visits or festivals, which might explain why things are so much more difficult these days?

Patrick Grady: The short answer to that question is no. Perhaps the Minister has that evidence. Certainly, when I have tried to ask for similar evidence in written questions I have had very little back, because the Government do not seem to keep a track of this data. It is simply a hostile environment hangover.

The policy has to change and that means the practice should also change. The Government need to do more to respect the bona fides of sponsoring organisations. It is not in the interests of festival organisers, universities, churches, or, for example, the City of London Corporation for their guests to abscond. The Government should be prepared, either as a matter of policy or through some kind of formal accreditation, to start from a principle that guests invited by such organisations are coming for good reasons and can be expected to abide by their visa conditions and return in due course.

The Incorporated Society of Musicians has recommended that if freedom of movement for musicians cannot be preserved after Brexit, then the UK and EU should develop a two-year multi-entry touring visa for UK and EU musicians. I know that the City of London Corporation also expects to publish a major report on visas and immigration in the very near future, and I hope the Minister will look out for that and pay attention to its recommendations. I will also send her extensive

[Patrick Grady]

documentation from the Scotland Malawi Partnership on this issue, which she may already have seen, and I look forward to her response. I hope, most importantly, that she will be willing to meet some of the all-party groups that are particularly interested in this issue. I have mentioned the all-party group on Malawi. I am also secretary of the all-party group on Africa, and I know that they would very much appreciate the opportunity to discuss this in more detail.

Alison Thewliss (Glasgow Central) (SNP): There is also a huge issue in my constituency with people not getting the visas that they require. The Central Gurdwara Singh Sabha has found it very difficult to get Sikh priests to come over. They have tried on numerous occasions, but they have not got in, which is also a concern of the all-party group on UK Sikhs.

Patrick Grady: There we go, and that goes back to the points made by our hon. Friend the Member for West Dunbartonshire (Martin Docherty-Hughes).

What all the stakeholders have told these groups and what all the evidence shows is that the visa processing system also needs to be fit for purpose. The level of detail being requested, sometimes from very senior or very high-profile individuals, as we have heard, has been described as humiliating. In the case of applicants from developing countries, sometimes the information requested is simply impossible to provide. Priests and pupils in remote villages in northern Malawi or elsewhere in Africa may not have bank accounts or birth certificates and almost certainly do not have credit cards or online access to pay the visa processing fees, and neither would they have the means or resources to travel hundreds of miles to a processing centre, sometimes in another country and often on multiple occasions.

Of course, all this takes place in the context of Brexit. We are told that many leave voters voted leave because they wanted freedom of movement to come to an end, but freedom of movement simply cannot come to an end without having any impact on our economy or society. We can all agree that there are different types of movement of people—for labour, for holiday, for family, and for the longer term or the short term. My concern in this debate is largely around very short-term movement, when people enter the country for specific reasons, such as a festival or an academic conference, for a short period of time before returning. Many of the examples, as we have heard, are in any event about visitors from non-EU countries, so they will not be affected by any Brexit withdrawal agreement.

I also accept that those of us who supported, and still support, remaining in the European Union could and should have done a better job of championing the benefits of freedom of movement and immigration, because after all, many people from the UK benefit significantly from ease of travel to the EU and other destinations around the world. The risk of Brexit and the hostile environment more generally is that perhaps the restrictions that the UK Government place on visitors will be increasingly reciprocated elsewhere. Indeed, many UK residents, not least artists and musicians, are already experiencing increasing difficulty applying for entry visas to the United States.

The consequences may be even more far-reaching and unintended. Last year, Corina Cojocaru, Moldova's economic counsellor to the World Trade Organisation, and her team were denied entry to the UK, even though they wanted to come to discuss their country's future relationship with Britain after it leaves the European Union. This year, Moldova was one of several countries to question openly the UK's re-entry to the World Trade Organisation's Government procurement agreement. Maybe that was just a coincidence, but the examples mount up—case after case of how to lose friends and alienate people, but that seems to be the overall direction of Government policy in a whole range of Departments.

I will not be surprised if the Minister gets up shortly and tells us that all this is imaginary, that statistics show upwards of 80% of visas are granted in a timely and orderly manner, that feedback on experiences in processing centres is positive, and that all these cases and examples are just isolated and can be easily resolved, but I am not sure that that is really the case. Even if the approval rate is accurate, how many visas are not being applied for in the first place, or how many fall at the first hurdle? If these examples are just rare, isolated, high-profile cases, why are there so many, why are they so frequent, and why should they require high-level intervention in the media or here on the Floor of the House to resolve them? How many denials or delays do not have the luxury of media or political contacts that can cut through the red tape?

The reality is that the whole immigration system needs root and branch reform, and that includes visitor entry visas. The Minister knows full well that if she does not want it to change, the Scottish Government and the Scottish Parliament would be more than happy to take responsibility and build a system that works for Scotland's economy and society.

As I said at Prime Minister's questions, Brexit is a small, isolationist retreat from the world stage. The reality experienced by those going through the visa and immigration system is one of suspicion, frustration and all too frequently, rejection. It is not conducive to growing the economy or building a more tolerant society and it will not be without fundamental change.

How would the Minister feel if the situation were in reverse? If she wanted to visit a country in sub-Saharan Africa, or in years to come wanted to travel to promote her autobiography—about how she survived the final days of the May Administration—or had been invited by a major Government-backed non-governmental organisation in the country concerned, and was asked before she could travel to produce her birth certificate, marriage certificate, bank statements and biometric information, to pay an exorbitant fee and to travel hundreds of miles to do so, perhaps multiple times, and all at risk of being denied because there was a presumption that she would stay in the country and never leave, would she even bother applying for the visa? If she would not want to go through that experience herself, why do the Government continue to inflict it on others?

11.5 pm

The Minister for Immigration (Caroline Nokes): I congratulate the hon. Member for Glasgow North (Patrick Grady) on securing this debate on UK entry visas.

We all know that the United Kingdom is an attractive destination for legitimate travel, and the Government are determined that it stay that way. We want people to come here on holiday, to do business, to visit family, and our immigration system contributes to the prosperity of the UK. We are also keen to ensure that the UK continues to attract the world's brightest, most talented and most innovative people once we leave the EU. We will continue to be a global, outward-looking nation that is home to the best talent in the world, and our immigration system is fundamental to delivering that ambition. For example, the UK is a global leader in attracting international students, and our student offer is already one of the best on the global market.

That said, we recognise the need for an adaptive immigration system to meet the UK's needs as we leave the EU. As such, we are designing a future borders and immigration system that will incorporate recommendations made by the Migration Advisory Committee, and we plan to publish further details in the autumn. The Government also have a duty to keep citizens safe and the country secure, and our visa requirements are one of the effective means we have in this regard. They are a valuable tool for the UK in reducing illegal immigration, tackling organised crime, protecting national security and safeguarding vulnerable people.

Martin Docherty-Hughes: On the point about safeguarding, how many nuns, monks and priests have absconded in the last 18 months?

Caroline Nokes: I am sure it will not surprise the hon. Gentleman to learn that I do not have those precise figures to hand, but the Home Office is working closely, and will continue to work closely, with the all-party group led by my right hon. Friend the Member for Meriden (Dame Caroline Spelman) on this precise subject, because it has raised concern across the House.

Everyone entering the UK has to meet the same set of entry clearance requirements. Some nationals of non-EEA countries need a visa to come to the UK; others must demonstrate that they meet our entry clearance requirements on arrival at the border. All applications are assessed on a case-by-case basis, according to their individual merits and against the part of the immigration rules that relates to why someone is coming to the UK. Many categories of temporary migration, such as students or those coming to work in the UK, are required to obtain an entry clearance before coming, regardless of their nationality. This allows assessments to be made before someone travels.

I am committed to ensuring that the UK visa service is high performing, customer focused and continually improving, in terms of both products available and the route for application, and there is always room to improve as we respond to evolving demands and requirements, harness new technology and reflect customer experiences and needs. Globally, our international network of over 300 visa application centres manages applications from customers from over 200 countries. In the year to June 2018, 2.7 million visas were issued, and 96% of non-settlement applications were processed within 15 days.

The UK offers a priority visa service that sees applications normally processed within five days in nearly 200 locations. The UK is also the only country to offer a 24-hour

service in China and a same-day service in India. Access UK, a new online application service, has been successfully rolled out to visit visa customers in over 200 countries and 19 different languages. This new system means a faster, more streamlined and increasingly automated application process for customers.

The hon. Member for Glasgow North mentioned the creative industries. Of course, that sector is a major cultural and economic success story for the UK. It is a high-value, high-growth sector worth £91.8 billion to the UK economy in 2016. The Government as a whole are committed to supporting and promoting a thriving live music industry and ensuring the continued growth of a vital and vibrant sector. I can reassure the hon. Gentleman that the UK continues to welcome artists and musicians who come here to perform. They make an important contribution to our creative sector, which is a major cultural and economic success story. The Home Office is working with the sector and with the Department for Digital, Culture, Media and Sport to better understand the needs of the creative industries, clarify visa requirements, and ensure that processes are as smooth as possible.

Deidre Brock: Does the Minister accept the reports from cultural festival organisers across the UK that obtaining visitor visas has been increasingly difficult in the last few years?

Caroline Nokes: I am aware of that, and I am certainly aware of some of the challenges that have faced a number of cultural festivals, especially during the summer. Although this was not mentioned by the hon. Member for Strangford (Jim Shannon), performers arriving from Ireland were particularly affected. We are continuing to review the existing operation and legislation to ensure that the tier 5 route is implemented for, in particular, those who come here to work in the creative industries. Across Government, we are working with the sector to understand the concerns and address them accordingly. In response to its feedback, work is under way to identify an acceptable approach to the tier 5 concession route.

The hon. Gentleman mentioned his chairmanship of the all-party parliamentary group on Malawi, and his work with that country. I recently accepted an invitation from the Africa all-party parliamentary group to attend a meeting that it is hosting, I think, next month. Today I received another invitation, from the hon. Member for Ealing, Southall (Mr Sharma), who was particularly keen for me to meet representatives of various gurdwaras in his constituency. I recognise the need for me, as Immigration Minister, to engage with APPGs, and I am always happy to do so.

I can reassure the hon. Gentleman that the visa application centre in Lilongwe is open five days a week. We offer a priority visa service, with a five to seven-day turnaround time for applications. We also offer an on-demand mobile service. Visa application centre staff travel to the customer's chosen location to accept applications and assist with the process. In the year ending in June 2018, there were 2,515 decisions on applications from Malawian nationals, and 78%, or 1,963, were accepted. Most of the visas granted were for visitors or students, but our latest online performance statistics show that 98% of visitor and student visas are issued within 15 days.

Patrick Grady: As I said earlier, I will send the Minister some of the documents and evidence that have been produced by the Scotland Malawi Partnership, not least the denial form which contains the words “Reason for denial—insert reason here”. Even when reasons are approved, that often happens very late in the application process, sometimes after the flights on which people have been booked have departed. The Minister needs to look into that a little bit more.

Caroline Nokes: I look forward to receiving the information from the hon. Gentleman, but, as I have said, our statistics show that most visas are being granted within 15 days.

The hon. Gentleman also referred to scientists and academics being refused entry to the UK. Of course we welcome the brightest and the best, allow academics on exchange programmes to come to the UK as visitors, and welcome them to conferences. However, they must meet the requirements of the immigration rules, which apply to all visitors to the UK. Applications for visitor visas, or for entry as a visitor, are considered on their merits regardless of the nationality of the applicant. Among the points on which applicants must satisfy the decision-maker is that they are genuine visitors who will leave at the end of their visit, and will not make the UK their main home through frequent or successive visits—for instance, that they have family, work or study ties in their home country. They must also be able to show that they are able to support and maintain themselves during their visit.

Carol Monaghan: Some of the academics who are being refused visas have visited the UK many times in the past, and only now are their visas being refused for what are really trivial reasons. Does the Minister accept that, as many academics are now saying, massive reputational damage has been done to the UK’s academic sector by this visa regime?

Caroline Nokes: As I have said, it is important that we assess each application on its own merits and on the information provided by individual applicants. It is important that we enable academics to come here, but it

is also important that applications be completed in a timely manner and with all the information that we have requested.

The hon. Member for Glasgow North mentioned the future for visitors from the European Union and the reciprocal arrangements for UK travellers going to the EU. On 13 November, the European Commission published a proposal to grant UK citizens visa-free travel to the EU after the UK’s withdrawal. This is conditional on the UK also granting reciprocal and non-discriminatory visa-free travel for all EU member states. We welcome the Commission’s proposal, which reflects the future relationship that we want to have with the rest of the EU. In our proposals, we have made it clear that we want to ensure reciprocal measures with the EU on visa-free travel for tourists and short-term business visitors.

Gavin Newlands (Paisley and Renfrewshire North) (SNP): Will the Minister give way?

Caroline Nokes: No, I have given way several times this evening.

In conclusion, let me reassure hon. Members that the Government are absolutely committed to ensuring that we have a visa system that balances protecting our borders and national security with ensuring that people are welcome and are able to visit, to study and to work in areas where we need their skills. As we leave the EU, we will remain an open and tolerant country that recognises the valuable contribution migrants make to our society and that welcomes those with the skills and expertise to make our nation better still. We will control immigration so that we continue to attract the most talented to work or study in Britain while managing the process properly so that our immigration system serves the national interest. We are carefully considering a range of options for the future immigration system and will set out proposals very shortly. We will want to ensure that any decisions on our long-term arrangements are based on evidence and on engagement.

Question put and agreed to.

11.16 pm

House adjourned.

Westminster Hall

Monday 19 November 2018

[SIR ROGER GALE *in the Chair*]

Leaving the European Union

4.30 pm

Liz Twist (Blaydon) (Lab): I beg to move,

That this House has considered the e-petition relating to leaving the European Union.

It is a pleasure to serve under your chairmanship, Sir Roger. On behalf of 110,059 petitioners, I rise to present e-petition 219905, which states:

“If there is no agreement to leave the EU then Brexit must be stopped”.

I apologise to everyone if I need to stop and blow my nose. I am suffering with a cold and a cough but I will do my best to keep going.

It is an interesting time to introduce this debate, days after the Prime Minister made a statement to the House about a proposed withdrawal agreement, with statements from all parties and many individual MPs about whether the agreement would be acceptable, and also with the decision by EU members on ratification to come and so many uncertainties. Perhaps this is a good time to be listening to what our 110,000 petitioners feel.

As I arrived in my office today, news reached me of a walk-out by 200 young people from four schools in Northern Ireland, over what they say is the unwillingness of politicians in Westminster to address young people's grave concerns about the draft Brexit deal. They are calling for a people's vote.

Catherine West (Hornsey and Wood Green) (Lab): My hon. Friend is making an excellent speech to open the debate. Does she agree that young people feel let down by the Brexit vote and that it is the duty of each of us to fight very hard for the future? Does she also agree that, in particular for people in Northern Ireland, where we only ever hear one side of the debate in the House, it is incumbent on each of us to listen very carefully to those young people in Northern Ireland?

Sir Roger Gale (in the Chair): Order. In the expectation that there may be other interventions, can we make them interventions and not speeches?

Liz Twist: I thank my hon. Friend for her intervention. I certainly agree that we must listen to the voices of young people—I will talk about that in a moment—and that we need to have a full picture.

It is particularly relevant to note the walk-out today because the lead petitioner, Ciaran O'Doherty, is a young man, 15 years of age, who has given a lot of thought to the issue. I have been fortunate to receive a personal email from Ciaran, who lives in Northern Ireland and is very aware of the potential impact of leaving the European Union on his life and that of his family and friends. For him, the debate is not theoretical, but one he feels will have a real impact on his life. Brexit will, of course, affect all our lives, but there is an additional element

here, with the focus on the Irish border. It is my job today to present the arguments on behalf of the petitioners and to press the Government on the points that the petition raises.

I would like to deal in turn with each of the matters that the petition raises. First, on deal or no deal, has an agreement been reached with the EU before the deadline for leaving? Then there is the impact of no deal on businesses; the impact of no deal on the border between Northern Ireland and the Republic of Ireland on citizens; and the impact on EU citizens generally. The petitioners go on to say that if no deal has been reached Brexit should be stopped, because of how people, and particularly in Northern Ireland, would be adversely affected. The lead petitioner says that

“leaving with no deal will be very bad for businesses and for the Irish border issue and for EU citizens living here.”

Taking each of the issues in turn, I hope to present the views of the petitioners and seek the Minister's response.

First, on deal or no deal, has an agreement been reached with the European Union before the deadline for leaving? Do we have a deal or not? The petition is premised on the issue of whether we have a deal and, if so, on whether it addresses the concerns in the petition, particularly those relating to Northern Ireland. Over the next days and weeks there will be much debate in the House and elsewhere about whether the deal set out in the Prime Minister's statement last Thursday and the provisions in the documents can be agreed. Judging from the long and heated questions following that statement, it appears unlikely that the current proposed withdrawal agreement will be accepted. For Labour, my party, it is clear that the deal fails to meet the six tests we have set out to protect, among other things, the economy, jobs and workers' rights. Other parties and other Members have their own reasons for finding the deal unacceptable.

The question of the Northern Ireland border is key to the debate, and from where we stand now, it seems highly unlikely that when it comes to the vote in December the agreement will be approved—but, as they say, a week can be a long time in politics. I cannot read the minds of the petitioners, but I wonder whether their concerns for business, for peace in Northern Ireland and for European citizens living in the UK mean that many of them would find the proposed deal acceptable. What is absolutely clear is that they believe that no deal is such a concern that, in the event of that and of their concerns not being met, Brexit must be stopped.

On the impact of no deal on businesses, the petitioners are concerned about how leaving without a deal will affect business in the UK. Many businesses have expressed concern about the uncertainty about arrangements post-Brexit and also about what will happen if we leave the European Union without a deal. There are fears about disruption to just-in-time production methods hampering productivity, fears about transporting goods across borders and backlogs at customs controls, and fears about World Trade Organisation tariffs making businesses less competitive. Those are genuine concerns for many businesses and, of course, it is businesses that create and maintain jobs. The Government say that they are working hard to prepare for a no-deal scenario, but few people think that with less than five months to go before we leave the European Union all those issues can be properly addressed. The petitioners believe that if we face no deal we must stop Brexit.

[Liz Twist]

Turning to the impact of no deal on the border between Northern Ireland and the Republic of Ireland, it will be important to address businesses' fear that no deal would result in a hard border, which could affect Northern Ireland's future prosperity badly. Northern Ireland's economy does not stop at the border and neither do the communities on the island. Any barriers may mean the disruption of trade, but they also mean disruption to how people have lived for generations, with families, and in some cases even houses, straddling the border. There is much talk of a technical solution to the customs issues, but does one really exist or are those just fine words that butter none of the metaphorical parsnips? Why is it that no other country in the world uses such technological workarounds, if they really exist and are fit for use? Most important of all is the concern of the lead petitioner and, I am sure, many of the petitioners, about what a hard border might mean for political stability and peace. It took a long time to get to the Good Friday agreement and to where we are today.

Ciaran tells me that he is not old enough to remember the troubles but that his parents do. He and they fear that leaving the EU without a deal will introduce a hard border and be a backward step if we wish to ensure that all people in Northern Ireland are able to live together peacefully. That is not just a concern of Ciaran's; the Chief Constable of the Police Service of Northern Ireland recently expressed his concerns about the impact of a hard border. For Ciaran and other young people, who thankfully do not remember those earlier times, this must be a real worry and we owe it to them to settle the issue in a thoughtful way that does not put at risk the relative peace and stability of Northern Ireland and does not start to re-erect barriers—real or virtual—that could hamper that.

The petitioners are concerned about the impact of a no-deal Brexit on EU citizens already in the UK. EU citizens are a large part of our workforce in some sectors, and do a great job, whether in agriculture, health, social care or elsewhere. Many European Union citizens have already left the UK, fearing that they will be in a worse position if they stay here.

Catherine West: Does my hon. Friend agree that, just over the past 24 hours, two hospital trusts have reported that they are unable to staff their hospitals, and that that is directly influenced by the whole Brexit phenomenon?

Liz Twist: I agree with my hon. Friend that the fact that is already happening is of real concern.

Graham Stringer (Blackley and Broughton) (Lab): Does my hon. Friend accept that there are now more EU citizens working in the NHS than before the referendum decision?

Liz Twist: I thank my hon. Friend for his intervention. I do not have that detailed knowledge, but I am aware from talking to people who work in the NHS that there is a great deal of concern about that situation.

Many European Union citizens have left the UK, and it cannot be right for them to be so worried that they will be unwelcome that they leave, rather than risk staying. The Government have said that European Union citizens living lawfully in the UK today will be able to stay, but they will need to register for settled status under

a new scheme, which is not yet up and running. That is not what those people signed up for, and they are understandably worried about a new regulatory framework replacing what was free movement between the UK and other European Union countries. Of course, that works both ways.

I do not speak as a technical expert on the mechanics of Brexit, and I do not suppose that Ciaran is a technical expert either. However, he and over 110,000 petitioners—a number that was still growing as of yesterday evening—say that they have huge concerns about the impact of Brexit on the areas I have mentioned, and that if there is no deal, or a deal that cannot deliver assurances on all of those issues, Brexit should be stopped.

Susan Elan Jones (Clwyd South) (Lab): My hon. Friend mentioned technical experts on Brexit. If the past two and a half years have proven anything, it is that what technical experts on Brexit think does not mean very much. Does my hon. Friend mean that it is now absolutely imperative that, one way or another, the people of our country decide what happens next?

Liz Twist: I thank my hon. Friend for her intervention. Certainly, the demonstration that took place in Northern Ireland expressed young people's concern that there should be a chance for them to have their say, although I do not know Ciaran's views on that.

Other people will have their own red lines on what must or must not be included in the agreement, but for the petitioners, the red lines are those I have talked about. Because the petition is an e-petition, the Government have already responded to it, and I am sure we will hear more from the Minister. The Government said:

"We are leaving the EU. That's what the British public voted for and that is what we will deliver."

Dr Rupa Huq (Ealing Central and Acton) (Lab): My hon. Friend is doing a brilliant job of explaining the petition in layman's terms, but does she accept that it is a rather binary choice? "If there is no agreement, then Brexit should be stopped" puts things in rather stark terms? We know that there is an outline agreement, but we do not know that there is going to be agreement about it in this House. There is a third way, which is to give the good old general British public a people's vote on whether the deal is acceptable or whether we should remain.

Liz Twist: I thank my hon. Friend for her intervention, which I think covers a point that we looked at before. Certainly, the petitioners say that they have real concerns and that there should be a provision to stop Brexit. I am summarising what the Government have said, and I am sure that the Minister will address more fully some of the points that have been made.

The Government say:

"We have already carried out very significant 'no deal' preparations and have been publishing a series of notices so that businesses and citizens have time to prepare."

They say that their objectives are

"to minimise disruption and to prioritise continuity and stability, including for businesses...as well as for EU citizens".

They will

"continue working closely with industries that are most affected by 'no deal' plans and implementation"

and

"continue to apply highly automated, risk based and intelligence targeted customs controls when the UK leaves the EU."

The Government say that the Prime Minister gave a “clear commitment” to EU citizens when she said:

“I couldn’t be clearer: EU citizens living lawfully in the UK today will be able to stay.”

Notwithstanding those confident assurances, I suspect that the petitioners will not feel confident that their concerns will be addressed sufficiently. I have no doubt that they would wish me to press the Minister on their behalf to fully address their concerns today, and recognise the fears that they have for the future.

Jo Stevens (Cardiff Central) (Lab): Bearing in mind what has happened with the Home Office over the Windrush scandal, many constituents who are EU citizens have come to me, saying that they are very concerned about how the new scheme might operate. Does my hon. Friend share my concern that the Home Office is neither resourced nor ready to deal with all of the settled status applications?

Liz Twist: I do indeed share my hon. Friend’s concerns, especially as in preparation for this speech, I looked on the website to see the proposals. It all looked fine until I came to the bits that said, “More information will be posted.” We are getting very near, and for those who are in the position of having to apply, it must be a real concern that the full information is not yet available and the process has not begun.

The petitioners have raised their concerns, and the petition continues to attract signatures even as we speak. Those concerns are “deal or no deal”; whether an agreement with the EU has been reached before the deadline; the impact of no deal on businesses; the impact of no deal on the border between Northern Ireland and the Republic of Ireland, and what that means for citizens; and the impact on EU citizens. As I have said, the petitioners say that if no deal has been reached, and their concerns have not been properly dealt with and safeguards have not been given, Brexit should be stopped. I have not gone into the technicalities of what constitutes a deal, how it is reached, meaningful votes, or whatever. My job today has been to give the petitioners a voice on the very real issues that concern them, and I hope that I have done so. I have therefore moved e-petition 219905 on behalf of Ciaran and over 110,000 petitioners, which states:

“If there is no agreement to leave the EU then Brexit must be stopped.”

4.46 pm

Andrea Jenkyns (Morley and Outwood) (Con): It is a pleasure to serve under your chairmanship, Sir Roger. Needless to say, I am opposed to remaining in the European Union, and Brexit must not be stopped. A huge majority of my colleagues—544 MPs—voted in favour of the European Union Referendum Bill, 17.4 million people voted to leave the EU, 494 MPs voted to trigger article 50, and 60% of my constituents voted to leave.

There can be no doubt that the British people and their representatives in the House of Commons think that Brexit should go ahead. We made a promise; now let us stick to that promise. The referendum question said nothing about the possibility that we would have a so-called people’s vote. The referendum on 23 June 2016 was the people’s vote: it gave the British people the opportunity finally to have a say on our future relationship with the EU. The people spoke, and we have to listen. The referendum question said:

“Should the United Kingdom remain a member of the European Union or leave the European Union?”

That language was approved by the independent Electoral Commission. The question was clear, and the people voted to leave the European Union by a sizeable margin.

The risk to the UK’s trade after Brexit has been much exaggerated, much as the immediate aftermath of a leave vote was exaggerated by Government and business. The British people were promised rapidly rising unemployment, an emergency Budget, and untold horrors by those who supported remain in 2016.

Peter Grant (Glenrothes) (SNP): Will the hon. Lady give way?

Andrea Jenkyns: Sorry, but I will carry on. The reality has been quite different, with a thriving economy, the fastest wage growth in a decade, record low unemployment and record high job vacancies. Why on earth would the British people believe “Project Fear 2”, which has been rolled out by those who seek to undermine the will of the British people? No agreement with Europe will not mean an end to trade; that is a simply ridiculous argument. In 1980, the EU’s share of world GDP was about 30%. In 2017, it was about 16%, and by 2022, it is expected to fall further to 15%.

Dr Huq: Will the hon. Lady give way?

Andrea Jenkyns: Sorry, but I will carry on. The EU has a shrinking share of world trade, and Brexiteers can see the benefits of trading freely with the rest of the world, which is growing at a much faster rate than the EU.

Tom Brake (Carshalton and Wallington) (LD): Will the hon. Lady give way?

Andrea Jenkyns: No, I am going to carry on. You have plenty of people on your side who can give way to you.

Sir Roger Gale (in the Chair): Order. For the record, there is nobody on my side. I stand alone in debates.

Andrea Jenkyns: I apologise, Sir Roger.

If we were to go on to World Trade Organisation rules when we leave, we would be trading under the same terms as the USA already does with us. Tariffs would average only 3%. Some tariffs on exports would be higher, but some goods would still be exempt completely. The WTO has about 160 members, accounting for 90% of world trade. We would still trade regardless of whether we leave the EU on WTO rules or with a trade agreement. We are the world’s fifth largest economy. We are one of the five permanent members of the United Nations Security Council. We have the best universities in the world and the most resourceful and amazing people. The UK will always succeed. I am confident we will prosper.

Jo Stevens: Will the hon. Lady give way?

Andrea Jenkyns: I will not.

Jim Shannon (Strangford) (DUP): Will the hon. Lady give way?

Andrea Jenkyns: I am carrying on. The biggest benefit to us leaving on WTO rules is our freedom to sign our own free trade deals with the rest of the world, such as with the world's largest economy—the USA—and with the economic powerhouses of tomorrow, such as India. It has the added benefit of meaning we would also keep the £39 billion.

Tom Brake: Will the hon. Lady give way?

Andrea Jenkyns: No, I will not.

Tom Brake: On a point of order, Sir Roger, can you give us some guidance? It would be really helpful for Members to know whether the hon. Lady has written a letter to the chair of the 1922 committee calling on the Prime Minister to go, but she will not take any interventions. Can you help us try to determine the answer to that question?

Sir Roger Gale (in the Chair): I am sure the whole Chamber would be absolutely fascinated to know that, but as the right hon. Gentleman is well aware—he has been here for a very long time—it is not a matter for the Chair.

Andrea Jenkyns: Thank you, Sir Roger. Under WTO rules, we will be in control of our own destiny and we will be able to deliver on the Prime Minister's promise to be a free trade champion and to be a truly global Britain, unlike under the PM's current deal.

As a Conservative, I believe in the benefits of free trade. I want to see free trade with the rest of the continent that is as liberal as possible, but that cannot come at the expense of breaking the promise made to the British people at the referendum, or by my party or Her Majesty's Opposition in our manifestos. Trust in Parliament and politicians is essential for a strong democracy. Across the west, we have seen declining levels of public trust in politicians and political institutions. The level of mistrust and scepticism has increased and I have grave concerns that if we do not deliver—if Brexit is stopped—that trust will erode further.

In November 2017, Ipsos MORI undertook a poll of trust in professions. Public trust in politicians was only 17%, which is truly damning. To put that into context, nurses were trusted by 94% of people. The ordinary man in the street was trusted by 64%. Bankers were trusted by 38% and professional footballers were trusted by 26%. We need to reverse that shocking trend and stopping Brexit will certainly not do that—quite the opposite. Some 70% of Conservative seats and 61% of Labour constituencies voted to leave the EU and they will not trust us again if we remain in the European Union.

It is also important to note that there is not and never was an option to keep the status quo. The EU is a project that supports deeper integration, and it is not clear on what terms Britain's membership would be, even if the anti-democratic “stop Brexit” campaigners got their way. For example, would the UK remain an EU member state on its existing terms with opt-ins, opt-outs, a budget rebate and so on? If the UK were to remain, it has been suggested that we could end up paying more money to the EU budget. One of the pledges of the referendum was to take back control of our money. Those suggesting that Brexit should be stopped are essentially suggesting that they would be willing to pay more in and get less back. Good luck to them in selling that to their constituents. Our hard-fought

rebate was a famous victory for Margaret Thatcher; Labour Prime Minister Tony Blair gave away a large chunk of the rebate for nothing. To remain in the EU following the largest democratic decision in our nation's history would be an outrage, but to pay more into the EU's budget for the pleasure would be a catastrophe.

Not everyone here today will agree on whether our relationship with the EU is positive or negative, but we should all be able to agree that we are united under our democratic ideals and our British principle of fair play. Referendums are extremely rare under our constitution and even if they are not necessarily constitutionally binding, it would be unthinkable for the UK Parliament to overrule a referendum. I sincerely hope that that never happens, and I would always oppose such a move.

If the Opposition parties had won the 2011 referendum on our voting system or the 2014 referendum on Scotland's independence, how would they and their supporters have felt if Parliament had rejected or overturned the result? That is the situation that this petition supports. It is wrong and simply un-British.

Martin Whitfield (East Lothian) (Lab): Will the hon. Lady give way?

Andrea Jenkyns: No, I am nearly finished.

As politicians, we reap what we sow. If we ignore and discard the will of the people, the people will rightly discard us.

Martin Whitfield: On a point of order, Sir Roger, how can we get on the record that not everyone who sits on the Opposition Benches necessarily agreed with the indication of the vote mentioned by the hon. Lady?

Sir Roger Gale (in the Chair): As the hon. Gentleman is well aware, that is not a point of order for the Chair, but I think he has achieved his objective.

Andrea Jenkyns: SNP Members are particularly keen to overturn the referendum result, and I suggest they be cautious about setting that dangerous precedent. Their sole purpose is independence for Scotland; I do not support that, nor does Scotland, but nevertheless let us imagine Parliament overturning a yes vote. That would simply be wrong. We are leaving the EU. It is what the British public voted for and what we must deliver. If we do not, more is at stake than simply keeping the status quo; we will erode trust in our democracy.

4.56 pm

Tulip Siddiq (Hampstead and Kilburn) (Lab): The petition, signed by more than 100,000 people, states that if the Government fail to reach an agreement with the EU by the deadline, Brexit should be stopped. After last week's chaos, who can blame those who signed it? Tory infighting is usually something I would welcome, because it is fun to watch blue on blue, but Brexit transcends party politics. We have 130 days left before we crash out of the EU, and we do not know what we are going to do. In responding to the petition, it is time that we ditched our divisions and looked at the facts, because they are shocking. We have no majority for the Northern Ireland backstop, no majority for a deal that makes us a rule-taker, and no majority for a withdrawal agreement that leaves 3 million EU citizens facing unacceptable limbo.

At the heart of my support for the petition is the case of EU nationals. Some 22,000 EU nationals live in Hampstead and Kilburn, and it is in defence of their rights that I rise to speak. These are not people who have the right to vote for me. This is not about politics; it is about the fact that they have lived in the community for years and years. This is their home. They make an unquantifiable contribution to our community, our NHS, our businesses and our creative sectors.

Peter Grant: Does the hon. Lady share the Welsh and Scottish Governments' view that the Prime Minister's comments about queue jumping at the weekend were deeply offensive, and should play no part in a civilised debate about our future immigration policy?

Tulip Siddiq: I agree, and I thank the hon. Gentleman for that intervention. I will read a few of the words that the Prime Minister has said about the EU nationals living here. I repeat that 22,000 EU nationals live in Hampstead and Kilburn. The Prime Minister has repeatedly told the House and Members that even in the case of no deal, EU citizens will have their rights protected. However, to choose just one example, on page 28 of the agreement, article 15(3) states that the right of permanent residence can be lost if family or work obligations mean that someone has to leave the country for five years. As the 3 million says, EU citizens living in the UK will soon have to pay to apply to stay in their home, and will have to undergo systematic criminality checks.

Christine Jardine (Edinburgh West) (LD): On that point, does the hon. Lady agree that it is ridiculous that some children born in this country to EU nationals from other parts of the EU who have been here for decades now have to apply to be British?

Tulip Siddiq: I agree that that is absolutely ridiculous. It also goes against all our British values of welcoming people.

In the Prime Minister's CBI speech, EU migrants were told that they would lose their place in the queue for employment opportunities. We are at a pivotal point in our history. Do we want to become a Trumpian society in which we demonise migrants and do not make them feel welcome? Or do we want to go back to the British values of welcoming people to this country, as refugees or migrants, because of the contribution that they make to our country? Does what the Prime Minister has outlined sound like the protection of existing rights? My residents in Hampstead and Kilburn do not think so. I will illustrate my point with the example of two of the 22,000 EU nationals living there.

Sarit from Hampstead town is an EU doctor. In a year, he does 2,000 NHS surgeries. He said that Brexit is a threat to his work in the UK. I went through a very difficult childbirth two years ago on the NHS, and every single doctor, nurse and midwife who treated me was from the EU. There has been a 96% drop in the number of EU nurses applying to work in our NHS. Georgia, a Cypriot constituent, has lived in my constituency since 2003. She wrote to me of her fears about the new reticence of firms in Canary Wharf to hire EEA citizens.

The official Vote Leave statement said on 1 June 2016:

"There will be no change for EU citizens already lawfully resident".

They

"will be treated no less favourably than they are at present".

With that clearly no longer the case, we can add the betrayal of EU citizens' rights to the long list of betrayals that have led to an undeniable shift in public opinion.

Hon. Friends have mentioned the people's vote. A Sky News poll on 15 November asked whether voters would support or oppose a referendum to choose between the draft Brexit deal, no deal, or remain, and 55% were in support of a people's vote. In a YouGov poll, 59% of respondents said that they now support a people's vote. The change in opinion is clear, and as parliamentarians we have a duty to act on that change, and on the failure to achieve a deal.

Jim Shannon: The hon. Lady referred to the withdrawal agreement. Does she accept the opinion of Unionists that no Unionist can support a plan that gives Brussels more say than the UK Parliament over trade and rules in Northern Ireland? How can anyone in this House support a plan that draws a regulatory border down the Irish sea, and support the withdrawal agreement? Does she feel our angst and our annoyance at what is happening?

Tulip Siddiq: I thank the hon. Gentleman for his intervention. Perhaps the Minister can answer that question, as well as my long list of questions. Have the promises of Vote Leave materialised? If not, should not the public be given another say on the deal that is reached? Does the draft deal stand a chance of passing through the Commons, in the light of dissent from across the House? If not, should not the public be given another say on the deal that is reached?

Dr Huq: My hon. Friend is making a convincing case for people having changed their minds. Two years ago, the Conservative party chose a leader, yet some people in that party now want to choose another leader. They do not want that leader set in stone for two years. To draw a parallel, people have changed their minds on this subject. There should be an opportunity to see whether the will of the people is still the will of the people.

Tulip Siddiq: I agree with my hon. Friend. I hope that the leader goes on another holiday, so that we have an opportunity to choose another leader for the country.

Does the Minister believe that a no-deal scenario, with all the chaos that it will cause, is a viable path for our country? If not, should not the public be given a say on the deal that cannot be reached? It has for some time been clear to me, and thousands in my constituency, that the Government do not have the answers, so ultimately the people should be given the opportunity to vote again.

Jo Stevens: Given that voters found out only last Wednesday what they apparently voted for in 2016, the only proper democratic course of action is to put the Prime Minister's proposal to the public by way of a people's vote, and to see whether they want to accept that or remain in the EU. Does my hon. Friend agree?

Tulip Siddiq: When we went to the ballot box on that fateful June day, there was only one question on the ballot paper: "Do you want to leave the European Union or not?" All those people arguing that it became a proxy vote on immigration—I agree that it was—and about all the other associations with the vote should remember that. It was not a sensible way to run a referendum that I did not agree with in the first place.

Dr David Drew (Stroud) (Lab/Co-op): Historically in this country we have only ever had one question on the ballot paper. How easy will it be for such a referendum to include more than one question?

Tulip Siddiq: History will probably show that we did not always get it right. I am not resistant to change. It is because I respect democracy that I think we need a people's vote. I respect people's opinions and the right to change one's mind once a decision has been taken. Democracy in the UK did not begin and end with the referendum in 2016, and it certainly does not end after two years of shoddy negotiations by the Government, after which we do not know what will happen in 130 days. Given the Government's failure to bring home a deal that can command widespread support in the House, it is high time that we parliamentarians trusted the British public to have their say and vote again.

5.6 pm

Tom Brake (Carshalton and Wallington) (LD): I must start by saying to the hon. Member for Morley and Outwood (Andrea Jenkyns) that people often do not trust politicians because they fail to answer questions, or, in her case, fail to accept the question posed in the first place. It would have been helpful if she had answered some of the questions when people sought to intervene. If she wants to intervene on me, I am very happy to give way to her or anyone else during the debate. Perhaps she did not want to take any interventions because she felt her arguments were rather weak.

The past week has been an absolute shambles. Anyone—in the United Kingdom or elsewhere—who looked at our Government and what they are doing with Brexit could not think anything but that this is a most depressing spectacle of a Government completely out of control destroying the best interests of the United Kingdom. What is happening is nothing to do with national interest, but everything to do with the Tory party interest. Who will be the next leader? What particular version of Brexit will be delivered by the Government?

Earlier there was an exchange about whether the country knew what it was voting for two and a half years ago. Clearly, it cannot have done. The Prime Minister has set out her deal, which has promptly been rubbished by a large number of her own MPs who think a different deal is what people wanted. The public are justified in not knowing what was offered to them two and a half years ago, because the Tory party does not know now what should be offered to the people.

I will not give the time of day to the bluffers in that party who believe that no deal is manageable. Some actually believe that. The Government have done a good job of setting out precisely what the impact of no deal would be, but some say, "Well, it would lead to a few transitional problems". I suspect those people are sitting on family fortunes large enough not to be disturbed by the slight transitional problems that might occur if a no deal is what happens. Although the Prime Minister said she would not, I think Ministers should make some contingency plans for what happens if there is no Brexit. I hope that that is where we end up.

The opening speech and later contributions have set out the impact of no deal on EU citizens in the UK who are already demoralised and disturbed by what is happening about their futures here. Also, UK citizens in the EU are all too often completely forgotten in this process. I

am getting reports from places such as France where UK citizens who have been long-term residents are being asked to go to a place many miles away from where they live to fill in forms that they have not had to fill in before, and they are very worried. Sometimes they are very elderly, and they do not know what is happening. If they have read some of the laws being prepared for the French Senate, they should be worried. They should also be worried about what French employers are being told about what they have to do to prepare for no deal and the checks that they might have to carry out on UK citizens. We seem to have completely neglected the interests of those citizens in this process.

Those who are arguing that no deal is manageable clearly have not spent much time with many businesses. Everyone I talk to, whether in the haulage industry, the pharmaceutical sector, universities or the NHS, is very concerned by the suggestion that no deal is a possibility. Some have already made costly investments to try to cope with it, such as ensuring that they have cold storage available for medicines. Some have made the preparations. The largest companies could probably cope with no deal, but smaller ones would not be able to. Many companies that operate with small margins will probably go to the wall if they suddenly find that the relationship that they had with a supplier in the EU no longer functions as a result of there being no deal. If we end up in a no-deal scenario, people such as the Minister and the Brexiters will have to explain to those companies why they have been put out of business.

I welcome the fact that the hon. Member for Morley and Outwood is at least here. At least she has had the nerve to come and attempt to defend the policy that she supported. Where are the others? Where are those who have been so prominent in saying that this is a brilliant deal for the UK that will deliver fantastic benefits in terms of trade deals and so on? Incidentally, I have found it hard to identify any company that thinks that there will be a huge trade deal out there for them. Companies that already export very successfully around the world are saying to me, "I'm not quite sure what this trade deal will give me that I don't already have, because I'm already trading successfully around the world. I worry that the very successful trade that I do with the EU will be damaged as a result of what the Government are doing."

We need to establish whether the article 50 process can be stopped. There is no point in trying to cancel the process before 29 March, as the petition suggests, if that is not possible. That is why the Wightman case, which seeks to establish whether article 50 can be revoked, and with which I am peripherally involved, is critical. The Government have said, "It's a hypothetical question. We're not going to revoke article 50, therefore we're not going to tell you what our legal advice on the subject is." I think that Members are entitled to know whether article 50 can be revoked. If we get to 29 March 2019 without a deal, I suspect that everyone in the Chamber will want to know the answer to that question. Ministers will no longer be able to hide behind the words: "It's a hypothetical question. You're not entitled to know the answer."

Martin Whitfield: Does the right hon. Gentleman agree that although the Government are not prepared to release their legal papers, they seem to want to appeal the decision to refer the case to the European Court of Justice?

Tom Brake: Absolutely. The Government do not want us to go to the ECJ to get clarification. Regrettably, they are keen to block such action so that we cannot know the answer. The Government have five QCs working on the case, including the top two QCs in the country. I would like to see the bill that the Government will get for trying to hide from Members of Parliament whether article 50 is revocable, because that is what they are trying to do. I think that is incredibly reprehensible.

Lib Dem party policy is that if we reach 29 March without a deal we will seek to revoke article 50 unilaterally. The Government have set out the consequences of no deal in the technical notes, and those consequences are so dire that we need to have such a stop gap to prevent us from falling over the cliff. I am afraid I must briefly touch on Labour party policy. It seems to me that the Labour party has more obstacles than the grand national that have to be crossed or cleared before it will come out formally to support a people's vote. I know some in the Chamber on the Labour Benches will not support one, but others have already stated their support.

We need to hear from the Labour Front-Bench spokesperson today whether the Labour party will support a people's vote, because we will quickly get to the vote on the deal. If the Government dare to introduce the motion that was so soundly rubbished by people such as the hon. Member for Morley and Outwood, there will be an amendment calling for a people's vote. Then the Labour party, which has been playing a little dance—more dances than “Strictly”—will have to come clean to the public, its own Members of Parliament, its own supporters and the large number of people who have joined the party in recent years about whether it will support a people's vote or will, in fact, aid and abet the Government in crashing us out of the European Union.

Catherine West: Will the right hon. Gentleman clarify whether the Liberal Democrats were split two or three ways on the vote on article 50?

Tom Brake: I assure the hon. Lady that we will certainly not split three ways. One Liberal Democrat Member of Parliament has some reservations, but I am confident that between now and the vote he will have changed his position, and will fall in line with the position that the party has overwhelmingly adopted.

Catherine West: Three ways.

Tom Brake: No—that is potentially two ways, but I am confident that we will all be going through the same Division Lobby for this vote. I hope that the Leader of the Labour party will join us. We know that we will end up with either the Government's deal or no deal if the Labour Front-Bench team does not support a people's vote. I hope that they will.

Dr Drew: It is not either/or. The question is whether they will support a call for a general election. That is the obvious way to resolve this.

Tom Brake: The idea that there will be a general election is one of the obstacles that the Labour party has put in the way of supporting a people's vote. The only circumstances in which a general election would happen would be, first, if the Prime Minister said, “I want a general election.” We all remember what happened the last time she decided to call one—it did not go very well, so it is unlikely that she will do that.

The other circumstance would be if there were a vote of no confidence, which would probably require the Government's friends from the Democratic Unionist party to support it. The DUP would be looking at the Leader of the Labour party potentially becoming the Prime Minister. I suspect that the DUP would not want to facilitate that. If the hon. Member for Strangford (Jim Shannon) wants to intervene and confirm that they would support a vote of no confidence, this is his moment. He is sitting on his backside, and clearly does not want to confirm that this afternoon.

Clearly there are almost as many Tory party policies on where the Government should be going as there are Back Benchers. I do not know whether Tory Back Benchers have an official position on whether they would seek to revoke article 50 if we reached 29 March without a deal, or whether they are happy for us to go over the cliff. I guess we will have to wait and see. One clear element of Tory policy is to blame everyone but them for the debacle unravelling in front of us.

A procession of very senior ex-Ministers has appeared on television in the last couple of months. One such ex-Minister said, “I'm our man in Washington and I'll be able to secure a free trade deal with the US in three months.” The same person spent two years trying to negotiate the deal with the European Union and had to walk away. The outgoing Secretary of State for the Department for Exiting the European Union is also seeking to blame the Europeans for bullying the Government. I recall that he was one of a number who said that Brexit would be simple and straightforward, that the EU would give us everything that we wanted, and that it would all be done almost overnight. The reality is that he has failed. There was never any chance that the sort of Brexit that he and some other prominent Brexiters claimed was deliverable would be delivered for the United Kingdom.

Jim Shannon: The right hon. Gentleman always gives way, even though we hold practically opposite opinions. What has made the difference is the backstop down the Irish sea, which is why the former Brexit Secretary took the principled decision to resign his position, as others have done. It makes the whole withdrawal agreement more unacceptable. Does the right hon. Gentleman accept that from where we stand as Unionists, things have moved beyond the pale, so we will have to make our decisions accordingly whenever a withdrawal agreement comes before the House?

Tom Brake: Clearly, and rightly, the hon. Gentleman will take the decision that his party feels is appropriate, although I am sure he will also want to bear it in mind that Northern Ireland voted to stay in the European Union. I hope he will factor that into his considerations.

Jim Shannon: Northern Ireland is only part of the whole United Kingdom of Great Britain and Northern Ireland, along with Scotland, Wales and the rest. The decision was made collectively. For the record, my constituency voted by 56% to 44% to leave. I understand that across Northern Ireland the majority opinion was different, but throughout the whole United Kingdom the vote was clear. We all want to leave and we will leave it together, not in parts.

Tom Brake: I was not suggesting that the hon. Gentleman's constituency had voted to remain, but I am pleased that he acknowledges that the overall picture in Northern Ireland is that people voted to remain in the European Union. What he says confirms something that some people realised at the outset, two and a half years ago, which is that frankly there was no solution to the Northern Ireland border problem. Some of those who claimed wrongly that there was a solution were former Secretaries of State for Northern Ireland, who should have understood the import of it and known better. I do not think that there is any mileage in the technical solutions that are being proposed. Yes, technical solutions can be part of the answer, but it is not clear to me how we can find a technical solution to any checks that will have to happen, particularly occasional checks of the contents of vehicles.

Jim Shannon: Last week, the Select Committee on Northern Ireland Affairs heard expert opinions from representatives from Holland and Switzerland about how the technological method would work. May I suggest that the right hon. Gentleman reads the transcript of the evidence from those two experts, which will give him an indication of exactly how it will work?

Tom Brake: I am sure that the credentials of the hon. Gentleman's experts are sound, but at an event yesterday I sat next to a businessman who trades all over the European Union. He pointed out how much more difficult it is to trade with Switzerland: it required HMRC to come into his business to check the validity of the paperwork for a £1,400 order. Differences clearly exist between the trading models that apply around the European Union, so it is not enough simply to say we should adopt the approach or the technology of Switzerland, where I understand that checks are still conducted not at the border, but some distance away.

I really should conclude my speech. If we get to 29 March without a deal, I think our stopgap should be to revoke article 50. I hope that the European Court of Justice will confirm that that can be done. If we do not revoke article 50, every single Member of Parliament who advocated that no deal was manageable will have to face their constituents on 30 March and every single day afterwards to explain why there is a shortage of medicines in the NHS and of food on the shelves at Sainsbury's, and why a process that it was claimed would be simple, straightforward and manageable was nothing of the sort.

5.24 pm

Martin Whitfield (East Lothian) (Lab): It is a pleasure to serve under your chairmanship, Sir Roger, and to speak in this debate.

When is a deal not a deal? When is an agreement just a draft agreement? Here we are, two years after triggering article 50, and Parliament now has before it a document of 500-plus pages that sets out how we will go about leaving the European Union, and a seven-page political declaration about our future beyond that point. It is almost as if we had a technical drawing of the taxi that we will get there in—it might have only three wheels and some of us might not be able to get out at the end, but we will still enjoy ourselves—and only a bland sketch on the back of a napkin of what it will look like where we are going.

That is the context of the petition before us today, which I support and which has been signed by 206 of my constituents. Is it a cry for help—a cry for sense? In the referendum, East Lothian voted by 64.6% to 34.4% to remain in the European Union. That overwhelming majority was reflected across the whole of Scotland. I grant that it was not the view of the whole United Kingdom, but people are very worried about a no-deal Brexit, which is a distinct possibility threatening us if the Prime Minister is unable to get her deal through Parliament in a meaningful vote.

The petition realistically encapsulates the political stalemate between our political Executive and the legislature. Ministers have spent the weekend pushing the idea that this deal is better than no deal. That is a false dichotomy. I remember a time when no deal was better than a bad deal. Hope and expectation rather than cold facts have driven decision makers into this position. At what stage should we hold to account those who promised that such a utopia was down the road, but instead delivered a dog's dinner—or a dog's Brexit-fast? It is nonsense to suggest that a democratic decision is binding for ever. People are entitled to change their mind when they find out the facts and when democratic legitimacy is questioned. If no democratic decision could be revisited, Parliament as an institution would be defunct.

Catherine West: What is my hon. Friend's view of the facts that have emerged about how the election was run, particularly the £8 million of electoral funding?

Martin Whitfield: It is interesting that as more and more facts become apparent, people's confidence in politicians seems to be attacked again and again. We seem to fail not only to recognise what has happened in the past, but to offer any way out. What is required is to recover that trust by looking into our constituents' eyes and saying, "We can sort it." Whether we leave with a deal or no deal, it is a betrayal of our young people, our communities, our farmers, manufacturers and industry, and our working people. It is a betrayal of people young and old in my constituency of East Lothian.

As chair of the all-party parliamentary group for the timber industries—I refer to my registered interests—I am seriously concerned about the impact of no deal on the timber sector. Last week, I had the privilege of meeting representatives from the Irish timber industry, who spoke about the chaos that could come their way in a no-deal Brexit. They also spoke about the strength of an industry that, over its time in Europe, has created a way of dealing and doing business that means that a piece of wood purchased in B&Q may have started life in the Republic of Ireland, been felled and cut in Northern Ireland, and been transported across the border to be ready in the shop for the purchaser. The additional logistical costs to timber importers will affect not only small businesses across the supply chain, but the wider construction industry, which will play havoc with the Government's timid housing proposals.

Such worries are spread across every industry. There is a disconcerting sense that the Government believe that they have reached a good deal because they have a seven-page document about the future, but it offers no more certainty or security than a catastrophic no-deal scenario. Neither option provides the certainty or security that my constituents demand, but there is another answer.

I believe that, if asked, the people of East Lothian would vote as they did last time—to stay in Europe—but this time it would be a vote for no Brexit.

Let me flesh out my concerns about the no-deal Brexit that will happen if, as expected, the political impasse between the Prime Minister and Parliament cannot be broken. Each impact of leaving without a deal is far worse than not leaving at all—the very essence of the young gentleman’s petition. A no-deal Brexit would put us on WTO terms, which would introduce tariffs and strict standards, potentially blocking businesses from trading across the whole of Europe. We should not leave the EU for that. We would lose frictionless border crossing by people and equipment, and we would lose on-time delivery for manufacturing. We should not leave the EU for that. A no-deal Brexit would threaten the valued rights and protections of workers across Britain. We should not leave the EU for that. It would hamper and harm our environment. We should not leave the EU for that. A no-deal Brexit would put the Union at risk. We should not leave the EU for that.

5.30 pm

Lisa Nandy (Wigan) (Lab): I thank the Petitions Committee for bringing forward this debate and allowing us to consider, with only months to go, what the impact of a no-deal Brexit would be on this country. I have to admit that, in eight years in Parliament, I have never been more worried—not just about the potential impact on this country, but about the state of British politics and our apparent inability to listen to one another, to work constructively together and to find a way out of this mess.

Although I understand the passion and sincerity with which people have conducted themselves, this debate has drawn attention to many of the reasons why we are unable to find a way through this mess: entrenched positions, more talking than listening, and the repeated use by a number of people of the word “betrayal”, which only a few years ago was reserved for people on the far right but now seems to be part of our modern lexicon, with hugely damaging results. Our political debate has become angry, divisive and violent at the exact time that we should be taking a lead in trying to calm this down.

It is in that spirit that I congratulate the young man, Ciaran O’Doherty, for the way he has put together and presented this petition, because the real human implications of what we potentially are about to do to people like him must be heard and considered by all of us. Should Parliament not reach agreement either on this withdrawal agreement or on an alternative course of action in a few months’ time, and if the Government do not sit up, listen and take action, we will leave without a deal. I share the view of many colleagues who have spoken today: that would be an absolute disaster for this country.

I am really concerned to hear—from Opposition Members as well as Government Members—the idea that a no-deal Brexit is a political hoax. I share the view of the right hon. Member for Carshalton and Wallington (Tom Brake) that many of the people who are pushing the idea that no deal would not be a problem or that, somehow, it cannot happen are incredibly protected from the impact of those decisions. They are wealthier and more privileged, have more access to power in all its forms, and have options for what they and their families do next. I want to put on record that for the vast

majority of people whom I represent, the situation is much more terrifying than that. For all the anger and bluster in Parliament, the thing I hear most from my constituents as we approach the deadline in March 2019 is genuine anxiety about what will happen to them, their jobs and their children’s future.

As this debate becomes angrier and angrier as we get closer to the deadline, and as we continue to talk past one another and to lecture one another about what is in the moral interest of this country, I say to colleagues who make a very passionate case for a second referendum that my in-box in Wigan is filling up with messages from people who tell me that they voted leave, that they want the result to be respected, and they now want no deal at all with the European Union. That is a much stronger assertion even than just a few months ago, when it felt like the debate was starting to calm down. The debate has become angrier, and those people have decided that they want to raise their voices loudly at this time and set us on a disastrous course for them, their families and my community, because they feel that that small bit of control that they exerted two and half years ago is in danger of being taken away.

To my colleagues who sincerely and passionately make the case for a second referendum, I say that that is only part of the solution. If they genuinely want to heal the divisions in this country and provide a sustainable future, this cannot be a tug of war between two groups of people who cannot co-exist. Democracy is not the tyranny of the majority; the 48% and the 52% must be heard. This is their country, and the future must belong to both groups.

Tom Brake: I wonder whether the hon. Lady welcomes the fact that those people involved in the people’s vote campaign, which includes Members from all political parties apart from the DUP, are actively working to draw up an offer that would address the legitimate concerns that leave voters had? Should we get into a people’s vote campaign, we can then say that these are the things that we would do to address some of the key concerns that people who voted leave had—it would not address all concerns—about things such as investment in infrastructure, skills, training and quality jobs.

Lisa Nandy: Having had some quite tough words for people making that case, it is right to acknowledge how positive that contribution is and how important that work is. I gently say to the right hon. Gentleman that if the starting point for a campaign is that “you are wrong, and we are right”, it is very unlikely to get a hearing. I can see some hon. Members shaking their head, and I accept that there are different nuances to that campaign. I accept that there are activists and spokespeople for the campaign who do not take that approach, but some of the right hon. Gentleman’s leading advocates and spokespeople take that exact approach and have spent two and half years telling 52% of the country that they have betrayed a generation and that they are wrong.

It is with sadness rather than anger that I say that it is not going to work. It will not provide a sustainable future for this country, just as the words of the hon. Member for Morley and Outwood (Andrea Jenkyns) do not provide any comfort or reassurance to the 48% of people, including a number of her own constituents, who voted remain and who feel passionately that the future is being taken away from them and their children.

[Lisa Nandy]

I want to turn my attention to a no-deal outcome, because it is increasingly likely that that will be the default option as we approach March 2019 and as we prove unable to agree on an alternative course of action. I agree with my hon. Friend the Member for Blaydon (Liz Twist) on the impact that this would have, and I agree with the right hon. Member for Carshalton and Wallington (Tom Brake) as well. The businesses in my constituency that will be most affected by this, by tariffs and by problems at borders are, like his, not the big companies—for example, the Heinz factory that employs 1,200 people in my constituency and more in the supply chain—because they have the ability to plan for what comes next and have been doing contingency planning for some time. They have political clout: should there be queues at lorry parks, they will be able to get their products through. The hardest hit will be the smaller companies that have perishable goods and do not have the clout and contingency funds, such as the Kings Quality Foods meat production company in my constituency. I agree with the right hon. Member for Carshalton and Wallington that many of these very good companies will go under if we do not take action now to prevent a no-deal Brexit.

On the way down here last week, I was stopped at the train station in my Wigan constituency by a mum whose son has a life-limiting illness: Duchenne muscular dystrophy. That young boy, Jack, has become extremely well-known in Wigan. His parents have founded a charity called Joining Jack and have been campaigning for a cure. There is no cure as yet, but there is medication that can delay the degenerative effects of this horrible, cruel illness. She is desperately worried about what is about to happen; like many families around the country, they are discussing stockpiling medicine. Every dose that that young boy misses knocks weeks off his life. Conservative Members on the hard end of Tory Brexit are playing serious, high-stakes poker with people's lives, and we should be concerned about how to stop it.

I am also concerned about food. Some 30% of our food comes from the EU, and many of my constituents, like those of many other hon. Members, are already accessing food banks because they cannot afford food prices. What do we do when inflation and the price of food goes up as the value of the pound falls?

Like Ciaran, I am concerned about the impact of what we are doing to Ireland and Northern Ireland. It is often called “the Ireland problem”, but as they rightly keep telling us, it is a problem that we created for them. I was serving in the shadow Cabinet in the run-up to the referendum, and I spent months going around the country, mostly in northern towns, trying to convince people that remain was the best option. Apart from the times when we raised it, the issue of Northern Ireland and the border came up only once. Here we are with just days to go until we leave the European Union, and it seems that there is a group of people who think that that is not an issue. Ciaran can tell them that it absolutely is.

There are profound questions to ask about the implications for energy and our pensions. We ought to work together to ensure we have the legal tools available to prevent the outcome of no deal.

Dr Drew: My hon. Friend is making an excellent speech. I was in Northern Ireland a fortnight ago talking to Department of Agriculture, Environment and Rural

Affairs officials, who have to implement whatever they have to implement in March. The reality is that they have nothing to implement. They cannot put a border in, and they cannot do checks because they have not taken on additional staff. They admit it is a mess. They have to make decisions, although they are very wary of making political decisions, because they are not politicians. That is the reality. I was in Newry, and I saw it. The problem is that they do not know what will happen after March.

Lisa Nandy: I could not agree more. As we approach Brexit, far too many people are making false promises or are being far too complacent about the potential impact of what we are going to do. I have spent time talking to our counterparts who are about to bear the brunt of it. They know the cost of it, and we should too.

Still now, given everything we know about what is about to hit us, the Government are refusing to be honest. I say this to the Minister as somebody who indicated from the outset that I was prepared to consider the Government's withdrawal agreement—I have read every page of it and the seven-page political statement that goes alongside it. They cannot ask Members of Parliament like me, who are prepared to put the country's interests first, to vote for a withdrawal agreement while withholding information about what its impact will be.

The Minister will not tell us what the economic impact is of the various options available—no deal, this deal or remaining in the EU. That is one of the reasons why I and almost every single Member of Parliament in this Chamber support the amendment to the Finance Bill that would force the Government to reveal that information, which we will vote on later. Why should we have to drag the Government to the House and force them to reveal information that should have been ours by right? The Government have no right to withhold that information from the people and Parliament. We are about to embark on a course of action that could be destructive to this country, so the Government have a duty and a responsibility to put that information before the House.

Tom Brake: Like the hon. Lady, perhaps I can speculate on the reason why the Government are seeking to withhold this information. Is it not simply because they will be extremely embarrassed when it confirms that the Prime Minister's deal, no deal, Canada plus plus plus, Norway minus minus minus, or whatever else, is worse economically than staying in the European Union? That is why they do not want the information out there.

Lisa Nandy: The difficulty is that we do not know, and we should know. It is our right to know. More importantly, the people we represent have a right to know before we potentially embark on a course of action that could be deeply destructive to their lives in the ways I outlined a moment ago.

The state of this debate is an absolute disgrace. It needs to be reset with honesty and clarity. That begins with the Government setting out their plan B to avoid a no-deal Brexit if, as seems likely, the withdrawal deal does not secure the consent of the House. What legal advice have the Government had about the mechanism to revoke article 50? Without knowing that, we do not even know whether there is a clear route to prevent no

deal at all. What discussions have they had with the EU about extending article 50? Is there a willingness to do so? Do they intend to do so if this deal does not succeed?

The lesson that should have been learned in the past two and a half years is not only that we should have done the referendum differently but that we need a completely different approach to the way we have done politics over the past two and a half years. We have collectively let this country down with the angry shouts of betrayal and the inability to listen to people who do not share our point of view. The only mandate that came out of that very divisive referendum was for compromise. That is what the House of Commons needs to start doing now.

5.46 pm

Graham Stringer (Blackley and Broughton) (Lab): I debated with my hon. Friend the Member for Wigan (Lisa Nandy) during the referendum campaign, and we both tried to keep the debate calm and rational. I completely agree that anger, nastiness and calling people names does not help the cause of democracy. Having said that, I disagree completely with her last point. She said that the result of the referendum was for compromise. No, it was not. It was to leave the European Union, and the question was completely unambiguous and unconditional. Since the referendum, the people in the minority—those who lost—have gradually tried to recast the debate, continue with project fear and put barriers in the way so they can start again. I do not think the debate should be between leavers and remainers: it should be between the people who accept the democratic decision and those who do not. The Lib Dems have been quite clear throughout that they do not accept the democratic decision.

Tom Brake: I thank the hon. Gentleman for giving way, as he has accused us of not being democratic. Will he explain what is undemocratic about allowing the people, in a people's vote, to determine whether they agree with the deal that the Government have come forward with?

Graham Stringer: The fact is that we had a vote, and it was hard-fought-for. Like many hon. Members on both sides of the House, I had been arguing for a referendum since before I joined Parliament—I was elected in 1997, as was the right hon. Gentleman. Right hon. and hon. Members had been arguing for referendums going back to Maastricht—I voted to have a referendum on Lisbon—and we kept losing. The argument for a referendum was that many of the people's rights had been given away in treaties such as Amsterdam, Nice, Maastricht, the Single European Act and Lisbon, and they should have had a chance to vote on that.

Peter Grant: Will the hon. Gentleman give way?

Graham Stringer: I have not finished answering this one.

Eventually, a party that agreed that there should be a referendum won a general election. Hon. Members from all parties voted to have a referendum. I accept that in a democracy people can change their minds, but they cannot do so before we have implemented a decision that hundreds of right hon. and hon. Members voted for. That would detract from democracy.

If the result of the referendum is not respected fully and carried out, there will be a fundamental issue for those who support the 1975 innovation of referendums. The Scottish National party, for example, will no doubt come back for another referendum on the future of Scotland; we have also had a referendum on the voting system, and might have another. That will undermine the legitimacy of not only this referendum but others. People who voted leave would not necessarily accept the legitimacy of a second referendum, and not to implement the first one would undermine the whole constitutional construct of referendums. That is the answer to the question of the right hon. Member for Carshalton and Wallington (Tom Brake).

At the previous general election, the right hon. Gentleman stood on an election ticket for another referendum and won his seat. I accept that, but only 12 people from his party won on that particular ticket; my party stood on a ticket to honour the referendum result, as did the Conservative party, and that is what I intend to vote for, and will continue to vote for, whether that means voting in support of the Government if they put sensible things forward, or voting against if they do not put sensible things forward—which I think is the position with the agreement.

A great deal has been said today, and I will go through some of the arguments put forward. One was that during the referendum people did not know enough to come to a conclusion and were duped in some way. As in all electorates, people on both sides distort: they get excited and go past the facts. For example, I have never been in a general election in which the Lib Dem literature put out in the constituency has stayed close to the known facts that everyone else in the constituency believes in, but that is not a reason to rerun elections. The same happens at a national level. In a democracy, we leave it to the electorate to use their common sense to judge, from their experience, between nonsense and sense.

Tom Brake: Will the hon. Gentleman accept that there is a difference between a general election, the result of which may be overturned in three, four or five years—whenever the next election takes place—and a referendum, which potentially has a permanent effect? Does he not agree that the confirmed evidence of illegal activities by Vote Leave and BeLeave—Leave.EU is now being investigated by the National Crime Agency—suggests that this referendum was of a questionable nature? In case he suggests that the remain campaign did the same, I add that no one has taken any allegation about that campaign to court, as has happened to the other side.

Graham Stringer: I am sure, Sir Roger, that if I started to get into matters that may come before the courts, you would rule me out of order. I will not do that. All I would say is that legal action has often been taken over general elections—another case from Kent is before the court at this very moment—so I do not accept that point. After the 1975 referendum, it took more than 40 years to hold another. As I explained in answer to the right hon. Gentleman's previous intervention, a party needs to win a general election saying, "We want a second referendum", before we have one—and good luck to them, because I think they would lose.

All parties have a great deal of division. The country is split, and party support is split. Many leave voters vote for my party, and for the Conservative party, so if

[Graham Stringer]

the parties chose to move away from their position, they would be in electoral peril—but it is up to the parties to stand for that, if they want to, and to lose the support of people who voted leave.

It is often said—it has been said in this debate—that promises were made by Vote Leave that have not been kept. I campaigned as hard as I could for leave, but I made no promises. How can a Labour MP, in opposition, make such promises? The referendum was not a manifesto that one party was behind; it was an argument about what this country should do—should we be in the European Union, or out? The only decision, as I said at the beginning, was whether to leave or stay in—a decision that the electorate made.

Peter Grant: I am intrigued by the hon. Gentleman's astonishment at how a Labour MP could possibly make promises to the electorate during a referendum. His colleague next to him, the hon. Member for East Lothian (Martin Whitfield), will know what I am talking about. Did the hon. Gentleman read the vow that Gordon Brown put on the front page of Scotland's biggest national newspaper immediately before the 2014 referendum? That was clearly a case of an Opposition politician—a Labour politician—making promises about what would happen if, in a referendum, people did what he wanted them to do. Why is the hon. Gentleman so astonished about what a Labour politician might do in 2016, when his own party leader did it in 2014?

Graham Stringer: I am not sure that I completely understand the question. One cannot promise to carry out something if one is not in government; one can only make the case for people voting a particular way in a referendum. The electorate voted as they did, and that was clearly an instruction for the Government to carry out. They have not been very good at doing it, but it was an instruction. During the debate that set up the referendum, my right hon. Friend the Member for Leeds Central (Hilary Benn), who was on Labour's Front Bench at the time, gave an absolute commitment: "This is not for Members of Parliament to decide. We're passing the power over to the electorate to decide." That was echoed by all the parties. One cannot make promises in a referendum campaign; all one can do is advise people which way to vote, which I did. It is a bogus argument to say that promises were made and not carried out.

Martin Whitfield: Does my hon. Friend agree that there is a difference between a general election, in which parties stand on manifestos on a broad range of issues, and this referendum, which asked a very specific question? Today, we have a very different level of knowledge of what that specific question means, which was not available when the referendum took place.

Graham Stringer: It was always going to be the case that we would have a different level of knowledge and information afterwards, because time goes on; I agree with my hon. Friend. I put it that what has happened since is that our arguments have been validated by the obstructive nature of the EU. I remember many debates and discussions in which the arguments of the leave campaign were, in essence, that the EU had too much control of our democracy and the majority of our laws.

My opponents said regularly, "No, it's less than 10%"; we would argue about the Library documents on what was and was not a law; and they would say, "No, this is essentially just a trading organisation. It has minimal impact." Now, we see that the EU is trying to hold on to control, not only in Ireland, but over our regulations and laws on manufacturing. We can now see how powerful the EU is, and how difficult it is.

The Prime Minister went to the EU and has come back not, unfortunately, representing the views of the people of the United Kingdom to the EU, but representing the views of the EU to the United Kingdom. She has come back with an absolute constitutional monstrosity, under which, in effect, the EU will keep control of whether Northern Ireland has separate laws from the rest of the country.

Mr Jim Cunningham (Coventry South) (Lab): Over the years, I have been a remainer, and I make no secret of that. It was always an alibi of Ministers, when agreements were made in the Council of Ministers and when the thing was not going well in the House of Commons, to say, "That is a European angle." I remind my hon. Friend, who takes as much of an interest in the trade union movement as I do, that a lot of the progressive trade union legislation came from Europe; they had to fight tooth and nail there. Finally, the referendum was not run like a general election campaign. Leading lights in the referendum went around with a red bus and made all sorts of promises to the British people. We must face up to that to be truthful with one another, as my hon. Friend said earlier.

Graham Stringer: My hon. Friend makes a number of points. On trade unions rights, there is no doubt that in 1988, when the President of the Commission came to the TUC, he said, "Forget Thatcher; we can look after the trade unions." Unfortunately, we moved from a social Europe to a global, much more free-market Europe. Since then—I do not know if my hon. Friend knows—the Viking and Laval decisions have undermined minimum wage legislation throughout Europe, and have damaged trade unions because they have changed the definition of a trade dispute. I do not accept that the EU is fundamentally good for trade unions, but I must move on.

[MR PHILIP HOLLOBONE *in the Chair*]

I was not going to talk about Northern Ireland, because there are people in this room who know a great deal more about it than I do, but I do not think there is anyone else here who was present—the Minister could have been, but I am pretty certain that no one else was—when Croatia was accepted into the European Union. There were about three or four of us in the Chamber—there clearly was not as much concern about the EU then. Croatia has one of the EU's longest borders with the rest of Europe. Across that border there is human trafficking and sex trafficking; it is unguarded a lot of the time and it is one of the main entry points of wickedness into the EU. Croatia was accepted by the EU, but it did not have the rule of law, and it protected war criminals after the break-up of Yugoslavia. The EU wanted Croatia in, because it was expanding.

Northern Ireland has had a troubled border. The EU had nothing to do with the Good Friday agreement. The basis of the Good Friday agreement is that all parties accept peace. The EU has been weaponising that

issue; the United Kingdom Government have said very clearly that they will not produce a hard border, so the only people who might be those in the EU. They have used that as a control over the UK, which unfortunately the Prime Minister has accepted.

This is a huge debate, as I am sure you know, Mr Hollobone. The continued project fear accepts that somehow the EU has been great for the United Kingdom's growth, and that the EU's regulatory model is economically a good thing, but for the 10 years before the referendum, all other continents apart from Antarctica grew by considerably more than the EU—it was not a particularly vital area. There are some areas where this country is strong, such as in the biological and agricultural sciences, where we are world leaders, but the regulations coming from the EU damage our economy and cause job losses regularly. I do not believe in a completely free market—quite the reverse—but we can have regulations that are appropriate to our economy, and that will help us to create jobs at the cutting edge. The only future for this country is in high technology, which is restricted by the EU.

Although there are many more points I could make, I will finish by talking about no deal. It would be better if we had a deal. It is extraordinary, when our regulatory position is completely aligned with the EU, that the EU tries to keep control of this country's laws. It is even more extraordinary that the Prime Minister has accepted that. The majority of our trade is on World Trade Organisation rules. The EU is a signatory to the World Trade Organisation. There is no reason whatever why the disruption if we left the EU without a deal would not be minimal. Are people here who support the EU saying that if we left without a deal, the EU would stop sending medicines to this country? If they are saying that, why would we want to be part of a body that would punish the child with muscular dystrophy that my hon. Friend the Member for Wigan talked about? It would not happen by accident; the EU would have to stop medicines coming to this country. It would have to stop radioactive materials needed for the health service from coming to this country.

Lisa Nandy: We rely on our Government being prepared to go back to the EU to seek that ongoing co-operation to prevent that from arising. I have asked the Government to provide clarity on that. It cannot be right that we are asked to back something without absolutely no idea where it may lead and what the alternatives are.

Graham Stringer: I agree with my hon. Friend, and I hope the Government will go back. I hope that those five Members in the Cabinet who say that this deal is simply not good enough have their way.

Tom Brake: The difficulty in the hon. Gentleman's suggestion that those who claim there might be medicine shortages are part of project fear is in the fact that the Secretary of State for Health asked pharmaceutical companies to stockpile medicines. It is not the remainers but the Minister in charge who has asked for it to happen, not because those nasty Europeans—as the hon. Gentleman seems to believe they are—would block medicines from coming to the United Kingdom, but because they may get stuck at the border, at Calais and Dover, when checks have to be carried out on those vehicles, as would be required under no deal. Government Ministers have asked to start that stockpiling, not remainers.

Graham Stringer: I do not think the right hon. Gentleman was listening to what I was saying. We are completely aligned with the EU, both on our medical regulations and on our trade regulations. There would be no need, on day one, to stop those medicines coming across.

A deal would be better—a sensible deal, not the deal put forward, which gives the EU suzerainty over this country for an indefinite time. I will probably be in the same Lobby as my hon. Friends when it comes to voting on this deal—if it ever goes to the Floor of the House. I have voted with the Government and against them, and I will continue to look at whether they are implementing the deal. The Prime Minister said originally that no deal can be better than a bad deal. Unfortunately, she has come back with a bad deal.

Mr Philip Hollobone (in the Chair): The debate can last until 7.30 pm. We now come to the Front-Bench speeches, after which Liz Twist will sum up the debate. The first Front-Bench spokesman is Peter Grant for the Scottish National party.

6.10 pm

Peter Grant (Glenrothes) (SNP): Thank you, Mr Hollobone. I am pleased to be able to begin the summing-up speeches, but I am in two minds because a little birdie told me that the Division bell may go at around half-past 6. I wonder whether we should try to get through the debate by then, rather than having a hiatus of perhaps an hour and a half and coming back for the last few minutes.

The events of the past week or so have made this debate even more topical. By far the most significant thing to happen in the past week has been the Prime Minister, not once but twice, going on the record and saying, “We can stop Brexit.” She no longer talks about there being two options—her deal or no deal. She now talks openly about the possibility that Brexit may not happen.

Interestingly, in her lengthy contribution, the hon. Member for Morley and Outwood (Andrea Jenkyns) never actually said we cannot stop Brexit. She attempted—not very successfully, in my humble opinion—to explain why we should not stop it, but she never tried to say we cannot stop it. I invite the Minister to tell us, right at the beginning of his response, whether he agrees with the Prime Minister that Brexit can still be stopped. Once the Government conceded that point, the debate would become very different. I still believe that we can stop Brexit, if that is the will of Parliament and the will of the people. How do we know what the will of the people is without asking them? That is a question that some people may want to answer.

I believe the Government tried not to have to present a coherent argument that we should not stop Brexit because, once all the facts have become known and people, I suspect including a lot of MPs, realise just what it involves, there is no longer a coherent argument. The recently departed Brexit Secretary admitted that he did not realise how important trade between Dover and Calais was to the UK economy. If the person who led negotiations on the UK's behalf did not fully understand what Brexit was about, what chance did the 34 million other people who took part in the referendum have of understanding all the intricacies and details?

I could almost understand the rationale for saying, “Well, maybe it's a bad idea and maybe a disastrous idea, but we have to go through with it anyway because

[Peter Grant]

it's what people voted for." The truth is that none of us has the right to say what those 17.5 million people voted for. We know they voted to leave the European Union. I think it was the right hon. Member for Carshalton and Wallington (Tom Brake)—it may have been someone else in his party—who said immediately, "Now we know where people voted to go away from, but we've no idea what they voted to move towards." We can guess that not many of those people voted deliberately to make themselves, their families, their towns and their communities poorer.

We do know that those people voted for some kind of Brexit in a referendum that, by today's standards, would not get a clean bill of health as free and fair. The leave campaign, in its various guises, stands accused on a number of counts of breaching spending limits that are there to stop the wealthy elite from buying our democracy. We know there were large-scale breaches of data protection law. We know that the leave campaign lied to us. How else can we describe the £350 million on the side of the big red bus?

Graham Stringer: Does the hon. Gentleman accept that, when we include the leaflets arguing the case for remain that the Government sent out, the remain campaign effectively spent twice as much? Those leaflets cost £7 million, doubling the amount spent on the remain campaign.

Peter Grant: It is a matter of record how much the UK Government spent. It is not yet a matter of record how much the leave campaign spent, and I doubt whether it will ever be a matter of record where exactly in the world that money came from. Some of it was deliberately channelled through Northern Ireland to ensure that its original source could never be made known. Interestingly, those who are so desperate to have no regulatory divergence between Northern Ireland and mainland Britain are quite happy to have regulatory divergence when it stops the source of that half a million pound donation ever being made public.

The Brexiteers tell us—the hon. Gentleman tried to—that none of this really matters. They tell us that, somehow, if someone cheats at the Olympics and gets caught, they have to hand back their medal and lose their world record 10, 15 or 20 years later; if someone cheats at football, they are banned from the competition the next year; but if someone cheats with the very fundamentals of our democracy, "Well, that's just what politicians do." If that is the view of the Brexit side in this argument, it is no wonder that, as the hon. Member for Morley and Outwood mentioned, politicians are held in such low regard by the citizens of these islands. If politicians themselves are prepared to stand up and say, "Oh, yeah, somebody cheated, but it doesn't matter because it's only politics"—

Lisa Nandy: Will the hon. Gentleman give way?

Peter Grant: Happily.

Lisa Nandy: Does the hon. Gentleman agree that it is indicative of the poor quality of that side of the argument that the hon. Member for Morley and Outwood (Andrea Jenkyns) refused to take a single intervention or to

engage with any of the arguments, but is currently on Twitter calling me a betrayer of this country because I made the point that we had to calm the debate down? [Interruption.] Oh, now she seems to have found her voice. Perhaps she should have found it earlier when we were debating the actual issue facing this country.

Peter Grant: I agree wholeheartedly with a lot of the comments the hon. Lady made about the language of the debate—

Andrea Jenkyns: On a point of order, Mr Hollobone.

Lisa Nandy: She speaks!

Andrea Jenkyns: Thank you for being lovely. I have never made a point of order before. I did not take any interventions because I did not think it was right to intervene on anybody else. To be honest, Lisa, I was not calling you a betrayer; I was actually pointing to the fact, on social media, that it is fine you likening people to the far right, which is disgusting—

Mr Philip Hollobone (in the Chair): Order. I am afraid that is not a point of order, and the hon. Lady must not address another Member directly across the Chamber. If she wants to think about how to phrase her point of order, I am very happy to take it. Alternatively, she can intervene on the Member who has the floor. I call Peter Grant.

Peter Grant: I have to take the word of the hon. Member for Wigan about what her counterpart has put on Twitter, because the hon. Member for Morley and Outwood blocks me from viewing her tweets. I do not know why. Is that what the standard of debate has come to—getting blocked by a fellow MP on Twitter just for saying some things they do not agree with?

The hon. Member for Wigan made the point powerfully that the whole Brexit process has worsened what was already an extremely worrying position in British politics. Too many people have lost the ability to disagree without becoming disagreeable. Too many people have lost the ability forcefully and passionately to present a case in disagreement with somebody without resorting to personal insult and abuse. Yes, there are people who would claim to be on my side of the Scottish argument who resort to the same tactics. I will call them out just as quickly as I will call out others.

It is one of the many ironies of this situation that the people on whose behalf appalling abuse was heaped on a small number of Conservative Back Benchers for rebelling on the European Union (Withdrawal) Bill to help to secure a majority in favour of Parliament being given a vote on the final deal, and in some cases the people who participated in that abuse, would be furious if they were denied the right to vote on a deal that they are not happy about. I believe there is an unanswerable case for asking the people again, this time with an electorate who know exactly what they are being asked to vote on and in a referendum that can be made fair in all regards.

Catherine West: Does the hon. Gentleman agree that if there is a further vote, on this question or any other, we should get to the bottom of the National Crime

Agency inquiry, clean up not just the funding but some of the messaging that came out, and learn the lessons from that?

Peter Grant: There is no doubt at all that the law in these islands has not kept up with modern campaigning techniques—particularly social media campaigning. There is a legitimate, right and lawful way to use social media to press a political campaign, and there are other ways, which certainly are not moral and should not be legal. We have not yet got the law in the right place for that. In any election, if there are valid and significant questions afterwards as to whether it was fair, the result is tainted for everybody.

For example, we now know there was a dodgy decision-making process about where the World cup would be held in a few years' time, which tainted that decision immediately. If people are prepared to demand a re-run of a vote about where the World cup would be held, because they think the decision might be a bit dodgy, how much more important is it to at least look at and satisfy ourselves as to whether one of the most important decisions that people in these islands will ever be asked to take was taken fairly, or whether there was serious or criminal misconduct and whether that seriously undermined the legitimacy of the decision.

Martin Whitfield: The hon. Gentleman is making a good point about the use of social media. I point out, with some disappointment, that there are Members in this Chamber who are tweeting about the competence and views of other Members in this Chamber. Is it not the case that, if we are going to improve the quality of debate and the confidence that members of the public have in us as their representatives, we need to be respectful of the debate, as well as the mentions and motions that are made in the House?

Peter Grant: I will defend the right of anybody, whether they are a politician or a normal person, to take exception to somebody's political views and to knock down their views as hard as they can if need be. However, when they begin to knock or mock the person, a line has been crossed. Obviously, I cannot monitor what is happening on Twitter just now and some people have made sure that I cannot monitor what they are doing publicly on Twitter.

Tom Brake: Will the hon. Gentleman give way?

Peter Grant: No, I really need to move on. I said that I did not want to take up too much time and I may have taken more interventions than I expected.

We hear a lot about sovereignty when we talk about Brexit. Regarding sovereignty in Scotland, it might be worth reminding Members that on 4 July 2018 the House unanimously agreed a motion that stated that

“this House endorses the principles of the Claim of Right for Scotland...and... acknowledges the sovereign right of the Scottish people to determine the form of government best suited to their needs.”

How do we square that with the fact that 62% of people in Scotland said that the form of government best suited to their needs was a Government who were part of the family of nations that is the European Union? I am not suggesting that the whole of Brexit has got to

stop for ever to suit one part of the United Kingdom, but it is unacceptable that the majority view in Scotland and in Northern Ireland has been completely ignored by the Government almost from day one.

For example, during media interviews over the weekend, the Prime Minister claimed that nobody had put forward a workable alternative to her proposed agreement. That is categorically untrue. It is almost two years since the Scottish Government published “Scotland's Place in Europe”, setting out a couple of options that would respect the overall result of the referendum to leave the EU but would retain as much as possible of the benefits of EU membership for those parts of the equal partnership of nations where people had voted to remain.

“Scotland's Place in Europe” did not set out the Scottish Government's preferred option—and certainly not my preferred option—because it was based on a method of leaving the European Union. It was a significant compromise by the Scottish Government and it was dismissed with hardly a second glance. That is possibly why at the weekend the Prime Minister was, no doubt in absolute good faith, unaware that it had ever been published. I think she put it in the bin without bothering to read it and has now forgotten it ever existed. Ironically, the proposals and options set out in that document are probably closer to what the vote leave campaign promised leaving would be like than anything I have seen since. It is certainly closer to the Brexit campaign promises than anything the Government have produced, either in the speeches made by the Prime Minister or in the draft withdrawal agreement.

It is clear that the Government do not want any kind of meaningful debate or vote in Parliament about what Brexit should mean. The Prime Minister unilaterally and unnecessarily drew red lines before she began to negotiate and then complained that other people had not been pragmatic or flexible enough. We now have a Prime Minister who has insisted from day one that the Brexit negotiations cannot impose a binary choice on Britain, who is herself imposing a binary choice on Parliament by saying, “Take it or leave it. My deal or no deal. If you don't let me be in charge, I'll take my ball and go home.”

The Prime Minister, who for two years has been appeasing the hardliners by insisting that no deal is better than a bad deal, is now trying to browbeat the rest of us into voting for a very bad deal, by telling us that no deal is not better than a bad deal—it is actually significantly worse. This Parliament should not accept a choice between two bad outcomes or be forced to accept a choice between two outcomes, neither of which can command anything like a majority in the House. I think it extremely unlikely that the Prime Minister's draft agreement can get a parliamentary majority. No deal, as beloved by the 28 MPs who signed up to the Leave Means Leave website, has even less chance.

What kind of democracy is it? What kind of taking back control for Parliament is it if Parliament is denied the option of recommending a proposal that is probably the only one that would gain an overall majority in Parliament? Of course, it does not mean that Parliament can overturn the result of a referendum that was held two years ago. I do not think that England and Wales can stay in the European Union unless there is a referendum in which their people say that that is what they want to do. Surely, if Parliament believes, and it is the judgment of 650 Members, that the best option available now is

[Peter Grant]

that we do not leave, we have got to be prepared to go back to the people and say, “Now that you know exactly what this Brexit thing really means, do you still want to go ahead with it? Do you want the Government to try and get a better deal, or do you now think that we should not be going ahead with Brexit at all?”

I am absolutely convinced that there will be a people’s vote in Scotland in the not too distant future. The Prime Minister, and indeed the rest of Parliament, may well have a significant part to play in deciding whether that people’s vote is conducted among 5.5 million people on one question or 60 million people on a different question. The intransigent and patronising approach to Brexit that the UK Government have been adopting is effectively persuading greatly increasing numbers of people in Scotland that when we exercise our unalienable right to choose the form of government best suited to our needs, fewer and fewer people in Scotland are prepared to believe that that will be based in the city of London for much longer.

Tom Brake: On a point of order, Mr Hollobone. I seek your guidance on whether it is appropriate for Members who have taken part in this debate to tweet during it and to use the word “betrayal”. Would you agree, Mr Hollobone, that using that word in such a heated discussion is something that Members should know to avoid? We are trying to work in a reasoned and safe manner, as far as possible. The use of the word “betrayal” potentially has risks associated with it.

Mr Philip Hollobone (in the Chair): I refer Members to Mr Speaker’s quick guide to participating in the Chamber and Westminster Hall, in which he states that a Member should not insult another Member or accuse them of lying. Whether “betrayal” is an insult or not is probably subjective. Mr Brake has made his point and it is on the record.

6.27 pm

Paul Blomfield (Sheffield Central) (Lab): It is a pleasure to wind up the debate for the Opposition with you in the Chair, Mr Hollobone, as it was to listen to much of it with Sir Roger in the Chair.

I congratulate my hon. Friend the Member for Blaydon (Liz Twist) for the way in which she introduced the debate and framed the discussion. I join her in congratulating Ciaran O’Doherty, who initiated the petition. Whatever else we think, I am sure we all celebrate the fact that a young man, 15 years old, wanted to participate in the discussion that is going on across our country and raise the concerns from his part of it.

I understand those concerns. I spent a fair amount of time in Northern Ireland in the summer and I have to admit that it was the first time I had been there for 40 years, when, at the height of the conflict, I organised students across the sectarian divide and it was a part of the country at war, with the war spilling over into the rest of the country, and I was struck by how far things have changed, but also by how fragile the peace is and how much the need to address the issues of the border must be a central part of these negotiations.

I sympathise with Ciaran’s frustration, and the frustration felt by the signatories to the petition, about the way the negotiations have been proceeding and the risks for us as a country. The hon. Member for Orpington (Joseph Johnson), who was formerly the Transport Minister, and was also the Universities Minister, was right when he said recently that we are facing the biggest crisis since the second world war. My hon. Friend the Member for Wigan (Lisa Nandy) made that point in a different way and reflected on a different aspect of the crisis: the way the binary and angry discourse on the issue opened up by a binary and angry referendum made it difficult for us to navigate the choices ahead of us. We have to be honest. As she said, we do not want simplistic arguments on either side. There is no easy way forward from the position we are now in as a country.

This is one of the most significant moments in recent British history. One of the things about history is it does not feel historic when people are in the middle of it. They are living their lives in an ordinary way, alongside making the decisions. However, the decisions that we make in the next few weeks will shape our country for generations. It is a heavy responsibility on us, and it is one on which the Government have been failing. We have seen two years of internal conflict for the Government, and external chaos, until, last Thursday, they finally brought us a draft withdrawal agreement that, predictably, unleashed another wave of ministerial resignations. However, perhaps even more extraordinarily, within 24 hours of signing up to it, five members of the Cabinet were openly plotting against it. It is a deal that, on the basis of last Thursday’s statement, cannot command the support of Parliament, so the situation could not be more serious.

It did not have to be this way. If the Prime Minister had reached out at the outset after the referendum and said, with honesty, not some of the nonsense that was said about the nature of the vote—that it was a historic mandate and the biggest vote ever, and so on—but that the people had voted to leave the European Union only by the closest of margins, that it was a mandate for an orderly withdrawal but not an opportunity to burn every remnant of 45 years of co-operation and partnership, and that we would seek a closer relationship that was right for the economy, no longer as members but as partners, putting the livelihoods of people in this country first in a customs union close to the single market and in the agencies and partnerships we have built together for 45 years, she could have secured a majority in this House and united the country that was so bitterly divided by the referendum. With that sort of deal the Northern Ireland border would not have been an issue.

Instead, the Prime Minister pandered to the Brexit extremists of the European Research Group in her party—people like the Minister’s predecessor, the hon. Member for Wycombe (Mr Baker) who said his ambition was to destroy the European Union.

Andrea Jenkyns: On a point of order, Mr Hollobone. Earlier, there was talk about respect for people. Is it acceptable for a shadow Minister to call people extremists?

Mr Philip Hollobone (in the Chair): The hon. Lady has made a point of order, whereas I think she probably wanted to intervene on the shadow Minister, so I shall ask him to take that as an intervention and invite him to respond.

Paul Blomfield: I am happy to do that. I do think that those who have defined their politics by their desire to take us out of the European Union at whatever cost to the economy of our country and the stability of our continent are taking an extreme position. I think we need a more sophisticated debate and the word “extreme” is a reasonable one within the vocabulary of our language.

I just wish that the Prime Minister had set out at the beginning of the process a negotiation agenda that would have brought people together, instead of drawing red lines in the interests of party management rather than the country; then we would be in a different position. The schism that has divided the Conservative party has blocked effective negotiations at every turn. What has been happening would be almost forgivable if it was based simply on ideology, but now it is as much about personal ambition in the Tory party. Obviously everyone acknowledges the brazen ambition of the former Foreign Secretary, the right hon. Member for Uxbridge and South Ruislip (Boris Johnson), which determined everything he said on Brexit, but now others are reinventing themselves with a clear eye to the pending leadership election they want to prompt.

As my hon. Friend the Member for Hampstead and Kilburn (Tulip Siddiq) said, Opposition MPs could stand back and enjoy it while the Conservative party tears itself apart, but it is too important, because the future of our country is being sacrificed on the altar of Conservative battles and personal ambition. Parliament must not let that happen. The Prime Minister has finally managed to secure a majority in this House—against the deal she presented to us last week. It fails the Opposition’s six tests, which—I see the Minister smiling—she at one stage embraced and said she was “determined to meet”. My hon. Friend the Member for East Lothian (Martin Whitfield) set out with some clarity the way the deal fails the tests, and fails the country. Those who voted leave, and there is no significant indication that views have shifted dramatically, as my hon. Friend pointed out, will not ultimately thank politicians who deliver a damaging Brexit on a false prospectus.

The question now is what happens not if, but probably when, the House rejects the deal. The petition reflects the frustration that people feel about the shambolic handling of the negotiations and the chaos in the Cabinet and Government. However, I will seek to reassure the petitioners that just as there is a majority in Parliament against the Prime Minister’s deal there is also a majority against crashing out without a deal and with no transition.

Tom Brake: I am sure the hon. Gentleman has anticipated the question I will ask, because I raised it earlier in the debate. Can he confirm what the Labour party’s position will be when, inevitably, an amendment calling for a people’s vote is tabled to the Prime Minister’s motion, if indeed she brings one forward? Will the Labour Front Bench support that or not?

Paul Blomfield: Obviously I did anticipate the right hon. Gentleman’s intervention and he will not be surprised that I intend to answer it in due course. It is part of my speech and clearly a central issue. I remind him that we should be careful in our consideration of the issues in question, and we should have regard to positions adopted in the past. Perhaps we would not be in the position we are in if his party, for example, had not been the first, I

think, to call unambiguously for an in-out vote on membership of the European Union, and to condemn the Government for offering only a conditional vote.

Tom Brake: I am grateful to the hon. Gentleman for enabling me to correct the record. He will know, of course, that we promised an in-out referendum in relation to any treaty change. The referendum that we had was not about treaty change, but about whether we should be in the European Union or not.

Paul Blomfield: I hate to correct the right hon. Gentleman, but he is wrong. I will send him a copy of his party’s own leaflet, which criticised the Government for offering only a conditional referendum, criticised Labour for not offering one at all and said there should be an in-out referendum and the result should be binding. He should take care, as my hon. Friend the Member for Wigan pointed out that we should all take care, when reflecting on these issues.

It has been informative to watch as the “No deal is better than a bad deal” mantra has finally been dropped by almost everybody on the Conservative Benches. We have watched people who have been parroting that for quite some time rush into the TV studios over the weekend, seeking to secure support for the Prime Minister’s deal by saying, of course rightly, that no deal would be a disaster for the country.

Peter Grant: Does the hon. Gentleman not think that it is slightly strange that the Prime Minister tries to frighten remainers by saying, “If you vote down the deal, we will leave without a deal,” while at the same time she tries to fight off the ERG by saying, “If you vote down the deal, we don’t leave at all.”?

Paul Blomfield: I do; it is a reflection of the corner into which the Prime Minister has painted herself.

Petitioners should be reassured that we, as Opposition parties, will work across the House to ensure that we do not face a no-deal scenario. When the deal is inevitably voted down, the Prime Minister must follow the direction of the House. She has been intent on denying Parliament a truly meaningful vote, just as we have been intent on securing it. We will not accept the premise that she is trying to present —“It is my deal or no deal, take it or leave it, like it or lump it”—and nor will Parliament. When the deal is voted down, we need maximum flexibility and all options on the table.

We will demand a general election, as hon. Members would expect, and I hope that some Conservative MPs, although perhaps understandably reluctant to vote for one after their last outing, may come to realise that it would be in the interest of the country to break the deadlock. If they do not, then all other options must be kept open, including a public vote that would include remain as an option on the ballot paper.

The Government have spent the last two and a half years putting the interests of their party before the interests of the country, pursuing a divisive split from the EU rather than seeking to build a new and close relationship, and negotiating within their warring party rather than negotiating effectively with the European Union. They have failed the country. Our people need and deserve better, and this Parliament will need to ensure that they get it.

6.43 pm

The Parliamentary Under-Secretary of State for Exiting the European Union (Chris Heaton-Harris): This is the first time I have served under your chairmanship, Mr Hollobone. You are a near neighbour of mine in constituency terms and used to represent a huge chunk of my constituency. I know I do not do as good a job as a constituency Member of Parliament as you did, but I hope I can at least be good and behave myself in front of you as Chairman of this debate. It is a pleasure to serve under your chairmanship, as it was to serve under the chairmanship of my hon. Friend the Member for North Thanet (Sir Roger Gale).

I have learned many things during this debate. The first thing is never to drink a litre of water over a three-hour debate, but that is by the bye. I learned the power of a petition, because we have had a good and, on the whole, constructive debate. I commend Ciaran O'Doherty, the lead petitioner, because it is a big step to do this sort of thing, and to get the publicity that has gone with it. He should be congratulated in many areas, because without any mass of publicity, his petition has breached the 100,000 mark. Sky is trying to get a petition about leaders' debates—a petition that I am in favour of—which it advertises on a regular basis on its news broadcasts, and which now sits at 70,000-odd signatures, so Ciaran O'Doherty should be very much congratulated on getting the number of names on his petition that he did.

I also congratulate the Petitions Committee on arranging this debate, and the hon. Member for Blaydon (Liz Twist) on sponsoring it. I have enjoyed listening to many of the contributions, and I thank the hon. Lady especially for the polite and sensitive way in which she introduced the debate. I will talk about many of the questions she raised, especially around no deal, which other people call “leaving the EU on WTO terms”, and one of my colleagues calls a “global British leave.”

I should state at the beginning that no one is talking about introducing a hard border between Northern Ireland and Ireland. We will not do so, and the Irish Taoiseach has said again today that Ireland will not. That is not on the table. I will pick up the points that the hon. Lady very properly mentioned about the concerns of EU citizens in the event of us leaving on WTO terms. As the Prime Minister said, these people are our friends, neighbours and co-workers, and

“EU citizens living lawfully in the UK today” will be entitled, and welcome, to stay.

I thank my hon. Friend the Member for Morley and Outwood (Andrea Jenkyns) for her contribution. As ever, she hid her views under a bushel; I wish she would just tell people where she stands on issues. As ever, she strongly represents the people who voted for her in her constituency when she won it at the general election, and her constituents' views on these matters. Her point about trust in politics, a fair point that was echoed by a number of other speakers, was particularly well made.

I listened to what the hon. Member for Hampstead and Kilburn (Tulip Siddiq) had to say about EU citizens' rights. There is a careful balance to be struck here, because there have been a whole host of assurances from senior politicians, I think on both sides of the House, that EU citizens currently resident and working in the United Kingdom would be welcome to stay here

under a no deal, and the Prime Minister has already pledged that under a deal. I think the hon. Lady may have been slightly confused, if I may be so bold, as to the bit of the withdrawal agreement that she read out; that was an inner deal, a reciprocal way that both we and the European Union will deal with EU citizens living in the United Kingdom and UK citizens living in the EU. I will happily write to her, or have a chat with her afterwards, to clarify that.

Tulip Siddiq: Does the Minister think it is the right way forward—even if, as I understand it, this is the agreement that we have reached—that if someone has been out of the country for five years for any reason, their status is not settled?

Chris Heaton-Harris: I think the hon. Lady will find that that is common in international law across the globe, so yes, I think it is correct. I can only hold in admiration Sarit, the hon. Lady's medic constituent, who does 2000 surgeries every year, thank him for what he does, and say, “You are more than welcome to stay. We welcome you with open arms. Thank you for being here in the first place.” I wish Georgia well in finding a job. I hope I have made the point about how we will deal with EU citizens.

It is always a pleasure to listen to the right hon. Member for Carshalton and Wallington (Tom Brake) talk. He will remember a day in the last general election, at the beginning of the campaign, when he and I were canvassing on the same street in his constituency—a constituency I know well, as I lived in the neighbouring one for a decent period of time. He is a very good champion of his area, but he is completely out of sync with his constituents on this particular matter, since it is a 56% leave seat, and the area we were canvassing might well have a different view from him on this point.

Tom Brake: I note with satisfaction that the hon. Gentleman's visit to Carshalton and Wallington did not deliver the result that he and the Conservative party had hoped for. I point out to him that the latest polling suggests that my constituency would now vote to remain if another vote took place, and he may also be aware that in every single constituency in the country, a majority of people are apparently in favour of a people's vote.

Chris Heaton-Harris: Ah, polling. My word; thank God the polls are always correct, eh? I wonder how well the hon. Gentleman would fare if, based on this issue, there were a people's vote about who should be the Member of Parliament in his constituency. I am not convinced that a people's vote is the way forward, but he did identify, quite correctly, a dilemma that many Labour Members of Parliament will recognise, especially those representing midlands and northern seats. They passionately believe that leaving the European Union is not the right thing for the country to do, but represent seats in which the vast majority of people think otherwise.

I always enjoy listening to the hon. Member for East Lothian (Martin Whitfield), who I think is one of the best orators in the House—he tells the story. He might have mentioned the word “betrayal” once or twice—we will not go there quite yet—but did so in a completely different way to the problem tweet that we inadvertently talked about during the debate. He represents his

constituents fairly; as a believer in this being the right thing for our country, I do the same for mine. I met representatives of the timber trade recently to discuss their concerns about deal and no-deal issues.

Forgive me for choosing favourites, but my favourite speech was that of the hon. Member for Wigan (Lisa Nandy).

Lisa Nandy: Oh God.

Chris Heaton-Harris: You can stick that on your leaflet at the next election. Forgive my hon. Friend the Member for Morley and Outwood (Andrea Jenkyns) for that tweet. You have not betrayed the people; quite the opposite—in your speech you represented people’s views faithfully, passionately and with an understanding of the dilemma that some Members face.

Andrea Jenkyns: I would prefer for the Minister not to quote my tweet without having read it, so I will read it to the Chamber:

“Ultimate Brexit fence sitter Labour’s Lisa Nandy has likened those using the word ‘Betrayal’”—

I am quoting her words—

“to the Far-Right. Rubbish! What about Gina Miller who likened Brexiteers to extremists. Both Conservative and Labour stood on a manifesto to deliver Brexit. Not to do so is a betrayal.”

I did not say that she had betrayed the people. Would you please retract that, Minister?

Mr Philip Hollobone (in the Chair): Before the Minister responds, I remind him and the hon. Member for Morley and Outwood (Andrea Jenkyns) not to refer to other Members directly. All Members must address the House through the Chair.

Chris Heaton-Harris: I apologise if I inadvertently referred to another Member incorrectly; I was talking about the contribution of the hon. Member for Wigan. I hope I did not upset my hon. Friend the Member for Morley and Outwood; I did not mean to. I wanted to point out that the hon. Member for Wigan made the case for her constituents’ views. She said—quite rightly in my experience; my constituency is similar—that views have hardened among those who voted to leave the European Union two years ago, and she also talked about how she campaigned in the referendum, so I did not see betrayal in that at all. She also made some wise comments on democracy. We had the largest democratic turnout in our entire history for the referendum, with 33.5 million voters. To my mind, when a decision of such constitutional significance is made, it is paramount that the correct procedure be followed. The ballot paper presented us with a clearcut choice, and a very simple question:

“Should the United Kingdom remain a member of the European Union, or leave the European Union?”

The hon. Lady will probably remember “pencilgate”. During the referendum, people on all sides of the debate were passionate about the way they were going to vote, and people on the leave side were worried that using the voting-booth pencils would result in some Government authority rubbing out their vote. It did not; leave won, and the Government are delivering Brexit.

Lisa Nandy: I am very grateful to the Minister for his kind words, and in particular for striking a better tone than his colleague, the hon. Member for Morley and

Outwood (Andrea Jenkyns). As well as making the points that he mentioned, I also asked him what the Government’s plan B would be to avoid a no-deal Brexit if the current deal were not passed by the House of Commons. I would be grateful if he responded to that in the remaining time.

Chris Heaton-Harris: One of the points that the hon. Lady raised was about the analysis that would be presented to Parliament when the debate on the withdrawal agreement and political declaration motion takes place. Once we bring forward the vote on the final deal, Her Majesty’s Government will present Parliament with appropriate analysis to make an informed decision. Ahead of an EU Council, it would not be practical or sensible to set out the details of exactly how Her Majesty’s Government would analyse the final deal, but we will set out the assumptions and the methodology when we present the analysis to Parliament for the meaningful vote. We are conducting a comprehensive, thorough and ongoing set of analyses, so I hope that in the near future the hon. Lady will see some of the facts and figures that she wishes to see.

Tom Brake: The Minister may want to correct the record. He might think that I am being a bit pedantic, but he said that the turnout at the referendum was the highest ever. It was indeed 72.2%, but in 1992, the turnout was 72.3%.

Chris Heaton-Harris: Yes, I do think the right hon. Gentleman is being a bit pedantic.

As ever, I thank the hon. Member for Blackley and Broughton (Graham Stringer) for his wise counsel and his contribution, which outlined many of the issues mentioned by the hon. Member for Wigan. I am also grateful for the Front-Bench speeches from the hon. Member for Sheffield Central (Paul Blomfield) and the hon. Member for Glenrothes (Peter Grant).

The UK and EU have taken quite a decisive step forward since the petition was launched. We have agreed, in principle, the terms of the UK’s smooth and orderly exit from the European Union, as set out in the withdrawal agreement. We have also agreed the broad terms of our future relationship, as set out in the political declaration.

It is worth reiterating what the agreement means, in relation to both the withdrawal agreement and our future relationship with the European Union. It means a whole host of things and answers many of the questions that many Members across the political divide have raised over the past two years. It secures the rights of more than 3 million EU citizens living in the United Kingdom, and about 1 million UK nationals living in the European Union, to continue living in those countries. It guarantees the terms of a time-limited implementation period, which provides the certainty to UK businesses that they have been telling us—as everyone in this Chamber has told us—that they need. It ensures a financial settlement that the Government believe to be fair. It confirms Gibraltar’s inclusion in the withdrawal agreement, including in the implementation period.

A mechanism to resolve any disputes between the UK and the EU in future has been agreed. Crucially, the agreement preserves the economic and constitutional integrity of the United Kingdom, upholding the Belfast agreement. A lot has been achieved by the Government

[Chris Heaton-Harris]

and the Prime Minister in the past weeks and months, whether people have enjoyed the headlines of the past few days or not.

On the future relationship, the draft political declaration means that we have also agreed in principle with the European Union on a free trade area for goods with zero tariffs, on no quotas, and on deep regulatory and customs co-operation, which will protect British businesses and the companies that support people's jobs and livelihoods—companies such as those mentioned by the hon. Member for Wigan. Common ground has been reached on our intention to have a close relationship on services and investment, including financial services; on the desire for wide-ranging sectoral co-operation, including on transport and energy; and on fisheries, recognising that the UK will be an independent coastal state.

Consensus has also been reached on key elements of the future internal security partnership. There will be swift and effective extradition arrangements, and we will continue data exchange on fingerprints, DNA and vehicle records, as well as passenger name records—a whole host of things that not only the Opposition but the Scottish National party have asked for in the past. On foreign, security and defence policy, we have agreed arrangements for consultation and co-operation on sanctions, participation in missions and operations, defence capability development and intelligence exchanges.

While the legal agreements that will establish the future relationship can be negotiated only once the UK is a third country—when we have left the European Union—the full political declaration will provide a precise set of instructions to negotiators. The withdrawal agreement includes a legally binding commitment that ensures that both sides will use their best endeavours to negotiate in good faith the detailed arrangements that will give effect to the future relationship.

As we have always said, Parliament will have the opportunity to vote on the deal reached with the European Union once the full political declaration has been agreed, which will hopefully happen very soon at the summit. Once Parliament has approved the final deal, we will introduce the EU withdrawal agreement Bill. That will implement in UK law our international commitments, as set out in the withdrawal agreement, including on issues rightly raised by Opposition Members such as citizens' rights, the financial settlement and the time-limited implementation period. It will simply be about domestically implementing commitments agreed in the withdrawal agreement as we bridge to our future relationship.

Those of us who have spent any time in the European Parliament—I spent 10 years there as an MEP; I know that the hon. Member for Sheffield Central (Paul Blomfield) is an expert on negotiations at the European level—know that nobody will ever get everything that they want from a negotiation. However, there is a deal on the table that is worth looking at seriously. I gently challenge the hon. Gentleman to say whether he actually believes that his party leader and Front Benchers really believe that their six tests on what is a workable outcome for the Labour party will ever be satisfied. I think he intimated that the Opposition may be a bit more interested in having a general election than in getting a decent deal with our European partners.

Paul Blomfield: I would thank the Minister for allowing me to intervene, but he invited me to do so. I simply respond by asking whether he agrees that, as our six tests were ones that the Prime Minister said she was determined to meet, they are a reasonable basis for assessing the deal.

Chris Heaton-Harris: I do, and I believe that the Prime Minister believes that she has not only very firmly hit those six tests on the head, but has planted that nail well into the plank of wood. The question is whether Labour's is a political choice to try to get a general election, or whether it is interested in delivering the best deal in the national interest.

However, that is a bit too political for the tone I was trying to strike. I will make some points on our contingency planning in case the deal does not work out. While the chances of no deal have been reduced considerably, the Government will always do the responsible thing and prepare for all eventualities in case a final agreement cannot be reached. Extensive work to prepare for no deal has been under way for more than two years, and we are taking the necessary steps to ensure that the country continues to operate smoothly from the day we leave.

Our objective in such a scenario would be to minimise disruption by taking unilateral action to prioritise continuity and stability, wherever possible and appropriate to do so. We recognise that, in a no-deal scenario, citizens and businesses would need time to prepare themselves. We published 106 specific technical notices across the summer to help businesses, citizens and consumers do exactly that. We have already passed laws to ensure that we are ready for such a scenario, such as the European Union (Withdrawal) Act 2018, the Nuclear Safeguards Act 2018 and the Sanctions and Anti-Money Laundering Act 2018. We have also signed a number of critical international agreements. On nuclear co-operation, we have signed agreements with the US, Australia and the International Atomic Energy Agency.

Every Government Department has been working for nearly two years to prepare for a no-deal scenario, with a huge amount of taxpayers' money having been spent on this insurance policy. However, there are a number of concerns about how to mitigate some of the potential problems at our borders. The right hon. Member for Carshalton and Wallington has disappeared; how annoying. I wanted to point out that he was probably the only person in the room who listened to the Senate debate in the French Assembly about what our French partners are doing to prepare for a no-deal scenario. It is actually quite important that we do the same as them. They have given Ministers emergency powers to ensure the flow of trade across the short straits by increasing the number of border officers and border checkpoints, introducing a border inspection point for agri-goods and a whole host of other things. We must obviously take this in the round.

Going back to the petition, I am afraid that I will disappoint the petitioner and the hon. Member for Blaydon, but I do not think that either will be surprised. Britain will leave the European Union on 29 March next year. The people of the United Kingdom gave the Government—all of us—a clear instruction: they want to leave the European Union. The Government respect that decision.

7.8 pm

Liz Twist: I will keep my remarks brief. We have had a wide-ranging, interesting and lively discussion on the broad subject of leaving the European Union. I will return to the points made by our petitioner, Ciaran O'Doherty.

I remind hon. Members that Ciaran and the 110,000 people who signed the petition were saying that they are really concerned about the impact of leaving the European Union without a deal on businesses, the border between Northern Ireland and the Republic of Ireland, and European citizens. I thank the Minister for his reply, but I am sure that Ciaran will be disappointed that the Minister has not been able to go further towards recognising his very real concerns, and those of all the other petitioners, arising from leaving the European Union.

I thank all right hon. and hon. Members for their contributions. I think it has been a thoughtful, interesting and wide-ranging discussion. I hope that the petitioner and people who see the debate appreciate the time given to it, and the contributions from hon. Members. The petitioners will clearly be disappointed, but at least the issues raised by their petition have had a good airing.

Question put and agreed to.

Resolved,

That this House has considered the e-petition relating to leaving the European Union.

7.8 pm

Sitting adjourned.

Written Statements

Monday 19 November 2018

BUSINESS, ENERGY AND INDUSTRIAL STRATEGY

Energy Update

The Minister for Energy and Clean Growth (Claire Perry): On 15 November 2018 the General Court of the Court of Justice of the European Union found in favour of Tempus Energy, against the European Commission, removing the Commission's state aid approval for the UK capacity market. The Court held that the Commission should have consulted more fully before granting state aid approval in 2014.

This judgment was decided on procedural grounds. It was not a challenge to the nature of the UK capacity market mechanism itself.

The judgment removes state aid approval for the capacity market, preventing the UK Government from holding any capacity auctions or making any capacity payments under existing agreements until re-approval.

National Grid has confirmed that it does not believe the judgment will cause any risk to security of supply this winter. It has informed market participants of the judgement.

We are considering the judgment in detail alongside the European Commission and are working to support it as it considers the legal options available.

We believe the capacity market is an effective mechanism that is designed in such a way as to minimise costs to consumers. The design of the capacity market has not been called into question, and our focus is therefore on ensuring it can be reinstated as soon as possible.

As part of this, we are seeking immediate state aid approval for a T-1 auction that will cover winter 2019-20. Alongside this, we are working to reinstate the full capacity market regime and are discussing the swiftest means of doing so with the Commission.

The Government and National Grid will ensure that market participants are kept updated.

I will keep the House updated as appropriate.

[HCWS1090]

EDUCATION

Student Finance Update

The Minister for Universities, Science, Research and Innovation (Mr Sam Gyimah): The Higher Education and Research Act 2017 received Royal Assent on 27 April 2017. It set out significant reforms to help ensure that students receive value for money from their investment in higher education. The Act included a power for the Government to set specific annual fee amounts for accelerated degree courses in regulations.

An accelerated degree is the equivalent of a standard degree in every sense but one: it is completed one year sooner than its standard equivalent. By studying for more weeks each year and taking shorter breaks between

terms, accelerated students can, for example, complete the full content of a three-year degree—but graduate in two years.

In spite of the many benefits, there are currently very few accelerated degree courses available, as the current fee limit creates a financial disincentive for higher education providers.

Accelerated degrees cost more to deliver each year than their standard equivalents because of the higher number of weeks taught each year. Providers, however, can only charge up to the maximum annual fee cap for each year of teaching, regardless of the comparative volume of teaching delivered each year.

During the passage of the 2017 Act, the Government agreed to consult on values for specific accelerated degree fee caps, with the aim of removing the financial barrier and incentivising wider provision. Our consultation proposed a 20% uplift in the annual tuition fee for accelerated degrees.

For example, the annual tuition fee for a two-year accelerated course at a TEF-rated, fee-capped university (that is, a university with an approved access and participation plan and high-level quality rating) would be capped at £11,100 per year, compared with £9,250 per year for the same course taught over three years.

The total fee cost would be £22,200 for the accelerated degree, compared with £27,750 for the standard equivalent—for students, a 20% saving in tuition costs. The £22,200 total revenue for universities offers providers £3,700 more per accelerated degree (80% of the three-year fee), compared with the current £18,500 maximum (67% of the three-year fee) that they can currently charge for the same two-year course.

Today the Government are publishing their response to the accelerated degrees consultation, setting out our intention to proceed with regulations to set the new accelerated degree fee caps as soon as possible, subject to parliamentary approval. The full text of the response can be found on www.gov.uk.

These proposals apply to England only. We will also review the impact of the introduction of accelerated degrees fee caps three years after implementation. Our intention is to also bring forward regulations providing for increased loan amounts for accelerated degree courses.

This announcement will give providers confidence that the arrangements for accelerated courses are here to stay, and are consistent with all types of current non-accelerated fee levels and caps. The higher annual fee cap for accelerated degrees will drive up provision of accelerated courses across a far greater range of providers. Wider provision will in turn offer many more students the choice of applying for an accelerated course with their preferred subject and provider.

The new accelerated degree fee cap is consistent with the Government's overall ambitions for diverse and flexible post-18 education, currently being developed through the ongoing review of post-18 education and funding.

[HCWS1091]

TEF Reviewer Appointment

The Minister for Universities, Science, Research and Innovation (Mr Sam Gyimah): I am pleased to announce today that the Secretary of State for Education has appointed Dame Shirley Pearce DBE to report on the

operation of the Teaching Excellence and Student Outcomes Framework (TEF) in line with the process set out in section 26 of the Higher Education and Research Act 2017.

The review will commence in December this year and we expect the reviewer to report in summer 2019.

Dame Shirley has a distinguished track record in higher education and has made an outstanding contribution to a number of other areas of public life.

This makes her an excellent choice to lead this review and clearly shows that she will command the confidence of HE providers.

I will place a copy of her detailed biography in the House Libraries.

Further details and guidance will be published on www.gov.uk.

[HCWS1089]

Ministerial Correction

Monday 19 November 2018

EDUCATION

The following is an extract from Education questions on 12 November 2018.

Apprenticeships

2. **Kevin Hollinrake** (Thirsk and Malton) (Con): What steps his Department is taking to improve the quality of apprenticeships. [907537]

11. **Rachel Maclean** (Redditch) (Con): What steps his Department is taking to improve the quality of apprenticeships. [907547]

22. **Damian Green** (Ashford) (Con): What steps his Department is taking to improve the quality of apprenticeships. [907559]

The Minister for Apprenticeships and Skills (Anne Milton): Apprenticeships are now of high quality, with more off-the-job training and holistic end-point assessment. This ensures that, at the completion of an apprenticeship,

the apprentice can demonstrate that they have the skills, knowledge and behaviours for their existing employer or a new employer in the future. Forty-four apprenticeships are now at the new higher-quality standard, and training is up from 540 hours to 670 hours, which is a 20% increase—well ahead of where we thought we would be on quality.

[Official Report, 12 November 2018, Vol. 649, c. 2.]

Letter of correction from the Minister for Apprenticeships and Skills:

An error has been identified in the response I gave to my hon. Friends the Members for Thirsk and Malton (Kevin Hollinrake) and for Redditch (Rachel Maclean), and to my right hon. Friend the Member for Ashford (Damian Green).

The correct response should have been:

The Minister for Apprenticeships and Skills (Anne Milton): Apprenticeships are now of high quality, with more off-the-job training and holistic end-point assessment. This ensures that, at the completion of an apprenticeship, the apprentice can demonstrate that they have the skills, knowledge and behaviours for their existing employer or a new employer in the future. **Forty-four per cent. of apprenticeship starts are on the new higher-quality standards**, and training is up from 540 hours to 670 hours, which is a 20% increase—well ahead of where we thought we would be on quality.

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**not later than
Monday 26 November 2018**

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