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PARLIAMENTARY
DEBATES

(HANSARD)

Monday 11 February 2019

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The House met at half-past Two o'clock

PRAYERS

[MR SPEAKER *in the Chair*]

Speaker's Statement

Mr Speaker: Order. I have received a letter today from the operations manager of the central criminal court informing me that Fiona Onasanya, the hon. Member for Peterborough, has been sentenced to a period of imprisonment of three months. I have also received a letter from the registrar of criminal appeals informing me that Fiona Onasanya has submitted an appeal against her conviction, which is listed for hearing on 5 March. I shall cause the text of the letters to be published in the *Votes and Proceedings* and in the *Official Report*.

[The letters will appear at the end of today's proceedings.]

On an altogether more upbeat note, I hope that the whole House will want to join me in offering the warmest possible congratulations to the hon. Member for Bolsover (Mr Skinner) on the occasion of his birthday—87 years young today. I hope that the hon. Gentleman is with us in this Chamber for many years to come.

Oral Answers to Questions

WORK AND PENSIONS

The Secretary of State was asked—

Universal Credit: Food Insecurity

1. **Mrs Sharon Hodgson** (Washington and Sunderland West) (Lab): What assessment she has made of the effect of the roll-out of universal credit on food insecurity. [909107]

The Secretary of State for Work and Pensions (Amber Rudd): May I join you, Mr Speaker, in wishing a happy birthday to the hon. Member for Bolsover (Mr Skinner)? I hope he finds it a cheery occasion, as the rest of us do.

We are committed to having a strong safety net where people need it. It is clear that there were challenges with the initial roll-out of universal credit, and the main issue that led to an increase in food bank usage could have been the fact that people had difficulty accessing their money early enough. We have made changes to accessing universal credit, so that people can have advances and so that there is a legacy run-on after two weeks of housing benefit, and we believe that that will help with food insecurity.

Mrs Hodgson: The Secretary of State may be aware of the cross-party children's future food inquiry that I am co-chairing. Over the past year, I have heard from charities, families and, most importantly, young people themselves about their experiences with food insecurity. The matter is complex, but they tell me that universal credit is making their situation worse. Will the Secretary of State join me in April for the launch of the report, and will she tackle children's food insecurity as a matter of urgency?

Amber Rudd: I can reassure the hon. Lady, who chairs the all-party parliamentary group on school food, which I briefly co-chaired some while ago, that I am as committed as she is to addressing food insecurity, particularly for children. I believe and hope that the changes we have made in terms of access to early funds will have reduced food insecurity, but I will of course take an early interest in the report that she is producing. I look forward to seeing it.

Andrew Bridgen (North West Leicestershire) (Con): Will my right hon. Friend confirm that someone on benefits moving into work under the legacy welfare system that we inherited from the Labour Government could have lost up to £9 of every £10 they earned? There was no incentive to work whatsoever.

Amber Rudd: My hon. Friend draws attention to a real failing of the previous system. There was such a high rate of tax—sometimes up to £9 out of every £10—that there was no incentive for people to get into work. I thank him for reminding us that universal credit adjusts to such situations and ensures that work will always pay.

Stephen Timms (East Ham) (Lab): The Secretary of State is, no doubt, right that delays in payment were part of the problem, but does she recognise that the fact that people are not entitled to any money for the first five weeks makes a big contribution to the problems that we are seeing?

Amber Rudd: I have acknowledged that people having difficulty in accessing money on time was one of the causes of the growth in food bank usage, but we have tried to address that. One of the principal ways of doing so is to ensure that every applicant can receive advance payments on the day that they apply. In fact, I visited a jobcentre just before Christmas and was told about a number of claimants who came in for the first time on the Friday before Christmas and got those advance payments.

Chris Bryant (Rhondda) (Lab): One recent change has actually made things worse. A bunch of my constituents, who were merely changing address with the same social landlord and who were covered by the alternative payment arrangements, suddenly found that they were 10 weeks in arrears on the housing benefit element when the bulk payments element was brought in, putting them in even worse debt. All the things that the Secretary of State is talking about today have made things worse in recent weeks, so I hope she will look at the matter.

Amber Rudd: Of course I will take a look at any particular cases that the hon. Gentleman brings to me. I have addressed the issue of direct payments of rent to landlords being made more frequently by saying that

alternative payment arrangements should generally be more available. The fact is that universal credit is a more effective, more transparent system than what it replaces. One of the best ways to ensure that that is actually delivered on the ground is for MPs to engage with their jobcentres to make sure all that information is available.

Neil Gray (Airdrie and Shotts) (SNP): We know from a series of academic and stakeholder reports that the rise in food insecurity can, at least in part, be put down not just to the implementation but to the value of social security benefits. The Secretary of State has acknowledged that, I think for the first time, this afternoon. We also know from Library figures that higher than expected inflation means that the benefits freeze will save an extra £1.2 billion in the coming year. Does the Secretary of State agree that those low-income families who are being driven into food poverty deserve a break and that the benefits freeze should stop this year?

Amber Rudd: May I just point out to the hon. Gentleman that, by 2020, payments made under universal credit are expected to reach £62 billion, compared with £60 billion under the previous system? *[Interruption.]* The hon. Gentleman raised the issue of the amounts, and I am merely pointing out to him that, with the changes in place, the amounts are larger under universal credit than they would have been under the previous system.¹

Universal Credit Roll-out

2. **Martyn Day** (Linlithgow and East Falkirk) (SNP): What recent progress she has made on the roll-out of universal credit. [909108]

The Minister for Employment (Alok Sharma): We have now successfully rolled out universal credit full service across the country, with 1.6 million people now claiming universal credit. For the next phase, referred to as “managed migration,” we will test and refine our approach in a pilot, with up to 10,000 people moving from legacy benefits to universal credit. That pilot will start in July 2019.

Martyn Day: It has now been a calendar month since the High Court found the DWP unlawful in its universal credit work assessment periods, yet hard-pressed families are still being penalised for receiving payments on a four-weekly basis. Will the Secretary of State give a commitment to make a statement to this House on how to rectify that appalling anomaly?

Alok Sharma: I understand the hon. Gentleman’s point but, as he is aware, the Department is considering the High Court judgment carefully—I have said this before in the House—and it therefore would not be appropriate to comment further at this stage.

Stephen Kerr (Stirling) (Con): Can the Minister confirm that, because of the Budget, there will be £4.5 billion available in additional measures over the next couple of years?

Alok Sharma: Yes, we set out in the last Budget that there will be £4.5 billion available, with a large amount of that obviously coming through the increase in work allowances.

Emma Hardy (Kingston upon Hull West and Hessle) (Lab): As the Minister knows, universal credit has now been rolled out in Hull. A constituent, who has had an incredibly troubled life, came to see me on Friday. During his time he has suffered from addiction, he has been sleeping on the street and he has had convictions. The good news is that, not long ago, he walked through the doors of the Jubilee Church in Hull, and people there have been giving him support. He is now on an 18-month rehabilitation course. However, he has been told that, at the same time, he has to actively look for work. Surely the Minister would agree that while this young man is on a rehabilitation course—an opportunity for him to turn his life around—he should not also have to prove that he is actively searching for work.

Alok Sharma: Easements are, of course, available. I am happy to sit down and discuss the specifics of this case with the hon. Lady to see what may be possible.

Margaret Greenwood (Wirral West) (Lab): On the evening of 14 January, the Government announced that, from this May, mixed-aged couples on a low income will no longer be able to claim pension credit when the older partner reaches state pension age and will have to claim universal credit instead. Couples affected could lose out by up to £7,000 a year, and the Conservative party manifesto pledged to safeguard pensioner benefits. Why have the Government broken that pledge?

Alok Sharma: Of course, we are safeguarding pensioner benefits overall.

Margaret Greenwood: No, you’re not.

Alok Sharma: If the hon. Lady would kindly listen, what I am saying is that the long-agreed change for mixed-age couples was voted on and agreed by Parliament in 2012. We should also be clear that mixed-age couples already claiming pension-age, income-related benefits at the point of change will not be affected, so long as they remain entitled.

Universal Credit: Fluctuating Income

4. **Mohammad Yasin** (Bedford) (Lab): What steps her Department is taking to ensure that the monthly assessment period for universal credit takes into account a claimant’s fluctuating income. [909110]

The Minister for Employment (Alok Sharma): Monthly reporting allows universal credit to be adjusted on a monthly basis, which ensures that if a claimant’s income falls, they will not have to wait several months for a rise in their UC award.

Mohammad Yasin: My constituent who works for the NHS is paid a day outside her assessment period, meaning that she has to borrow money to pay the bills when she loses the benefits she is entitled to. Why, despite the High Court’s ruling, are this Government still making the lives of single working parents as difficult as possible?

Alok Sharma: As I have said, we will respond to the judicial review in due course. The hon. Gentleman will also be aware that, where the employer pays a claimant on a fixed date every month but that changes because of a weekend or a bank holiday, we tell the employer that

1. *[Official Report, 14 February 2019, Vol. 654, c. 10MC.]*

they should still report the actual pay date to the real-time information system, so that the UC claim is unaffected. Guidance is available from Her Majesty's Revenue and Customs on that.

Mark Pawsey (Rugby) (Con): I think the Minister has just referred to the situation that affects my constituent, who is paid on the last Friday of every month, so as the calendar date varies, there are occasions when there is a nil award for UC. Will he confirm that that issue is being looked at and considered?

Alok Sharma: Yes. As I have said, this is a matter where employers need to take action, and guidance is available from HMRC. As I understand it, employers were once again reminded before Christmas that they need to get the right payment date in place.

Helen Goodman (Bishop Auckland) (Lab): My constituents in this situation are still being harassed by the Department. Is the Minister going to make the change in line with the High Court judgment from 11 January or for all claims that fall into this category from the very beginning?

Alok Sharma: I completely understand why colleagues are asking these questions and why they want answers, but I have to repeat myself at this stage and say that the Department is considering the High Court's judgment. I hope therefore that the hon. Lady will appreciate that it would not be appropriate for me to comment further.

Mr Speaker: Very good of the right hon. Member for Carshalton and Wallington (Tom Brake) to join us. He will be pleased to know that he is just in time.

Carol Monaghan (Glasgow North West) (SNP): My constituent received an unexpected late payment for temporary work during his UC assessment period, which resulted in a nil award. Surely the time has come to ensure that the assessment period recognises when the money was earned and not when it was received.

Alok Sharma: We had a discussion about what happens where there is a fixed payment date, but I point out that where two awards had been made in one assessment period it would mean that the claimant would be entitled to a maximum UC award in the following assessment period.

Work Capability Assessments

5. **Tom Brake (Carshalton and Wallington) (LD):** If she will make it her policy that work capability assessments must be conducted by public sector employees. [909111]

The Minister for Disabled People, Health and Work (Sarah Newton): I will allow the right hon. Gentleman to catch his breath, by saying that all people who carry out work capability assessments are fully qualified healthcare professionals, including nurses, paramedics, occupational therapists, physiotherapists and doctors. Most have two years' post-registration experience, most have worked in the NHS and some combine working part-time in the NHS with being employed to undertake WCAs. As I said to the Select Committee during its recent inquiry on the WCA, future contracts will be open to all sectors.

Tom Brake: I thank the Minister for her reply and for giving me time to recover my breath. As a constituency MP, I am sure that she, like me and many others, will know many constituents who feel that they have been ignored, bullied or interrogated during WCAs. Given that in the past the Ministry of Justice has had to spend some £100 million in arguing court cases and appeals, will she at least undertake to examine whether the public sector is not in fact better placed to carry out these assessments than private contractors, who have a very poor reputation?

Sarah Newton: Let me make it absolutely clear that I want to make sure that every person claiming a benefit from the Department for Work and Pensions has a really positive experience. We look at independent research on our claimant experience, and the vast majority of people are treated with respect and dignity, and the right decision is made the first time. However, one person's poor experience is one too many, and we are constantly working with disabled people and stakeholders to improve our processes.

Greg Hands (Chelsea and Fulham) (Con): It is so important to discuss how we can help those who cannot work, but we should also recognise that 900,000 more disabled people are in work since 2014. Will the Minister outline what more she can do to get even more disabled people into work?

Sarah Newton: My right hon. Friend makes a really important point. We have a strong safety net for people who cannot work, but it is also wonderful that so many more people are able to work. I am delighted to announce that from 1 April we will uprate the Access to Work grant to just under £60,000 per person per year, which will provide tailor-made support to enable people to work.

PIP Reassessments: Lifelong Disabilities

6. **Anna Turley (Redcar) (Lab/Co-op):** What recent assessment her Department has made of the effect of personal independence payment reassessments on claimants with lifelong disabilities. [909112]

The Secretary of State for Work and Pensions (Amber Rudd): Our new guidance, which was introduced last August, now ensures that claimants with chronic conditions that are unlikely to change over time will receive an ongoing award, with only a light-touch review every 10 years. This is an important step in preventing those long-term claimants with the highest needs from having to undergo unnecessary reviews of their condition.

Anna Turley: I appreciate the Secretary of State's response, but will her Department review the cases of those who have already had decisions overturned? For example, I had a constituent with three brain tumours. She was awarded the highest rate of daily living and mobility allowance in 2016, but then reassessed in 2018 and not awarded anything. We had to appeal that decision, the appeal was of course successful, and she received a backdated payment of £5,000. I am sure the Secretary of State would agree that that was cruel and inhumane for someone at my constituent's point of life.

Is the Department going to look back at how many people slipped through the net over the past few years, before the Secretary of State made changes?

Amber Rudd: It is difficult to make policy based on individual cases discussed across the Chamber, but if the hon. Lady wants to show me that individual case, I will certainly look to see whether it should impact on the changes we have already made and will look at going forward.

Sir Desmond Swayne (New Forest West) (Con): When does that start from?

Amber Rudd: I am happy to say that it has already started.

Debbie Abrahams (Oldham East and Saddleworth) (Lab): Since 2013, nearly 8,000 disabled people have died within six months of being found ineligible for personal independence payments—yet more evidence that the assessment process is not fit for purpose. If the Secretary of State is not prepared to scrap this inhumane process, will she at least support the Bill promoted by my hon. Friend the Member for Bridgend (Mrs Moon), which would remove the arbitrary and cruel six-month time limit for people with a terminal illness?

Amber Rudd: The hon. Lady will be aware that under disability living allowance there were also assessments and difficulties with getting people paid on time, so let us not pretend that this is a wholly new change in terms of the consequences. I have started to look at the proposal from the hon. Member for Bridgend (Mrs Moon), to make sure that people with a terminal illness are treated correctly and get the support that they need as soon as possible.

Chris Green (Bolton West) (Con): The personal independence payment reassessment process is taking far too long for my constituents, with an average delay of more than 40 weeks. That causes a problem for people with significant health concerns. What action is my right hon. Friend taking to substantially reduce the waiting times in the Bolton and Wigan area?

Amber Rudd: I thank my hon. Friend for fighting so hard for his constituents and making sure that the most vulnerable in his constituency are well represented and looked after by their Member of Parliament. I believe he was referring to the tribunal reviews that take place when there are PIP appeals. We are working with Her Majesty's Courts and Tribunals Service to make sure that we speed up the process to ensure that the waits are not so long.

Peter Grant (Glenrothes) (SNP): It is all very well for the Secretary of State to say nice words about light-touch reassessment, but she will be aware of the case I raised last week in which a constituent whose condition worsened was assessed and lost her benefit as a result, and she will be aware of the case I have previously raised of the constituent whose leg was amputated and who was then assessed, on the basis of a phone call, as being able to walk four times further than he could the previous year on the basis of a work assessment. When are we going to see the reality of these assessments match up to the

nice cuddly words we get from the Secretary of State, instead of their being used as a brutal and inhuman way to take people off benefit?

Amber Rudd: I would caution the hon. Gentleman about being so negative about an assessment that, yes, works for the vast majority of people. Only a certain number of the appeals get through and only 5% of the total number of assessments are overturned. I do not want people generally who are listening to and watching this exchange to think that the assessments are something to be fearful of. The people who conduct these assessments are sympathetic, thoughtful people who try to give the right answers. *[Interruption.]* Yes, they are. I urge the hon. Gentleman to let me know if he has a particular case or cases, because I or the relevant Minister will always talk to him and make sure that the outcome is settled.

People with Learning Disabilities and Autism: Celebrating Achievements

7. **Sir Oliver Heald** (North East Hertfordshire) (Con): What steps she is taking to celebrate the achievements of people with learning disabilities and autism in employment and outside of employment. [909113]

The Minister for Disabled People, Health and Work (Sarah Newton): It is really important to recognise and celebrate the achievements and contributions, in all aspects of life, of people with learning disabilities and autism. Disability Confident highlights achievements of disabled people, including those with learning disabilities. Most recently, the high-profile November and December campaign reached more than 16 million people on Twitter alone. We are investing in new support and employment opportunities too, and we also work with charities such as Autism Exchange and the Speaking Out Forum.

Sir Oliver Heald: My constituent, Sam Prowse, has been chosen as a winner on the inaugural Learning Disability and Autism Leaders' List announced recently. He was chosen for his work with Hertfordshire County Council as an adviser supporting the library service on autism and on making information easy to read. Does the Minister agree that this list is a good way of celebrating the achievements of people such as Sam who give a great deal to the local community?

Sarah Newton: I thank my right hon. and learned Friend for raising this matter. I very much support the inaugural Learning Disability and Autism Leaders' List. I thank Sam for his contribution to his community and congratulate him on his achievement. There are so many unsung heroes in all our communities and it is always a pleasure to have an opportunity such as this. The Prime Minister's award, Points of Light, provides another excellent way of highlighting the contribution of disabled people to our society.

Several hon. Members rose—

Mr Speaker: I must congratulate the hon. Member for Huddersfield (Mr Sherman) on his magnificent tie. I had thought that perhaps it depicted fireworks, but I am advised by a scholarly source that it would be more accurate to say that it depicts tropical foliage.

Mr Barry Sheerman (Huddersfield) (Lab/Co-op): For the information of the House, I am wearing a Beatles “Magical Mystery Tour” vintage tie. I feel that, at the present moment in this country, I am on a magical mystery tour.

May I use this question to beg the Front-Bench team not to be condescending and patronising about people with different abilities? So many of the people on the autism spectrum with whom I work are extremely talented. They are unusual; they think differently. Many companies today are looking for people with that sort of quirky talent in the tech industries and much else. Let us not condescend; let us put more money, influence and resources into finding that talent and supporting it.

Sarah Newton: I absolutely share the hon. Gentleman’s passion and enthusiasm for speaking up and out for people with autism, who do have many special skills and talents. It is a pleasure to work with so many people on the autistic spectrum—people who are neuro-diverse—and to hear of their experiences in setting up businesses and in making real contributions to their places of work. I absolutely join him in speaking up for the huge benefit they bring to all of us in society.

Kirstene Hair (Angus) (Con): Recently in my constituency, I held a Disability Confident event where I signed up many new employers in Angus and heard success stories of constituents of mine who have benefited from the scheme. Does my hon. Friend agree that we should be encouraging Members across this House to have a similar event so that we can see the successes of the Disability Confident campaign?

Sarah Newton: I congratulate my hon. Friend on taking that initiative. She is an absolute champion of enabling people to reach their full potential in society through work. I pay tribute to the many hon. Members across the political divide who have joined Disability Confident and who are getting out and having events in their constituency. We should all be proud that, for the first time in our country, there are more disabled people in work than out of work, so the nation can draw on that rich talent pool.

Jenny Chapman (Darlington) (Lab): I support the comments of my hon. Friend the Member for Huddersfield (Mr Sheerman). Is it not true that, because of their recruitment processes, many employers are missing out on the talent and the enrichment that employing someone with autism would bring? People do not even get that first opportunity. What more can the Minister do to support employers to think again about the way they go about recruiting people and to give the opportunity to a wider range of people to get that first chance?

Sarah Newton: The hon. Lady makes a really important point. We do not want employers to miss out on this fantastic talent pool of people. Through Disability Confident, we are able to provide free and extremely valuable resources to employers to show them how they can make reasonable adjustments regarding the recruitment, retention and management of people on the spectrum in the workplace. That is really important. I am sure that her question will raise awareness of the free, fantastic resources that are available to all employers through Disability Confident.

Universal Credit: Social Security Advisory Committee

8. **Danielle Rowley** (Midlothian) (Lab): What recent progress her Department has made on implementing the recommendation of the Social Security Advisory Committee on alternatives to claiming universal credit online. [909114]

The Minister for Employment (Alok Sharma): Universal credit is primarily a digital service, but it can also be accessed via telephone and in a jobcentre, where in-person support is available. We also provide assisted digital support as part of our current universal support offer.

Danielle Rowley: The Secretary of State told Sky News that she will ensure that no deflection script strategy is used by the universal credit helpline in the future. Is she therefore admitting that a deflection script has been in use, and that there has been a culture of rushing people off the phone and diverting them online? If so, will she now apologise for the Department having denied this tactic?

Alok Sharma: The hon. Lady has already been sent a copy of the universal credit digital channel document, which Department for Work and Pensions staff use as a guide when taking calls from claimants. She will be aware that this document says clearly that staff must use a common-sense and sensitive approach in resolving queries ahead of any digital discussion. Let me be absolutely clear that there is no intention to deflect and there are no targets for getting claimants to use a digital channel.

Hywel Williams (Arfon) (PC): On 15 January, the First Minister of Wales agreed with Plaid Cymru and Labour MPs that the devolution of certain aspects of welfare benefits should be explored. Will the Minister meet me to discuss how universal credit can be better tailored to the needs of the people of Wales, particularly with regards to claiming online and the needs of Welsh speakers?

Alok Sharma: As the hon. Gentleman knows, we have now put in place mechanisms so that Welsh speakers do benefit. I am happy to meet him and any other colleagues to discuss any issues that they may wish to raise.

Employment Level

9. **Mark Menzies** (Fylde) (Con): What assessment the Government has made of trends in the level of employment since June 2010. [909115]

The Secretary of State for Work and Pensions (Amber Rudd): I am pleased to say that, because of the changes made by this Government, we have record levels of employment—up 3.4 million since 2010—and the female unemployment rate is currently at a record low.

Mark Menzies: Recent figures show that unemployment in my constituency continues to fall. What plans does the Secretary of State have to reduce it further by working with businesses and further education colleges to ensure that young people have the skills needed for today’s workplace?

Amber Rudd: I thank my hon. Friend for the good work that he does in his constituency to ensure that unemployment continues to fall. We are committed to providing targeted support to young people, so that everyone—no matter what their start in life—is given the very best chance of getting into work. The Jobcentre Plus support for schools programme helps to improve the employability of young people and has resulted in thousands of children being better equipped for today's labour market.

David Hanson (Delyn) (Lab): Unemployment in my constituency has actually risen by 30% over the past 12 months. Given today's economic figures, which show very low economic growth over the last seven years, and given the impending doom of no deal, what contingency plans is the Secretary of State making so that unemployment does not rise still further?

Amber Rudd: I urge the right hon. Gentleman not to be so despondent about the growth figures today. We are seeing growth. Overall employment continues to rise. If he would like to speak to one of us regarding any scheme he has to boost employment in his constituency, I would be pleased to see him.

Mike Amesbury (Weaver Vale) (Lab): The hon. Member for Fylde (Mark Menzies) asked about employment trends, but one trend that he did not mention is that zero-hours contracts have quadrupled since 2010. This week is HeartUnions Week, so will the Secretary of State join me, the TUC and the Labour party in pledging to ban these disgraceful contracts?

Amber Rudd: I am afraid that the hon. Gentleman may have his facts wrong. Zero-hours contracts are down; 780,000 people are currently on zero-hours contracts, down from 883,000 in the same period in 2017. Overall, we estimate that 2.4% of the employment market are on zero-hours contracts.

Universal Credit: Debt Repayments

10. **Alison Thewliss (Glasgow Central) (SNP):** What assessment she has made of trends in the level of debt repayments by people in receipt of universal credit. [909116]

The Parliamentary Under-Secretary of State for Work and Pensions (Guy Opperman): The Government have recently reviewed the maximum rate of deductions, which will be reduced from 40% to 30% from October 2019. We are also taking action through the introduction of a Breathing Space scheme and the setting up of the Single Financial Guidance Body, which will consider the needs of people in vulnerable circumstances.

Alison Thewliss: The Minister will be aware that I recently met the Minister for Employment regarding my constituent Georgina Woods, whose historical repayments soared from £11.12 a month to £79.46 a month when she moved from tax credits to universal credit—a situation that she cannot get resolved because she tried to save the Government money by not applying for tax credits. It is really difficult to resolve this case due to a lack of communication between the Treasury and the DWP, and that issue will only get worse as universal

credit rolls out and it is more difficult for constituents to get this resolved. Why is the Minister's Department treating people more harshly than the Treasury is?

Guy Opperman: I know that the hon. Lady has met my hon. Friend the Minister for Employment on the issue of her constituent and that the Department awaits more details to investigate it in more detail. The wider point is that the Minister for Employment is looking into this issue with Her Majesty's Treasury and will, I am sure, update her.

Kevin Foster (Torbay) (Con): I welcome the reduction in the maximum deduction rate, but what analysis has the Minister done of what that may mean for the poorest households and how will he communicate the impact of the change?

Guy Opperman: We believe that it is a positive step in the light of the review that took place. I draw my hon. Friend's attention to the Breathing Space scheme that is being introduced by Her Majesty's Treasury to assist people on an ongoing basis. That scheme came in in the legislation that we introduced last year.

Mr Jim Cunningham (Coventry South) (Lab): Why does the Minister not stop universal credit until such time as the Government get the result of the pilot scheme? Anywhere else, if people have a pilot scheme, they wait to implement it and learn the results from it before rolling the system out. You would do that in the private sector. Why not do it here?

Guy Opperman: With respect, the answer is twofold. First, there has been a gradual introduction of universal credit and, secondly, the pilot scheme is in respect of managed migration.

Care Leavers: Employment Opportunities

11. **James Cleverly (Braintree) (Con):** What steps she is taking to increase employment opportunities for care leavers. [909117]

18. **Will Quince (Colchester) (Con):** What steps she is taking to increase employment opportunities for care leavers. [909125]

The Parliamentary Under-Secretary of State for Work and Pensions (Justin Tomlinson): Building on recent announcements, I have just held two roundtables with care leavers and care leaver charities. The next step is to meet employers to explore how we can further improve job opportunities for care leavers.

James Cleverly: I thank my hon. Friend for that answer. Prior to universal credit, under the legacy system, care leavers and other vulnerable jobseekers were just left to sign on but now, with tailored support and work coaches, that has changed. Now that youth unemployment is at record low levels, what is the Minister's Department doing to make sure that work coaches are helping care leavers to find not just a job but the right job for them?

Justin Tomlinson: I pay tribute to my hon. Friend, who has championed this area for a number of years, particularly during his time under the former Mayor of

London as his youth ambassador. We recognise that the key is to build a personalised and positive relationship between the work coach and the care leaver. We have been working very closely with the Children's Society and Barnardo's to improve both the guidance and the training for all our frontline work coaches.

Will Quince: Care leavers are one of the groups at highest risk of homelessness. What support does the Department offer to help care leavers and vulnerable claimants to secure housing?

Justin Tomlinson: Last Thursday, my hon. Friend held a powerful debate in Westminster Hall covering some of this area. The Government take the issue very seriously. We are providing additional funding for 47 local authorities that have the highest numbers of care leavers at risk of rough sleeping. That funding will allow them to appoint specialist personnel advisers to provide additional support to small caseloads of those at risk. I am also keen to look at opportunities to open up the jobcentres to care leavers six months before their 18th birthday in order to look at all the different opportunities and support available to them.

Ruth Cadbury (Brentford and Isleworth) (Lab): Given that care leavers are, by definition, vulnerable and have a host of challenges, including in housing, getting into work, and skills and training, what discussions is the DWP having with local authorities so that rather than drip-dripping a few special projects the Government actually address the chronic underfunding of local government that has let care leavers down, among many others?

Justin Tomlinson: Our whole strategy of supporting care leavers, which was set out as part of the care leaver covenant, is about closer partnership working with not only the Department for Education but local authorities, to ensure that there is consistent support across the board. As I said in my previous answer, I want to start that earlier, giving young care leavers the maximum time to prepare for the transition as they reach 18.

Steve McCabe (Birmingham, Selly Oak) (Lab): The Government deserve some credit for the care leaver covenant. What specific joint work is being undertaken with the Children and Families Minister the hon. Member for Stratford-on-Avon (Nadhim Zahawi), to ensure that every young person leaving local authority care leaves with a specific offer of a job, apprenticeship or further training? Have the Government considered making that a legal obligation?

Justin Tomlinson: I thank the hon. Gentleman; I know that he has raised similar issues before. It is right for this work to be joined up and consistent. At the moment, in the DWP, we look at this 28 days before care leavers are due to start UC. As I said, I think that that should be brought forward to six months, with advice and training on the different opportunities that are available. It is vital that all groups work in partnership. They have supported all the roundtables that I have held and I will continue to work closely with them.

In-work Poverty

12. **Louise Haigh (Sheffield, Heeley) (Lab):** What recent assessment her Department has made of trends in the level of in-work poverty. [909118]

19. **Dr Rupa Huq (Ealing Central and Acton) (Lab):** What recent assessment her Department has made of trends in the level of in-work poverty. [909126]

The Parliamentary Under-Secretary of State for Work and Pensions (Justin Tomlinson): There is clear evidence that work offers people the best opportunity to get out of poverty. A working-age adult living in a household where every adult is working is about six times less likely to be in relative poverty than one living in a household where nobody works.

Louise Haigh: Research by the Joseph Rowntree Foundation shows that the real-terms cut in social security is the single biggest driver of in-work poverty, leaving those struggling to make ends meet on poverty pay losing hundreds of pounds a year. If the Secretary of State is looking forward to the benefits cut not being extended, as she told Sky News, why do the Government not end it now, rather than wait to review it in 2020?

Justin Tomlinson: This Government are not only delivering record employment in all regions of the UK—it is accepted that work is the best route out of poverty—but targeting support at the most vulnerable in society, with increases in the national living wage, which will see the fastest pay rise in the last 20 years, changes to the income tax threshold and a doubling of free childcare.¹

Dr Huq: Crash-era debt was owed to commercial lenders and stemmed from lifestyle desires, but Turn2us reports that the bulk of its 9,000 users in Ealing are in-work adults who are struggling to meet the bare basics—their debts are to council housing departments, energy providers and water companies. If the Government will not unfreeze the benefits cap now and end the scandal of zero-hours contracts, what are they doing about that worrying trend, noted by the London School of Economics, the National Audit Office and Citizens Advice?

Justin Tomlinson: As we know, there are 1 million fewer people and 300,000 fewer children in absolute poverty. The hon. Lady raised that theme at the last DWP oral questions, when she set out the distressing case of a claimant who she claimed was left with just £10 over Christmas because her payment was due on Christmas day. We looked into that case and I took a personal interest in it. The claimant actually received their full entitlement before Christmas, as well as interim support for childcare because they had been able to secure work. I know that the hon. Lady would want everybody in the House to be aware of that.

Mr Speaker: That is a testament to the effectiveness of repetition. As I have often had cause to observe—I say this as much for the benefit of those observing our proceedings as for Members—repetition is not a novel phenomenon in the House of Commons.

1. [Official Report, 14 February 2019, Vol. 654, c. 9MC.]

Jack Dromey (Birmingham, Erdington) (Lab): That more are in work is welcome. That one in eight are the working poor, with working parents struggling to clothe and feed their children, is shameful. Does the Secretary of State recognise that working poverty consigns millions to a hand-to-mouth existence and, because people fall beneath the threshold for auto-enrolment, working poverty is all too often followed by a retirement in poverty? That cannot be right.

Justin Tomlinson: Auto-enrolment is a success, with 10 million new savers, and we intend to lower the starting age from 22 to 18 and remove the lower earnings limit.

Social Security Benefits: Disabled People

14. **Matt Western** (Warwick and Leamington) (Lab): What steps she is taking to ensure that disabled people can access the social security benefits to which they are entitled. [909120]

The Minister for Disabled People, Health and Work (Sarah Newton): Universal credit has been designed with accessibility in mind, and we are committed to providing a tailored service that recognises those with complex needs. We are improving accessibility features and we are adding to the system all the time, allowing people to claim online, by telephone or through home visits. We really want to work with many community partners or those who are supporting people with complex needs to make sure they do get that support.

Matt Western: A year ago I wrote, with 100 MPs from across the House, to the then Secretary of State to highlight what was really faced by so many disabled people, which is a hostile environment in trying to access payments. It now transpires that seven reviews are being undertaken by the DWP into the serious administrative mistakes that have been made, including why 4,600 disabled people have wrongly had their personal independence payments stopped. Will the Minister update us about what progress has been made on those seven reviews and, indeed, about what learnings are going to be taken forward?

Sarah Newton: We work very hard in the DWP to make sure that decisions are made accurately the first time. However, where there have been mistakes, we work really quickly to remedy them as soon as possible. The hon. Gentleman is quite right that we are going through some wide-scale administrative exercises on both employment and support allowance and PIP, and I regularly provide written ministerial statements to the House—the most recent ones were in December—setting out exactly what we are doing.

23. [909130] **Tom Pursglove** (Corby) (Con): What steps is the Department taking to improve the general assessment process and the oversight of individual assessors to reduce the rate of cases going to appeal?

Sarah Newton: It is absolutely right that we should be focused on making the right decision first time. We have had independent reviews of both the work capability

assessment and the PIP assessments, and we are working rigorously to implement each of the steps that have been identified.

Marsha De Cordova (Battersea) (Lab): Under schedule 2 to the Universal Credit (Managed Migration) Regulations 2018, the compensation for severely disabled people who have moved on to universal credit for the loss of premiums is a flat rate of £80 per month if they have been placed in the limited capability for work group. This is considerably less than the actual loss of income, which is approximately £180 per month. Will the Minister give a full breakdown of how that figure was reached, and will she listen to Labour's demands and commit to ensuring that the compensation reflects the real loss of those premiums?

Sarah Newton: I fear that you, Mr Speaker, will not allow me the time I need to answer such a detailed question, so I am very happy to write to the hon. Lady. I do want to say, because I think the whole House will be pleased, that we have now enabled people who have single-tier pensions to be held back on the legacy benefits until the managed migration regulations come into effect.

Marsha De Cordova: Under universal credit, for working disabled people to qualify for in-work support, such as the work allowance, one must be found unfit for work under the work capability assessment. This is unlike the legacy social security system, under which a disabled person will qualify for in-work support, such as the disability element of working tax credit, by being in receipt of disability living allowance or PIP. Does the Minister agree with me that it is absurd that a disabled worker must be found unfit for work to qualify for in-work support, and will she commit today to reviewing this?

Sarah Newton: Universal credit provides tailor-made support for all people, including those with disabilities. Once somebody meets their work coach, they will have a personalised journey to support them into work and to make progress into work, and that can happen even before the work capability assessment is taken.

Breathing Space Scheme

15. **Alex Cunningham** (Stockton North) (Lab): What plans the Government have to include debts owed to her Department in its new Breathing Space scheme. [909122]

The Parliamentary Under-Secretary of State for Work and Pensions (Guy Opperman): I helped to introduce Breathing Space as part of the Financial Guidance and Claims Act 2018. The Department for Work and Pensions is fully supportive of the Breathing Space policy. We also recognise the importance of ensuring that people can access advice in identifying solutions to their debt problems, and we have set up the Single Financial Guidance Body.

Alex Cunningham: That is very good to hear, but both the Treasury Committee and the Work and Pensions Committee have said that Departments take a disproportionate and often aggressive approach to the

recovery of debt. A single person over 25 claiming universal credit could have £127 deducted from their benefits each month to pay existing debts. If the Government are determined, as the Minister says, to help people manage their debts, why is his own Department making deductions that push claimants further into poverty?

Guy Opperman: The hon. Gentleman will be aware that, in relation to Breathing Space, the Government are considering the responses to our recent consultation and will respond in due course, and that the standard deduction rate for the repayment of a non-fraud overpayment of universal credit is 15%.

Location of Jobcentres

16. **Mrs Kemi Badenoch** (Saffron Walden) (Con): What criteria her Department uses to determine where jobcentres are located. [909123]

The Minister for Employment (Alok Sharma): The DWP has a network of over 630 jobcentres across the UK. We consider a number of factors when making decisions about the future DWP estate, including the potential demand for services, the accessibility of our buildings and value for money.

Mrs Badenoch: I have a vulnerable constituent who lives in Stansted Mountfitchet but has to travel an hour and a half by public transport to Braintree in order to access a jobcentre. Will the Minister please review jobcentre provision in my constituency, specifically in Uttlesford district?

Alok Sharma: I thank my hon. Friend for the work she does on behalf of her constituents. I can confirm that we will continue to work with community-based partner organisations, including Saffron Walden Town Council, to ensure support and the delivery of outreach. Also, for vulnerable claimants and those in remote areas, alternative attendance arrangements can be introduced.

Mr Speaker: Just before I call the hon. Member for Dulwich and West Norwood (Helen Hayes), I can tell her that this morning I conducted my usual weekly Skype session with school students, and today it was with students at the outstanding Elm Wood Primary School in her constituency. I engaged with those quite superb, articulate and personable students, and with their class teacher, Stephanie Kamara, and the headteacher, Ms Myrtle Charles, who made a guest appearance. What a credit those students are to their teachers and parents.

Social Security Benefits: Windrush Generation

17. **Helen Hayes** (Dulwich and West Norwood) (Lab): What discussions she has had with the Home Secretary on supporting people of the Windrush generation to access social security benefits. [909124]

The Secretary of State for Work and Pensions (Amber Rudd): I take a particular interest in ensuring that the Department for Work and Pensions liaises closely with the Home Office to make sure that the Windrush generation

are properly supported. So far we have helped over 400 customers to swiftly confirm their status and access benefits.

Helen Hayes: Thank you, Mr Speaker. I am always proud of the students at Elm Wood Primary School, which is indeed an excellent school with brilliant students.

I have been writing to the Secretary of State for many months on behalf of my constituent, who was the first Windrush citizen to return to the UK in May last year. She has since been denied access to attendance allowance because she was not in the country during the assessment period. The only reason she was not in the country at the time was the illegal action of the British Government. I have been told by the DWP that she must wait until the Windrush compensation scheme is published and include within her claim compensation for benefits she is due now. That is absurd and unacceptable. Why is the Secretary of State, who presided over the Windrush scandal as Home Secretary, continuing to compound and extend the injustice that Windrush citizens are suffering by failing to put in place the support they need to access all the benefits to which they are entitled?

Amber Rudd: I would like to reassure the hon. Lady that I have looked into this case, and I do take seriously, as she and the House would expect, the issue of ensuring that the Windrush generation are supported correctly by the DWP. We have reinstated the claimant's pension credit and have awarded arrears to date. With regard to the attendance allowance, I will be writing to the hon. Lady, and officials are working to resolve the matter. I will provide the letter as a matter of urgency.

Topical Questions

T1. [909131] **Eleanor Smith** (Wolverhampton South West) (Lab): If she will make a statement on her departmental responsibilities.

The Secretary of State for Work and Pensions (Amber Rudd): Today I am delighted to confirm that 10 million workers have now been automatically enrolled into a workplace pension. Since 2012 this policy has been transforming savings culture. The increase in pension uptake has been particularly marked in younger workers, women and those on low earnings. For many, a private workplace pension was once a pipe dream. Thanks to the action we have taken, it is now a reality. Today I am also bringing forward plans to strengthen the Pensions Regulator to protect final salary pensions, including a new prison sentence of up to seven years in certain circumstances. These measures show that the Government are on the side of workers saving for retirement and that we will protect their incomes from the reckless behaviour of a small number of unscrupulous bosses.

Eleanor Smith: I have many female constituents who are self-employed or on zero-hours contracts. They do not have a set regular monthly wage, yet the DWP insists on a four-week assessment period to assess their earnings and determine their benefits. Those women are being forced into hardship by sudden cuts to their benefit payment and a lengthy appeals process, which can take up to three to four months. Why can the DWP not recognise the situation that those on fluctuating incomes are put in and revise its guidelines accordingly?

Amber Rudd: I hope the women the hon. Lady refers to are engaging with their work coaches, who try to provide a tailored service to enable individuals to realise how much better supported they are under this system. I would also point out that female employment is at a record high—jobs and support are out there. With the help of work coaches, we want to ensure that the women she refers to do not just get the average jobs they may start on, but have a real opportunity to develop careers.

T6. [909136] **Greg Hands** (Chelsea and Fulham) (Con): I join the Secretary of State in welcoming the fantastic news that 10 million people are involved in auto-enrolment. Could she tell us a little bit more about the measures the Government will be taking to enable them to increase their savings once they are in auto-enrolment?

Amber Rudd: I thank my right hon. Friend for his support. In his constituency, 21,000 people and 4,290 employers are now auto-enrolled. It is working well in his constituency. In April, we will increase the amount of contribution from employers.

Margaret Greenwood (Wirral West) (Lab): Social security sanctions can be detrimental to the health and wellbeing of claimants, and, in extreme cases, push people into destitution. The Government's response to the Work and Pensions Committee report was shocking. Apparently, they are only prepared to consider increasing the length of sanctions, not reducing them. What has happened to the concept of compassion? Will the Secretary of State end the Government's cruel and counterproductive sanctions regime?

Amber Rudd: I do not recognise the hon. Lady's description. I have been around jobcentres. I always make a point of speaking to work coaches, asking them about the way they impose sanctions and when. They always say to me that it is a last resort only done after a series of engagements. This is a personal choice that work coaches make. They have a lot of discretion and in my experience they are using it correctly.

T8. [909138] **Luke Hall** (Thornbury and Yate) (Con): How will the Government ensure that the roll-out of universal credit continues to support the benefits of being in work, while providing the required flexibility for people who are often moving through life-changing circumstances as we support them back into the workplace?

Amber Rudd: I am happy to say that that is exactly the aim of universal credit: to ensure that it helps people while they are in work, gives them the additional funds they may need, and ensures that the taper rate, the amount of tax they pay as they move into more employment or a higher level of pay, does not adversely affect their ambitions and their ability to earn more.

Neil Gray (Airdrie and Shotts) (SNP): The Government are about to enact an element of policy passed seven years, two Parliaments and two Governments ago without a debate or a vote. Mixed-age pensioner couples are set to lose £7,000 from their household income if the changes to pension credit go ahead. Surely, with the Joseph Rowntree Foundation saying that 300,000 more pensioners are in poverty now compared to 2012, the Secretary of State must seek a new mandate from this House for these cuts and have a debate and a vote?

The Parliamentary Under-Secretary of State for Work and Pensions (Guy Opperman): The reality is that the absolute poverty rate for pensioners has fallen to a record low, with over 200,000 fewer pensioners in absolute poverty before housing costs. The state pension has also increased by over £1,000 in cash terms since 2010 by reason of the triple lock, as well as many other reasons.

T9. [909139] **Damien Moore** (Southport) (Con): Will the Minister explain how today's announcement will deter reckless bosses from mismanaging pensions?

Guy Opperman: My hon. Friend's constituents in Southport will be reassured that the Government are cracking down on the mismanagement of existing defined benefit pensions, so that his constituents can ensure they get the pensions they deserve and have saved for.

T2. [909132] **Wera Hobhouse** (Bath) (LD): European Union citizens who have worked in this country primarily through agencies are at risk of failing the habitual residence test although they have lived here for many years, because their employment might not have been continuous. Will the Minister meet me to outline what protections are available for those EU citizens?

The Minister for Employment (Alok Sharma): Yes, of course I will meet the hon. Lady. As she knows, there are set criteria in place before people are able to claim benefits or universal credit, but I am of course very happy to meet her.

T10. [909140] **Chris Green** (Bolton West) (Con): Last week, I was interviewed on Bolton FM—[*Interruption.*] Last week, I was interviewed on Bolton FM by a group of young carers who make an immense contribution, but who are concerned about the level of support they receive. Will my right hon. Friend outline what support is available?

The Parliamentary Under-Secretary of State for Work and Pensions (Justin Tomlinson): I am sure that it was a fantastic interview, which we will all be looking to hear in the archives online. As set out in the earlier questions, we are doing a huge amount to support care leavers. I am very grateful for the support of charities such as the Children's Society and Barnardo's, who are helping to shape that. Only last week, I met a group of care leavers from the Big House charity in London, who were able to give me their personal wish list of things that we can do. We will continue to work with care leavers, charities and support organisations so that they can have the maximum opportunities, which many take for granted.

Mr Speaker: It is always pleasing to see a happy Member. The hon. Member for Bishop Auckland (Helen Goodman) is convulsed with mirth. She is in a state of almost uncontrollable hysteria. Well, I hope she is very happy. I do not know what it is that has amused her, but it is good to know that she is a happy spirit in the Chamber.

T3. [909133] **Layla Moran** (Oxford West and Abingdon) (LD): Oxford & District Action on Child Poverty recently met me to discuss the devastating impact of the two-child limit on working families in Oxford. It said, "You literally could not have designed a better policy to increase child poverty than this one," with estimates

suggesting that over a quarter of a million children will be pushed into poverty as a result. Will the Minister listen and not just tweak, but scrap this punitive policy in its entirety?

Amber Rudd: This was a policy that was introduced and voted on in the House in 2012. It is right that some people who are paid very low wages and are paying taxes should not have to pay for other people to make different life choices that they feel they cannot afford. The hon. Lady is probably aware—I hope she is—that we changed the retrospective nature of that policy to ensure that families who were already in existence before 2012 were not adversely affected by it. I think that is the right balance.

Andrew Rosindell (Romford) (Con): The House will know that the Government are doing more than ever to support people with disabilities in the workplace. Will the Minister tell us what is currently being done to safeguard the dignity of long-term sufferers on employment and support allowance and universal credit?

The Minister for Disabled People, Health and Work (Sarah Newton): I thank my hon. Friend for his question. Safeguarding the dignity and wellbeing of people with the most severe lifelong conditions is of paramount importance. A number of Members have raised cases with me where people were receiving the highest levels of support, including in personal independence payment, and they were then reassessed as not needing any support. I was very concerned to hear about that, so I am now ensuring that DWP decision makers review all such cases to make sure that we get the right support to the right people at the right time.

T4. [909134] **Stuart C. McDonald (Cumbernauld, Kilsyth and Kirkintilloch East) (SNP):** The three-year benefit freeze, on top of three years of capped increases, has caused financial hardship for too many and for too long. Surely enough is enough, and the benefit freeze must be brought to an end in the forthcoming financial year.

Amber Rudd: I understand the hon. Gentleman's approach to this, but I must remind him of the terrible financial inheritance that we took on, which required belt-tightening, from which we are now getting some of the benefit. I also point out to him that now wages are rising faster than inflation, this is a significant change for people in receipt of it.

Mary Robinson (Cheadle) (Con): A constituent of mine, who suffers from paranoid schizophrenia, works part time in a catering assistant role, which she began as a volunteer. However, last April, she was informed that the entire year of ESA would be reclaimed due to a mistake in the reporting of her hours and salary. Does my right hon. Friend agree that claimants can often be vulnerable to errors, and would she agree to meet me to discuss this very difficult case?

Amber Rudd: Of course, I will meet my hon. Friend to ensure that the right decisions have been made, but I would point out that she has drawn attention to one of

the benefits of universal credit: a monthly assessment allows a much more accurate payment to be made to individual applicants.

T5. [909135] **Mr Stephen Hepburn (Jarrow) (Lab):** The Minister referred earlier to record levels of employment, but is it not a fact that this is only because the Tories are running a slave economy, with 4 million people on bogus self-employment, zero-hours contracts and agency work, waiting to know whether they are going to be working from one day to the next?

Amber Rudd: As I was able to say earlier, only under 2.5% are on zero-hours contracts. The facts do not support the hon. Gentleman's approach. He can have his own views; he cannot have his own facts.

David Duguid (Banff and Buchan) (Con): Additional cold weather payments are paid over the winter months when average ambient temperatures fall below zero degrees for a period of seven days. It is a welcome measure, particularly in Scotland, but may I ask my hon. Friend, on behalf of my constituents around the Banff and Buchan coast, if wind chill factor could be taken into consideration in any future review?

Justin Tomlinson: My hon. Friend has been campaigning hard on this issue, which is important to his constituents, and, following the fantastic private Member's Bill introduced by the hon. Member for Arfon (Hywel Williams), we have committed to carrying out a full review, working with the Met Office, so that we can get more detailed assessments of where cold weather payments are needed, using technology such as satellites, technology on ships, buoys, and so on.

T7. [909137] **Mohammad Yasin (Bedford) (Lab):** Will the Government commit to footing the bill for free TV licences for over-75s if the BBC decides it cannot afford to continue funding them?

Amber Rudd: I certainly hope that that does not come forward, but I think this is the responsibility of the Department for Digital, Culture, Media and Sport, so I am sure that the hon. Gentleman will want to put that question to its Secretary of State.

Andrew Bridgen (North West Leicestershire) (Con): Some people are paid four-weekly, not monthly, so one month of the year, they will get two payments. Will the Minister ensure that universal credit can cope adequately with this situation?

Alok Sharma: As my hon. Friend knows, we discussed this in an earlier question. Of course, the key thing is to get support to people, and where they have two payments in one assessment period and none in the following period, they should expect to receive their full universal credit payment.

Frank Field (Birkenhead) (Ind): Does the Secretary of State think that, if the regulator had the power to commit to prison for seven years individuals who wilfully or recklessly mishandle a pension scheme, Sir Philip Green would now be in prison?

Amber Rudd: I thank the right hon. Gentleman for the extraordinary work he did that has led in part to our announcement that there will now be prison sentences for people who commit the sort of criminal activity we have seen. I cannot be drawn on that individual case, unfortunately, but I believe we will see a different regime going forward.

Stephen Kerr (Stirling) (Con): We have now had 10 consecutive months of real growth in wages. Can the Secretary of State confirm that this is the strongest real-terms wage growth in this country for 10 years?

Amber Rudd: I thank my hon. Friend for bringing attention to that fact. It is good news for people who are earning and people living on lower incomes, and I certainly hope that it continues.

Luciana Berger (Liverpool, Wavertree) (Lab/Co-op): Many people across the House will have been shocked by the pictures of my constituent Stephen Smith, who has a progressive lung disease and was hospitalised at 6 stone. He had repeated failed appeals and tribunals, and the Liverpool CASA, his advocate, said:

“We were unable to solicit any reply from the DWP”.

He was readmitted to hospital because he was so unwell, and it was only after I intervened that the DWP overturned its decision, but it should never have got to that. What will the Secretary of State do to ensure that no one in our country faces such an injustice in seeking the support they are entitled to and deserve?

Amber Rudd: I share the hon. Lady’s indignation. We have apologised to Mr Smith and his ESA payment has been repaid and reinstated in full. I will take a personal interest in ensuring that, where errors were made, they are corrected.

Will Quince (Colchester) (Con): Under our benefits system, serious or terminally ill students have to abandon their courses to claim benefits. It is wrong for us to be telling students to give up on the hope of getting better and to abandon their courses just to claim benefits. We have to put this right.

Amber Rudd: I thank my hon. Friend for his campaign. I share his view that we need to take action. We are developing policy and I will make sure that he is the first to know what action we do take.

Chris Stephens (Glasgow South West) (SNP): Turning back to the question from my hon. Friend the Member for Airdrie and Shotts (Neil Gray), does the Secretary of State not share the outrage of many people that her Department is pushing through cuts to pension credit with no legislative procedure? Will the Government bring the statutory instrument to the House for debate so that Parliament can discuss this enormous cut to low-income pensioners and the double whammy to many women born in the 1950s?

Guy Opperman: This year, we continue to spend more than £120 billion on benefits for pensioners, including £97 billion on the state pension, which goes up. Mixed-aged couples already claiming pension credit or housing benefit for pensioners will continue to receive those benefits and will not be affected while they remain entitled to either.

Justin Madders (Ellesmere Port and Neston) (Lab): On 2 November, my constituent won his ESA appeal—the DWP did not even bother to attend—but three months on, it is still arguing about whether he should get the full back pay. At what point did the Department become above the law?

Sarah Newton: Something has clearly gone amiss, and I should be happy to meet the hon. Gentleman and see what we can do to sort it out as soon as possible.

Paula Sherriff (Dewsbury) (Lab): I recently met a group of people who, despite having severe and unstable epilepsy, had been denied benefits. The questions asked by the assessors appeared to be completely irrelevant to their condition. For instance, one assessor’s report referred to a person’s complexion. How does the Department intend to ensure that assessors are appropriately trained to deal with different conditions?

Sarah Newton: I would be happy to meet the hon. Lady to go through the report. I assure the House that healthcare professionals are thoroughly trained and often work with leading national charities that represent people, including those with epilepsy, but of course there is always more we can do, and I should be delighted to meet the hon. Lady to discuss that.

Colleen Fletcher (Coventry North East) (Lab): I am told that many PIP claimants in Coventry with severe mental illnesses are being forced to attend medical assessments miles away in Birmingham. The assessors are rarely mental health professionals, and many of them fail to understand the complexities and fluctuating nature of the claimants’ conditions. Will the Minister commit herself to ensuring that Coventry claimants are assessed in Coventry and that all assessors are appropriately qualified?

Sarah Newton: Let me reassure the hon. Lady. People with severe conditions, including severe mental health conditions, can have home assessments; and many more people are benefiting from PIP than benefited from the legacy benefit, disability living allowance.

Several hon. Members *rose*—

Mr Speaker: Order. I am sorry to disappoint remaining colleagues, but demand exceeds supply, and we must now move on.

Seaborne Freight

3.41 pm

Andy McDonald (Middlesbrough) (Lab) (*Urgent Question*): To ask the Secretary of State for Transport if he will make a statement on the cancellation of a contract with Seaborne Freight as part of the Government's contingency planning for a no-deal Brexit.

The Secretary of State for Transport (Chris Grayling): In December, following a collective Government decision and a procurement process involving my Department and the Treasury, we contracted with three shipping companies to provide additional ferry capacity as part of contingency planning for a potential no-deal EU exit.

Let me make it absolutely clear that in the event of a no-deal Brexit, the Government's priority will be to ensure the smooth operation of both the port of Dover and the channel tunnel, and we are introducing measures at the UK end to contribute to that. However, any sensible Government plan for all eventualities. That is why we agreed contracts worth around £100 million, with the bulk of the award—£89 million—going to DFDS and Brittany Ferries to provide services across seven separate routes. Built into those agreements are options to add capacity on two other routes from those companies, should they be required. That capacity could be needed to guarantee the smooth flow of some key goods into the UK, particularly for the NHS. It is worth my reminding the House that, in the event of no deal and constriction on the short strait, the capacity would be sold on to hauliers carrying priority goods.

In addition to the £89 million-worth of contracts with DFDS and Brittany Ferries, the Department entered into a £13.8 million contract with Seaborne Freight to provide ferry services from the port of Ramsgate to Ostend. At the time of the award, we were fully aware of Seaborne's status as a start-up business and the need for it to secure vessels and port user agreements to deliver a service. However, the shorter distance between the two ports meant that the route could provide us with shorter journey times and lower cost, making it a potentially attractive part of the package.

Seaborne's proposition to the Department was backed by Arklow Shipping, Ireland's biggest and one of Europe's largest shipping companies. For commercial reasons, I have not been able to name Arklow Shipping or mention its involvement to date, but its support for the proposition from the outset and the assurances received by the Department provided confidence in the viability of the deal. Arklow confirmed to me that it intended to finance the purchase of ships and would be a major shareholder in Seaborne. It also confirmed to me its view that the Seaborne plans were "both viable and deliverable". Those assurances included clear evidence about the availability of suitable vessels from the continent and about the formal steps that Seaborne, via Arklow, had taken to secure the vessels. However, releasing that information into the public domain could have driven up the cost of the vessels significantly and might even have resulted in their being removed from the market, where supply is extremely scarce. I have therefore had to refrain from saying anything publicly about this to date.

My Department monitored closely Seaborne's progress towards meeting its contractual commitments. By last week, the company had secured firm options on ships to operate on the route, had reached provisional agreement with Ostend and was close to doing so with Ramsgate. However, late last week, despite previous assurances, Arklow Shipping suddenly and unexpectedly withdrew its backing from Seaborne. In the light of this, and after very careful assessment, I took the decision to terminate this contract. My Department concluded that there were now too many major commercial issues to be resolved to enable Seaborne to establish alternative arrangements and finance in the time needed to bring ferries and ports into operation.

As I have repeatedly made clear, not a penny of taxpayers' money has gone, or will go, to Seaborne. The contracts we agreed with the three ferry companies are essentially a commitment to block-book tickets on additional sailings after the UK leaves the European Union. So actually we have taken a responsible decision to make sure that taxpayers' money is properly protected.

I can confirm that the contracts with DFDS and Brittany Ferries remain on track and will provide us with valuable additional freight capacity into the UK in the event of disruption following EU exit. We also have contractual options to replace the Seaborne capacity with additional capacity on routes in the North sea, and this is an option we will be discussing across the Government in the coming days.

While the focus of this Government is to secure a deal with the European Union, as a responsible Government we will continue to make proportionate contingency plans for a range of scenarios. That is the right thing to do.

Andy McDonald (Middlesbrough) (Lab): What began as a debacle has now descended into a Whitehall farce. This Minister is rewriting the textbook for ministerial incompetence in office. I repeatedly warned the Secretary of State that this was the wrong decision at the time, as did industry, yet he chose to ignore those warnings. He told the House last month that this procurement was done properly. It has since emerged that the Department for Transport took shortcuts on the Seaborne Freight procurement. The deal was signed off by a sub-group of a sub-group and the main form of oversight, the procurement assurance board, never looked at it.

The Secretary of State points the finger at Arklow for the contract cancellation. Is it really a good time to further insult the Irish, and is the Arklow angle not a distraction from his decision? He has produced a letter from the company more than a month after the contract was signed; it does not prove anything regarding due diligence. He told this House that the Seaborne contract award was

"responsible stewardship of public money."—[*Official Report*, 8 January 2019; Vol. 652, c. 191.]

Sadly, the exact opposite is true, yet again.

The Secretary of State's decision to award the contract to Seaborne led Ramsgate port owner Thanet Council's budget deficit to grow by nearly £2 million in the last year. His personal intervention to halt the budget vote last Thursday has compounded those losses. Two days later, he pulls the plug on Seaborne, leaving the council high and dry with mounting losses. What is more,

[Andy McDonald]

taxpayers face a legal bill of nearly £1 million to fight Eurotunnel following his decision. So can he say how much cancelling the contract will cost the taxpayer and specifically the costs incurred in his own Department? He simply cannot keep blaming others for his own mistakes. This disastrous decision sits squarely with him and his office. Is this Transport Secretary's approach to transport and wider Brexit contingency planning not off the Richter scale of incompetence? And for the good of the nation and the sake of some semblance of faith being restored to this shambolic Government, should he not now, at long last, do the decent thing and go?

Chris Grayling: I have to say that the hon. Gentleman brings new meaning to the term "utter hogwash". First, he clearly was not listening when I said that we have spent no money on this contract. My Department is doing a lot of work on no-deal Brexit preparations, as are other parts of Whitehall—that is the prudent thing to do—but we have not spent any money on this contract. The contract was in fact assured jointly by my officials and officials in the Treasury.

The hon. Gentleman says the letter is worth nothing, but let me just quote from the letter, from the managing director of Arklow Shipping, one of Europe's biggest shipping companies with operations in Rotterdam and Ireland, which covers chartering, technical and crewing, and finance. He said:

"Arklow Shipping has been working with Seaborne for twelve months in connection with Seaborne's proposals to develop new freight services between the UK and continental Europe. Arklow Shipping is therefore familiar with Seaborne's agreement with Her Majesty's Government to provide additional freight capacity in the event of the UK's departure from the European Union on a no deal basis.

3. In support of the current proposals to develop the shipping route between Ramsgate and Ostend, Arklow Shipping intends to provide equity finance for the purchase of both vessels and an equity stake within Seaborne which will be the operating entity of this project.

4. Seaborne is a firm that brings together experienced and capable shipping professionals. I consider that Seaborne's plans to deliver a new service to facilitate trade following from the UK's departure from the EU are both viable and deliverable. I will be working closely with the team at Seaborne to ensure that they have appropriate support from Arklow Shipping to deliver on their commitments to Her Majesty's Government."

Enough said.

Craig Mackinlay (South Thanet) (Con): Does my right hon. Friend share my disappointment that Arklow Shipping, a major Irish shipping company and the main backer of Seaborne, has pulled away from this contract? Can he give assurances to Thanet District Council and local taxpayers that the cost of keeping Ramsgate in a state of readiness as part of the Brexit contingency planning, which we are all happy to do, will not fall on local taxpayers?

Chris Grayling: I share my hon. Friend's disappointment. We are spending a lot of money on contingency planning and resilience in Kent, and I personally regard the port of Ramsgate as an important part of that. He knows that I am committed to continuing to work with Thanet District Council, and I would like to see ferries come

back to Ramsgate. Whatever happens, we must make sure that we keep open opportunities for the future, in my view.

Alan Brown (Kilmarnock and Loudoun) (SNP): Last month, the Secretary of State said that he had full confidence in Seaborne, and just last week he lobbied Thanet Council on its budget plans for Ramsgate. Does this not tell us everything we need to know about his judgment? His argument that Seaborne accounted for only 10% of the proposed additional services and that it did not matter if it did not deliver was nonsensical. Flouting EU procurement rules on unforeseen events by arguing that this was an emergency situation was also fundamentally flawed, given that he awarded a contract to a company with no ships. He says that he has been in negotiations with Seaborne for 12 months. How is that an emergency situation? He has now created his own emergency procurement process.

How many representations has the Secretary of State's Department received on the procurement process, and are those representations still live, given the two contracts worth £89 million that he has awarded? Are we ever going to see the legal advice and the due diligence that was supposed to have been undertaken? Also, he has not answered the question on why this contract was not referred to a procurement assurance board. What will this missing 10% of capacity mean for Dover? What impact will it have on the port there? To keep HGV freight moving, what is his Department doing about the backlog of 9,000 ECMT permits? Given that he has now reached a stunning new level of incompetence, which must have been really hard to achieve, when will he go?

Chris Grayling: I am not sure that the hon. Gentleman was listening to a word I said. He asked a question about no ships. I can confirm that, as of last week, two ships had been identified and that options were in place to operate the route. This makes it even more disappointing that Arklow was not able to continue its support. He asked a question about negotiating for 12 months. That was Arklow, not my Department. He asked a question about the legal position. The legal position was signed off by officials in my Department and by the Treasury and by my accounting officer. The hon. Gentleman also asked about extra routes. As I mentioned in my remarks, we already have options for additional capacity in the North sea. Those routes are clearly longer and more expensive, but they are available to us. He asked about the ECMT permits. The current position is that the European Union has been very clear that we will continue with the current arrangements. I know of no reason why that should not happen, but we have bilateral arrangements that we can fall back on if it does not.

Sir Roger Gale (North Thanet) (Con): Setting aside the utterly synthetic outrage dribbling from Opposition Front Benches, and further to the answer given to my hon. Friend the Member for South Thanet (Craig Mackinlay), I should like to tell the Secretary of State that Councillor Bob Bayford, the leader of Thanet Council, has made it plain that Thanet wishes to act in the national interest and will continue to seek to do so, but it cannot act alone. There is a contract that Thanet has not yet signed, and will not now sign, with Seaborne Freight. That contract is ready for signature. Is there

any reason, given the precedent set with Manston airport, why the Department should not sign that contract and take over the port itself for the duration?

Chris Grayling: As my hon. Friend knows, I have had discussions with the leader of Thanet District Council over the past few days, and I have been clear that there is a strong case to include Ramsgate port in the resilience work being done in Kent to prepare for a potential no-deal Brexit. We must also be mindful of the council's financial position and ensure that it is not exposed to financial risk as a result of the broader resilience work happening across Kent.

Lilian Greenwood (Nottingham South) (Lab): Questions remain about the legality of all three contracts for additional ferry capacity. The Government used an accelerated procurement process to award the contract to Seaborne Freight, which can be done only in urgent and unforeseeable circumstances. The Department said that the circumstances were the

“unexpected and unforeseeable limitations on the extent to which the market had... been able to”

put “in place contingency plans” for a no-deal Brexit. Given that the Government have consistently provided reassurances that that there will not be a no-deal Brexit, how was it “unexpected and unforeseeable” that the market was unable or unwilling to put in place contingency plans for this scenario?

Chris Grayling: The particular prompt for this procurement exercise was a change in the assumptions last autumn about the level of potential disruption around the channel ports. That prompted us to look again at what the capacity requirements might be to maintain supply of essential services into the United Kingdom, particularly for the NHS. It would be prudent for any Government in such a position to plan for all eventualities. I want the UK to leave the European Union with an agreement, and we are working hard to achieve that, but we would not be doing our job properly if we were not preparing for all eventualities.

Mr Mark Francois (Rayleigh and Wickford) (Con): I offer strong support to the Secretary of State because, unlike the Labour party, he is actually undertaking contingency plans for all eventualities. On that point, will he update the House on the other two ferry contracts, their status and when they will come into operation?

Chris Grayling: My right hon. Friend makes an important point. I have heard nothing from Labour bar attempts to disrupt the Brexit process. There has been no support for contingency planning or for a deal. All Labour Members seem to want to do is to act against the national interest, which is typical of the Labour party today. Its Members are more interested in themselves than in the country.

As for the other two contracts, they are proceeding according to plan. The routes will be ready, but I hope that they will not be needed, because I hope that we will leave the European Union with a deal. However, we must be ready, and we will be ready.

Grahame Morris (Easington) (Lab): The Secretary of State spent a great deal of time maligning the RMT union, which had simply been asking that Ministers ensure that the Brexit ferry contract ships are crewed by

British seafarers on decent pay and terms and conditions negotiated through the recognised trade unions. Can the Secretary of State answer a straight question? In answer to the previous urgent question, he talked about the advantages of developing a facility at Ramsgate, so will he confirm whether Ramsgate will be now be used at all in the event of a no-deal Brexit?

Chris Grayling: I believe in competition, so I would like Ramsgate to operate a ferry service whether there is a no-deal Brexit or not, and I know that the leader of Thanet District Council would like to see the same. It is a good port that has played an important role in the past. However, we will continue to work with the council not only to secure the short-term needs of the port of Ramsgate, but to help it promote the port as a viable option for the future.

Mr Robert Goodwill (Scarborough and Whitby) (Con): We have heard a lot of nonsense about the company not owning any ships, but is it not the case that the majority of rail operators in this country do not own any trains and that many airlines wet lease aircraft, meaning that not only do they not own the planes, but they do not directly employ the crew?

Chris Grayling: My right hon. Friend makes an important point. I have said that the Labour party does not like business any more, but it does not understand business any more. Many Labour Members will go on holiday this summer using airlines that own no planes, because that is how business works, but they lost any understanding of how business works long ago, and I see no sign of that changing.

Ms Angela Eagle (Wallasey) (Lab): Last month, the Secretary of State came to the House waxing lyrical about his support for start-up businesses, meaning Seaborne Freight. Is he not even remotely embarrassed that the project has fallen to pieces despite Government support? Will he not at least say sorry to the House for the mess that he has made?

Chris Grayling: This is a start-up business that did not succeed because its principal backer changed its mind. That is to be regretted and it is a great shame but, as a Minister, I will never make an apology for the Government trying to work with new small businesses. Again, the Labour party does not like small business and does not want us to work with small business. When we do, it shouts and screams. Well, I think the Government should do more for small business, and I am going to carry on doing so.

Mr Jacob Rees-Mogg (North East Somerset) (Con): My right hon. Friend cannot possibly be criticised for entering into a contract, which cost the taxpayer no money, with a new business backed by one of the biggest shipping owners in Europe. Is it not eccentric of Arklow to behave in the way it has and to abandon a contract it supported a fortnight ago? Is there any question of the Irish Government's involvement either to help or to hinder one of their biggest businesses?

Chris Grayling: It is not for me to ascribe any motivations to Arklow for the decision it has taken. I regret it having taken that decision, and I think it is a shame, particularly

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as it gave clear commitments to Seaborne at Christmas time and to my officials and me in January before changing its mind suddenly. I do not know what prompted that decision. I just think it is a very great shame.

Tom Brake (Carshalton and Wallington) (LD): What will it take for this Secretary of State to get the sack? Let me see if the following would cause the Prime Minister to issue him his P45: breaking EU procurement rules. Does the Secretary of State really believe he can claim no deal is an emergency that came to light only in October? If it did, it is his fault for underestimating the disruption caused at the ports. Is he confident that this argument is going to stand up in court?

Chris Grayling: I have been absolutely clear that this procurement was dealt with very carefully by officials in my Department and in the Treasury who fully understood the legal implications of it, and it was approved by my accounting officer. I will not comment on any other legal matters.

Charlie Elphicke (Dover) (Con): The whole House knows that the Secretary of State has been one of the most assiduous Cabinet members in working on contingency plans to make sure that we execute the national interest in leaving the European Union. Has he looked at the possibility of not simply Dover to Calais and Dunkirk but Dover to Zeebrugge? That is a short sea route going to Belgium, not France.

Chris Grayling: Absolutely. I am also aware that the port of Zeebrugge has made a lot of preparations for the post-Brexit world. One of the things that can help to ease pressure on Dover would be an additional route from Dover to Zeebrugge. I am very keen to see the port of Dover carry on through the Brexit process without significant disruption, and I will do everything I can to help it achieve that goal, but it is sensible to have some easing of pressure on both Dover and the tunnel to give guarantees on services such as the NHS. I will be doing everything I can to make sure things remain as normal as possible for Dover.

Mr Chris Leslie (Nottingham East) (Lab/Co-op): Given that this is just one example of hapless contingency planning that we are aware of, and that there may be all sorts of other haphazard things going on, should not the Secretary of State commit to more transparency about contingency planning more broadly? He knows that the Operation Yellowhammer papers on trade and transport went before the Cabinet last week, and there was a discussion at full Cabinet about whether those papers should be published. Which side of the argument was he on? Was he for publication?

Chris Grayling: Let us be clear, first of all, that Cabinet minutes are not published. I have been pretty transparent over the months in explaining what we are doing on the aviation front and the haulage front. We have been having regular contact with industry, and we are working very closely with the aviation sector and the haulage sector. I do not think we can be accused of hiding what we are doing. The reality is that I am

standing here today precisely because we did not hide what we are doing, as we published the detail of these contracts.

Mrs Sheryll Murray (South East Cornwall) (Con): May I send a message to the Secretary of State? The south-west and Plymouth are open for business, and I am sure that my constituents who work in that city would really welcome any further opportunities that a contract would present.

Chris Grayling: I am grateful to my hon. Friend; it has been good to see Members from around Plymouth welcoming the extra traffic that would flow through Plymouth as a result of these contracts. I should also take the opportunity to provide a message of reassurance to Hampshire, where we have done extensive work around the port of Portsmouth in respect of just a couple of extra sailings a day. Let me put it clearly on the record that there is no expectation of major road disruption affecting the surrounding areas of either Plymouth or Portsmouth.

Joanna Cherry (Edinburgh South West) (SNP): The UK Government have been aware of the possibility of a no-deal Brexit since article 50 was triggered in March 2017, so can the Secretary of State tell us why this contract, which was awarded only at the end of December 2018, proceeded under regulation 32 of the Public Contracts Regulations 2015 without competitive tendering? Will he state clearly for the record, as I have asked this question of him and other Ministers five times now: what were the reasons of extreme urgency and the unforeseeable events that justified his Department proceeding without competitive tendering under regulation 32?

Chris Grayling: The hon. and learned Lady was not listening a moment ago when I answered that very same question from the Chair of the Select Committee. I said that the thing that prompted the move was a change to the assumptions on the levels and length of disruption that might arise in a no-deal Brexit scenario.

James Cleverly (Braintree) (Con): Part of the criticism that my right hon. Friend's Department has received has arisen because Seaborne Freight was seen as a company that had no track record in shipping. We now know that Arklow was the company behind Seaborne Freight, and it had a huge amount of experience in shipping. What more can be done, in terms of no-deal preparations and more broadly, to ensure that when new start-up companies that are backed by well-established companies present themselves to Government the House can understand the relationship between those start-ups and the companies backing them?

Chris Grayling: We always have to take steps to be careful about commercial confidentiality, particularly when a company is in a complex negotiation, as was the case in this situation in respect of new ships. I was clear to the House when I spoke a few weeks ago that Seaborne Freight had substantial backers. It is really important that when Ministers stand up and say, "Look, we know they have substantial backers", the House does not disbelieve that, because actually it has proved to be true.

Luke Pollard (Plymouth, Sutton and Devonport) (Lab/Co-op): The Secretary of State has said that no money has been spent on this process, so could he tell us how many of his officials were working for free during this process? He says no money has been spent, but what about the embedded cost? The time each official and each Minister has spent on this project is cost, so will he publish the costs of how much time has been spent on this debacle? If he will not resign, will he at least apologise for this mess?

Chris Grayling: Dear oh dear, they keep trying, don't they? We have hundreds of civil servants across Whitehall working on no-deal preparations to make sure that we are ready in case it happens. I am clear that we do not want no-deal, but we are taking the necessary precautions. The problem is that the Labour party does not believe that should be happening.

Mr Philip Hollobone (Kettering) (Con): With regard to no-deal preparations, will the Secretary of State confirm to the House, once again, that we have signed the common transit convention, which means that import duties and customs declarations do not have to be sorted out until goods arrive at their final destination? In his reply, will he also mention that the mayor of Calais has said that Calais will be open for business even in the event of no deal?

Chris Grayling: Both of the points made by my hon. Friend are absolutely correct. My view is that the common transit convention solves many of the problems. We cannot be 100% certain, because we have not had confirmation from the French yet about how they would manage border posts in Calais, notwithstanding the common travel convention, but he is absolutely right that it should enable trade to flow through smoothly. I have been clear in saying regularly that I expect those ports and the tunnel to operate pretty much normally, but we have contingency in place just in case that is necessary.

Thelma Walker (Colne Valley) (Lab): A fake lorry traffic jam in Kent, rail timetable chaos, which is still affecting commuters and local businesses in my constituency, and now a cancelled contract with a ferry company that owns no ferries—is the Secretary of State proud of his record?

Chris Grayling: There was no fake traffic jam; it was an exercise to test the movements of vehicles into and out of Manston in Kent. The timetable troubles were caused by a project where Government were investing in rail infrastructure in the north-west—something that never happened under Labour—which ran late. As I said a moment ago, this shipping company identified and got firm options on two ships but was unfortunately not able to carry on because its backers pulled out.

Michael Tomlinson (Mid Dorset and North Poole) (Con): Despite the hogwash and doom-mongering from the Opposition Benches, the Secretary of State is absolutely right to ensure that there is contingency planning for every eventuality. For the avoidance of doubt, will he confirm that the taxpayer's interests have not been damaged and that he will continue to take all necessary steps to ensure that we are ready, deal or no deal?

Chris Grayling: Absolutely. This is essential Government spending across Government. We have to be ready for all eventualities. I make no apology for the fact that the Government are spending money on preparing for no deal, but my view is that the best kind of contract for the Government is one for which we pay no money until the service is delivered and, of course, that is what we had in this case.

Jonathan Edwards (Carmarthen East and Dinefwr) (PC): Over the past year, a new start-up based in my constituency, Carmarthen Bay Ferry, has successfully operated an excellent service for the people of Carmarthenshire and tourists, linking Glanyfferi in my constituency and Llansteffan on the other side of the Towy estuary. In the light of the collapse of their arrangement with Seaborne Freight, will the British Government have a look at the Carmarthen ferry model to see how to run a successful ferry operation?

Chris Grayling: I am not sure that operating a freight haulage operation across the English channel is quite the same as operating what I am sure is a fine business in the hon. Gentleman's constituency, but I wish it well for the future anyway.

Andrew Bridgen (North West Leicestershire) (Con): "When the facts change, I change my mind" is a quote widely attributed to John Maynard Keynes, someone normally highly supported on the Opposition Benches. Will my right hon. Friend the Secretary of State confirm that the facts have changed and it is only prudent that Government policy changes to reflect the new reality?

Chris Grayling: Absolutely. We set out a plan, and I was clear that we did not expose the taxpayer to risk. The events of last week happened, so we changed our mind. My hon. Friend is absolutely right. The best thing for the Government to do is to pursue the right policy at the right time.

Mary Creagh (Wakefield) (Lab): It is touching to see this arch-Brexiteer Secretary of State relying on the good will of an Irish shipping company and the Dutch dredging firm that dredged the port of Ramsgate. Will he tell us whether that dredging was carried out under the appropriate licences and who will pay for it? He talked about due diligence; Arklow told "Channel 4 News" that it did not agree to the contract with Seaborne and blamed the UK Government for moving too fast. If Arklow could do the due diligence on Seaborne, why could not the Secretary of State?

Chris Grayling: I can only refer the hon. Lady to what I quoted earlier:

"I will be working closely with the team at Seaborne to ensure that they have appropriate support from Arklow Shipping to deliver on their commitments to Her Majesty's Government."

It is there, plain, in black and white.

Dr Matthew Offord (Hendon) (Con): There has been much ridicule of Seaborne Freight because it did not own any ferries but, to build on the theme of the question from my right hon. Friend the Member for Scarborough and Whitby (Mr Goodwill), is the Secretary of State aware that Uber does not own any taxis and, indeed, Airbnb does not have any hotels, either? Does he

[*Dr Matthew Offord*]

agree that it would be more ridiculous if the Government had not planned for a no-deal scenario and had refused to award any finances to it, as the shadow Chancellor advocated?

Chris Grayling: This is the point: the Labour party wants to disrupt Brexit. It wants us to leave the European Union but will not approve the deal and does not want us to prepare for no deal, so it has no policy at all. Frankly, as I have said on more than one occasion, Labour is not fit to be an Opposition, let alone a Government.

Karen Lee (Lincoln) (Lab): Did the Secretary of State's decision to cancel the contract with Seaborne predate the letter from Arklow—yes or no?

Chris Grayling: No.

Tom Pursglove (Corby) (Con): In the light of the decision to end Seaborne's contract, what discussions has the Secretary of State had with other providers about their providing extra capacity?

Chris Grayling: We made provision in the contracts that we signed with Brittany Ferries and DFDS for additional capacity on other routes, that were not in our original mix. Those are options that we are free to take up and we will have cross-Government discussions in the next few days to assess current needs and forecasts and see whether that is required.

David Hanson (Delyn) (Lab): The Secretary of State says that there are no costs to Government, so for the avoidance of any doubt, will he place in the Library the costs of any legal fees and the numbers and types of civil servants working on both the pre-work and the cancellation? Will he tell us the total cost of all that to the taxpayer?

Chris Grayling: My Department is accruing a bill of many, many millions of pounds, preparing for a no-deal Brexit in a whole variety of different areas—we are working on maritime, aviation and haulage—and I regularly answer questions about those amounts through written questions. I am also always happy to place information on those amounts in the Library of the House.

Kevin Foster (Torbay) (Con): I am sure that, like me, the Secretary of State finds it interesting to come into this Chamber one day and hear complaints about the potential impact of no deal, and to come in here the next day and hear complaints about the efforts to mitigate those impacts. Will he confirm what work has been done to ensure that the main routes across the English channel—the Eurotunnel and the main crossings between Dover and Calais—will continue working even in a no-deal scenario?

Chris Grayling: My Department and I are working on detailed plans to ensure that the pressures on both the tunnel and the port of Dover are as small as possible. I am very confident, as I have said on more than one occasion, that things will move pretty smoothly

through there. The purpose of this additional capacity is to ease some of those pressures and to prepare for contingencies if they are required.

Layla Moran (Oxford West and Abingdon) (LD): The Secretary of State has mentioned several times now his reliance on his Department, but in the end the buck stops with him. When evaluating these bids, it is worth noting that Deloitte did not make a formal assessment of Seaborne's financial stability because it was not incorporated until April 2017. Mott MacDonald provided a technical assessment of that and the review flagged up significant execution risks relating to the Seaborne bid. We may not all be experts in everything we talk about, but surely the public expect a level of common sense when it comes to things as big as this. Where was the common sense of the Secretary of State when it came to this contract?

Chris Grayling: The common sense came in two forms: first, when Arklow Shipping confirmed to my Department in writing in December that it was supporting this; and, secondly, because we had a contract where no payment was made until the service was delivered.

Chris Green (Bolton West) (Con): Spectators of this debate may think that the greatest of catastrophes has happened, but all this debate really reveals is the Conservatives' support for innovation, for small business and for delivering on Brexit, and the Opposition's opposition to that.

Chris Grayling: I keep saying that I find it baffling that the Opposition should be opposed to giving a chance to a small business when the taxpayer was exposed to no financial risk at all, particularly when that small business had a major international backer. It is inexplicable.

Richard Burden (Birmingham, Northfield) (Lab): On successive occasions, the Secretary of State has assured the House that he carried out full due diligence tests of this contract before he awarded it, but I for one am none the wiser about what those due diligence checks consisted of. Today, will he answer the question that he failed to answer when he last appeared before the House on this matter? In April last year, Seaborne Freight issued an investor briefing that claimed:

“Detailed port agreements with Ramsgate and Ostend negotiated and agreed.”

We now know that no such agreements existed. Did his due diligence checks not reveal that and, if not, what kind of due diligence was it? Or did they reveal that and, if so, what weight did he attach to the fact that Seaborne had issued an inaccurate investor briefing?

Chris Grayling: The comfort that we had was that the three professional advisers advised us that credible plans were in place. That was reinforced by written confirmation from Arklow Shipping that it was supporting the proposal and by the fact that we protected the taxpayer's interests by ensuring that no funds would be paid over unless this was delivered. The fact that, last week, we had a firm that had options on ships and agreements reached in principle with both ports, suggested to me that it was on the right track. It was just a shame that the backers did not feel able to continue.

Helen Goodman (Bishop Auckland) (Lab): In another triumph of the Department's no-deal Brexit planning, the Secretary of State's junior Minister wrote to all Members of Parliament about the hauliers who, presumably, will use these sea routes, saying that 3,816 international permits had been awarded, but there are 526,000 HGV hauliers in this country, so fewer than 1% will be able to get a licence. Is this really going to work in the event of no deal?

Chris Grayling: As you will be aware, Mr Speaker, the European Commission has already said that it wants haulage to continue. It does not expect a permit-based system to be required. But in the event of a no-deal Brexit, we have bilateral agreements with a number of other EU member states that come into effect. We have put in place a system to distribute the ECMT permits precisely because we want to make sure that all bases are covered. However, we wrote to hauliers last week saying that they were being issued as a formality. Nothing that has happened so far would lead us to believe that those restrictions will be there.

Jim Shannon (Strangford) (DUP): I thank the Secretary of State for his answers so far. Has he had the opportunity to review the unexplainable action of Irish firm Arklow Shipping in relation to its agreement with Seaborne Freight? Was there a signed contract or is it the case, as some stories today indicate, that the Republic of Ireland and the EU are doing all they can to frustrate Brexit?

Chris Grayling: I do not want to attribute any possible reasons for Arklow Shipping pulling out. It was a shame that, just at the point when everybody had draft contracts in place ready for signing, the company backed away. It is a regret that that is the case. I would have liked to have seen this new service come into effect, if only to ensure that the port of Ramsgate had alternative business for the future, but I am afraid that it is not for me to comment on the motivations of the company involved.

Mr Paul Sweeney (Glasgow North East) (Lab/Co-op): Perhaps when the Secretary of State is finally fired for his incompetence over this issue, he might get the consolation prize of being invited on to Comic Relief's special edition of "The Apprentice", where we can see him on "Team Seaborne", trying desperately to fill in the capacity that he has failed to provide as Secretary of State. I think we could all do with a laugh on that front. The reality is that the financial risk is neither here nor there. There are barely 50 days to go and the Secretary of State has still failed to provide that vital freight capacity, so where is it coming from? Is he going to ask the Ministry of Defence to provide this emergency capacity?

Chris Grayling: Dear, oh dear; you do get them from the Opposition, Mr Speaker. The hon. Gentleman has clearly not been listening to a word I said. I said that we have options available on two other routes in the North sea. Those routes take longer and are more expensive, but we have had them in reserve all along. I judged and we judged—my Department felt—that it would be better if we could have access to a shorter route from Ramsgate to Ostend. That has not worked out and we now have the option to return to the original choices.

Brendan O'Hara (Argyll and Bute) (SNP): Putting aside the further reputational damage caused, is the Secretary of State fully satisfied that he has handled this affair to the very best of his ability? If this embarrassing shambles was indeed him at his very best, what on earth has to happen on his watch to make him resign?

Chris Grayling: Dear, oh dear. I will simply say that I am always going to do what I believe to be in the national interest, and that is what I and my team in the Department have been doing.

Louise Haigh (Sheffield, Heeley) (Lab): One of the many things that this shambles reveals is the Government's utter lack of preparedness for a no-deal Brexit. To avoid any more embarrassments for the Secretary of State, is not it high time that his Government ruled out a no deal?

Chris Grayling: If the hon. Lady wants a non-no-deal Brexit, she should line up behind the deal that the Government have reached with the European Union, but if she is not prepared to vote for it, she should not complain when Ministers are preparing for all eventualities.

Kevin Brennan (Cardiff West) (Lab): The hon. Member for Argyll and Bute (Brendan O'Hara) has been very unfair; I am sure the Secretary of State is handling this to the best of his ability.

The Secretary of State was very careful not to answer the first part of the question from the hon. Member for Strangford (Jim Shannon), who directly asked whether there was a contract between Arklow and Seaborne. Is not it the case that the Secretary of State knows full well, as reported in *The Irish Times* today, that there were numerous discussions between Seaborne and Arklow, but there was no contract or even formal agreement in place—and yet he went ahead?

Chris Grayling: I do not think that Opposition Members are listening at all to what I have said. The agreements were all in place and ready to be signed, but the reality is that, at this moment, Arklow took a step back and did not want to continue. We had commitment now, a month ago and at Christmas time that Arklow was backing this proposal, but to be on the safe side—to be sure—we set up a contractual structure that meant that the taxpayer had no exposure unless the service was delivered. That was the right thing to do.

Wayne David (Caerphilly) (Lab): Last month, the Secretary of State said to this House:

"We contracted with Seaborne Freight because the service it proposes represents a sensible contingency"—[*Official Report*, 8 January 2019; Vol. 652, c. 190.]

Given what we now know and with the benefit of hindsight, will the Secretary of State have the humility to come to the Dispatch Box and say sorry?

Chris Grayling: It was a sensible contingency. If we require that capacity now, we will have to use longer routes through the North sea, when it would be better to go from Ramsgate to Ostend. We have the resources, facilities and capacity available to deal with what we have identified as the needs of organisations such as the NHS.

Nic Dakin (Scunthorpe) (Lab): My hon. Friend the Member for Birmingham, Northfield (Richard Burden) asked the Secretary of State whether, at the point of signing off the contract, he knew that Seaborne Freight had not got in place the agreements with the port authorities in Ramsgate and Ostend that it was saying that it had got. This is about due diligence—was it done?

Chris Grayling: I can only think that Opposition Members have not been listening to a word I have said. I said at the start that we knew that they had not got the arrangements in place. That is why we put in place a tight contractual structure that involved no financial commitment from the taxpayer until they had got those things sorted out.

Martin Whitfield (East Lothian) (Lab): We have heard today that there was no legal contractual agreement between Arklow Shipping and Seaborne. The Secretary of State has confirmed that the reason for pulling out of this contract was the announcement on Friday. If that is the case—if he only knew about it on Friday—then how can the DFT spokesperson be correct that he is in advanced discussions with other shipping companies?

Chris Grayling: Precisely because, as I said, we already had secured options that would enable us to provide alternatives.

Drew Hendry (Inverness, Nairn, Badenoch and Strathspey) (SNP): Throughout this ridiculous Brexit shambles, Brexiteers have liked to lean on historical events to justify the metaphors for some of their Brexit fantasies. Was this calamity actually engineered by the Secretary of State, so that he could paint himself as some kind of latter-day Horatio Nelson—“I see no ships”? Well, we see no competence. Will he resign?

Chris Grayling: Actually, I did see ships—they were lined up ready to go on this route. It is a shame the backers pulled out.

Universities: Financial Sustainability

4.26 pm

Angela Rayner (Ashton-under-Lyne) (Lab) (*Urgent Question*): To ask the Secretary of State for Education if he will make a statement on the financial sustainability of universities in England.

The Minister for Universities, Science, Research and Innovation (Chris Skidmore): I thank the hon. Lady for the opportunity to discuss the higher education sector today in what is my first urgent question.

This Government recognise the importance of the higher education sector and the massive contribution that it makes to this country. We recognise the multiple challenges that the sector is facing and that these will require institutions to adapt to a more competitive and uncertain environment. It is true that the current context presents significant challenges to institutional management, efficiency and financial planning in the HE sector, but it is wrong to characterise the HE provider sector as teetering on the brink of financial collapse. In its final annual report on the financial health of the sector published in March last year, the Higher Education Funding Council for England—the Office for Students’ predecessor—concluded that the HE sector continues to be in a sound position financially.

The new regulatory framework under the Office for Students brings a risk-based approach to monitoring financial viability and sustainability in order to protect students’ interests. Financial sustainability is a condition of registration. This means that the OfS, as regulator, will pay greater attention—and, importantly, require more specific action—where there is greater institutional vulnerability. Where the OfS identifies particular risks to a provider’s financial sustainability, it will indeed take action. This may include enhancing its monitoring or imposing a specific condition of registration on a provider to improve its financial performance. It may also require a provider to strengthen its student protection plan. This will enable action to be taken before a provider faces major financial difficulties.

The Department for Education is also working closely with the OfS to understand the sector’s wider financial risk in worst-case scenarios. We are working with the OfS, other Departments and other relevant national partners to develop full contingency plans to deal with unforeseen and/or major HE provider failure. This will set out roles, responsibilities, triggers and actions to be associated with instances where HE provider market exit falls outside the normal business-as-usual approach of the OfS in implementing its regulatory framework and requires Government action. But ultimately, as autonomous bodies, the financial viability of universities is a matter for the leadership of the HE providers themselves.

The terms of reference of the post-18 review that has been led by Sir Philip Augar include a focus on ensuring choice and competition across a joined-up post-18 education and training sector. The review will look at how it can support a more dynamic market in provision while maintaining the financial sustainability of a world-class higher education and research sector. We have been clear that the review recognises the need to preserve and protect the existing strengths in the system, and the stability of providers is key to a strong system.

The HE sector does face challenges, but we are confident that universities will rise to these challenges and continue to be providers of world-class higher education.

Angela Rayner: Thank you for granting this urgent question, Mr Speaker. I want to take this opportunity to wish my comrade, my hon. Friend the Member for Bolsover (Mr Skinner), a happy birthday.

Serious concerns were revealed this weekend about the financial situation of Reading University and there are reports of at least three more universities facing a significant risk of insolvency. I hope that the Minister will tell us in a little more detail what steps he is taking to address the situation at Reading, as well as across the sector, because the consequences of such a failure would be disastrous for students, staff and entire local communities and economies. Can the Minister reassure us that it is the Government's policy to prevent such a disaster? I do not feel reassured from his response that he has a grip of this.

The Minister said that he is working with the Office for Students towards establishing student protection plans. Can he clarify how many universities do not have plans in place? When will he ensure that they all do? What will it mean in practice? Will students be left with a refund but no qualification after years of study? HEFCE had a list of universities of financial concern. Can the Minister tell us whether the new regulator has such a list and how many providers are currently of concern? Last year, it granted at least one £1 million emergency loan. Can he tell the House how many others have been issued? The new regulator has now said:

“The OfS will not bail out providers in financial difficulty.”

Is that Government policy and from when does it apply?

Can the Minister confirm that his Government have also handed universities a £200 million pensions bill but no new funding to meet those costs? Is he lobbying the Treasury to change that? The Office for National Statistics has demanded that the Government end the “fiscal illusion” of pretending that all loans for fees are repaid. When will the Government follow that ruling? Given the uncertainty that universities now face, can he tell the House whether the Augar review will be published this year? Will he guarantee that any proposals on tuition fees will not lead to cutting universities' funding?

This crisis is a direct result of the Government's failing free market experiment. Is it not time they faced the fundamental fact that education is best provided as a public service for the public good? If this Government will not change, it is time for a new Government.

Chris Skidmore: I will respond to several of those points, but I do not think it is appropriate for the Government or the OfS to comment on the position of individual providers.

In terms of the role of the Office for Students in HE financial sustainability, as I have stated, the new regulatory framework that has been created brings a risk-based approach to monitoring financial viability and sustainability, in order above all to protect student interests. The reforms have provided for that framework,

and it means that the OfS, as regulator, can pay greater attention and require more specific action if there is institutional vulnerability.

Ultimately, these are autonomous bodies and leaders of HE providers are responsible for ensuring their institutions' financial viability. They are not part of the public sector; they are autonomous institutions. During the passage of the Higher Education and Research Act 2017, a key point voted on by Labour Members was that universities would remain independent and autonomous. The OfS will therefore work closely with providers in financial difficulty, but neither the OfS nor the Department for Education will prop up failing providers. The OfS may enhance its monitoring or impose a specific condition of registration, requiring a provider to improve its financial performance, but we need providers at risk of any financial difficulties to come forward, so that we and the OfS can work with them on improving those registration conditions, which may require a provider to strengthen its student protection plan.

I turn to the issue of HE provider failure. The aim of the new HE regulatory approach is that the Office for Students will be able to act in anticipation of developments such as course closure or market exit, rather than in reaction to them. As I have said, under the new regulatory framework, providers must meet a set of registration conditions aimed at ensuring that they are financially viable, sustainable and well-managed organisations. The new HE regulatory framework has been designed to promote diversity, innovation and choice in HE, in the interests of students, and achieving that does not equate to propping up any particular failing HE provider.

In a competitive market, providers that fail to meet quality standards for students' expectations may see their financial position come under even greater pressure. There is an expectation that providers may, in a small number of cases, exit the market altogether as a result of strong competition. However, the OfS's primary interest is ensuring that any such closures do not adversely affect students and their ability to conclude their studies and obtain a degree. Students are making a considerable investment when they commit to a programme of study—investing their time, energy and money—and it is important that they should be able to complete those studies.

On protecting students and student protection plans, the OfS has the powers to ensure that all registered HE providers have these plans in place to safeguard students' interests against the risk of financial failure. It is a registration condition that they have such a student protection plan in place. Student protection plans will set out what students can expect to happen in the event of a course, campus or department closure or if an institution exits the market. The plans must address the specific risks faced by the provider, and may include measures such as the transfer of students to another provider or financial compensation. In addition, the new regulatory framework sets out that all providers must have a refund policy.

On the pensions issue that the hon. Lady mentioned, the Government's consultation on the teachers' pension scheme changes closes this Wednesday—13 February. I encourage all providers to participate in that consultation, which is an important one. It is right that this live consultation should seek views on the impact of the

[Chris Skidmore]

proposal on higher education institutions, and we will finalise funding decisions once the consultation has concluded.

The hon. Lady mentioned the post-18 review being led by Philip Augar, which is still ongoing. More information on the review will be available in due course, and it will be published in due course. I will not speculate on what recommendations the independent panel will make on HE tuition fees, or on what the final conclusions will be. However, the post-18 review terms of reference include a focus on ensuring choice and competition across the joined-up post-18 education and training sector. The review will look at how to support a more dynamic market in provision while maintaining the financial sustainability of a world-class higher education and research sector. I look forward to the review being published in due course.

When it comes to the hon. Lady's own position on the financial sustainability of the HE sector, I have to say that of all the universities I have visited and all the vice-chancellors I have spoken to, not one supports Labour's position of removing tuition fees and completely crippling the HE sector's financial position. The removal of fees completely would ensure that instability returned and student number caps returned. When it comes to access and participation plans, the money spent on them has risen from £430 million to £860 million in recent years, and that money would end up being capped. Labour does not have any answer on what it would do to ensure that the finance of our universities is protected for the longer term.

Joseph Johnson (Orpington) (Con): May I congratulate my hon. Friend on the excellent start he is making on what is the best job in government? Universities' financial sustainability and our soft power as a country depend on our ability to compete successfully for international students around the world. Does my hon. Friend agree with me that we should put in place a competitive offer for international students by restoring the two-year post-study work visa that we mistakenly abolished in 2012?

Chris Skidmore: I thank my hon. Friend for the work he put in as one of my predecessors as Universities Minister. The establishment of the Office for Students was very much down to his hard work. I remember the Higher Education and Research Act as the most amended piece of legislation in the history of this place, and he did a sterling job in making sure that we have the regulatory framework in place to ensure that we protect against financial failure in the market.

When it comes to international students, the Government are absolutely determined to press forward and look internationally at what we can do. Our universities are world-class and world-leading organisations. We have had roughly 460,000 applications from the EU and internationally this year—the highest level of applications ever seen. We will be publishing an international education strategy in the spring. We are clear that we have removed the cap on international student numbers, and we want to do more to ensure that we can increase our ability to compete not just nationally but internationally with other countries that also recognise the value of higher education at the international level.

Marion Fellows (Motherwell and Wishaw) (SNP): The University of Reading is an example of the recent trend of universities running into financial difficulties. It has got a short-term loan, but it is very unclear what this Government intend to do, as the Office for Students said last year that it would not bail out universities any more. Is it or is it not the Government's position to offer financial aid to universities with cash-flow issues?

Universities UK is extremely concerned about all the issues that universities are facing, such as pensions and the Brexit strategy being pursued by the present Government. Will the UK Government look at universities—the place they hold in society across the UK and the amount of cash they generate for the UK economy—and help them to get through this real and immediate crisis?

Chris Skidmore: I made it clear in my opening remarks that the Government do not intend to bail out any independent, autonomous institutions, which is what HE providers are. What we have done is provide the regulatory framework by which the OFS can step in to help universities by signposting and working with them in advance to ensure that market failure does not occur. I have to say that our ability to provide record levels of investment in universities has been the result of increased tuition fees, which we have not seen in Scotland. As a result, some of the poorest students are able to access universities in a way that does not happen north of the border.

Vicky Ford (Chelmsford) (Con): Just before I ask my question, will the Minister join me in congratulating Trinity College, Cambridge on appointing its first ever woman master, Dame Sally Davies?

Students are right now thinking about which courses to accept for next year and what university to go to. Can the Minister confirm that the regulator, the Office for Students, has given all registered institutions the bill of health that means they are financially secure for at least the next three years?

Chris Skidmore: The Office for Students is currently undergoing a registration process for all HE institutions, including FE providers. I understand that around 250 institutions have now been registered and, having spoken to the OfS, I am confident that it will finish the process over the course of this year. I of course congratulate Dame Sally Davies on her appointment. We need more women in leadership positions in higher education—the more, the merrier—so I offer many congratulations.

Matt Rodda (Reading East) (Lab): Reading University is an outstanding, research-intensive university with high-quality teaching, as I am sure the Minister is aware, as it scores excellent marks in the Government's own teaching excellence framework. It also provides thousands of high-quality jobs in Reading and the wider Thames valley region. Will he reassure students, the university and the many local people who rely on it that he is willing to help, and will he meet me and the university's vice chancellor to discuss the issues involved?

Chris Skidmore: I am happy to meet the hon. Gentleman, as a constituency Member of Parliament, at his request. However, the Government's position is not to comment

on the financial sustainability of individual institutions. I will arrange the meeting, but I urge him and Reading University to contact the OfS to begin discussions on any concerns they might have. The OfS is there to provide early signposting and pick up on issues, rather than to react to late decisions or financial circumstances.

Kevin Foster (Torbay) (Con): The Minister will have seen the growth in the universities sector over the past few years, particularly as the student caps have been removed, and he will be aware that Torbay hopes at some point to have an institution of university status. Will he reassure me that we will not return to the era of caps, which would make that impossible?

Chris Skidmore: I entirely agree. I am proud to be a member of the Government who reduced the student number cap between 2012 and 2015, and eventually abolished it in 2016, allowing a record number of students to access higher education. We know that, going into the 2020s, we will need a knowledge-based economy, so it is right that we allow more people the opportunity to succeed in their ambition to achieve a degree. Abolishing student finance by looking at fee levels would simply give away a fee freeze to the children of millionaires while capping the number of students who could attend university.

Gareth Thomas (Harrow West) (Lab/Co-op): The Minister has said that the Government will not bail out universities in financial difficulties, yet virtually his first act as Universities Minister was to take through Parliament a 20% increase in tuition fees, albeit just for accelerated degrees at this stage. Can he reassure the House that he has no plans to allow other degrees to see a 20% hike in tuition fees as a result of the financial problems currently facing universities?

Chris Skidmore: I welcome the measures we are putting in place to increase course innovation and flexibility within the HE sector. I passionately believe that that is the future and where we need to go. People may need to train and retrain across the course of their lives, so we will need course provision that allows people to access the HE market at every stage of their lives, right the way through their 20s and 30s. Two-year degrees are not a silver bullet—in fact, they were put forward in a Labour party amendment to the Higher Education and Research Act—but we have tried to ensure that they open up the market and we have encouraged more HE providers to take up two-year degrees. At the moment, they have been capped by the financial ability or the lack of financial ability to do so. Ultimately, it is £22,000 for a degree as opposed to £27,000. It is not necessarily an increase in fees; it provides people with an opportunity to study at a time of their choosing.

Sir Desmond Swayne (New Forest West) (Con): What would make universities less financially sustainable than making them entirely dependent on Government finance, particularly if it is a Labour Government?

Chris Skidmore: Absolutely. If we began to return to a stage where universities are financed entirely by taxation it would not only put an increased burden of £12 billion on the taxpayer—an increase of about 2p to 3p on income tax rates—but mean that HE would have to

compete with Government funding priorities on the NHS and welfare. Ultimately, we would return to student number caps and the situation we see in publicly funded universities in other countries where people struggle to find seats in lecture theatres. It is right that we have a sustainable financial system that protects students' futures.

Gareth Snell (Stoke-on-Trent Central) (Lab/Co-op): The Government still put billions of pounds into the higher education sector through research grants. If the Minister is not going to bail out institutions that are struggling financially, will he indicate to the House what action he is taking to safeguard the taxpayer pound being spent by institutions on research?

Chris Skidmore: I entirely agree with the hon. Gentleman on the value of research and development in the HE sector. The Government are committed to spending 2.4% of GDP on R&D. Some university grants relate to Horizon 2020 and the Government have made an underwrite guarantee extension to protect all currently allocated grants. We want to work with the sector to look at how we can increase money for R&D. The return on investment is fantastic. In the space sector, for every pound spent on R&D £10 is returned, so I could not agree more that we do need to do more as a Government. We have not done more in the past to bring ourselves up to the OECD average. Universities will be at the front and centre of that.

Andrew Bridgen (North West Leicestershire) (Con): Does the Minister recall that in 2010 the system we inherited for funding higher education was completely unsustainable? Does he agree that that was demonstrated by the fact that it was the previous Labour Government who commissioned the Browne review?

Chris Skidmore: My hon. Friend is absolutely right. Our inheritance from the previous Government meant that we had a cap on student numbers, low numbers of people from disadvantaged backgrounds going to university, and low numbers of women entering science and mathematics degrees. All those trends have been reversed by investing in access and participation plans, investment to ensure that universities can expand geographically and—[*Interruption.*] The hon. Member for Blackpool South (Gordon Marsden) is chuntering from a sedentary position. [*Interruption.*] I do apologise. The hon. Member for Ashton-under-Lyne (Angela Rayner) is chuntering from a sedentary position. I say again that turning back the clock to taxpayer-funded degrees would simply be a fee cut for the children of millionaires and I simply do not agree with that.

Paul Blomfield (Sheffield Central) (Lab): The Minister will know that, whatever HEFCE said a year ago about the financial stability of the sector, a perfect storm is gathering with the potential drop in EU student numbers, EU research income and the Augar review. Does he agree that one way of mitigating the risks would be to take advantage of available sources of income? Does he accept that it would be a positive thing for him to embrace the recommendation of the all-party group on international students for an ambitious target for international student recruitment?

Chris Skidmore: I recently had a meeting with the Higher Education Commission, led by an all-party group in Parliament. I was keen to receive that report, and as I said, our international education strategy will be published in the spring. I look forward to that and to receiving all views while we consider what our policy proposals will be.

Mr Philip Hollobone (Kettering) (Con): At a time when Her Majesty's Opposition are expressing concern about the stability and viability of university finances, does the Minister share my outrage at the sky-high salaries and rocketing salary increases of some of these vice-chancellors and other senior university officials, which are far beyond anything that they are worth and are particularly insensitive to students, who always have to manage on a tight budget?

Chris Skidmore: Universities receive significant amounts of public funding, so it is right that their senior staff pay arrangements both command public confidence and deliver value for money both to students and taxpayers. We want to see senior staff pay in universities that is fair and justifiable, and the process for setting pay must be transparent. We have asked the OfS to pay close attention to the elements of the regulatory framework that will deliver value for money, as well as conditions of registration relating to senior staff pay, which will improve transparency in this area. I note that tomorrow, the OfS is publishing the first of its new annual reports on provider senior staff pay.

Mr Jim Cunningham (Coventry South) (Lab): I have two universities in my constituency. Looking back—given some of the remarks that have been made by Government Members—I can remember that when the Major Government were in trouble, the proportion of students was only about 20%. Under a Labour Government, it was 47%, so we always find that under a Tory Government, universities have problems. However, my more serious question of the Minister is this: has he looked at the impact that Brexit will have on the number of students and exchanges, and the skills that are required from abroad to help research and development?

Chris Skidmore: It is important to say, going back historically, that the hon. Gentleman is talking about the 1992 era. I was 11 at the time, and we need to move forward to the 21st century and have a unity of purpose that means we should ultimately want to do what is in the best interests of students. We should celebrate the fact that the a record level of students are now going to university—around 39%—but we also have to make sure that we get post-18 education right, so that we do not allow students to drop out if that course is not appropriate for them. I am delighted that the Minister with responsibility for further education—the Minister for Apprenticeships and Skills, my right hon. Friend the Member for Guildford (Anne Milton)—is sitting here today. We work closely together to make sure that we have a unified position that will benefit all students. When it comes to Brexit and the issue of student numbers, recent figures show that the number of EU students applying to universities has not fallen. It has risen—figures were published last week—and I welcome the fact that we need to highlight the opportunities that will be available in our world-leading universities.

Luke Hall (Thornbury and Yate) (Con): Does the Minister agree that Labour's policy to scrap tuition fees, even for the wealthiest people in our society, would put the whole sector in mortal peril and risk tens of thousands of students not being able to go to university at all?

Chris Skidmore: My hon. Friend is absolutely right. What I have seen, going around to universities, is institutions that have been able to develop scholarship opportunities and help some of the poorest students in society to access higher education in a way that they would only have dreamed of a decade ago, at the same time as investing in capital, buildings, research and making sure, above all, that they improve the student experience by ensuring that the buildings, facilities and accommodation are really top-quality. The investment that has gone in, as a direct result of making sure that we have the finance and capital available for universities, has been spent well by them, in contrast to returning to a dark-ages position of our simply having no ability for students to pay fees. This would mean that we would return to the bad old days of student-number caps.

Layla Moran (Oxford West and Abingdon) (LD): I was delighted to hear that the number of EU students has gone up, but one has to wonder whether it would have gone up even more had they had clarity about fees earlier. I used to help to run university admissions when I was a teacher. I can tell the Minister that the conversations we were having were in the year before the year of final exams, and July is too late. When are we going to get the clarity needed for the 2020 intake?

Chris Skidmore: We have set out clearly in the Government guarantee, when it comes to EU students studying at UK institutions, that we want to put financial provision in place for those students up to 2020. There is obviously a separate issue, which I am working on, about exchanges when it comes to the Erasmus scheme. Ultimately, I say to Members that a lot of the exchanges that take place and a lot of the ability to create educational partnerships rely on a deal with the European Union. The Prime Minister's deal set out clearly the opportunity to protect those education partnerships. If anyone has any concerns about making sure that those can continue, I urge them to vote for the deal.

Alex Sobel (Leeds North West) (Lab/Co-op): Staff at the universities in Leeds talk to me constantly about the twin threats they face: first, financial sustainability; and secondly, Brexit, including the issues of Erasmus, Horizon 2020 and the £30,000 threshold the Government want to apply to EU migrants. What assessment has the Minister made of universities' ability to recruit and retain staff?

Chris Skidmore: The hon. Gentleman is absolutely right. This is not just about the financial numbers; it is about ensuring we have the human capital and that we are a welcoming place for higher education leaders and academics to come and continue their research. On the immigration White Paper, there is a consultation period, so we are consulting on the £30,000 cap, and I am keen to ensure that all HE institutions can feed into that consultation, both through the Home Office and by writing to me. I have also commissioned the Government Office for Science to model the potential impact on the

scientific and research communities. So I am attuned to his concerns. We need to ensure that in leaving the EU we do not leave behind our European partnerships in academia, but we must also reach out much more widely and adopt a more international outlook.

Legislation against Female Genital Mutilation

4.56 pm

Wera Hobhouse (Bath) (LD) (*Urgent Question*): To ask the Minister for Women and Equalities if the Government will introduce further legislation to protect vulnerable young girls against female genital mutilation.

The Parliamentary Under-Secretary of State for Justice (Lucy Frazer): I am grateful for the opportunity to address the House on this important matter. Female genital mutilation has no place in our society. It is an extremely painful and harmful practice that blights the lives of many girls and women. The Government have taken the lead in tackling this barbaric crime. We strengthened the law in 2015 to introduce FGM protection orders and help prevent this appalling crime, and nearly 300 of these orders have now been made. Lord Berkeley's Bill, supported by my hon. Friend the Member for Richmond Park (Zac Goldsmith), would improve the powers of the courts to protect children, and it is disappointing it was objected to on Friday. I am pleased to say, however, that we are working to bring it back in Government time.

Wera Hobhouse: I thank the Minister for her response and I welcome the Government's commitment on this issue.

We need greater protection for girls at risk of female genital mutilation. The statistics clearly prove that female genital mutilation is on the rise, yet successful instances of protection orders being obtained are as rare as ever, and only four cases have ever been prosecuted. Can the Minister update us on the implementation of the legislation?

The successful prosecution 10 days ago of a mother who had inflicted this practice on her young daughter illustrates the flaw with current legislation: prosecutions only take place after the crime has been committed, and even then rarely. Further protections are needed to ensure that young girls do not have to go through the brutal, life-changing and sometimes life-threatening trauma of female genital mutilation. Can the Minister assure the House that the Government are willing to explore all legislative options, including amending the Children Act 1989, to ensure that young girls do not stay in a home where they are at risk of female genital mutilation?

We have an issue with serial objectors to private Members' Bills. Mr. Speaker, you will be aware that my private Member's Bill on upskirting met the same fate last year. Since the failure of Lord Berkeley's private Member's Bill on female genital mutilation, seven Ministers and the Conservative Chief Whip have come out in support of the proposed legislation. Can the Minister explain how the Government plan to deal with those of their own Back Benchers who serially object to private Members' Bills that the Government seem to support?

In 2016, the Procedure Committee made recommendations for improving the process of private Members' Bills that would prevent this type of situation from arising. Given the outcry caused by last Friday's objection, will the Government commit to reviewing these recommendations?

Lucy Frazer: The hon. Lady, who I was pleased to work with on her private Member's Bill on upskirting, raises some very important issues. She is right that we

[*Lucy Frazer*]

need to protect these vulnerable women, and I am pleased to say that, as she said, we have recently had a successful prosecution in this area.

Since 2015, the Government have introduced a number of measures to protect women and girls from female genital mutilation. We have created several offences, including failing to protect a girl from FGM. We have introduced civil protection orders, and there is a mandatory duty to report known cases involving under-18s. As I mentioned at the beginning, the Government will present a Bill in Government time.

As for the broader question of private Members' Bills, the hon. Lady will know that many have passed through the House successfully, including important measures involving my own Department relating to emergency workers, to mobile phone technology, and—last Friday—to Finn's law.

Helen Whately (Faversham and Mid Kent) (Con): I welcome my hon. and learned Friend's commitment to ensuring that the Bill will be given Government time, but will she give me an indication of when she expects this amendment to the Children Act to be presented to the House?

Lucy Frazer: I cannot give my hon. Friend a precise indication, as that is not within my power, but the Government intend to act very swiftly.

Carolyn Harris (Swansea East) (Lab): I congratulate the hon. Member for Bath (Wera Hobhouse) on raising this pressing issue.

Female genital mutilation is an abhorrent practice, which can have dreadful consequences for the women and young girls who fall victim to it. Since legislation in 1985, there has been only one—very recent—conviction, although the NHS reports that nearly 15,500 cases presented at hospitals with symptoms of FGM in the past two years. The absence of successful prosecutions in our country indicates the failure of the current procedures. It is essential that we recognise the secrecy and fear surrounding the practice and address the fact that it makes people unlikely to report suspicions or instances of FGM.

The Serious Crime Act 2015 provides for protection orders, which offer a legal means of protecting and safeguarding potential victims. Since 2015, more than 240 orders have been granted to help victims and those at risk, which demonstrates that such protections are effective and can be used as a means of proactive assistance.

The clear need for increased protections makes the actions of the Member for Christchurch (Sir Christopher Chope) even more shocking. His reputation for objecting to important Bills precedes him. Today, I am not using the term "honourable" when referring to our colleague, because "honourable" implies "principled", and the Member for Christchurch displayed no such principle in the Chamber last Friday. His objection to the FGM Bill sank to new depths. However, the issue should never have been left to be dealt with through a private Member's Bill.

The Bill will protect countless women and girls, and any delay in its passage puts them at unnecessary risk. The Government should have introduced legislation long before now. Relying on a private Members' Bill was a risky strategy, given that, as we know, worthy Bills have been talked out or objected to on many such occasions. We cannot now leave this Bill on the sidelines. If the Member for Christchurch has done nothing else, his antiquated and appalling behaviour last Friday has exposed the Bill's importance. I seek an assurance that it will be back before Members during Government time, and very shortly, so that we can pass an essential piece of legislation.

Lucy Frazer: The hon. Lady cares deeply about protecting vulnerable people, and I am pleased to have met her to discuss a number of matters in the family justice sphere. She makes a number of important points.

It is essential to protect women and girls, and since 2015, the Government have introduced a number of measures to ensure that they are protected. As I have said, the Bill will be dealt with in Government time, but let me clarify what it does. It is not the case that without it, women and girls do not have protection; we introduced protections in 2015. What the Bill will do is enable a judge to make a care order during the same proceedings.

The hon. Lady makes another important point about the number of protection orders. She said that more than 200 had been issued since September. In fact, the number has gone up to 296; so just under 300 protection orders have been granted since their introduction at the end of September 2018.

I want to make a final point because a number of Members rightly identified that not enough prosecutions are successful, and this is a very important point that we must tackle. We are tackling it in a number of ways, through funding for education and through the bringing of legislation, but these are very difficult cases to prosecute for a number of reasons: cultural taboos, lack of information from affected communities and the fact that the age of the vulnerable girls might prevent them from coming forward. The issue we have in this country is not isolated; there is a very low prosecution rate for these kinds of offences across Europe, but this Government are committed to doing whatever we can to protect these girls further from this terrible crime.

Vicky Ford (Chelmsford) (Con): FGM is barbaric and also illegal, and I thank this Government for bringing in FGM protection orders. Can the Minister confirm that closing this specific loophole to make sure the protection orders can come within the definition of family proceedings will be dealt with not only in Government time but as a matter of urgency within Government time?

Lucy Frazer: As my hon. Friend identifies, this is an important matter. It will come before the House in Government time; as the Chief Whip has indicated, this is a matter that he would like to proceed with, as would the Government.

Alison Thewliss (Glasgow Central) (SNP): FGM is a violation of human rights. Data released over the weekend showed that in the past two years medics in Scotland's cities have treated victims of FGM on more than

230 occasions, which is horrific and quite chilling to think of, but we still know very little about the extent to which it is practised despite women being treated who have already suffered FGM.

In Scotland, we have laws in place to tackle this illegal practice and are looking at introducing protection orders also for women and girls at risk, which would give judges the power to prevent a woman or girl believed to be at risk of FGM from being taken out of the country. I know from some of my own constituency cases that that is a very real concern, and some of my constituents have raised it with me. We also have a national action plan to prevent and eradicate FGM.

The more crucial point about this today, however, is that it is disgraceful that this Bill has been blocked. It is becoming increasingly frustrating in this House to have the will of the House circumvented by one male Member, whom such issues will not affect, standing in the way of progress when we want to get on and do good things that would prevent women and girls from being harmed. So what will the Minister do, and will she speak to her colleague the Leader of the House and others to ask for measures to be put in place to prevent this abuse of the House from happening again? The private Member's Bill system has already been said by the Procedure Committee, on which I serve, to be broken and discredited, and we cannot have faith that Bills will progress if somebody can object to them as easily as we saw last week.

Lastly, the Minister has not given a date for when this Bill will return to the House. I understand that the Leader of the House will make a statement tomorrow in the House after the Prime Minister's statement; will there be any update on when this will happen then?

Lucy Frazer: I am very pleased to hear of the measures being taken in Scotland, because of course this is not a domestic problem that affects any region in particular but is an international problem. The Home Office is working with all regions to deal with this issue, and I am very pleased that when we brought in the legislation in 2015, we extended the reach of extraterritorial offences to ensure we could help prosecute in relation to cases affecting the UK that were carried out elsewhere.

Rebecca Pow (Taunton Deane) (Con): I am pleased to hear the Minister stating that this Government regard dealing with the harms of this awful issue of FGM to be of the utmost importance. We must give a clear message on this, and does the Minister agree that the best way to do that would be by giving time to bring this amendment in this Bill forward as quickly as possible?

Lucy Frazer: I am happy to confirm to my hon. Friend that the Government think that this is a very important matter. Across the Departments, we think that it is an important matter, and the Chief Whip has indicated that he does, too. We will be bringing forward this Bill in Government time.

Jess Phillips (Birmingham, Yardley) (Lab): Like everybody else in this building—and, frankly, in the country—I am disgusted by the hon. Member for Christchurch (Sir Christopher Chope). If I were ever to be in charge of a political party, I certainly would not allow him to keep his Whip, should he ever do anything

like this in this place again. He is a total disgrace. New laws are very nice but they are often just words on goatskin to the women who are affected by these and other crimes, so what will be in this Bill to make sure that the services that used to exist in Birmingham for victims of FGM and their families will be put back?

Lucy Frazer: I know that the hon. Lady takes a great deal of interest in women's issues, and I have been pleased to work with her on a number of issues that cross my Department. I know that many of them stretch beyond my Department as well. She talks about funding and the importance of working in the community, and she is right to identify the fact that this is not simply a matter of making laws. It is about action, education and understanding. Of course, laws must set the boundaries and tell people what is right and wrong, and this crime is absolutely horrific and must be stopped, but that is not the extent of the Government's actions on FGM. The Home Office's FGM unit is driving a step change in our nationwide outreach, and it has done more than 100 events across the country to raise awareness. The Department of Health and Social Care has provided £4 million for the national FGM prevention programme in partnership with NHS England. The Department for Education has provided nearly £2 million for a national programme to improve the social care response to FGM, and it has announced a further £1.7 million to continue that work. That is what is happening in this country; the Department for International Development does an extensive amount of work overseas in addition to that, to ensure that women worldwide do not suffer from this horrific practice.

Sir Desmond Swayne (New Forest West) (Con): I am glad that the Minister is granting Government time for this Bill. When I sat on the Opposition Benches and was a regular attender on a Friday, the Labour Government Whip would, as a matter of course at the end of each sitting, object to every Bill that was listed but undebated, whatever the merits of those Bills. That was also my duty on Fridays when I became a Government Whip. Why has the Government Whips Office abandoned that duty to my hon. Friend the Member for Christchurch? If we want more debating time for legislation, as I certainly do, we know where we can find it, don't we?

Lucy Frazer: This was a Government-backed Bill, which we have supported.

Paula Sherriff (Dewsbury) (Lab): Women who have been subjected as children to the abhorrent practice of female genital mutilation are much more susceptible to contracting cervical cancer, and it can also make smear tests much more painful, both emotionally and physically. I am proud to be an ambassador for Jo's Trust, the UK's cervical cancer charity, and I wonder whether the Minister would commit to meeting me to discuss how we can further support the survivors of FGM.

Lucy Frazer: I would be very happy to meet the hon. Lady. She has pointed out some of the terrible consequences of this horrific act, and I should like to take a little bit of time to refer to some of the others. In a leading judgment in the Supreme Court in a case concerning FGM, Lady Hale said that

[Lucy Frazer]

“these procedures are irreversible and their effects last a life time. They are usually performed by traditional practitioners using crude instruments and without anaesthetic. Immediate complications include severe pain, shock, haemorrhage, tetanus or sepsis, urine retention, ulceration... Long term consequences include... urinary incontinence... and sexual dysfunction... It is likely that the risks of maternal death and stillbirth are greatly increased”.

This is a horrific activity, and we must do everything we can to prevent it.

Richard Benyon (Newbury) (Con): My hon. Friend the Member for Richmond Park (Zac Goldsmith) is delayed elsewhere, on the Committee corridor, but I know that if he were here, he would start by paying tribute to what the Government have done so far and by echoing the dismay being expressed by all Members today at the behaviour of one of our colleagues on Friday. He would also say that it is a pity that our hon. Friend is not here to give an account of himself, because there might be a perfectly good reason for this. Will my hon. Friend the Minister please convey to those who manage procedure and Government business that many of us are just fed up with this kind of behaviour? We want a different system in which this sort of thing does not happen.

Lucy Frazer: I am grateful to my right hon. Friend for his comments and to my hon. Friend the Member for Richmond Park (Zac Goldsmith) for his sponsoring of the Bill, which the Government supported and continue to support. I am sure that those in charge of parliamentary procedure are listening and have heard those comments.

Liz McInnes (Heywood and Middleton) (Lab): From talking to colleagues across the House, I know that we are all upset by the actions of the hon. Member for Christchurch (Sir Christopher Chope), so I am pleased that the Minister intends to bring legislation before the House. I understand that business will be quite light next week, so I wonder whether she might take the opportunity to bring a Bill to the House then.

Lucy Frazer: My portfolio is quite large, but I am not in charge of parliamentary business. However, I am sure that those who are in charge of it are listening to this debate. The Government are keen to bring legislation forward in Government time and will do that shortly.

Andrew Bridgen (North West Leicestershire) (Con): Female genital mutilation is abhorrent and barbaric and should never be inflicted on any girl or woman in this country or, indeed, any country. In the spirit of equality, will the Minister update the House on the Government's policy on male genital mutilation?

Lucy Frazer: My hon. Friend has a number of concerns relating to family justice that I am happy to have talked to him about over recent months. This Bill was about female genital mutilation, and the Government will be bringing forward legislation to address that matter.

Liz Saville Roberts (Dwyfor Meirionnydd) (PC): Some people, although possibly very few indeed, will accuse the MPs condemning the behaviour of a Government Back Bencher of virtue signalling. Expressing abhorrence

at the deliberate mutilation of young girls and changing the law to protect them is our duty, but if the Government are also to avoid the charge of virtue signalling, will the Minister indicate when the Bill will be brought forward?

Lucy Frazer: I am happy to repeat that the Government take this matter seriously. The Chief Whip has identified this subject as a matter of importance, and it will be given Government time shortly.

Mr Philip Hollobone (Kettering) (Con): Female genital mutilation is an abhorrent crime and must be dealt with severely. The Minister keeps saying that this is an important issue and that it is horrific, but let us look at the reality. This crime was made illegal in 1985—34 years ago—but there has been just one prosecution. The Government need to make a little change to the Children's Act 1989 to include the FGM amendments, but they have relied on a private Member's Bill, introduced in the other place two years ago, to get the changes through. Until just the other week, the Government had not committed to allocating days for the consideration of private Members' Bills, so it is completely inappropriate for Her Majesty's Government to rely on a private Member's Bill to make these important changes. The Government now say that they will allocate Government time to get the legislation through, and it is about time, too. They should have done that in the first place.

Lucy Frazer: I am grateful for the opportunity to respond to those points. Under this Prime Minister, the Government have taken a number of actions over several years to ensure that the offence of FGM is properly identified and prosecuted, that funding is allocated to addressing it and that girls are protected. The Government have introduced both a new offence of failing to protect a girl from FGM and civil protection orders, which have been well used since their introduction last September, and have made it a mandatory duty to report known cases involving under-18s. While the matter is important and the Government will bring forward new legislation, I reiterate that these changes would enable a judge to make a care order in the same proceedings. The protections that have existed since 2015 remain in place and will continue to protect individuals.

Mr Pat McFadden (Wolverhampton South East) (Lab): Further to the question of my hon. Friend the Member for Heywood and Middleton (Liz McInnes), the legislative programme for next week is not exactly heavy. The public will simply not understand how such important legislation can be stopped by the shout of one man when it has cross-party support. I repeat the call for the Minister to speak to the Chief Whip about bringing forward a Bill next week. Such a Bill would have bipartisan support and would go through the House very quickly.

Lucy Frazer: I hear what the right hon. Gentleman says, and I understand that the measure has cross-party support. When the Government introduce a Bill, I look forward to its swift passage through the House.

Michael Tomlinson (Mid Dorset and North Poole) (Con): Like one or two other Members here today, I was present on Friday. The Minister will know of the cross-party support not only today but on Friday, too, so I welcome her announcement that a Bill will be

introduced in Government time. Will she take back my concern that a Bill be introduced as soon as possible? I echo Opposition Members: if there is time next week, so be it. Let us bring it forward.

Lucy Frazer: I am grateful to my hon. Friend for his comments and for being in the Chamber for the private Member's Bill on Friday. His comments have been heard.

Gareth Thomas (Harrow West) (Lab/Co-op): I share the deep concern of the Labour Front Bench and other Opposition colleagues about the actions of the hon. Member for Christchurch (Sir Christopher Chope).

How many young girls does the Minister think Britain would be leaving more at risk of female genital mutilation if the proposal by some Conservative Members for a multibillion-pound cut to the work of the Department for International Development were implemented?

Lucy Frazer: What we do know is that there are victims of female genital mutilation in the UK, where FGM is being carried out. In November 2018, the Department for International Development announced £50 million to target and prevent female genital mutilation in African countries, and that is part of a wider investment by DFID. So far, through its support, DFID has protected 3 million girls worldwide from FGM.

Several hon. Members *rose*—

Mr Speaker: That is a difficult choice. I believe the hon. Member for Hendon is a doctor. Let us hear from the fella.

Dr Matthew Offord (Hendon) (Con): Unfortunately, Mr Speaker, not a medical doctor.

Mr Speaker: The hon. Gentleman is a philosopher.

Dr Offord: That is correct.

I thank my hon. and learned Friend the Minister for making a statement today. I also welcome that she does not see a moral equivalence between brit milah and female genital mutilation. There is no moral equivalence between the two. I urge her to bring forward legislation as soon as possible, because I would like to hear the reasons why my hon. Friend the Member for Christchurch (Sir Christopher Chope) opposed the Bill. I do not believe it is sustainable to say, "I objected to the Bill because of procedure rather than its content." Let us bring forward a Bill as quickly as possible so that not

only can we hear that defence but, more importantly, we can hear the will of the House by taking a vote on the issue.

Lucy Frazer: I can confirm that we will shortly bring forward a Bill in Government time, and I look forward to the cross-party support that I am very pleased to see today and that I experienced during the recent passage of the upskirting Bill, which I co-sponsored, to ensure we do as much as we can to continue protecting vulnerable children and women.

Jim Shannon (Strangford) (DUP): I also thank the Minister for her positive response and for her commitment to act and legislate quickly. Like her and everyone else in the House, I believe we must do all we can to stop this horrific and barbaric mutilation of girls. Will she outline the steps that will be taken to educate communities at an early age, especially given that the first guilty verdict for FGM was against a mother? There is a need to change the thinking in some communities.

Lucy Frazer: The hon. Gentleman makes an important point. Often we change the law, but what is really important is that we change the culture. That is why the Government are spending sums across Departments to ensure that we educate people. As I mentioned, the Department for Education has provided nearly £2 million for a national programme to improve the social care response to FGM, and it has announced a further £1.7 million to continue its work. That Department is also providing grant funding for two projects to help safeguard girls from FGM. The Home Office's FGM unit has participated in over 100 engagement events across the country.

Kevin Foster (Torbay) (Con): I was one of the few Members here on Friday afternoon. I have also used the "object" procedure, mostly to object to Bills that my hon. Friend the Member for Christchurch (Sir Christopher Chope) is moving to progress without debate. I therefore find some of his reasoning somewhat questionable. It is vital not only that we change the law to bring in this provision, but that it is then used. What work is the Minister engaged in with those who deal with child protection to ensure that once the law is changed, the orders are used?

Lucy Frazer: That is also an important point, because laws need to be implemented and be a matter for a number of other agencies, including the Crown Prosecution Service, to look at in taking forward prosecutions.

Counter-Daesh Update

5.25 pm

The Secretary of State for Foreign and Commonwealth Affairs (Mr Jeremy Hunt): Mr Speaker, with permission, I will update the House on the campaign against Daesh, one of the most brutal and depraved terrorist organisations the world has ever seen. Since Daesh's reign of terror started, investigators from the United Nations have discovered more than 200 mass graves in areas of Iraq once held by the terrorists, containing between 6,000 and 12,000 corpses. The UN has concluded that Daesh's onslaught against the Yazidi minority in northern Iraq amounted to the crime of genocide, as testimony from remarkably brave individuals, such as the Nobel peace prize winner Nadia Murad, makes clear.

Daesh once imposed its rule of terror on an area roughly the size of the United Kingdom, but has now been driven back to an isolated enclave in eastern Syria. However, the House should not mistake territorial defeat for final defeat. Military action by many nations, including the UK, has broken Daesh's grip on thousands of square miles of Syria and Iraq—and we can draw encouragement from that success, at the same time as we salute the extraordinary courage of the coalition of armed forces that made it possible—yet as we drive Daesh out of territorial strongholds we are seeing its operatives turning to guerrilla tactics and forming more conventional terrorist networks. So we must press on with the military campaign, even as we employ every diplomatic and humanitarian lever to address the conditions that led to the birth of Daesh in the first place.

Today, I will outline the measures that Britain is taking to guard against the re-emergence of Daesh in the middle east and to protect our people at home. I turn first to the current situation. The Syrian Democratic Forces have cleared Daesh from large areas of the Euphrates valley, expelling its fighters from significant population centres and confining them to a small area near the frontier with Iraq. Their action, alongside the armed forces of all the countries from the global coalition, has liberated millions from tyranny. Of course we take particular pride in the courage and professionalism of the men and women of the British armed services, and the whole House will want to congratulate Flight Lieutenant Thomas Hansford, a Typhoon pilot from 1 Squadron, who was decorated with the Distinguished Flying Cross in November after destroying four Daesh truck bombs during a single mission over Syria.

On 19 December, President Trump announced the impending withdrawal of American troops from eastern Syria, where about 2,000 US personnel have been deployed. Contrary to what many anticipated at the time, there has been no hasty or precipitate departure. As the US Secretary of State, Mike Pompeo, confirmed to me when I met him in Washington last month, the US Administration recognise the importance of conducting the withdrawal in a way that allows the immense progress achieved against Daesh in Syria to be maintained. We must also do everything within our power to address the conditions that allowed the rise of Daesh, to which I now turn.

The central requirement is for political progress in Iraq and Syria. The new Iraqi Government, under President Salih and Prime Minister Abdul Mahdi, are

seized of the importance of winning the peace through democratic politics and economic reform, and the UK will do everything possible to help them. My right hon. Friend the Prime Minister visited Iraq in November 2017 and proposed an enduring security partnership. My right hon. Friends the Secretary of State for Defence and the Minister for the Armed Forces have since visited Iraq to take forward that pledge, and in January my right hon. Friend the Minister for the Middle East visited Baghdad, where he met the President and the Prime Minister and announced a new £30 million funding package. The UK has helped to train nearly 90,000 members of the Iraqi security forces. We will press ahead with this essential work, including at the re-established military academy.

In Syria, the civil war that gave Daesh its great opportunity has been raging for almost eight years. The House knows the history of this terrible conflict. From the beginning, we have done our best to promote a political settlement, but our efforts have collided with Assad's determination to subjugate his country at whatever cost and by the most brutal methods. We will continue to work to advance a peaceful settlement. In the meantime, we have mounted our largest ever response to a single humanitarian crisis. The Government have committed more than £2.7 billion of humanitarian aid to the Syrian crisis, providing more than 27 million food rations and 10 million vaccines since 2012. Now that Daesh has been cleared from large areas of Syria, there is an urgent need for humanitarian assistance in those regions. On behalf of my right hon. Friend the Secretary of State for International Development, I can announce that UK Aid has provided another £20 million of help for areas of Syria recaptured from Daesh, including Raqqa, bringing the total to more than £40 million in this financial year.

The Government continue to believe that Daesh poses the single greatest terrorist threat to this country, so finally I turn to the measures that we are taking to keep our people safe here in the UK. We are using a range of tools to reduce the threat posed by fighters returning from Iraq and Syria. Those who do come back to the UK should expect to face investigation and, where appropriate, prosecution. Those fighters detained by partner forces in the region must also expect to be brought to justice for any offences, in accordance with due legal process, regardless of nationality.

In the internet age, Daesh has no need to control territory in order to spread poisonous propaganda. Supporters around the world increasingly produce their own propaganda, as well as sharing content from the terrorist group's outlets. The Foreign Office hosts the global coalition's strategic communications cell, which works with international partners to counter Daesh's propaganda. The Government have also mounted extensive cyber operations to destroy Daesh's online capabilities.

When Britain joined the campaign against Daesh, we knew that we were embarking on a protracted struggle against a movement dedicated to medieval, obscurantist barbarism. Although we can take heart from the crushing territorial defeats meted out to Daesh, the struggle to combat its ideology will take much longer and is far from over. Until then, we must be vigilant, and the Government will continue to fulfil their first duty by doing whatever is necessary to protect the British people. I commend this statement to the House.

5.33 pm

Emily Thornberry (Islington South and Finsbury) (Lab): May I say that our first thoughts are with the members of our armed forces who are involved in the campaign against Daesh and who every day put their lives on the line in the service of their country? We also recognise the heroism of Flight Lieutenant Thomas Hansford. We owe them all a very great debt.

I thank the Foreign Secretary for advance sight of his statement for this, the first supposed quarterly update on Daesh since 3 July, almost seven months ago. That is all the proof we need—if we need it—that this truly is a Government who do not know their quarters from their halves or their halves from their elbows. There is a serious point, though, because the commitment to provide Parliament with quarterly updates on the campaign against Daesh was included in the motion on which this House voted when it authorised intervention in Syria. It is not acceptable that we have had to wait for more than half a year for this statement, and I hope the Foreign Secretary will apologise for that failure to comply with the terms of the 2015 motion.

In the time I have, I wish to ask the Foreign Secretary to address a much more serious and profound issue regarding the status of the 2015 motion. As the whole House will recall, that motion stated explicitly that it was designed to

“eradicate the safe haven”—
that ISIL had—

“established over significant parts of Iraq and Syria”.—[*Official Report*, 2 December 2015; Vol. 603, c. 323.]

During the debate in December 2015, the former Prime Minister repeatedly made it clear that the motion had been worded in that way explicitly to address the concerns of Members that this military action should not lead to a wider open-ended intervention in Syria. That was the rationale on which many Members supported the motion, and now we are in a position where we have been told that that rationale no longer exists by the President of the United States himself, who claims that Daesh has been all but destroyed and that, as a result, US troops will be withdrawn within a matter of weeks.

Before we get to the implications of that announcement for our own engagement in Syria, may I ask the Foreign Secretary to address the implications for Kurdish cities and towns in northern Syria? Does he agree that, after all the sacrifices made by Kurdish forces in the war against Daesh, and still being made by them today, it would be a disgrace for America and the world if they were now abandoned and left to the mercy of Turkey and its militias? Will he make it clear that that will be avoided at all costs?

Next, what estimate has the Foreign Secretary made of the remaining strength of the Daesh forces still in Syria in terms of numbers and firepower and does he agree with the White House that it is just a matter of weeks until they are destroyed? Furthermore, does he agree with the President’s conclusion that, once those Daesh remnants have been destroyed, the coalition’s military engagement in Syria can be brought to an end?

We are all aware that many people, including President Trump’s own advisers, strongly oppose that conclusion and argue that an ongoing military presence is required to prevent the re-emergence of Daesh until such a time as Syria is peaceful and stable, with a new, strong and

unifying Government in place who are able to tackle the threat on their own. Indeed, many of the President’s advisers argue that continued military presence is necessary for other reasons, including the need to contain Iran. However, if the Foreign Secretary subscribes to the views of the President’s advisers, rather than the President himself, can he spell out for us where, in the 2015 motion, it was made clear to the House that our intervention was not just designed to eradicate the safe haven established by Daesh, but would include maintaining an open-ended military commitment in Syria in case Daesh should ever return? Given that that was never the policy that this House was asked to support, will the Foreign Secretary accept that the 2015 mandate for military action will need to be renewed if our engagement in Syria is going to continue even after those Daesh remnants have been destroyed?

I am afraid that I must close by asking the Foreign Secretary about the civilian death toll from coalition airstrikes in Syria. As he will know, there is a large disparity between the official military estimate of just over 1,000 civilian deaths, and the estimates produced by organisations such as the Syrian Observatory for Human Rights, which puts the toll at 3,300, including 1,400 women and children. May I ask the Foreign Secretary what estimates the Government have made of the true level of civilian casualties from coalition airstrikes and, based on the investigations into those airstrikes, how many does he estimate have sadly been caused by British planes and British drones?

Mr Hunt: First, I thank the shadow Foreign Secretary for the tone of her questions. I will do my best to answer them as clearly as I can. I apologise for the fact that we did not keep the House updated as frequently as we promised and that this statement is long overdue, so she has my apology without reservation for that. We did lay a written statement just before Christmas, but that is not good enough; the commitment was to verbal statements.

The right hon. Lady is correct in what she said about the 2015 motion. There is a very important matter that we need to address in my response to her comments. The motion did talk about eradicating safe havens, but it is very important to say that the territorial defeat of Daesh does not mean the defeat of Daesh. The President of the United States has talked about a territorial defeat. Daesh now holds just a few square kilometres of the Middle Euphrates valley, so its territory has come down massively from an area nearly the size of the United Kingdom, and it is possible that it will lose that even this week, according to some of the comments that the President has made. But that does not mean that it will be defeated. However, it also does not mean that we are saying to the House that our commitment to a military campaign is indeterminate. The right hon. Lady used the phrase “open-ended military commitment” and that it is not. We are committed to the defeat of Daesh in Syria. That is what the mandate is and we will stick to that mandate.

The right hon. Lady talked about the Kurdish SDF fighters. I want to put on record to this House the incredible courage of those fighters. I stand in the House today to report what I think most Members would consider to be an extraordinary and—dare I say it—rare success in foreign policy, whereby it is possible to see an evil organisation a shadow of its former self.

[Mr Hunt]

That would not have been possible without the incredible courage of the SDF fighters. It would absolutely not be acceptable to this House, the Government or the country were there to be adverse consequences to those fighters from other regional powers. I had that discussion with the United States when I visited there on 24 January, and it shares that view. Indeed, Turkey also knows our opinion on that issue. The SDF plays an important role for us right now, because it holds a number of foreign fighters captive and is responsible for looking after them, so its role will continue to be extremely important for some time.

In this battle, it is important not to claim victory too quickly. If we do so, we risk Daesh re-establishing a territorial foothold. Indeed, concerns are already being expressed that that is beginning to happen in parts of Iraq now. We do not want to declare victory too quickly only to find shortly afterwards that the very thing that we thought we had defeated is back. That is why we need to continue until we are confident that Daesh will not be able to establish a territorial foothold, but that is not an open-ended commitment. This is a military commitment to make sure that the military job is properly completed.

On the deaths from coalition strikes, I am not aware that the Government have an internal estimate that is different from the estimates that the right hon. Lady told the House, but I will find out and write to her, if I may.

I fully recognise that the whole matter of military intervention overseas is a very difficult issue for many Members of this House. It is something that this House takes its responsibilities on extremely seriously, and that we rightly debate very carefully. I think that we can all think of military interventions that have not been successful in the way that was promised, but this is not in that category. This is a military intervention—not by Britain alone, but with a global coalition of allies—that has been extremely successful in reducing the threat to British citizens. It has also been one in which Britain played a particularly important role, because we led the part of the campaign that was countering Daesh disinformation and online propaganda, which was one of the main recruiting sergeants. We can, as the right hon. Lady rightly did, pay enormous credit to the members of our armed services who have done such a remarkable job.

Sir Michael Fallon (Sevenoaks) (Con): Does my right hon. Friend agree that, although there can be no guarantee of a peaceful future for Iraq, interventions such as that by the coalition can indeed be successful if the fighting is done by local rather than foreign troops, if airstrikes are conducted according to the strictest rules of engagement, and if the military campaign is properly underpinned by a political process of reconciliation and reform that tackles some of the root causes of the insurgency?

Mr Hunt: My right hon. Friend of course speaks with great wisdom on this because he was responsible for a lot of the training of overseas armies that makes precisely that strategy possible. We have now trained 70,000 Iraqi forces as a result of the programme that I think he may even have set up when he was Secretary of State for Defence.¹ He is absolutely right that coupling

that with a programme of political reconciliation is the key. I would go further and say that that is really the key lesson from what happened in the original Iraq conflict, which ended up so much more problematically than anyone in this House was hoping for at the time. Local boots on the ground and proper political reconciliation is the way to make progress.

Martin Docherty-Hughes (West Dunbartonshire) (SNP): I, too, thank the Secretary of State for early sight of the statement. I join him in recognising the risks faced by and the capabilities of members of the armed forces. As someone who comes from a forces family who served in Iraq, and also Afghanistan, I know of the risk that they put themselves in in fulfilling their duties.

The Iraq Government have stated that they need £88 billion to rebuild the country following the prolonged conflict. While, as the Secretary of State said, Daesh's state-building may be close to defeat, the organisation still holds a powerful sway in many parts of the world, including the Philippines and Somalia. He talked about reconciliation. At the heart of reconstruction, there is a lack of truth and reconciliation for a new Iraq, and that could possibly allow for a resurgence of Daesh. Does he recognise that with less than half of the sums required for reconstruction being available, if we fail to invest adequately in Iraq, that runs the risk of allowing Daesh to regain a foothold?

Will the Secretary of State expand slightly more on what we have learned in this process to enable us to combat fanaticism in this region and beyond?

Finally, does the Secretary of State recognise that more work is required to be done through truth and reconciliation, especially if Iraq is to be fully reintegrated, and that that includes the innocent women and children whose Daesh husbands and fathers cast them aside for the sake of fanaticism—an issue that was most recently given steam in *The New Yorker* by journalist Ben Taub?

Mr Hunt: I thank the hon. Gentleman for his comments. He speaks of some very important issues.

The hon. Gentleman is absolutely right that reconciliation has to be central. Sometimes that costs money. In this country, we can be proud of the fact that we have put £2.7 billion into that process, which has had a huge humanitarian impact.¹ But part of reconciliation in this case, which is a specific case different from the original Iraq war, is the need for justice against the perpetrators of the genocide that Daesh was responsible for. On 17 January, I had the privilege of meeting Nadia Murad, the Nobel prize-winning Yazidi campaigner against sexual violence in conflict. In her book, she talks about the perpetrators of sexual violence against her who have still not faced justice and are still in the region somewhere. She says that for someone like her, there will be no closure until those people face justice. Part of that process of closure is justice, but part of it is also for people like her to be able to go back to the villages near Mount Sinjar that they were driven out of, at a time when many of their family members had been murdered. That is beginning to happen. All these things matter.

I think we have learned a number of things, but probably the most significant has been the need to engage in cyberspace as well as with boots on the ground, because it was the dissemination of propaganda that probably allowed Daesh to grow much further than we anticipated in the early days.

1. [Official Report, 14 February 2019, Vol. 654, c. 10MC.]

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Crispin Blunt (Reigate) (Con): I welcome the Foreign Secretary's proper tribute to the fight of the Syrian Democratic Forces in our interests, noting that they have sacrificed 8,000 soldiers, including men and women, with 5,000 permanently disabled. The Foreign Secretary says that, having liberated all that territory from ISIS and then taken into custody thousands of foreigners, they are responsible for the investigation of those people. Surely the states from which those people come must bear the burden of investigating and prosecuting their own citizens who are being looked after. When will the Foreign Secretary instruct his officials to negotiate with the forces of the Democratic Federation of Northern Syria the repatriation to the United Kingdom and the proper investigation and prosecution of British citizens who will range from the wholly innocent to the rather eccentric to the downright murderously dangerous, who need to be put in British custody as soon as reasonably practical?

Mr Hunt: I thank my hon. Friend for his comments. First, in terms of the courage of people who have been fighting in Syria, there is one group that we have not mentioned so far, and that is the White Helmets, who did an extraordinary job in Syria—not so much in the particular conflict against Daesh, but we can be proud that this country has resettled 29 families of White Helmets and was instrumental in getting about 400 White Helmets out of Syria towards the end of last year.¹

The issue that my hon. Friend raises—I will not pretend to him; he speaks with huge knowledge of the region—is immensely complicated. The complicating factor is not that we do not want to take responsibility for these individuals, although frankly we would be happy if they never came back, because they have gone to fight for enemy forces who have been committing the most appalling atrocities. The issue we have is ensuring that they face justice, and sometimes that is not as easy as simply bringing them back here. That is why we are working through this as quickly as we can to try to find the right solution, to ensure that we can look the victims who have suffered in the face and say that we have brought the perpetrators of these atrocities to justice.

Hilary Benn (Leeds Central) (Lab): Given what the people of Iraq and Syria faced when ISIS/Daesh suddenly acquired control of large parts of territory, what has been achieved in the years since is really quite remarkable. I am sure the whole House will want to join the Foreign Secretary and the shadow Foreign Secretary in welcoming the near-final defeat on the battlefield, if not in ideology, of this bunch of fascists.

The Foreign Secretary referred to the mass graves that have been uncovered. Since the UN report in November, further graves have been found in places such as Tabqa and Palmyra. Who is taking responsibility for collecting forensic evidence, so that those who have committed these crimes can be brought to justice? Given the difficulties that he just referred to in working out who will take that responsibility, does he think there is any potential for the United Nations to agree to an international tribunal where these cases may ultimately be brought, so that the individuals who murdered people in cold blood and raped and tortured them can finally face the justice that they deserve?

Mr Hunt: I thank the right hon. Gentleman for asking that question. He is right that unless we are able to demonstrate justice for these atrocities, we will not persuade people that as a world, we have sat up and taken notice of what has happened. The Minister for the Middle East and North Africa, my right hon. Friend the Member for North East Bedfordshire (Alistair Burt), recently met Karim Khan of UNIDAD, which is the United Nations investigation body, and we are strongly supporting its work. The UK strongly supported the international, impartial and independent mechanism, to ensure that we have a proper mechanism for investigating these people, and we brought forward Security Council resolution 2379, which sets up an independent investigatory body. It is none the less not easy. Finding evidence that can be traced back to an individual perpetrator in whichever part of the world is extremely challenging, but that does not mean that we should leave any stone unturned in this process.

Bob Stewart (Beckenham) (Con): Having given evidence in war crimes trials, it is my understanding that people charged with genocide or crimes against humanity should be brought to book in the country in which they have carried out their crimes. Will those who have carried out genocide against the Yazidis be tried in Iraq, or will the International Criminal Court have some responsibility for dealing with that matter?

Mr Hunt: My hon. Friend is right; our first intention is that they should be tried in Iraq if it is possible to get justice for them in Iraq, and there is no reason why it should not be, with the new Government in Iraq. Of course, there are cases in which it is not possible for people to get justice in the country where the atrocity happened. That is when the ICC has a role, and that is why we support the ICC. It has a very important role to play internationally, despite a number of challenges that it currently faces.

Mrs Madeleine Moon (Bridgend) (Lab): The Secretary of State is right; the defeat on the battlefield is to be welcomed, but the ideology continues to grow. The fact that they have been defeated on the battlefield does not mean that they are not planning and are not capable of carrying out further attacks. Can he say a bit about what we are doing to track the money that is laundered to fund such attacks? The crucial thing that we need to do is cut off access to the money.

Mr Hunt: Absolutely. We have taken a number of measures to try to find out what is happening with that money and cut off access to it, including the Sanctions and Anti-Money Laundering Act 2018, the Criminal Finances Act 2017 and the Proceeds of Crime Act, which I think became law in 2010; I cannot remember which party was responsible for it. We can always go further, and for that we need to work with not only UK-based banks but Crown dependencies.

Jack Lopresti (Filton and Bradley Stoke) (Con): My right hon. Friend knows well that the Kurdistan region of Iraq and the valiant Peshmerga were essential allies in defeating Daesh on the battlefield. We all appreciate that the ideology of Daesh has not yet been defeated. Given the Kurdistan Regional Government's vital and positive role in challenging continuing extremist ideologies

1. [Official Report, 14 February 2019, Vol. 654, c. 11MC.]

[Jack Lopresti]

and upholding security in the region, will he increase his efforts to strengthen the KRG in Iraq and help them achieve a full and fair political settlement with Baghdad?

Mr Hunt: My hon. Friend makes an important point. We are helping to train the Peshmerga at the moment. My right hon. Friend the Minister for the Middle East and North Africa was in Baghdad and Erbil just two weeks ago, and he met President Salih and Prime Minister Mahdi to talk about that important reconciliation and inclusion of the Kurds in the reconciliation process.

Janet Daby (Lewisham East) (Lab): Due to this conflict, approximately 5.5 million Syrian people have become refugees and undergone experiences that are very difficult for us to imagine. Half of those people are children. In the borough of Lewisham, we have made a commitment to be a sanctuary borough for Syrian refugees. How many refugees have we received in the UK, and what is our target?

Mr Hunt: I believe that over 14,000 Syrian refugees have come to the UK. We should also pay tribute to neighbouring countries such as Iraq, which has 250,000 Syrian refugees. That is an important reason why we as a country must have a humane policy when it comes to asylum seekers.

Mark Pritchard (The Wrekin) (Con): The Foreign Secretary will know that the self-governing regime and the Arab-Christian coalition in the north-east of Syria are under huge pressure from the Assad regime. What is the Government's latest thinking on the safe haven plan of President Erdoğan of Turkey?

Mr Hunt: We are looking at that plan very closely, and we are talking to our allies in the United States about it. We understand the strategic reason why President Trump wants to withdraw American troops, but our concern is to make sure there are no unintended consequences. That is why we think it is encouraging that, although the original announcement suggested this withdrawal would happen very quickly, the United States has behaved with considerable pragmatism in practice.

Jamie Stone (Caithness, Sutherland and Easter Ross) (LD): I, too, pay tribute to our armed forces. What they have done in recent times gives us good cause to hold our heads up high.

United Nations Security Council resolution 2254 says that free and fair elections must take place under UN supervision and that the political transition should be Syrian-led. Given that the resolution was by definition unanimously approved by the Security Council, which includes Russia, and that Russia's subsequent position and activities in effect block its implementation, what, if any, recourse does the UK have to go back to the United Nations and make some attempt to remove this completely illogical blockage and ensure the implementation of a resolution that is fundamental to the future of the country?

Mr Hunt: I completely share the frustration that the hon. Gentleman has expressed about the role of Russia. We were on track, with the potential for a political settlement that could have removed Assad and meant the people of Syria did not have to suffer from someone

who was prepared to use chemical weapons against his own people to impose his bloody rule. However, the Russians then intervened in the process, and it now looks as though Assad is here to stay, to put it very bluntly, so I think the Russians have to take responsibility for the way in which they have changed the situation. Like us, they have a veto at the Security Council, and we cannot stop them exercising that veto. What we can do is to support the work of UN special envoy Geir Pedersen, who has just started and will I think do a very good job. We hope that he can find a way forward, but we do not underestimate the challenges.

James Morris (Halesowen and Rowley Regis) (Con): I welcome the Foreign Secretary's statement, and I particularly welcome the progress that has been made on degrading Daesh. Does he agree with me that the continued influence of Russia and Iran in Syria and across the middle east actually presents the biggest threat to the rules-based international order that we have seen for a long time and that Britain needs to redouble our efforts to try to rebuild that rules-based international order over the long term?

Mr Hunt: I absolutely do agree with that. I think we have to be aware of the limits of our power and of the mistakes that we have made in our own foreign policy over the years in the middle east. As a new Foreign Secretary, I am very conscious that this is not an area of the world that someone can come to understand quickly, so we need some humility as we approach policy in this area. He is right, however, that one of the challenges we have is the involvement of Russia, which has become a more influential player in the region, and we should also say that about the activities of Iran. Taken together, these do present real risks to stability in the region of which we need to be aware.

Mr Paul Sweeney (Glasgow North East) (Lab/Co-op): I welcome the Secretary of State's statement and the ongoing efforts to defeat Daesh in the field, but he will be aware of the wider strategic need to promote reconciliation. I would reflect on the post-invasion picture in Iraq, particularly the strategic blunder of de-Ba'athification, as it was then seen, and the huge vacuum and stoking of sectarian tensions it created. Is the Secretary of State aware of the growing concern about the continuing judicial processes in Iraq that may be stoking sectarian tensions, and what efforts is he making to impress on the Government in Iraq that that ought to be avoided at all costs?

Mr Hunt: This was exactly the topic that my right hon. Friend the Minister for the Middle East talked about when he met President Salih and Prime Minister Mahdi on his recent visit to Iraq. I do not want to pretend that we have magically moved to a totally robust and stable democracy in Iraq. None the less, I think it is encouraging that the country is getting used to the process of elections and that the new Government are committed to reconciliation in the way that the previous Government were. However, it is a very fragile new democracy, so if we are going to do what Prime Minister Mahdi wants, we have to give him all the help we can.

Rachel Maclean (Redditch) (Con): May I join colleagues in adding my thanks to members of our armed forces? As a member of the armed forces parliamentary scheme,

it has been my privilege to visit serving soldiers in various locations, which makes me very humbled and very proud.

May I ask the Secretary of State for an update on the number of people joining Daesh to fight for it as foreign fighters, and what is he doing to reduce further the number of British citizens joining that force?

Mr Hunt: My understanding is that the number of people from the UK trying to join Daesh to fight has fallen significantly, but I will write to my hon. Friend with the most up-to-date information. In terms of the total numbers, about 900 UK citizens have gone to fight with Daesh, about 40% of whom have come back and about 20% of whom have been killed. We are obviously working out as quickly as we can what is going to happen to the remaining 40%.

Gavin Robinson (Belfast East) (DUP): I thank the Secretary of State for the statement he has made. He is right to highlight the importance of our efforts in the cyber-sphere, and to mention that we host the global coalition's strategic centre communications cell. When we considered this work in the Defence Committee, we heard that our efforts are too slow, too reactive and too cautious, and when we asked who excels in this sphere, we were told it was the Israel defence forces. Will the Secretary of State engage with Israeli representatives and learn the lessons about how we could be more proactive and more effective?

Mr Hunt: I will happily take that away. My understanding is that we have excellent co-operation with the IDF, and there are always things we can learn from working with other organisations involved in similar battles. Of course, we do work under the very tight legal constraints rightly imposed by this House in terms of what our agencies are and are not allowed to do and the authorisations necessary. That is something we would not want to change: that is as it should be. However, I will happily take away the challenge of seeing what we can learn from the IDF, which have a formidable reputation.

Mr Philip Hollobone (Kettering) (Con): As the British Foreign Secretary, my right hon. Friend is an international statesman. One hundred years ago, his predecessor was drawing the borders of all the countries we are talking about in this discussion this afternoon. In the treaty of Versailles 100 years ago, the Kurdish people were in effect ignored by the western powers. One hundred years on, after their valiant efforts against Daesh, will my right hon. Friend assure the House that we will not abandon the Kurds again and that we will help them to achieve if not independence, at least autonomy in Syria, Iraq, Turkey and Iran?

Mr Speaker: Notwithstanding the validity of what the hon. Gentleman has said about the status of the Foreign Secretary as an international statesman, my hunch is that the right hon. Gentleman is altogether a wilier soul and too discerning a dad to try that one on with the kids.

Mr Hunt: I am slightly perplexed, Mr Speaker, but someone will enlighten me about your pearls of wisdom.

I think what my hon. Friend says is worthy of serious reflection. The truth is that we have seen what important allies the Kurds have been in this battle against Daesh.

Were we to let them down now, it would send a terrible signal about our commitment to our allies for any future conflict in which we might be engaged. With respect to reflecting on what my predecessors did 100 years ago, it tells any Foreign Secretary that they do need to approach the job with a degree of humility.

Jonathan Edwards (Carmarthen East and Dinefwr) (PC): As many contributors to this discussion have mentioned, the Kurds have been doing the dirty work for us on the ground in northern Syria against Daesh, yet, in the words of one defence analyst, they face potential slaughter at the hands of the Turkish military. What are the British Government doing to avoid this gross betrayal, to protect the Kurds from Turkish aggression and to allow the Kurds to finish the job in the last stronghold of Daesh in Deir ez-Zor province in north-east Syria?

Mr Hunt: We do understand that Turkey, too, has a right to territorial integrity, but we are very concerned about what might happen with regard to the issue the hon. Gentleman raises if the US withdrawal is too precipitate, and if it was not clear what outcomes would be unacceptable both to the US and to us. That is why there has been a huge amount of discussion between Turkey, the United States, the United Kingdom and our other allies, precisely to avoid the outcome he is talking about.

Kevin Foster (Torbay) (Con): It is reassuring to hear what the Secretary of State has said today and to have an indication, for those of us who supported military action against Daesh, of what needed to be done to ensure that these fascists, as they are rightly called, would be defeated and not allowed to fester. Will he reassure me that we will continue a long-term engagement in Iraq and Syria, because defeating Daesh in the long run is also about rebuilding those devastated communities, supporting Christians to return home and ensuring that funds are available, through aid, to redevelop those countries?

Mr Hunt: I am happy to reassure my hon. Friend that our commitment to that part of the world is for the long term. Our military commitment is finite—it is restricted to the mandate given by the House of Commons—but we are committed in every possible way, because we recognise that if the region is unstable, we will pay the price back here, through terrorism, disruption to our economy and any number of ways. He is absolutely right that our commitment must remain.

Andrew Bridgen (North West Leicestershire) (Con): The Leader of the Opposition is a former national chairman of the Stop the War Coalition. Under his chairmanship, the coalition issued a statement praising Daesh for its “internationalism” and “solidarity”. Does my right hon. Friend agree that although we might have many words to describe Daesh, those are certainly not two of them?

Mr Hunt: I agree wholeheartedly. I think that it is a terrible mistake when people misjudge the atrocities that organisations such as Daesh are capable of just because they happen to share their own anti-western worldview.

Dr Matthew Offord (Hendon) (Con): As chair of the all-party parliamentary group on explosive weapons, I thank my right hon. Friend for the £5 million of additional funding he has supplied for the United Nations Mine Action Service's de-mining activities in Iraq. May I ask him to go further and speak to his colleagues in the Ministry of Defence and the Department for International Development to ensure that mine deactivation and removal is a priority? In places such as Fallujah, which was the first city to be freed from Daesh control, people's daily lives are disproportionately affected by these terrible weapons. Even though Daesh has been routed, it has left behind a terrible legacy.

Mr Hunt: As the Under-Secretary of State for Defence, my right hon. Friend the Member for Bournemouth East (Mr Ellwood), has just told me, the reality is that if the mines remain long after the war, the war lasts longer. The truth is that people cannot get back to their normal lives and the tragedy continues, so we very much support the work that my hon. Friend describes. I am sure that there is more we can do, so we will look at that.

Point of Order

6.13 pm

Stephen Pound (Ealing North) (Lab): On a point of order, Mr Speaker. Last Friday afternoon, I was conducting an interview with a constituent whose son had been killed. It was impossible for me to continue or conclude the conversation due to the motorised protest taking place outside in Whitehall, which culminated in a cacophonous crescendo of car horns and klaxons. That noise was unbearable, and it was appallingly disrespectful to my constituent. What discussions have you had with the authorities to prevent this happening again, bearing in mind that it affected not only those of us who operate out of No. 1 Parliament Street, but Scottish National party Members just along the street, and considering that, should we move to Richmond House, the situation will be even worse?

Mr Speaker: I readily accept, before I say anything further to the hon. Gentleman, that a cacophonous crescendo of car horns and klaxons—a wonderful display of alliteration—the spectre of which he has just invoked, is undesirable. I have no reason to doubt that when he was conducting an extremely serious meeting with his constituent about the gravest of matters, it must have been at the very least disconcerting and at worst, frankly, destructive, so I am not insensitive to what he has said. Off the top of my head, I cannot claim to have an immediate resolution of the matter. The Serjeant at Arms, who is in his Chair and whose presence is a constant source of reassurance to us, will also have heard what the hon. Gentleman has said.

I think that the matter bears reflection, because of course the conduct of a demonstration—I know that the hon. Gentleman will be on the same page as me on the matter, because he is a very well-read and cerebral fellow—is necessarily an other-regarding act, not a self-regarding act, in the sense that it has implications for other people. It might be referred to, in more commonplace parlance, as a neighbourhood effect; in this case, the hon. Gentleman was in the neighbourhood and the effect was upon him and his constituent. I think that we do need to consider this. I hope that the Serjeant, the parliamentary security director and the police can give some thought to the matter.

The right to demonstrate, including making some noise in the process, is an important right, but so too is the right of another person to go about his or her lawful business, and the right of Members of Parliament to go about their business on behalf of, and frequently in conversation with, constituents is very important, too. Let the matter be further reflected upon, and I hope that the hon. Gentleman will receive some feedback in due course. That might not be an ideal reply, but I hope that it will pass muster for now.

Financial Services (Implementation of Legislation) Bill [Lords]

Second Reading

6.16 pm

The Financial Secretary to the Treasury (Mel Stride): I beg to move, That the Bill be now read a Second time.

I should begin by paying tribute to my noble Friend Lord Bates for piloting the Bill through the other place so successfully. I am sure that the House will recognise the importance of supporting our financial services industry no matter what the outcome of negotiations on leaving the European Union. The UK's position as a world-leading financial centre is critical to our prosperity. In 2017, the financial sector contributed £131 billion to the UK economy. It employs over 1 million people across the country, two thirds of whom are outside London, including in the thriving financial centres of Edinburgh, Belfast, Manchester and Cardiff. UK exports of financial services were worth over £77 billion in 2017, which highlights the importance of the sector on the global stage.

Mary Creagh (Wakefield) (Lab): I am sure it was an oversight, but in his list of UK financial services centres the Financial Secretary neglected to mention the Yorkshire centres of Leeds and Halifax—of course where the Halifax bank was born—and the many building societies that remain in our area.

Mel Stride: I thank the hon. Lady for that very appropriate intervention. She is quite right to mention the local presence of financial services across the United Kingdom.

My right hon. Friend the Chancellor of the Exchequer has already set out the Government's long-term vision for the future success of the UK's financial sector, based on world-leading positions in the markets of the future, whether in green finance or in FinTech, and we are pursuing an ambitious global financial partnership strategy to cement our trading relationships with key partners.

However, we also need to ensure that we have appropriate regulations in place, with the right balance between protecting stability and fostering competitiveness. We aim to be the safest and most transparent place to do business, leading the race to the top and always championing high regulatory standards in financial services markets. The Bill will ensure that, in a no-deal scenario, the UK's regulatory landscape will not fall behind its international counterparts.

The Government have been clear that we do not want a no-deal scenario, but it remains the role of a responsible Government to continue to prepare for all possible outcomes. That includes the event that we reach 29 March without a deal. In those circumstances, we will have brought on to our statute book the vast body of EU legislation that needs to be operative at the point of exit. However, the powers under the European Union (Withdrawal) Act 2018 relate only to legislation operative immediately before exit day. A number of pieces of EU legislation will not be covered by the powers conferred under the withdrawal Act. They include proposals that are either already agreed but which have not yet been implemented, or those that are soon to be agreed beyond our exit from the European Union.

Mary Creagh: The Minister talks about the in-flight legislation and the proposals as they appeared in the other place. When they first appeared in the other place, they were missing a couple of bits relating to the taxonomy of environmentally sustainable activities that would allow companies to green-check their revenue streams, and to new disclosure requirements for asset owners such as pensions schemes, which is of great concern to the Environmental Audit Committee. Can he explain why those two proposals were left off the list? The Bill has now been amended in the other place, but why were they originally missing?

Mel Stride: I think this is an example of Parliament carrying out its process and legislation being improved as a consequence. The most important point is where we have ended up. Having listened to the arguments put forward in the other place, the Government chose to embrace the amendments that brought those two particular files into the scope of the Bill.

The Bill provides a mechanism through which the UK will be able to implement in-flight financial services legislation. They fall into two categories. The first category of files relates to those that have been agreed while we have been a member of the European Union, but will not apply or be in force prior to the UK's exit from the EU on 29 March. In a no deal and in the absence of the Bill, there would be no effective way to implement those files in a timely manner, as each would require primary legislation. The Bill allows the Government to domesticate each of these files in whole or in part via an affirmative statutory instrument. It further provides a power to fix deficiencies within them.

Robert Neill (Bromley and Chislehurst) (Con): Will my right hon. Friend give way?

Nicky Morgan (Loughborough) (Con): Will my right hon. Friend give way?

Mel Stride: I will give way first to my hon. Friend the Member for Bromley and Chislehurst (Robert Neill), but wait with great anticipation for the intervention of my right hon. Friend the Member for Loughborough (Nicky Morgan).

Robert Neill: I am very grateful to my right hon. Friend for giving way. I entirely support the thrust of what is sought to be done here, as does the financial services sector. None of us wish that it should ever be necessary, but given that we are seeking to set out these safeguards, can he help in relation to one matter of in-flight legislation? In clause 3(1)(e), there is specific mention of the inclusion of “delegated acts under the Prospectus Regulation”.

The financial services sector very much welcomes that being included, because it is important. On the other hand, for another important piece of in-flight legislation, the Securities Financing Transactions Regulation referred to in clause 1(3)(f), there is no use of the words “delegated acts”. It is anticipated that under both examples level 2 legislation, as it is called, might be desirable, so can the Minister help by explaining why the distinction has been drawn in that way?

Mel Stride: I thank my hon. Friend for his question. He is quite right, although the reference to the Securities Financing Transactions Regulation is, I think from

[*Mel Stride*]

memory, in clause 1(12), line 35 or thereabouts—the fourth file although the fifth measure in the list, the earlier two being combined. As to the main point on which he seeks clarification, the Bill will bring into effect those measures, as amended or otherwise, by affirmative statutory instrument at the time they are brought in. It will then be a case of the way in which those measures are dealt with in terms of the delegated powers to which he refers.

Nicky Morgan: I thank the Minister for giving way. In his letter to colleagues last week, the Economic Secretary stated that the Bill will allow for the Government to choose to implement only those EU files or part of those files which they deem beneficial for the United Kingdom. The Minister talks about whole or parts of legislation. Is he able to set out which of the files or parts of legislation the UK does not intend to implement, and how they will make the decision about what is or is not beneficial to the United Kingdom?

Mel Stride: I would make two points. First, where we will end up with the various files that are the subject of the Bill will, to some degree, be determined by where we end up shortly after or after any no-deal exit. I would imagine that at that point the EU would also wish to be negotiating with us on those measures. Secondly, the files themselves, under the schedule as opposed to clause 1, are being negotiated at the moment. We therefore do not have clarity on the exact form they will take.

The second category of files, as I explained, are those that are still in negotiation. These are files that the UK has, in many cases, played a leading role in shaping, and that could bring significant benefits to UK consumers and businesses. The Bill also allows the Government to domesticate these files, in whole or in part, via affirmative statutory instrument. Given that the UK will not be at the negotiating table when the files are finalised, we will be unable to advocate for the interests of the UK's financial services sector during those negotiations. The Bill therefore provides the Government with the ability to make adjustments to the files that go beyond the deficiency fixing powers for the agreed files. These powers are clearly defined and proportionate.

Jonathan Edwards (Carmarthen East and Dinefwr) (PC): I am extremely grateful to the Minister for giving way. As he has outlined, these are powers that would only be used in the event of a no deal. As a Treasury Minister, I would imagine he is probably losing more sleep than most Government Ministers at the prospect of a catastrophic no-deal situation. Will he outline what reporting mechanisms will be introduced by the Treasury for how these powers are used, either by the Treasury or by Treasury-affiliated bodies such as the Bank of England, the Prudential Regulation Authority and the Financial Conduct Authority?

Mel Stride: I am pleased to report that the Bill, as amended in the other place, allows for reporting in respect of the statutory instruments on a six-monthly basis—that commitment is in the Bill—and that there will be four periods in total. The first period of six months will commence from the moment the Bill receives Royal Assent. The report will both look backwards at the powers that have been exercised up until that point and

forwards to those powers that may be exercised in the coming period. As to other organisations, such as the Bank of England, there will be a requirement for annual reporting on the basis of the measures undertaken by those regulatory organisations.

Robert Neill: The Financial Secretary is being extremely generous, but it may actually speed things along. Can he help me on one matter relating to the second class of legislation, the level 1 files? He set out a list of files that are included in the second category. Is it intended that that is entirely exclusive? The Bill deals largely with the procedure for dealing with these files. I have in mind, for example, the proposals that are being developed by the Commission on non-performing loans and on business crowdfunding services—again, areas where the UK has had a good deal of input into initial discussions but that are not actually listed in the Bill. Is it intended to deal with those? If so, in what way?

Mel Stride: I can confirm to my hon. Friend that the list is exhaustive in the terms he was discussing. In the case of non-performing loans, these matters were considered but it was decided that the number of these in relation to the number within the EU was relatively low and that existing tools that are available were adequate to deal with those particular matters. Hence, that particular issue does not feature within the scope of the Bill.

Changes cannot be made in such a way that the implemented files depart in a major way from the effect of the original legislation. However, the Government will have some flexibility to make adjustments in order to take account of the UK's new position outside the European Union. As a result of amendments to the Bill during its passage through the other place, the Treasury will be required to publish a draft statutory instrument at least a month before laying it, alongside a report detailing: any omissions from the original EU legislation; any adjustments from the original EU legislation; and the justification for those adjustments.

The Treasury will be further required to publish six-monthly reports on how the power has been exercised and how it will be exercised in the following six-month period. Following contributions in the other place, the Government have also introduced a requirement for the financial regulators, the Bank of England and the Financial Conduct Authority, to report annually on their use of any powers sub-delegated to them as a consequence of the Bill.

Having gone through the Bill's various provisions and outlined its importance both to our future financial stability and to making sure that we are in the right place in the unlikely and undesirable event that we face a no deal, I commend the Bill to the House.

6.30 pm

Jonathan Reynolds (Stalybridge and Hyde) (Lab/Co-op): I am someone who believes in Parliament—I believe in it not just as a way to pass the laws under which we are governed and to hold Ministers to account but, crucially, as a way of reconciling the different and competing interests that a complex and sophisticated country such as ours inevitably encompasses. Like many colleagues, I find our politics at the moment increasingly bitter and angry and lacking in respect and empathy for opposing points of view. For me, the House of Commons and, to

an extent, the House of Lords have historically given this country the means to have the conversation that it needs to have with itself to begin to resolve differences of this kind.

I say that in opening to explain that it is a genuine source of sadness to me that, so far, Brexit has represented not the return of greater powers to Parliament, but the greatest accumulation of power to the Executive that we have ever seen in peacetime. That reality is before us again today. The Minister has clearly laid out the basis of today's legislation. We are now so close to our EU exit day without a deal—just 34 working days, to be precise—that ensuring that we have a functioning regulatory system after Brexit is an urgent priority.

Leaving without a deal would be so problematic for this country that it is hard to believe that it has ever been much more than a thinly veiled threat to try to force Parliament into supporting the Government's rejected Brexit withdrawal agreement. However, we have had to take appropriate steps to ensure that we have a functioning system in the event that that does happen. The Bill transfers significant powers to Government to deal with EU financial legislation that is in flight at our time of departure, meaning that we have been involved to some extent in shaping it but that it does not yet form part of the law applicable to the UK.

It is a welcome change to have the opportunity to substantively debate a major piece of legislation such as this. Until now, the Government have chosen to transpose the existing EU financial regulatory framework through secondary legislation. Ministers, my colleagues and I have now debated dozens of statutory instruments with just a handful of colleagues in the corridors of this place, passing legislation on huge items of EU regulation, containing many thousands of pages. I will spare our colleagues the excitement of referring to each of them in detail, but they provide all sorts of vital consumer protections and market safeguards.

Financial regulations are like the intricate parts of an engine: we do not need to understand them all or even to know about some of them, but we benefit from them being there and we will soon know when they go wrong. The regulations that we have dealt with include those that mandate the provision of clear, succinct information to people before they invest in particular products. They include the protections that ensure that people are not charged exorbitant fees for paying by credit card when they book a flight for a holiday, and those that allow insurers to operate across the UK and the continent, providing products that people depend on to give themselves security and protection. At a macro level, we have dealt with regulations that form part of the package that was designed to fix the enormous flaws in our global financial system that caused the 2008 crisis, including those that specify the bank capital requirements and which put in place the new market infrastructure designed to make derivatives trading more robust and more stable and lower the risk of contagion in a market downturn.

So far, all these have been debated by up to 17 Members each time in Committee Rooms in the House. The Opposition have requested debates on the Floor of the House on a number of them, all of which have been refused until very recently. Tens of thousands of pages of regulation have simply been ported across in a way that I do not think any Member, on either side of the House, has found fully satisfactory.

The Government have assured Parliament that no policy decisions are being taken as part of this process. However, it is vital that all colleagues are aware that porting across EU regulations into British law does not mean that we have been legislating for the status quo. Sometimes, the very act of taking out a reference to "the European economic area" and replacing it with a British one results in a material change. For instance, a no-deal Brexit would immediately mean that we assess the capital reserves of financial institutions differently, because we would no longer be giving preferential treatment to the sovereign debt of EU member states. Similarly, there would be no limit on the fees applied if a UK citizen used their credit card to buy something from an EU member state after a no-deal Brexit, because the reciprocity that we have now cannot be provided for. This point—that the withdrawal process cannot guarantee the continuity of the status quo—is one that I feel very few people understand, and I cannot stress it enough.

In addition, this process inevitably involves matters of judgment and raises questions about capacity and resourcing. For example, simply substituting "the European Securities and Markets Authority" for "the Financial Conduct Authority" and "the European Commission" for "the Treasury" creates a new relationship between those institutions that has not existed previously. It creates questions about the checks and balances between them, especially when new powers are being bestowed, and about which decisions will instead go to other bodies such as the Bank of England and the Prudential Regulation Authority. These decisions should not be taken unilaterally and simply presented for rubber-stamping in a Delegated Legislation Committee. That is relevant because the Bill effectively sets up the same process, but for the next two years of new financial services legislation.

We are extremely grateful to the Minister and the civil service for taking the time to fully brief us about their approach, but the Opposition plan to vote against the Bill today, and I want to explain the three reasons why. First, as I have touched on, we believe that the Government's approach is fundamentally undemocratic. Simply diverting the process for the scrutiny of future EU legislation to secondary legislation Committees risks a major democratic deficit.

As we have seen with the no-deal statutory instruments, it is entirely within the Government's gift whether time is granted on the Floor of the House to debate these instruments further. We will effectively be bestowing power on the Treasury to decide our future compliance with EU financial regulation. Given the concerns that the financial sector has about being a rule taker, that is an enormous step to take. When Britain voted to leave the EU, I believe that it was to empower Parliament to debate and make those decisions, not to concentrate them in the hands of a few civil servants and Ministers. Of course, the big change from a sovereign point of view is that, for some of these, we would no longer have had any input at the EU level.

Secondly, the approach of splitting in-flight files and existing regulations into a patchwork of statutory instruments lacks coherence. We are debating the Bill today. Numerous other, related statutory instruments will proceed in Committee this week, one of which we are sitting on tomorrow. We have already discussed some of the legislation referred to in this Bill in Committee, yet the updates on it and the next stages of these

[Jonathan Reynolds]

directives and regulations are now included in the Bill as being in flight. We need a single overview to identify what the post-Brexit framework will look like. Approaching it piecemeal risks having items fall through the gaps as well as creating clashes and inconsistencies. Significant powers are being transferred to the Bank of England and our regulators, yet there is no single item of legislation that demonstrates the extent and scope of the powers.

To be frank, given that the legislation is itself only a stop-gap, none of us really knows what the Government have planned for financial regulation after Brexit. This opaque and confusing process is inaccessible not just to legislators, but to those outside Parliament. I have received correspondence from two different asset managers in the past fortnight, for example, seeking insight into what is happening in this place regarding the collective investment regime because they have found the SI process so confusing to follow and are worried about the future.

Thirdly, we must acknowledge the systemic importance of what is included in the Bill. Nobody wishes to see a repeat of the events of the global financial crisis in 2008. That is why an extensive package of regulation emerged in the aftermath of the crisis, designed to protect against a repeat of those mistakes. Many of those pieces of regulation had their origins in the 2008 and 2009 G20 summits. There was a co-ordinated global effort, of which we were part, intended to make our financial markets safer and better able to withstand stress, hopefully protecting the public purse in future.

I genuinely hear no appetite for a bonfire of EU regulation when I speak to people in the UK finance sector but, in truth, we simply do not know what the future holds or where pressure may come from to relax or tighten regulations. However, the Bill risks enabling the Treasury to make wholesale changes to our regulatory regime with little recourse available to Parliament to have a say on that, other than through the secondary legislation process, which, as we have all seen, can severely limit the chances for scrutiny. I believe that the current Treasury would approach that process in good faith, but Ministers and Prime Ministers change and we do not know who ultimately will be entrusted with these powers.

Some of the fundamental pillars of the post-crisis financial regime, such as the capital requirements directive V and the bank recovery and resolution directive II, as well as other items of regulation designed to strengthen the financial market infrastructure, are included in the Bill. The capital requirements directive, for example, sets out the asset buffers that systemically important financial institutions must hold and in what ratios. Given the costs involved to banks, these regulations often involve significant negotiation and lobbying. We saw in the US last year that a concerted lobbying effort secured major concessions from the Basel committee on capital requirements. It is simply a fact that such legislation involves the management of large and competing interests, and it does not seem right to the Opposition that the Treasury could be lobbied on such a matter and subsequently implement a statutory instrument that is subject to limited scrutiny compared with primary legislation.

It is for these reasons that our reservations outweigh our understanding of the need to pass the Bill. We very much want a strong and successful financial sector after

Brexit, but we reiterate that the best way of ensuring that we have that is to negotiate a deal that the House is willing to vote for. We acknowledge that in the event of no deal a whole raft of emergency legislation would need to be passed, but at present we cannot sign up to handing over these powers to the Government without any guarantee about how they will be used. It is our intention, therefore, to oppose Second Reading and divide the House.

6.41 pm

Alison Thewliss (Glasgow Central) (SNP): It is a pleasure to be in the big room today, rather than up in a small Committee Room, debating these important issues of financial regulation.

I would like to correct the Financial Secretary slightly. He mentioned lots of cities but not my home city of Glasgow and its contribution to financial services. It was a shocking omission, not least because I am sitting across from him and because of its importance to Glasgow and to Scotland. Scotland's financial sector outstripped London's last year when it came to jobs growth. It grew by 6.6%, to 161,000 employees in Scotland. Many of my constituents, as well as others across Scotland, rely on the sector for their jobs and businesses, as do many secondary businesses.

The financial sector is also important because of the increased tax base it brings to Scotland. All citizens in Scotland benefit from the funding for public services to which the financial services sector contributes. It makes up 8.9% of the Scottish economy and provides a crucial source of funding for schools, hospitals and local government. It is vital that the sector is allowed to continue to flourish and that the appropriate regulatory safeguards are upheld to ensure we do not see a repeat of the 2008 financial collapse.

It is important to understand the context in which the Bill is operating. The in-flight legislation is part of regulatory reform that resulted from the 2008 crisis and its purpose is to prevent history from repeating itself. We in the SNP cannot allow any watering down of regulation as a result of Brexit, and I am concerned that the Bill may be too broad and sweeping and could leave gaps that could be exploited by those who wish to do so.

I appreciate that we are, in effect, doomsday planning here this afternoon in the event of a no-deal Brexit but, as we see with the continuing chaos in the UK Government, that doomsday clock is getting a good deal closer to midnight every day. Applying rushed legislation to a bad scenario will not help matters. We need to get this right and, if there is not time to get it right, the Government must face the reality of the situation we face. It is within their power to avoid a no-deal Brexit by extending article 50 and ruling out a no-deal Brexit until adequate protection is in place.

There is a good deal of vagueness in the Bill—this point was made in the Lords and has been made again today—because it grants UK Government Ministers worryingly wide scope to legislate. Clause 1(1)(a) grants the Treasury the power to make provisions “corresponding, or similar, to” provisions in EU financial services legislation. Which is it—is it corresponding or similar to? The phrasing leaves space for policy changes beyond the scope of what secondary legislation should be able to do.

Clause 1(1)(b) gives the Treasury powers to make adjustments to the specified legislation it considers appropriate. What criteria are being used to scrutinise and judge the appropriateness of a policy? The wording also leaves the door open for unscrutinised discretion on the part of Ministers and organisations that they may delegate these powers to. The standard is not good enough, given the importance and impact of the Bill and what it is trying to achieve.

The Bill gives Ministers wide latitude to make policy changes using delegated legislation. That conflicts with the position laid out in the EU withdrawal Act, which prohibits such changes because they greatly reduce the opportunity for Parliament to scrutinise policy. The Government have acknowledged that passing legislation without a substantive debate in Parliament is undesirable. We cannot allow this to slip past.

There is a legitimate concern that the Bill leaves scope for regulators to diverge from European technical standards, which could ultimately contribute to the undermining of the EU principle of equivalence. Many businesses rely on meeting these requirements to access EU markets. The Financial Markets Law Committee has raised that issue directly with the Treasury, along with wider concerns about the potential market uncertainty caused by the unreliable nature of British technical standards as a result of this legislation. The Treasury has attempted to address some of those concerns in its policy note, which outlined the safeguarding mechanisms for the Bill, but sadly those still fall woefully short of what is expected.

Subjecting SIs to the affirmative resolution procedure is no substitute for bringing primary legislation before Parliament because there is no scope to amend them. The Treasury has also committed to engaging with key stakeholders, but, as the Opposition spokesperson mentioned, if previous efforts are anything to go by, this is not reassuring. We have all sat in Delegated Legislation Committees where it feels like the only stakeholder engagement is asking the opinion of a select few. We cannot ignore the needs of businesses and the wider public at such a precarious time.

More care should be taken to gather the experiences of the business community and the wider population before making decisions that could impact on them. It has been difficult throughout this process to gather evidence because statutory instrument Committees cannot take evidence, and we will not be taking evidence on the Bill either, meaning that we will lack the ability to scrutinise this in many different respects.

It has been said many times inside and outside the House that leaving the EU is the will of the people. That is definitely not the case in my constituency or the rest of Scotland, which voted 62% to remain, but even if it were, I would find it difficult to accept that people who voted for Brexit want this—there are gey few Brexiteers here today trying to defend this policy. Tory Ministers are being given unfettered power to legislate with no parliamentary scrutiny, which is way outside any mandate the Government feign to have.

The Bill makes a mockery of the leave campaign promises of taking back control, because this Parliament and each of us as MPs will have less control than we had before. It allows for the creation of new laws via statutory instruments, but these will be adjusting or augmenting primary legislation passed not by this House but by the institutions of the EU. The Chair of the

Treasury Committee made an excellent point in her letter about the measures in the Bill that will allow the Government to choose to implement only those EU files, or parts of those files, that they deem beneficial to the UK and to make adjustments to legislation to fix deficiencies and take account of the UK's new position outside the EU. That sounds like a policy choice—choosing to implement only those files, or parts of files, deemed beneficial to the UK. It would involve the Government deciding which files are beneficial to the UK and so allow them to do what they said they would not do.

After Brexit, the UK Government will have no seat at the European table, as these in-flight directives proceed, on issues that will impact on businesses across these islands. Weirdly, we are delegating scrutiny of these policies to the EU when we are not going to be members any longer. We have heard in Delegated Legislation Committees about how the UK is a great leader in financial services with great expertise, and we have heard how influential and involved our officials have been in making regulations for financial services—the Economic Secretary referred to this in his letter—but this influence is being chucked away for glib slogans on the side of a bus.

We will be losing influence on matters that will disproportionately affect financial services in this country, adopting legislation from another jurisdiction that we have chosen actively not to be a part of and then leaving it up to the Treasury to decide what we take and what we leave, and perhaps not even the Treasury—perhaps the Financial Conduct Authority or some other organisation whose work we are even less able to scrutinise. It is completely unacceptable, and I see no Brexiteers here willing to defend it—not one bit of it. Where are they now?

The UK Parliament, and our own elected representatives in this place, will not have a say in the detail. We are passing into the hands of Treasury officials the ability to determine the position at some point in the next two years. If we want to continue to operate in the EU market, we will have to comply with those rules. Nothing, absolutely nothing, that we introduce—deal or no deal—will be as good, as seamless and as hassle-free as the passporting deal that financial services have now, while the UK is a full member state of the EU. The Treasury cannot deny that fact.

Scotland has worked hard to get to where we are now. In Edinburgh, in Glasgow and in places throughout Scotland, financial services firms are working hard, investing and doing so much to promote their talents. There is no doubt in my mind, and in the minds of the hundreds of constituents who have emailed me, of their concerns about Brexit. They believe that things would be better all round if the Government acted in the best interests of the country, and revoked article 50.

I strongly agree with the hon. Member for Stalybridge and Hyde (Jonathan Reynolds). The principled position is to oppose the Bill. The Government are taking plenty of powers unto themselves, which is outrageous in the context of “taking back control” and all the other glib utterances that we heard at the time of the EU referendum. They say, “Just trust us, and it will be fine.” I am sure I can trust them, and perhaps it will be fine, but we cannot be assured of that. We should not give up our own role as Members of Parliament, which is to scrutinise all these matters.

6.51 pm

Mary Creagh (Wakefield) (Lab): It is a pleasure to follow the hon. Member for Glasgow Central (Alison Thewliss), who made an excellent speech.

Today's debate has focused on Brexit and financial services. I want to focus on why the Bill is so vital to our budding green finance industry, what the EU is doing to promote green finance and what our own country is doing in that regard, and what the Government can do to end uncertainty for an important and growing part of our economy. I shall refer to the sixth and seventh reports of the Environmental Audit Committee, "Greening Finance: embedding sustainability in financial decision making" and "Green finance: mobilising investment in clean energy and sustainable development".

In 2015, the United Kingdom signed up to the Paris agreement on climate change and the UN's global goals for sustainable development, which set out ambitious targets to transform our world. In the three years since then, we have learnt much more about climate science. As was made clear in a report published by the Intergovernmental Panel on Climate Change in October 2018, if we are to avoid the catastrophic effects of uncontrolled climate change we shall need radical and unprecedented changes in all parts of the economy, which will require trillions of pounds—or dollars—to be invested in clean energy and cleaner transport infrastructure.

I pay tribute to the Government for some of their work in that regard. The Bank of England's Task Force on Climate-related Financial Disclosures looked into strategy, risk and targets. The Government then set up the Green Finance Taskforce, whose report made a series of recommendations, one of which was that the Government should establish a sovereign green bond to kick-start investment. The Government have yet to respond to that report, but I hope they will do so soon. We have seen the green growth strategy, and, in the City of London, \$22 billion of investment has been raised in seven currencies for more than 72 green bonds. I fear that the Bill could potentially disrupt some of the progress that we are making, and interfere with London's place as a centre for green finance.

We have done well in our own country. We have moved quickly to decarbonise the power structure. However, we have done very little to deal with our agricultural and transport-related emissions, and almost nothing to decarbonise our heating emissions. When people tell me that things will be easier, I always ask, "How are you going to transform 31 million gas boilers over the next 10 years?" According to the IPPC's report, we have just 12 years in which to tackle damaging carbon emissions. We need to think big, and think globally, if we are to rise to that challenge.

My Committee's inquiry found that the privatisation of the Green Investment Bank and the reduction in European Investment Bank lending following the referendum may have played a part in the 56% reduction in investment in green energy projects in the UK. We could not work out whether that was a blip or a trend, but I look forward to seeing this year's figures and finding out which it was. Our "Greening Finance" report states that climate change poses material threats to our economy, our investments and, of course, our pensions, which provide the funding for these companies.

There are three climate-related financial risks. There is the physical risk posed by more heatwaves such as the one that we experienced last year, more droughts, which will threaten the water industry, wildfires, which we have seen in the Arctic and in California, extreme rainfall, rising sea levels, and flooding. That risk will affect investment in food, farming, infrastructure, house building and insurance. In a 4° world, my Committee was told, the insurance market would cease to exist. London's position as a global insurance centre would be destroyed, and the jobs along with it. There is also the risk posed by the transition to the green economy. Companies that do not make a timely low-carbon transition could face costly legal or regulatory action, and some will be left behind by innovative firms with cleaner, greener, more efficient technologies.

Issuers—banks, insurance companies, asset managers and owners, and a range of other financial institutions—must assess and report climate-related financial risks. That is particularly important in relation to pension funds. I welcome the National Employment Savings Trust, but by the time a young person auto-enrolled in the scheme retires, we could be living in a world radically transformed by climate change and society's response to it. According to the latest Met Office prediction, in a high-emissions scenario our summers will be 5° warmer than they are now. That has implications for the water that we drink and the homes in which we live.

It is vital that our pensions, investments and savings are able to weather those changes, which is why my Committee called on the Government to introduce mandatory reporting of climate-related financial risk. We also wrote to the chairs of the 25 largest pension funds asking them what they were doing to mitigate that risk. We think that improved reporting would help to divert more capital to more sustainable ends, because what gets measured gets done. That would increase investment in the new green infrastructure that we need, and would mean that our savings did well while also doing good. We are pleased that the Government have clarified the fiduciary duty of pension trustees in trust-based schemes, which will come into force on 1 October 2019, and we are waiting to hear from the Financial Conduct Authority what it intends to do.

Let me now turn to why the Bill matters in relation to sustainable finance. I asked the Minister—and I was grateful to him for giving way—about "in-flight" legislation. The EU has proposals for financial services legislation that would promote sustainable finance. It is debating proposals for a framework for low-carbon benchmarks which would allow investors to harmonise their portfolios with the Paris agreement on climate change. The benchmarking is important, because only by seeing what is happening in other companies can investors work out whether they are doing well or badly, and make the strategic changes that may be necessary. It is also discussing the possibility of a taxonomy of environmentally sustainable activities which would allow companies to "green-check" their revenue streams, and new disclosure requirements for asset owners such as pension schemes, as well as asset managers, banks and insurers. My Committee had called for that.

When the Bill was introduced in the other place, I was disappointed to note that the EU proposals for benchmarks and disclosure requirements were not included in the list of "in-flight" legislation in the schedule. The Minister

said that this was Parliament doing its job and amending legislation, but it is not clear to me whether those proposals were left out accidentally or deliberately. Do we think that we are already doing those things so brilliantly that we need not bother to pursue the proposals? The Minister has not made that clear.

I welcome the amendments made in the other place to include all the EU's sustainable finance proposals. However—this is important—the Government have no obligation, but only the option to adopt those valuable measures. Will the Minister reassure the House that the Government will adopt them, and that the UK will not fall behind when it comes to EU action on sustainable finance? If we diverge from the EU's regulations on sustainable finance it would harm large financial institutions with investment in green financial products in Europe. It could harm our budding sustainable investment industry. We are at the moment a world leader in finance; we know the difficulties Brexit will cause to be faced across our economy, but we have the opportunity to be a world leader in sustainable green finance and we must not let that opportunity pass us by.

7 pm

Anneliese Dodds (Oxford East) (Lab/Co-op): My hon. Friend the Member for Stalybridge and Hyde (Jonathan Reynolds) set out very clearly and comprehensively the problems with this Bill in his opening remarks. I do not want to repeat them all, but I will summarise the core reasons why the official Opposition cannot support the Bill.

The Conservative Government often mix their metaphors when presenting their Brexit process. This Bill, for example, part of what the Government have described as an onshoring process, is presented as dealing with those so-called in-flight measures that have not yet landed. In my brief remarks, I want to explain why many of us are confused about the identity of the pilot of this plane, quite how far and fast the plane will go, and indeed whether it should be on the runway in the first place. I suppose that it is at least a relief that the Transport Secretary is not in charge, given last weekend's revelations.

First, who will decide which parts of in-flight EU legislation will be implemented? This is straightforward for those Bills that have already been passed at EU level but not yet implemented—those taxiing on the runway. In that case, the Bill commits itself to implementation in the UK, not least given that UK Ministers and MEPs would have been fully involved, one would hope, in all aspects of that legislation, with Government only able to fix deficiencies in that legislation.

The picture is, however, far less clear for legislation still under discussion at EU level, and thus to a certain extent still up in the air. In that regard, we are informed that this Bill will enable

“the Government to choose to implement only those EU files, or parts of those files, which it deems beneficial to the UK”.

They will be able to

“adjust the legislation as it is brought into domestic law to fix any deficiencies or, in the case of files still in negotiation, to ensure that it reflects the UK's position outside of the EU.”

How exactly they might do so, and what that reflection might encompass is left unclear. The right hon. Member for Loughborough (Nicky Morgan), Chair of the Treasury Committee, rightly raised this earlier in an intervention on the Minister, and I am disappointed that she did not

receive a sufficiently clear response to that question; I will return to that point later. Indeed, there is no indication here that that deviation from EU practice will even be flagged up to this place, let alone go through a different decision-making process as a result. Instead, it is expected that, as usual with this Government, sadly, statutory instruments will be used. Clause 1(1)(b) even states that the Government can make

“any adjustments the Treasury consider appropriate”,

a power that was initially open-ended but that, quite rightly, was amended in the other place.

The point remains that it will be difficult for Parliament to be aware of any deviations from EU practice. The Conservatives may well respond by stating that industry would be quick to point them out. Frankly, I am grateful for industry's engagement with this process, to the extent that it has been able to input, and it is essential that, as mentioned by my hon. Friend the Member for Stalybridge and Hyde, we preserve our strong and successful financial services sector, and our regulations must reflect that. However, I reiterate a point I have made before: there is no organisation in the UK with an explicit mandate to promote financial stability and the consumer interest in financial services, a role which is filled within the EU by the Finance Watch. It is unsurprising therefore that Finance Watch has put on the record its concerns that the current approach to Brexit could be used as a means to undermine financial regulation, pointing to, for example, the Chequers agreement's phraseology of the UK pushing for greater liberalisation of financial services, investment and procurement markets post Brexit.

The second reason to reject the Bill concerns its peculiar status among the rest of the so-called onshoring process. The flight path here is bedevilled with interactions with numerous other legislative processes, from those embedded in the 40 statutory instruments that have already been laid before Parliament to the additional 20 yet to go, and with only 34 working days between now and 29 March, as rightly underlined by my hon. Friend the Member for Stalybridge and Hyde.

By contrast, with the extraordinarily rushed process being adopted here, the Government's powers under this Bill can be exercised for up to two years—yes, two whole years after Brexit. That is in a context where the Government have no clear plan for financial services regulation post 29 March. Rather than this confusion of legislation—short-term, long-term and of indefinite duration; primary, secondary affirmative and secondary negative—we surely need to have some consolidated legislation covering this area. This confusion is of course part of a pattern, sadly, over recent years from Conservative Ministers, with Acts in 2012, 2013, 2014 and 2015 having to correct or amend existing provisions. Indeed, we have been informed that there may well be correcting amendments to be considered even after the 60 statutory instruments and this Bill are passed.

Of course we had a good example of the deficiencies even within this Bill, as rightly pointed out by my hon. Friend the Member for Wakefield (Mary Creagh), in relation to the legislation governing environmental indicators and reporting, which was initially missed off the schedule. I pay tribute to her for raising this essential issue of green finance and greening finance and how it was initially missed out of these proposals.

[Anneliese Dodds]

I found the Minister's response to the hon. Member for Bromley and Chislehurst (Robert Neill) rather peculiar; I note that the hon. Gentleman is no longer in his place, but I felt he made an important point. He asked whether the UK would keep in step with emerging provisions from the EU, such as in the area of non-performing loans. The Minister suggested in response that alignment in this Bill was rejected due to the content of those proposals, when his Bill, however, was presented as inclusive of all financial services legislation that was in-flight aside from those elements that we had specifically opted out of, such as those relating to banking union, which we do not participate in of course and which is presumably the real reason why non-performing loans legislation is not included here.

My hon. Friend the Member for Wakefield highlighted in her remarks the non-scientific nature of the assessment by this Government of which measures will be deemed in-flight or otherwise. We have had no indication of the criteria to be used for that from Government. The discussion we have had, albeit in this brief debate, has pointed up that all we have as a Parliament currently as an indication of this Government's approach to regulating financial services in the future is this Bill and the no-deal SIs—no overall plan, no indication of how the different pieces fit together, and above all no clarity around how we will be able to keep in step with the EU27 in relation to emerging issues like green finance and cryptocurrencies.

Sir Greg Knight (East Yorkshire) (Con): On the issue of no clarity, can the hon. Lady tell the House why her party did not oppose the Bill in the other place or suggest any changes to it there?

Anneliese Dodds: It is my understanding that there was significant challenge from my party in the other place, and in fact changes were made, including for example a clearer indication of the circumstances under which those adjustments could be made by the Government. Initially that was very open-ended, but we supported and pushed for much more clarity on that. We would have liked to have seen change in other areas, and perhaps clarification in additional areas. We have not had that, however, which is why it is necessary to oppose the Bill at this stage.

Finally, this legislation is of course only required because of the Conservative Government's recklessness in persisting with a commitment to keep no deal on the table, as rightly underlined by the hon. Member for Glasgow Central (Alison Thewliss). We have seen very clearly today from the preliminary estimates of GDP growth for the final quarter of last year how this determination to prioritise ideology over national interest is harming our country. The contribution to GDP from business investment was negative for the fourth quarter in a row; that is a clear sign that uncertainty surrounding the Government's Brexit strategy is acting as a real drag on the economy. The construction sector actually contracted this quarter, and after two consecutive quarters of negative growth, the UK manufacturing sector sadly is now officially in recession. So 2018 had the worst annual GDP out-turn since the then Chancellor's disastrous 2012, and economists are forecasting that even worse could well come.

The flight into the buffers that would be represented by a no-deal Brexit is still being countenanced. Any responsible Government would take that plane off the runway once and for all.

7.10 pm

The Economic Secretary to the Treasury (John Glen): I thank all Members for their contributions to the debate. As my right hon. Friend the Financial Secretary to the Treasury set out earlier, the Government do not want a no-deal scenario, but our job as a responsible Government is to prepare for all possible outcomes, including reaching 29 March without a deal. The Bill forms an important part of those preparations. In a no-deal scenario, it would ensure that we could maintain the UK's reputation as a global leader and that the competitiveness of our financial services industry would be maintained. The UK has in many cases played a leading role in shaping these proposals over a number of years, and they will bring benefits to UK consumers and businesses once they have been implemented. I want to talk about the four or five themes that have been raised in the debate, after which I will address the points made by the hon. Member for Wakefield (Mary Creagh).

Mr John Baron (Basildon and Billericay) (Con): I refer the House to my entry in the Register of Members' Financial Interests. The Economic Secretary to the Treasury will be aware of our exchanges in Committee regarding EU regulations as they relate to key information documents and how KIDs are adversely affecting the assessment of investment trusts. The trade bodies oppose them, including the Association of Investment Companies, which has suggested that the investors' response to them should be to "Burn before reading". Can the Minister report back on his deliberations with the Financial Conduct Authority, which has been rather slow out of the blocks? Ultimately, it is the Government's responsibility to get this right.

John Glen: I am happy to respond to my hon. Friend's intervention. I acknowledge his expertise in this area and his excellent article in the *Investors Chronicle* this week. I would point out that, just last summer, the FCA issued a call for input and sought industry views on the next steps for packaged retail investment and insurance products—PRIIPs. That consultation closed on 28 September and the FCA is reviewing the responses carefully. It will publish a statement in the first quarter of this year. When I next see the chief executive of the FCA, I will challenge him on that publication date.

Let me turn to the substantive thrust of the concerns raised in the debate. The first relates to the desirability of no deal. As I have said, we do not want a no-deal scenario, but we need to be responsible and to plan for all eventualities. Our priority remains getting approval for the deal that we have negotiated with our European partners, which will deliver on the democratic choice of the British people.

Turning to the other preparations, we have now laid 50 statutory instruments before Parliament. The allegation from the hon. Members for Oxford East (Anneliese Dodds) and for Stalybridge and Hyde (Jonathan Reynolds) was that there had been no coherence to the Government's work, but as the hon. Lady will know, we will have had 53 statutory instruments. We have more debates tomorrow and on Wednesday, and I think several more next week.

We are addressing the deficiencies in all the major EU files and the relevant domestic legislation. This will ensure that we have a functioning financial services regime at the point where we leave the EU in a no-deal scenario. Our aim throughout this work has been consistently to minimise disruption for firms and their customers and to provide a smooth transition when we leave the EU.

The hon. Member for Glasgow Central (Alison Thewliss) made a point about the breadth of the power in this legislation. We have worked hard to ensure that this is a clearly defined power and that changes cannot be made such that the implemented files depart in a major way from the original legislation. However, the Government will retain some flexibility to make adjustments to take account of the UK's new position outside the European Union. The amendments proposed by the Government require the Treasury to publish draft SIs at least one month in advance of laying, as well as a report detailing where there have been omissions and changes and giving the justification for those changes. We believe that the report will allow parliamentarians to scrutinise the changes before the SIs are laid. If the UK were forced to take on EU legislation either in whole or not at all, it is likely that we would be able to domesticate very few of these files in good time, so even the positive aspects of the reforms would be delayed. This is a pragmatic measure to deal with the reality of a very undesirable situation, and our approach has been endorsed by the industry, with which we have engaged in the preparation of the Bill.

Alison Thewliss: The Minister talks in his letter about how things are deemed to be beneficial for the UK, but he and I will have very different opinions on what would be beneficial for the UK, or indeed on whether Scotland should be part of the UK, so how can he say that that is not a policy decision?

John Glen: We are talking about a no-deal scenario, which we cannot fully anticipate or set out in legislation. However, there would be a full discussion and additional legislation in those circumstances.

For the benefit of the House, I want to clarify the industry engagement that has been undertaken on this Bill. The Treasury engaged with industry ahead of the introduction of the Bill, and the financial services industry has been expecting many of the files for some time. For example, the industry will be generally supportive of the changes that will be implemented with the European market infrastructure regulation regulatory fitness and performance programme—EMIR REFIT—file, which introduces changes to regulations for clearing and reporting requirements, to make them more proportionate and to provide further clarifications. We have been engaging to deliver what the industry expects.

With respect to accepting EU laws after exit, the Bill is not about accepting such laws wholesale. We will be able to implement only those pieces of legislation that are beneficial to the UK, because we will be able to choose the files, or specific provisions within those files, that we are going to implement. For those files that we have already agreed at EU level but not yet implemented, we will be able to fix deficiencies similar to what was done in relation to the European Union (Withdrawal) Act 2018. For those files on which negotiations will be ongoing at the point of exit, we will be able to make

some adjustments to them to take account of the fact that we will not be around the negotiating table when they will be finalised.

Moving on to the model for financial services regulation more generally, the Government of course recognise that this legislation should apply only for an interim period while we consider a sustainable, longer-term approach that balances the need to ensure appropriate parliamentary oversight of financial services legislation after leaving the EU with the need to maintain the flexibility and competitiveness of our regulatory regime. That is why the model in the Bill would apply only for a temporary, non-extendable two-year period post exit, specifically in a no-deal scenario, and to specified EU files only. The Government will take forward our approach for a sustainable long-term model in due course.

Turning to the points made by the hon. Member for Wakefield, the UK has publicly led on the development of sustainable finance, as she set out, and the Government are committed to the sustainable finance agenda and are a leader in green finance. That is why we have included these files in the Bill. We recognise that the files form part of the EU's response to the Paris climate change agreement and the UN sustainable development goals. The Government support the aims of the files and do not consider them harmful to industry at their current stage of development. As such, we were pleased to add them to the schedule to the Bill, and we thank the noble Lords who recommended their inclusion.

I stress again that this legislation involves a temporary measure, with the delegated power limited by a two-year sunset clause and subject to the affirmative procedure in each and every instance of its use. Following constructive engagement in the other place, the Bill is clearer about the power contained within it and has much stronger reporting requirements than at its introduction.

I thank all right hon. and hon. Members for their contributions to this debate. I am sure that we can agree on the importance of continuing to support the UK's world-leading financial services industry in any future scenario. I look forward to discussing the Bill further in Committee, and I commend it to the House.

Question put, That the Bill be now read a Second time.

The House divided: Ayes 293, Noes 248.

Division No. 324]

[7.19 pm

AYES

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

Campbell, Mr Gregory
 Cartlidge, James
 Cash, Sir William
 Caulfield, Maria
 Chalk, Alex
 Chishti, Rehman
 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
 Davies, Chris
 Davies, David T. C.
 Davies, Glyn
 Davies, Philip
 Davis, rh Mr David
 Dinanage, Caroline
 Djanogly, Mr Jonathan
 Docherty, Leo
 Dodds, rh Nigel
 Double, Steve
 Dowden, Oliver
 Doyle-Price, Jackie
 Drax, Richard
 Duddridge, James
 Duguid, David
 Duncan, rh Sir Alan
 Duncan Smith, rh Mr Iain
 Dunne, rh Mr Philip
 Ellis, Michael
 Ellwood, rh Mr Tobias
 Elphicke, Charlie
 Eustice, George
 Evans, Mr Nigel
 Evennett, rh Sir David
 Fabricant, Michael
 Fallon, rh Sir Michael
 Field, rh Mark
 Ford, Vicky
 Foster, Kevin
 Frazer, Lucy
 Freeman, George
 Freer, Mike
 Fysh, Mr Marcus
 Gale, rh Sir Roger
 Garnier, Mark
 Gauke, rh Mr David
 Ghani, Ms Nusrat
 Gibb, rh Nick
 Girvan, Paul
 Glen, John
 Goldsmith, Zac
 Goodwill, rh Mr Robert
 Gove, rh Michael
 Graham, Luke
 Graham, Richard
 Grant, Bill
 Grant, Mrs Helen
 Gray, James
 Grayling, rh Chris
 Green, Chris
 Green, rh Damian
 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 Sir John
 Heald, rh Sir Oliver
 Heappey, 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
 Hunt, rh Mr Jeremy
 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
 Keegan, Gillian
 Kennedy, Seema
 Kerr, Stephen
 Knight, rh Sir Greg
 Knight, Julian
 Kwarteng, Kwasi
 Lamont, John
 Lancaster, rh Mark
 Latham, Mrs Pauline
 Leadsom, rh Andrea
 Lee, Dr Phillip
 Lefroy, Jeremy
 Letwin, rh Sir Oliver
 Lewer, Andrew
 Lewis, rh Brandon
 Liddell-Grainger, Mr Ian
 Little Pengelly, Emma
 Lopez, Julia
 Lopresti, Jack
 Lord, Mr Jonathan
 Mackinlay, Craig
 Maclean, Rachel
 Main, Mrs Anne
 Mak, Alan
 Malthouse, Kit
 Mann, Scott
 Masterton, Paul
 Maynard, Paul
 McLoughlin, rh Sir Patrick

McPartland, Stephen
 McVey, rh Ms Esther
 Menzies, Mark
 Merriman, Huw
 Metcalfe, Stephen
 Miller, rh Mrs Maria
 Milling, Amanda
 Mills, Nigel
 Milton, rh Anne
 Mitchell, rh Mr Andrew
 Moore, Damien
 Mordaunt, rh Penny
 Morgan, rh Nicky
 Morris, Anne Marie
 Morris, David
 Morris, James
 Morton, Wendy
 Mundell, rh David
 Murray, Mrs Sheryll
 Murrison, Dr Andrew
 Neill, Robert
 Newton, Sarah
 Nokes, rh Caroline
 Norman, Jesse
 O'Brien, Neil
 Offord, Dr Matthew
 Opperman, Guy
 Paisley, Ian
 Parish, Neil
 Patel, rh Priti
 Paterson, rh Mr Owen
 Pawsey, Mark
 Penning, rh Sir Mike
 Penrose, John
 Percy, Andrew
 Perry, rh Claire
 Philp, Chris
 Pincher, rh 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, Gavin
 Robinson, Mary
 Rosindell, Andrew
 Ross, Douglas
 Rowley, Lee
 Rudd, rh Amber
 Rutley, David
 Sandbach, Antoinette
 Scully, Paul

Seely, Mr Bob
 Selous, Andrew
 Shannon, Jim
 Shapps, rh Grant
 Sharma, Alok
 Simpson, David
 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, Bob
 Stewart, Iain
 Stewart, Rory
 Streeter, Sir Gary
 Stride, rh Mel
 Sturdy, Julian
 Sunak, Rishi
 Swayne, rh Sir Desmond
 Swire, rh Sir Hugo
 Syms, Sir Robert
 Thomson, Ross
 Throup, Maggie
 Tolhurst, Kelly
 Tomlinson, Justin
 Tomlinson, Michael
 Tracey, Craig
 Tredinnick, David
 Trevelyan, Anne-Marie
 Truss, rh Elizabeth
 Tugendhat, Tom
 Vaizey, rh Mr Edward
 Vara, Mr Shailesh
 Vickers, Martin
 Villiers, rh Theresa
 Walker, Mr Charles
 Wallace, rh Mr Ben
 Warman, Matt
 Watling, Giles
 Whately, Helen
 Wheeler, Mrs Heather
 Whittaker, Craig
 Whittingdale, rh Mr John
 Williamson, rh Gavin
 Wilson, rh Sammy
 Wood, Mike
 Wragg, Mr William
 Wright, rh Jeremy

Tellers for the Ayes:
Michelle Donelan and
Jo Churchill

NOES

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
 Blackford, rh Ian
 Blomfield, Paul
 Brabin, Tracy
 Brennan, Kevin
 Brock, Deidre
 Brown, Alan
 Brown, Lyn

Brown, rh Mr Nicholas
 Bryant, Chris
 Buck, Ms Karen
 Burden, Richard
 Burgon, Richard
 Butler, Dawn
 Byrne, rh Liam
 Cable, rh Sir Vince
 Cadbury, Ruth
 Campbell, rh Sir Alan
 Carden, Dan
 Champion, Sarah
 Chapman, Douglas
 Chapman, Jenny
 Cherry, Joanna
 Coaker, Vernon
 Cooper, Julie
 Cooper, Rosie
 Cooper, rh Yvette
 Cowan, Ronnie
 Creagh, Mary
 Creasy, Stella
 Cruddas, Jon
 Cryer, John
 Cummins, Judith
 Cunningham, Alex
 Cunningham, Mr Jim
 Daby, Janet
 Dakin, Nic
 David, Wayne
 Davies, Geraint
 Day, Martyn
 De Cordova, Marsha
 De Piero, Gloria
 Debonnaire, Thangam
 Dent Coad, Emma
 Dhesi, Mr Tanmanjeet Singh
 Docherty-Hughes, Martin
 Dodds, Anneliese
 Doughty, Stephen
 Dowd, Peter
 Drew, Dr David
 Dromey, Jack
 Duffield, Rosie
 Eagle, Ms Angela
 Eagle, Maria
 Edwards, Jonathan
 Efford, Clive
 Elliott, Julie
 Ellman, Dame Louise
 Esterson, Bill
 Evans, Chris
 Farrelly, Paul
 Farron, Tim
 Fellows, Marion
 Field, rh Frank
 Fitzpatrick, Jim
 Fletcher, Colleen
 Flint, rh Caroline
 Fovargue, Yvonne
 Foxcroft, Vicky
 Furniss, Gill
 Gaffney, Hugh
 Gapes, Mike
 Gardiner, Barry
 George, Ruth
 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
 Gwynne, Andrew
 Haigh, Louise
 Hamilton, Fabian
 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
 Hodge, rh Dame Margaret
 Hodgson, Mrs Sharon
 Hollern, Kate
 Howarth, rh Mr George
 Huq, Dr Rupa
 Hussain, Imran
 Jardine, Christine
 Jarvis, Dan
 Jones, Darren
 Jones, Gerald
 Jones, Graham P.
 Jones, rh Mr Kevan
 Jones, Sarah
 Jones, Susan Elan
 Kane, Mike
 Keeley, Barbara
 Khan, Afzal
 Killen, Ged
 Kinnock, Stephen
 Kyle, Peter
 Laird, Lesley
 Lake, Ben
 Lamb, rh Norman
 Lammy, rh Mr David
 Lavery, Ian
 Law, Chris
 Lee, Karen
 Leslie, Mr Chris
 Lewis-Buck, Mrs Emma
 Lewis, Clive
 Long Bailey, Rebecca
 Lucas, Caroline
 Lucas, Ian C.
 Lynch, Holly (*Proxy vote cast by Mark Tami*)
 Madders, Justin
 Mahmood, Mr Khalid
 Mahmood, Shabana
 Malhotra, Seema
 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
 McGovern, Alison
 McInnes, Liz
 McKinnell, Catherine
 McMahan, Jim
 Monaghan, Carol
 Morgan, Stephen
 Morris, Grahame
 Murray, Ian
 Nandy, Lisa
 O'Hara, Brendan
 Onn, Melanie
 Onwurah, Chi
 Osamor, Kate
 Owen, Albert
 Peacock, Stephanie
 Pearce, Teresa
 Pennycook, Matthew
 Perkins, Toby
 Phillips, Jess
 Phillipson, Bridget
 Platt, Jo
 Pollard, Luke
 Pound, Stephen
 Powell, Lucy
 Rashid, Faisal
 Rayner, Angela
 Reed, Mr Steve
 Rees, Christina
 Reynolds, Jonathan
 Rimmer, Ms Marie
 Rodda, Matt
 Rowley, Danielle
 Ruane, Chris
 Russell-Moyle, Lloyd
 Ryan, rh Joan
 Saville Roberts, Liz
 Shah, Naz
 Sharma, Mr Virendra
 Sheerman, Mr Barry
 Sheppard, Tommy
 Sherriff, Paula
 Shuker, Mr Gavin
 Siddiq, Tulip (*Proxy vote cast by Vicky Foxcroft*)
 Skinner, Mr Dennis
 Slaughter, Andy
 Smeeth, Ruth
 Smith, Cat
 Smith, Eleanor
 Smith, Laura
 Smith, Nick
 Smith, Owen
 Snell, Gareth
 Sobel, Alex
 Spellar, rh John
 Stephens, Chris
 Stevens, Jo
 Stone, Jamie
 Streeting, Wes
 Sweeney, Mr Paul
 Tami, rh 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
 Williamson, Chris
 Wilson, Phil
 Yasin, Mohammad
 Zeichner, Daniel
Tellers for the Noes:
Jeff Smith and
Bambos Charalambous

Question accordingly agreed to.

FINANCIAL SERVICES (IMPLEMENTATION OF LEGISLATION) BILL [LORDS] (PROGRAMME)

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

That the following provisions shall apply to the Financial Services (Implementation of Legislation) Bill [Lords]:

Committal

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

Proceedings in Public Bill Committee

(2) Proceedings in the Public Bill Committee shall (so far as not previously concluded) be brought to a conclusion on Thursday 28 February.

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

Proceedings on Consideration and up to and including Third Reading

(4) Proceedings on Consideration and any proceedings in legislative grand committee shall (so far as not previously concluded) be brought to a conclusion one hour before the moment of interruption on the day on which proceedings on Consideration are commenced.

(5) Proceedings on Third Reading shall (so far as not previously concluded) be brought to a conclusion at the moment of interruption on that day.

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

Other proceedings

(7) Any other proceedings on the Bill may be programmed.—
(*Paul Maynard.*)

Question agreed to.

FINANCIAL SERVICES (IMPLEMENTATION OF LEGISLATION) BILL [LORDS] (MONEY)

Queen's recommendation signified.

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

That, for the purposes of any Act resulting from the Financial Services (Implementation of Legislation) Bill [*Lords*], it is expedient to authorise:

- (1) the payment out of money provided by Parliament of:
 - (a) any expenditure incurred by a Minister of the Crown, a government department or other public authority by virtue of the Act;
 - (b) any increase attributable to the Act in the sums payable by virtue of any other Act out of money so provided;
- (2) any charge on the Consolidated Fund or the National Loans Fund, or any other charge on the public revenue, arising by virtue of the Act.—(*Paul Maynard.*)

Question agreed to.

FINANCIAL SERVICES (IMPLEMENTATION OF LEGISLATION) BILL [LORDS] (WAYS AND MEANS)

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

That, for the purposes of any Act resulting from the Financial Services (Implementation of Legislation) Bill [*Lords*], it is expedient to authorise:

- (1) any fees or charges, or any other charge on the people, arising by virtue of the Act;
- (2) the payment of sums into the Consolidated Fund or the National Loans Fund.—(*Paul Maynard.*)

Question agreed to.

Business without Debate

DELEGATED LEGISLATION

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

EXITING THE EUROPEAN UNION (COUNTY COURT)

That the draft Mutual Recognition of Protection Measures in Civil Matters (Amendment) (EU Exit) Regulations 2019, which were laid before this House on 12 December 2018, be approved.—
(*Paul Maynard.*)

Question agreed to.

WORK AND PENSIONS

Ordered,

That Alex Burghart be discharged from the Work and Pensions Committee and Anna Soubry be added.—(*Mark Spencer, on behalf of the Selection Committee.*)

Election Law Reform

Motion made, and Question proposed, That this House do now adjourn.—(*Paul Maynard.*)

7.35 pm

Craig Mackinlay (South Thanet) (Con): I am pleased to be afforded the Floor of the House for this Adjournment debate on the reform of election law. Many might ask, “What does it matter?” Naysayers might say that this is a debate in defence of ourselves. Well, perhaps, but this is serious. Our election law is a mess, leaving candidates and agents exposed as never before to the real risk of criminal prosecution, so this cannot wait—it needs solving now.

Election law is important, as it defines the type of democratic institutions that we have. The playing field must be fair and equal, and seen to be so, and the results of elections need to be respected as just and fair. That must be encapsulated in our election law.

Jim Shannon (Strangford) (DUP): I thank the hon. Gentleman for giving way before he gets into the thrust of his contribution. I asked his permission to intervene beforehand.

In Northern Ireland we have made many, many changes to electoral law, particularly for stricter controls on registration and identification. That is not the subject of this debate, but does the hon. Gentleman agree on the need for voter ID in the mainland? We have done it in Northern Ireland, and it has done away with a lot of discrepancies in voting. That may be a separate issue but, none the less, does he agree it is important?

Craig Mackinlay: I thank the hon. Gentleman. He raises a wider debate about voter registration, and I would not object to its application on the mainland. I see nothing wrong with every single voter having a unique identifying code so that people cannot vote in two places, for instance. I would welcome moves towards that.

Through no design of mine, and for obvious reasons, I have come over the past two years to know, rather too closely, the intricacies of election law. I do not intend my contribution to descend into a personal rant against the Electoral Commission, the Crown Prosecution Service and Kent police, which led me to a three-month trial and subsequent acquittal, but I hope some good can come from my experiences by being a catalyst for the reform of election law, which was recently described by a retired professor of election law, Bob Watt, as a “compost heap”.

We have two key statutes: the Political Parties, Elections and Referendums Act 2000, often referred to as the PPERA; and the Representation of the People Act 1983, often called the RPA. The PPERA was enacted to reflect the reality of modern politics, and it created the Electoral Commission, a statutory body with powers over election processes and guidance setting for candidates, agents, political parties and, importantly, local authority electoral staff.

The Electoral Commission has a budget of £17 million and employs 134 staff. It oversees and controls national party spending, donations and reporting and the regulation of third-party campaigners, among other things. Members may not be aware that it is from the PPERA that ballot

papers have thereafter had the candidate's name and the logo of the national political party for whom they are standing. That was a recognition of the reality that the electorate vote for political parties. Few of us in this House would be so bold as to claim that the electorate vote for us solely as individuals—if only that were true; they vote in larger part for the party messages, for the perceptions they have of party leaders and for the national party manifestos. This legislation set spending limits of close to £20 million for registered political parties to spend across the UK in the regulated period of a year prior to a planned and forecast election as envisaged by the Fixed-term Parliaments Act 2011.

We then have the law that is more relevant to us. It is relevant to candidates and agents across elections, no matter what their type, be they parliamentary, Assembly Member, council, mayoral or police and crime commissioner elections. I refer to the Representation of the People Act 1983, which is the legislation I would like to focus upon this evening. I wish to focus on two small sections—sections 90C and 90ZA. It was on the construction and interpretation of these two sections that the entire case against me was founded, and it is from these things that we need to learn and change. In broad terms, the 1983 Act governs candidates' returns, spending limits, timings, agents' and candidates' responsibilities, and, importantly, various offences, notably against those not authorised to spend money on a campaign. There is a clear prohibition in section 75 of the Act, with punitive criminal sanctions against those who spend without the authority of the election agent.

Those small sections are detailed and they are often not understood, so I will advance to the House what they mean. Section 90ZA explains the common meaning of "election expenses". Subsection (4) outlines the concept of "incurred and authorised", and this accords to the long-held view that election expenses can be so only if incurred or authorised by a candidate or agent. This interpretation, relied on by all political parties, has roots going back to 1868 legislation in another form. If not authorised, an offence can be committed by the person incurring expenses under section 75 of the Act. This seemingly clear interpretation was to prevent those who might want to interfere with an election from doing so—or else face criminal proceedings. It also provided candidates and agents with the power to control what is spent on the campaign they are legally responsible for.

Section 90C explains what to do if goods, services or facilities are provided free or at a discount, for instance, where a friendly printer provides printed material, perhaps as a party supporter. It is clear and people fully understood what it was there for; the concept was simple. The section dictates that the item, service or facility given free or at an undervalue should form part of the election expense return at a proper market value rate, subject to some simple *de minimis* rules.

My case passed through a long trail of court interpretations before criminal trial. At an early application to dismiss, which was rejected, we argued that the normal interpretation of section 90C—the discount or free provision—could apply towards a candidate's election expenses only if such a good, service or facility had been properly authorised in the first place by the candidate or agent under the normal authorising provisions of section 90ZA. It has long been the understanding of

colleagues in this House and experienced election law Queen's counsel, some of whom write the textbook on election law, that the rules always intended that agents were responsible for the finances of election campaigns. Candidates will be focused on meeting electors and winning votes during the campaign period—we will all be familiar with that. The law intended agents to be involved in all the spending decisions in a campaign, either by spending themselves or permitting someone else to spend on their behalf. They, or the candidate, are meant to authorise any spending on the campaign, so that all expenditure goes through them. As a result, the agent is then liable to produce a full, "true" return of all this spending and be responsible for keeping within the legal spending limits.

The Act also takes steps to try to ensure that others are dissuaded from spending on an election campaign without this authorisation from the agent or candidate. Section 73(6) and section 75 provide for offences for people who make payments for the campaign or who spend on campaigning without the agent's express permission. Anyone spending or making such payments without authorisation—written authorisation should be the norm—risks committing an offence. If others are willing to take the risk of committing an offence by spending or paying expenses without authorisation from the agent, that would be a criminal matter for them. This does not mean there is a free pass for people to flout spending limits by simply refusing to give authorisation for spending which others decide to incur anyway. So it is clear that the baton of the risk of illegal activity passes from the agent or candidate to the individual deciding to incur the unauthorised expense. We all have some strong and great supporters in our constituencies who are keen to help, but I expect that none would flout the wishes of the candidate and agent and decide to place themselves in jeopardy. Then there is a deterrent to third parties incurring expenses without authorisation.

The judge in an early part of my ordeal did not agree with this long-held interpretation and interpreted that the legislation should mean that anything used to the benefit of a candidate or to denigrate their opponent, used either by the candidate or, more worryingly, simply "on their behalf", should be included in a candidate spending return, regardless of whether it was authorised or not. This was appealed to the Court of Appeal, in front of the Lord Chief Justice. That appeal was successful and the normal ground was seemingly restored.

The Crown Prosecution Service, with the Electoral Commission attaching itself as an interested party, appealed the Appeal Court decision to the Supreme Court. That appeal was heard on 23 May 2018, with judgment given on 25 July last year. In summary, that decision overturned the Appeal Court decision and has to stand as the ultimate authority on the interpretation of sections 90C and 90ZA of the 1983 Act.

Andrew Bridgen (North West Leicestershire) (Con): I wish to recap. Worryingly, a candidate in an election could be liable under the law for spending on his behalf that he neither authorised, nor was even aware of.

Craig Mackinlay: I am grateful to my hon. Friend, as he has encapsulated the issue in a few brief sentences. I will be expanding on that in the remainder of the debate.

[Craig Mackinlay]

The Supreme Court decision ruled that under section 90C free goods, services or facilities for the “use” or “benefit” of the candidate, arranged either by them or on their behalf, must be included in an election return. In addition, and this goes to the point made by my hon. Friend, authorisation or even, it would seem, full knowledge of the candidate or agent is not required, and only active refusal might—I stress might—be the only possible defence. It is difficult to see how that could be done if the candidate or agent is unaware of the matter concerned or the costs involved.

The Electoral Commission does not come off unscathed by that Supreme Court judgment. Paragraph 28 of it states that

“the Electoral Commission’s helpful guidance documents issued over several years, whilst they certainly both address the question of apportionment of expenditure between party and candidate, and deal with the concept of free or discounted services, nowhere appear to alert readers to the possible link between them, nor to the application of the notional expenditure rules to what must sometimes be a difficult exercise of separating local from national expenditure.”

Let us overlay that statement about the Electoral Commission with some of its own written output on the launch of a consultation on a new draft code of practice on 10 September 2018:

“We hope these Codes will make it easier for you to submit your own or your party’s returns, simplifying the process and removing any blurred lines that there might have been”.

It goes on:

“In responding to this consultation you’ll help us to further demystify the process and remove any confusion that you or your party may have over the process of campaign reporting.”

So, we have an acknowledgement by the Electoral Commission of problems in election law and it was admonished, to a degree, by the Supreme Court.

The only reference in the draft code published in September last year to the Supreme Court judgment is a single paragraph on page 4 of a 23-page document, which is as yet without statutory force. That single paragraph says:

“This notional spending falls to be declared as election expenses in the candidate’s return even if the items provided have not been authorised by the candidate, the candidate’s agent or someone authorised by either or both of them, *R v Mackinlay and others (Respondents)*, UKSC 42, 25 July 2018.”

That is it: this fundamental change in interpretation encapsulated in a few lines in a draft code of practice, with no guidance as to what it might mean in practice. If the hope was, to use the Electoral Commission’s words, to demystify and remove blurred lines, the Electoral Commission has comprehensively failed.

Mr Mark Harper (Forest of Dean) (Con): I think my hon. Friend has answered this question, but to pick up the point made by my hon. Friend the Member for North West Leicestershire (Andrew Bridgen), did the Electoral Commission suggest in the draft code of conduct how a candidate was supposed to know, or to be able to account for, that information in any practical way? Or did it leave that open?

Craig Mackinlay: My right hon. Friend highlights exactly what he might have expected, but I am afraid he will be disappointed, because that is it. There is not one

additional word of guidance as to how this change of interpretation might be administered on the proper battleground of elections.

Ian C. Lucas (Wrexham) (Lab): The hon. Gentleman is making an important and helpful speech. Was the issue of whether the money was national spend or local spend within a political party relevant to the finding he is describing? For example, some Conservative national spend for an individual constituency might not have been authorised by the agent. Was that the reason the decision was made in the way that it was?

Craig Mackinlay: The hon. Gentleman highlights the issue at stake, which is at the core of the Supreme Court judgment, but we are still left with this ambiguity as what others might do that the candidate might not know about. Matters of which the candidate has little to no knowledge, and activity that they certainly had not authorised, would have to be part of an election return.

Ian C. Lucas: I have great sympathy for the ordeal, as he described it, that the hon. Gentleman has gone through. We all have experience of elections and agents. The central point that he has indicated is really important: individual authorisation should be obtained from the individuals concerned. That requirement should be adhered to and, if that has not happened, that is deeply regrettable.

Craig Mackinlay: The hon. Gentleman makes reference to the full understanding of election law dating back to 1868 and in its various guises since. It is only now that the Supreme Court has overturned what we had all accepted as the normal happenings and procedures of election law for all these years. It has confounded many election specialists.

Let me pick up where I left off. As yet, the draft code has no statutory force. In just 51 days, we will be appointing candidates for local elections and in 80 days the local elections will be taking place throughout the country, possibly in just about every constituency. The Electoral Commission currently proposes to put thousands of local election candidates into battle with no clue as to what they should do to stay properly within the newly interpreted law.

Alex Chalk (Cheltenham) (Con): Does my hon. Friend share my concern that these issues, with which the Electoral Commission is grappling very late in the day, have been known to us for many years? Regrettably, the Electoral Commission has dragged its feet in addressing these issues. It should do so in a way that provides clarity and certainty for people who could otherwise be liable to prosecution.

Craig Mackinlay: I thank my hon. Friend for his intervention. There is one person in this House who has been liable to prosecution: I have had the full force of that.

As I shall ask a number of times in my speech, is the Electoral Commission fit for purpose? Was the commission’s preferred interpretation of the relevant sections of the 1983 Act, which it used in support of my prosecution and, it seems, for no other obvious purpose, included in the 2015 guidance for candidates and agents? No, it does not appear anywhere. Did it find its way into the revised guidance for the 2017 general election, under

which everybody in this House fought for election? No, it does not appear anywhere. Armed with the result of the Supreme Court judgment, to which the Electoral Commission was attached as an interested party, did the commission finally incorporate it into its most recent guidance for the local elections in England in May 2019? Did it incorporate within that guidance the definitive Supreme Court interpretation of sections 90C and 90ZA of the 1983 Act? I think you know the answer, Madam Deputy Speaker, and it is no. Why did the Electoral Commission intervene, at public expense, if it had no intention of advising candidates and agents, on pain of criminal prosecution, as to the proper interpretation of law following the judgment in its favour? Is the Electoral Commission incapable of speaking with itself? I ask once more: is it fit for purpose at all?

A huge grey area has now opened up. What if someone decides, without recourse to the candidate or agent for authorisation, to print and deliver thousands of leaflets saying “Vote for X”? This could cost the individual thousands of pounds, which they decide to pay themselves. Once it is printed and delivered, they inform the candidate and agent about the unwanted help that they have provided and paid for. Unknown to them is the fact that the candidate has no headroom left in their election budget for this kind of spending, which would breach the legal spending limit. The leaflets are clearly for the benefit of the candidate and they have obviously been used. They are notional, as they are free, because the third party has paid for them. The Supreme Court’s new interpretation of section 90C requires that that cost must be recorded, and in the circumstances that would breach the spending limit for the candidate and agent, with all that that might entail.

Candidates and agents need to know the risks they face. Clear warnings should be given in Electoral Commission guidance. Remember that it is candidates and agents who face criminal sanctions if spending limits are breached. Under the Supreme Court’s judgment, they lose control of spending should anyone else decide to offer their support for free, whether it is wanted or not. How can anyone hope to budget for an election campaign under such a system? We all need clarity from the Electoral Commission. It pushed for this interpretation of the law and won at the Supreme Court, so how do we deal with it in practice? At the next election, might people provide free goods and services on behalf of, say, the right hon. Member for Islington North (Jeremy Corbyn), or my right hon. Friend the Member for Maidenhead (Mrs May), to the extent that they breach their spending limits? Will we then find them massively embroiled in police investigations and court cases? There are those who may decide to take such action and spend money simply to cause chaos. The Electoral Commission has yet to step up to the plate and explain how the interpretation that it pushed for and won on in the Supreme Court will play out in practice.

I shall dwell only briefly on some of the errors that have put people to threat of financial and criminal sanction, at the doors of the commission and its guidance. The commission offers, in its own words, “bespoke advice” to campaigners and parties. Let me highlight but one recent publicised example. Vote Leave sought that bespoke advice, on offer for free, in respect of activities during the referendum campaign. It seems that Vote Leave acted on that advice and has now been

accused of breaking the law—by acting on Electoral Commission advice, which is now considered to be the wrong advice. You could barely make it up.

Battle buses have probably been part of election campaigning since buses were invented. An investigation into the Conservative party concluded with a report published on 16 March 2017 and led to fines. No similar investigation was made into the use of battle buses by any other party or by any third-party campaigners. There appears to be a lack of even-handedness in the activities of the commission across much of what it does and whom it pursues. Its status and reputation are not helped when its current director of regulation has posted anti-Conservative social media messages in the past and has provided witness statements for court use against Conservatives, including me, but against no other political party.

All political parties and candidates use correx boards—we are all familiar with them in this House. They have become the usual stock in trade at all elections. These boards are rugged—we are familiar with their construction—and would last for many years, save for the inevitable criminal damage, I am sorry to say, that characterises many modern election campaigns. Across all of these documents—of 2015, 2017, and 2019—is there one word of advice on how correx boards should be treated and how criminal damage should be reconciled and accounted for? Everyone will be familiar with my answer by now—it is no. There is not one word of advice.

The Electoral Commission offered substantial evidence during my criminal trial. Its view was that correx boards should be written off and recorded in full at the first election that they are used. I can only say, “Really?” Then say so in published guidance. Let us examine what its current perceived position really means. Let us say that successful candidate X wins in a safe seat that is likely to be held for many years. That is common for many in this House. If the boards were to be expensed through the election return at the first outing, at the second outing, there would be nothing to declare because they cannot be counted twice. The new Opposition candidate at the second election would be at an immediate disadvantage on needing to buy expensive correx boards just to keep up, while the sitting MP would have a zero cost to declare, allowing a spending advantage, as budget could be used for additional leaflets or other election promotions. I ask again: is the Electoral Commission fit for purpose? Does it actually understand what it is there to regulate?

Let me give a few examples of the perversity of the law and the situation we now find ourselves in following the Supreme Court judgment. This would certainly apply should we face—heaven forbid—a premature general election. What would be the status of a supporter—or, probably more accurately, a spoiler—deciding to hire an aircraft with a trailing banner of support which is not wanted or assented to by the candidate or agent? The benefit test and the on behalf test under the Supreme Court ruling would have been met, the candidate would probably have seen it and, as such, they would need to account for it as an election cost, potentially exceeding their election budget and placing themselves under threat of prosecution under the criminal code. That would mean a loss of seat, fraud charges, a criminal record, costs and loss of any professional qualifications—potential ruination.

[Craig Mackinlay]

How would senior members of a party possibly tour the country at an election, as is the usual and expected standard practice? This would be deemed, under the benefit test under the Supreme Court, to be in support of the candidate in the particular constituency visited. The Nicola Sturgeon helicopter alone would break the budget of the candidate visited, as would the security and travel costs for the PM or the Leader of the Opposition.

I have saved the most perverse example, which is relevant to this age of digital campaigning, until last. What if a foreign national or hostile foreign Government were to spend on Facebook advertising in support of—or denigration of—a candidate but it is entirely unwanted by that candidate? The benefit and use tests under the Supreme Court ruling would have been met. If the candidate were able to obtain the cost of the advertising from Facebook and find who placed it—in itself a tall order—how many impressions would be relevant? Were the impressions seen by non-voting businesses or by minors, they would not be an election cost, but impressions viewed by those of voting age would. However, the law and Election Commission guidance state that an honest assessment needs to be made. Under the newly interpreted understanding of section 90C of the 1983 Act, an honest assessment would need to be made. Might this pitch the election expenditure over the limit, with all that follows? The double entry of election expenses requires, at all times, the identification of donors. So, madly and perversely, the candidate could find themselves in a double illegality because a second illegal activity would be deemed to have taken place by the recognition and deemed acceptance of an illegal foreign donation.

It is very easy to speak in an Adjournment debate just to have a moan, but tonight I wish to conclude with some solutions—I have a number of them. Might higher local candidate spending limits and lower national party spending limits be the answer, so that any interpretative complications at the margins would at least allow sufficient latitude for the candidate to be on the correct side of the law and spending limits? Legislative change needs to be forthcoming—it is urgent; it is needed almost within days. I have proposed a most simple and elegant solution. It is available to Ministers under a simple statutory instrument, which I recommend be passed with all haste.

Schedule 4A to the 1983 Act lists what are election expenses under part 1 and what are not election expenses under part 2—for instance, if a candidate drives themselves around in their own car. The Secretary of State has wide powers under section 15 of the Act to make orders to add or subtract from parts 1 and 2. A simple addition, in these words, to part 1 would clarify the law and revert matters to what I believe Parliament always obviously intended under the Act. It reads:

“Notwithstanding that a matter might fall to be included within Part 1”—

that is the “what is” —

“of this schedule because of section 90C of this Act” —

the deeming provision that the Supreme Court has now come to —

“it would only be deemed an election expense if section 90ZA(4) also applies.”

It is section 90ZA(4) that requires authorisation by an agent. In easy terms, this would restore, within three and a half lines, the position that election expenses can only be so if properly authorised by a candidate, agent or somebody properly authorised by them. With this in place, we can start to unload what has been described as the compost heap of election law in due course and replace it in the longer term with legislation that is fit for purpose. But candidates and agents deserve protection right now.

Mr Jonathan Lord (Woking) (Con): I am fortunate to have an excellent agent, Simon Ashall, who is fully trained, but—my hon. Friend has brought this issue out in his excellent and important speech—even he is in a muddle about some aspects of our current electoral law. There were 3,304 candidates at the last general election, and only a few hundred, at most, will have had a professional agent. A really good and experienced agent does not feel that he can be on top of things. My hon. Friend is absolutely right. We need robust and effective electoral law and regulation, but it also needs to be simplified, fair-handed and clear. I thank him for bringing this debate to the House.

Craig Mackinlay: I thank my hon. Friend for those robust and powerful words. As he describes, when experienced election agents treat these laws with fear, this is not a position by which any political party will be able to recruit election agents in the future. The barriers should be clear. One should know where the RPA or the PPERA kicks in. But, as my hon. Friend says, how can anybody know what cannot be known? Those are the realms that we are now in.

Candidates and agents deserve protection. There are elections in 80 days' time and nominations for candidates close in just 51 days. I ask the Minister to act urgently, with that simple proposed statutory instrument of three and a half lines, to bring clarity to the law and protection for all candidates and agents.

8.11 pm

Alex Chalk (Cheltenham) (Con): I thank my hon. Friend the Member for South Thanet (Craig Mackinlay) not only for giving an excellent speech, but for making such an important contribution to this critical field. People watching this from the Public Gallery, or perhaps reading the debate later, may be surprised to learn that these issues are of such seriousness that if candidates or their agents get them wrong, there is a decent possibility that the matter will be resolved with an individual standing up in court, potentially at risk of losing his liberty, his reputation and, indeed, his livelihood. If that is the consequence, it is critical that the legal landscape is clear, and I am afraid that I respectfully agree that it is not clear.

Let me give the House just one small example of how we find ourselves in a situation where people's campaigning activity might owe more to their appetite for risk than to the correct campaigning message. In 2017 in Cheltenham, one of the issues was whether I should be putting out a leaflet that mentioned Cheltenham repeatedly throughout. Under one view, if it was simply a national message that would apply to Cheltenham, it could be national expenditure. But under another view, it could be allocated as local expenditure. People watching this should understand that if someone gets that judgment wrong, they could end up being prosecuted for breaking their limit.

I thought that there was a risk involved in allocating that as a national spend so I declined to do so, but others took an entirely different view, mentioned Cheltenham a lot and simply allocated the spending as a national spend. It turns out, however, that the Electoral Commission has decided after the event—through these provisional codes of conduct—that circumstances where the constituency is mentioned should be classed as a local expense. Well, if that is right, the implications are absolutely enormous.

My hon. Friend has already delivered a devastating critique of the Electoral Commission, but one of my criticisms is that it is so slow to act. It knew about this situation in 2015, and yet two years later, when it came to the 2017 election, had it sorted the situation out? No. Had it provided any guidance? No. Candidates like me were simply left to fend for ourselves and make a judgment based on our appetite for risk. I had zero appetite for risk, so I took a cautious approach; others did not, and the net effect was that there was not a level playing field. If the Electoral Commission is not there to ensure a level playing field, what on earth is it there to do?

Ian C. Lucas: The hon. Gentleman is making a very important point. I am a member of the Select Committee on Digital, Culture, Media and Sport, and I am particularly interested in this debate because of the inquiry that we have been carrying out into fake news. One issue that is crucial in all this, but that we have not really discussed today, is the advent of social media campaigning. If we are talking about not being up to speed, I have been on a huge learning journey on the Committee since I was re-elected in 2017. Frankly, I am sure that most of the Members of the House will not be aware of the scale of change that has happened in this area in recent years. The issue regarding local and national spend that the hon. Gentleman mentioned is just one of those changes. We need urgently to reform the law to take account of what actually happens in campaigns today.

Alex Chalk: The hon. Gentleman makes a good and fair point, but I would say that the law will inevitably struggle to keep up with every last twist and turn. That is one of the reasons that we need to have an Electoral Commission that is agile and nimble, and can provide assistance to candidates. My first criticism of the Electoral Commission is that it has singularly failed to show that agility and nimbleness. That is not simply an academic criticism; it is echoed in how elections are run, and it means that we do not have a level playing field.

Mr Harper: I think that the situation is actually slightly worse than my hon. Friend says. When listening to the speech of our hon. Friend the Member for South Thanet (Craig Mackinlay), it struck me that the Electoral Commission had been quite nimble and agile in some ways, in the sense that it decided to back a legal action that made the current position more complicated and less straightforward. What it actually should have been doing was being less nimble and sticking to the existing understood provisions in the law, rather than trying to change them. There is enough change in the system, as the hon. Member for Wrexham (Ian C. Lucas) says, without muddying up things that everyone in this House thought were very clear.

Alex Chalk: The Electoral Commission needs to do two things. First, it needs to be nimble and agile in responding to developments in campaigning practice. Secondly, it needs to show judgment when matters come before its desk. That judgment means using common sense, but it also means being scrupulously impartial and scrupulously independent. That is not just a statement of the obvious. It is something that is set out in the code of conduct for electoral commissioners, which says:

“Commissioners, and the Commission as a body, are accountable to Parliament. Within the Commission, Commissioners are accountable to the Chair. Commissioners are expected to act at all times to further the Commission’s aims and objectives, and uphold its impartiality.”

Impartiality is key. Section 2 on conflicts of interest goes on to say:

“The failure to declare an interest and then act appropriately can affect the validity of a decision. The test in all matters is—would a fair-minded and informed observer conclude that there is a real possibility of bias? The issue is not just whether there is bias, but instead could there be a reasonable suspicion of bias? Decisions must be made in an impartial way without any opinions being formed beforehand”.

And yet we have an extraordinary situation whereby the director of regulation of the Electoral Commission—the person who comments on the fines imposed on political parties, and who, perhaps more than anyone else, should be impartial and be perceived to be impartial—wrote on Facebook when David Cameron became Prime Minister:

“Just can’t understand what people were thinking—do they not remember the Tories before?”

She went on to say that she

“doesn’t want to live under a Tory government.”

She also wrote that she could “not believe” that she lives “under a Tory PM again! What is wrong with people? Grrr! Words have failed me.”

This is the person who is making decisions on whether to proceed with prosecutions or investigations against my hon. Friend. How on earth does that satisfy the test? I remind the House that the test asks

“would a fair-minded and informed observer conclude that there is a real possibility of bias? The issue is not just whether there is bias, but instead could there be a reasonable suspicion of bias?”

Well, if that test is not crossed in this case, what on earth is the point of the Electoral Commission?

8.19 pm

The Parliamentary Secretary, Cabinet Office (Chloe Smith): It is a pleasure to be here with you tonight, Mr Deputy Speaker. I thank my hon. Friend the Member for South Thanet (Craig Mackinlay) for raising this issue. I am glad that we have been able to have a lengthy debate in which to fully understand these matters. He has raised a number of important points, and I am glad of the opportunity to respond. I also thank my hon. Friend the Member for Cheltenham (Alex Chalk) for adding his remarks, and all those who have done so through interventions.

First, I do recognise the very difficult time that my hon. Friend the Member for South Thanet has recently gone through. I hope that he takes solace not only from his acquittal but from the further remarks that the judge went on to make about the good faith in which my hon. Friend was operating. It must be said, however, that while he was acquitted, one person in the case was found guilty of breaching electoral spending rules. The rules that govern the spending of political parties and

[Chloe Smith]

candidates at elections are important. They provide for a level playing field, as has been discussed, both for parties and candidates. The extent of their importance and the seriousness of any breach can be seen in the judge's remarks during sentencing on the other part of the case. I will not say anything further tonight on the details of that case, but I do want to address the points on electoral law raised by my hon. Friend. The first of those concerns the Supreme Court judgment on notional expenditure, and the second touches on the divide between candidate and party expenditure. A few other points have been raised, but I will focus on those raised by my hon. Friend.

I should say at the outset that the laws that govern our elections are an integral part of the UK's democratic framework and therefore something that we should be proud of, respect, protect, and aim to promote. They ensure that there is a level playing field for all candidates, parties and campaigners participating in UK elections, provide a level of protection in regulating the registration of campaigners and parties, ensure that election-related expenses are accounted for, and provide checks and balances. In addition, the Electoral Commission, as the regulator, plays an important role in the electoral framework to ensure that candidates, parties and campaigners are complying with the law.

Let me turn first to my hon. Friend's point about his disagreement with the Supreme Court's ruling that there should be no additional requirement for a candidate or an agent to authorise the provisions of free or discounted goods or services. He speaks of amending the primary legislation that governs this point and proposes that it could be amended by way of a statutory instrument so that authorisation becomes required in both types of case. The Government are considering this judgment very carefully and will continue to do so, as will I, in the light of the arguments that have been put tonight. There are serious implications for the law on notional expenditure for electoral candidates. We will continue to talk to the political parties to understand the implications for future campaigns and to consider potential solutions. Indeed, I will be discussing this only tomorrow with a cross-party delegation from the other House.

However, one point I would make tonight is on whether this could or should be done through primary or through secondary legislation. That deserves some consideration. It may not be appropriate, entirely, to seek to amend the primary legislation, as proposed, through the use of the order-making power that is found, as my hon. Friend set out, in paragraph 15 of schedule 4A to the RPA 1983. That schedule sets out the general categories of election expenses. His proposed changes would be a fundamental change to the meaning and effect of notional expenditure provisions in that legislation. It is therefore a fair consideration that any such amendment should be done by primary legislation rather than by an order-making power. I offer that to the House in terms of considering the complexity of the change that we might be looking at.

Mr Harper: I approach this matter with care, as I have been in my hon. Friend's position in the past and know how complex this legislation is. May I just probe her on the answer she is giving to my hon. Friend the Member for South Thanet (Craig Mackinlay)? I thought

that his solution was not actually making a fundamental change but putting the legislation back to what we all thought it was, and what I think Members had thought they were doing when they legislated in the first place.

Craig Mackinlay *indicated assent.*

Mr Harper: I see that my hon. Friend is nodding. I do not think that he is suggesting using order-making powers to make a big change but saying that we should use those order-making powers to put the legislation back to what we all thought it was before the justices in the Supreme Court made their decision last July.

Chloe Smith: I thank my right hon. Friend. As he says, he has stood at the Dispatch Box in this role, and he, too, will have grappled with the intricacies of the RPA, the PPERA, and more besides. I understand his point, which I would answer by way of an example. Only tonight, I have just come from leading a statutory instrument debate on a further election expenses order. I am a very lucky Minister. I have had the opportunity to be part of three of four election-related debates in only one day. That measure was perhaps a more straightforward example of candidates' electoral spending limits. We therefore have, at this very moment, some very practical examples before the House of what I would suggest is the right use of that order-making power. That was a different order of thing, I would suggest to my right hon. Friend, than even the way that he characterises this proposed change. We do need to consider whether such a thing should be done by ordermaking or in primary legislation. Whatever the genesis of the problem—whether it came from the Supreme Court or from a different source—it is right that we give it that consideration.

Mr Harper: Can I just check the Government's position on this? I know what the view of my hon. Friend the Member for South Thanet is—that the position was clear before last year and the Supreme Court's decision in July changed the understanding of the position. Is it the Government's understanding that before the Supreme Court's decision, the law was clear, as my hon. Friend set it out, and then the Supreme Court changed everyone's interpretation of it? In other words, do the Government think that there is something that we need to fix, or do they think that the Supreme Court just set out what everyone thought the law was and therefore we do not need to do anything to fix it?

Chloe Smith: I think it is fair to say that the Government certainly recognise that the position has been brought into a lack of clarity. The net position right now is that candidates and agents may well be seeking a clearer understanding, and so the question is how to help to provide that. I will come on to ways of doing so.

I want to turn briefly to the arguments put by my hon. Friend the Member for South Thanet about how party and candidate spending rules interact. He is arguing, quite understandably, that the law in this area requires reform as well—again, due to a lack of clarity. The Supreme Court itself acknowledges that separating local from national expenditure can sometimes be a difficult exercise. Certainly, the Government's view, absolutely, is that ensuring that the electoral framework is well understood and operates effectively is important for all of us. One piece of work that is going on is that since 2017 the

Electoral Commission has produced a series of updated non-statutory guidance documents on electoral spending for political parties, candidates and third-party campaigners for parliamentary general elections, local government elections, and other elections. That includes specific guidance on managing spending returns and others.

In addition, the Electoral Commission has been working on new statutory codes of practice for registered political parties and candidates. Those are intended to add clarity and give examples of how the law applies to different kinds of electoral spending. I will make a few points on the codes, which I hope will be helpful, and then on what the Government will do.

The code for candidates clarifies the qualifying expenses for candidates that must be declared in a candidate's spending return and candidate expenses that are exempted. It provides guidance on the cases or circumstances in which expenses are regarded as incurred for the purposes of a candidate's election. The code also seeks to provide clarity on notional expenditure, which has been discussed at length tonight.

The code for parties similarly clarifies the qualifying expenses that must be declared in a party's spending return and includes general principles on all campaign expenditure incurred and on expenses that are excluded. As well as guidance and codes, legislative change is always an option to reform electoral law, and we should look at that carefully.

Mr Harper: I am grateful to the Minister for being so generous in taking interventions. Can she set out for the House how the position outlined by my hon. Friend the Member for South Thanet is treated? In other words, if a third party decides to be helpful and spends a candidate's money on their behalf without their authorisation, how does the code of conduct say that that should be accounted for, in her understanding of the law? The way that my hon. Friend set it out was quite worrying.

Chloe Smith: I am not in a position to set that out on the Electoral Commission's behalf, because it ought to speak for itself. I do not intend that to be a weaselly get-out, but these codes are the work of the Electoral Commission, and it is for the Electoral Commission to hear these concerns, respond to them accordingly and, in due course, lay the codes before the Commons, and I will come back to that.

Andrew Bridgen: We are not accusing the Minister of any weaselly get-out, but she and the Electoral Commission have to understand that there will be no weaselly get-out for any of us if we find ourselves in this situation without clarity on election law. This is a very worrying situation.

Chloe Smith: I quite agree, and I hope that that has been clear from the words I have used and repeated tonight. It is in all our interests—I say that in the widest possible sense of the democracy of which we all have the privilege and honour of being part—that these rules are clear. I simply meant that I am not in a position to answer in detail the question asked by my right hon. Friend the Member for Forest of Dean (Mr Harper) about paragraph x, y or z of the code, because that information is available to the House from a different source, and the House should scrutinise that for itself.

Craig Mackinlay: As I said in my speech, we have three bits of guidance: the 2015 guidance for general election candidates; the 2017 guidance, refreshed for the general election; and now the 2019 guidance for local election candidates. The Supreme Court judgment came before the publication of the 2019 rules. My right hon. Friend the Member for Forest of Dean asked a clear question: what was the intent? Was the intent of Parliament where we once were and what we all understood, or was it what the Supreme Court has finally come up with? If the Electoral Commission is so keen on what the Supreme Court came up with, why has it not put that in its latest 2019 guidance for local candidates? That is the reason I am trying to put the pitch back to what we have all understood for many years—from 1868 onwards—by a simple three-and-a-half-line statutory instrument. I recommend that this be given the most urgent consideration.

Chloe Smith: My hon. Friend reiterates a number of important points. He is right that this requires urgent consideration, and I have confirmed that the Government are looking at the position and want to help ensure that there is clarity. In this House, we are legislators; we are responsible for looking at the law and whether it is clear. As to the regulator's responsibility to provide usable guidance promptly, I observe again that the Electoral Commission is separately accountable to the House. There have been questions tonight from my hon. Friend and others that the House will wish to satisfy itself of for its oversight of the Electoral Commission, which, as you know, Mr Deputy Speaker, is through the Speaker's Committee. I encourage Members to direct some of their questions to that source. That is the right thing to do.

What I can talk about is the Government's next steps, so let me add something in relation to the codes of practice that I have mentioned. First, the commission concluded its public consultation on them in December 2018, and Ministers will review those draft codes before they are put to Parliament. Again, I emphasise that because that is the right and proper opportunity for the Government to contribute their part, but also for this Parliament to do so. The commission aims to have them approved by Parliament in time for elections in 2021. The Government will continue to work with the Electoral Commission on the statutory codes of practice, because we recognise the importance of having clear and accessible codes to provide further clarity on electoral spending.

Alex Chalk: There can be no doubt but that the Minister is attending to these matters with her customary diligence. Does she agree with me, however, that we can have endless codes of conduct, but that will not address the potential mischief? The situation is that somebody who is being mischievous could in effect sabotage a candidate's campaign by flying an aeroplane towing a banner at great expense, and that may render the individual liable to conviction, punishment and disgrace. No code of conduct is going to solve that, is it?

Chloe Smith: Yes, in short, I do recognise the example given, and I am very grateful to my hon. Friend for expounding it. I am also grateful to my hon. Friend the Member for South Thanet, who added other compelling examples, whether about leaflets or in relation to other hostile actors seeking to do such harm. I understand those concerns, and I am glad they have been laid out clearly in examples tonight.

Mr Harper: The Minister is being generous in giving way. I want to pick up a point she made about the code of conduct. She talked about clarity, but from listening carefully to my hon. Friend the Member for South Thanet, I think that while part of the problem is about clarity, post the Supreme Court's decision, the issue is not really clarity. The law is clear, because of the Supreme Court's judgment, but the problem is that the law, as the Supreme Court set out, is not a good outcome because it allows others to cause mischief. This is not about making the law clear; it is about changing the law back to what we all thought it was in the first place, and only we in this Parliament can do that.

Chloe Smith: Yes, and this brings me neatly to the concluding part of my remarks. This is precisely the piece that we in the House and the Government would seek to consider, which is whether we should change the law to provide such clarity. The argument has been put very well tonight that there is a lack of clarity. That has been exemplified and expanded on, and the question remains about the consideration of that judgment and its implications for the law on notional expenditure for electoral candidates.

It is right that we continue to talk to the political parties to understand the implications for future campaigns and to consider potential solutions. Indeed, the Government proactively put this forward as a topic of discussion at the parliamentary parties panel, which we use to consult on these issues, last December. As I mentioned earlier, I will be meeting representatives from across the parties as soon as tomorrow to discuss their views.

Mr Lord: I thank the Minister, on behalf of colleagues, for those assurances. Given the importance of this matter, could she give us some sort of timeline? There are different ways to get this new understanding sorted out and on to the statute book, but whichever way her Department chooses, may we at least have a timeline so that this important matter is sorted out once and for all?

Chloe Smith: I would like to be able to do so, but I am not in a position to do so. My hon. Friends in the Whips Office will have heard that request, and they may in turn be able to advise me about what may be manageable in the forthcoming parliamentary business. However, I intend to continue considering the matter carefully, as I hope that I have outlined, because we need a better understanding of a few related complexities. For example, were we to make the change, how would we avoid the possibility of further abuses being committed between categories? Proper consideration needs to be given to

such a change and to which power could be used to do that, as I said earlier. I give the House a commitment that I will continue to consider those important aspects with Cabinet Office officials.

Jim Shannon: On that point, I think that the thrust of what hon. Members have put forward tonight is the need for clarification. They also referred to the upcoming council elections in May. Many of us are seeking that clarification before May, so can the Minister give some indication of what will happen?

Chloe Smith: I thank the hon. Gentleman for that intervention and, indeed, for his earlier expression of support for improving the integrity of all elections through the use of voter ID at polling stations. I have set out tonight a number of the tools being used to try to give that clarity: the guidance from the Electoral Commission, the work on the codes and the question of legislative reform. As he will have just heard, I am unable to commit to a clear date for legislative reform tonight, because our considerations need to continue, but I hope that some elements of the existing guidance may still be helpful to all candidates and agents, not just those of us in this Chamber, in the upcoming local elections.

Let me come to a conclusion. It is also important that we have cross-party consensus on any legislative options, because these matters, which apply to our entire democratic framework, ought to be above mere party politics. We would require that consensus before we could proceed with a legislative option. I thank my hon. Friend the Member for South Thanet again for raising this important matter. As he and I have set out, these rules exist for a good reason: they create a level playing field by ensuring that all associated candidate and party costs are accounted for within electoral spending limits, and they prevent the misuse of electoral spending. The Government will continue to work with the regulator to ensure that there is clear guidance on electoral spending, including through the codes of practice to which I referred. We will continue to consider the implications of the Supreme Court judgment, with a view to protecting those important principles that underpin our democratic framework, which include fairness to candidates and agents and of course the concept of a level playing field, which has been well articulated tonight.

Question put and agreed to.

8.43 pm

House adjourned.

**Recall of MPs Act 2015:
Member for Peterborough**

Letter from Operations Manager, Central Criminal Court:

"I am writing on behalf of the Central Criminal Court in relation to the re-trial of Fiona Onasanya MP on a charge of Perverting the Course of Public Justice. I am writing to you as required by s.4(2) of the Recall of MPs Act 2015 to inform you that Ms Onasanya was convicted by the Jury of the offence on 19 December 2018 and that,

on 29 January 2019, Mr Justice Stuart-Smith sentenced her to 3 months imprisonment."

Letter from Registrar of Criminal Appeals:

"In accordance with s.4(4) of the Recall of MPs Act 2015, I write to inform you Fiona Onasanya has submitted an appeal against conviction, which I have referred to the full court and which is listed for hearing on 5th March. I also confirm that we have received no Attorney General referral and that no application may now be made as the time limit has expired and cannot be extended."

Westminster Hall

Monday 11 February 2019

[MRS ANNE MAIN *in the Chair*]

Secondary School Opening Hours

4.34 pm

Daniel Zeichner (Cambridge) (Lab): I beg to move,

That this House has considered e-petition 229178 relating to secondary school opening hours.

It is a pleasure to serve under your chairmanship, Mrs Main. I will start by reading the petition:

“School should start at 10am as teenagers are too tired. Teenagers are so tired due to having to wake up very early to get to school. The Government should require secondary schools to start later, which will lead to increased productivity at school”.

One of the things I love about the Petitions Committee is that the petitions we receive are often direct and to the point. There is no political beating about the bush—no “on one hand” and “on the other hand”. This one goes straight to the point: teenagers are tired, so schools should start later. It has achieved huge cut-through; there has been huge public interest, which is why it is such a pleasure to open this debate.

Over the next few minutes, I plan to lay out some of the scientific evidence that backs up the petition. I will say a little about the huge number of responses, many from teenagers, parents and schools. I will report a little on the responses in my city of Cambridge, and I will say a little about the practical challenges, the wider implications and some of the possible travel benefits.

When I started writing this speech, I was tempted to conclude, in time-honoured fashion, with a politician’s reply of “yes—maybe”, because, sadly, these things are always more complicated than one might imagine, but the more I read, the more I found myself agreeing with the petitioner. Allow me to praise the initiator of the petition. It was started by Hannah Kidner, a teenager doing her A-levels at Blundell’s School in Devon. She is in the Public Gallery. This petition is a great example of people-powered democracy. It was started just three months ago and has already garnered more than 180,000 signatures, proving that there are issues other than our future relationship with the European Union that stir passions.

I will set out the legal position. I thank the Library staff for their excellent briefing, which has informed much of my speech. Academies and free schools set their own school days and term dates with their board and headteacher. Local authority maintained schools decide the length of the school day, session times and breaks, but school must open for 190 days in a school year, and the school year must start after July. That means there is scope for local decision making, rather than the Government issuing an edict. I am not fond of the academy structure, and I favour so-called free schools even less, but they all receive public money, so my guess is that a future Government could act, because they would hold the purse strings. On the other hand, it is always convenient for Governments to delegate decisions that they consider tricky. More of that later.

The question of starting times has been considered at various points in recent years. There are strong feelings on both sides of the debate. I am not an education or neurological development expert, but I am told that many studies across the world over the years, particularly in the US, have suggested that a later start time may have a positive impact on pupils. However, some reviews have found more mixed results, and some have raised concerns about the quality of evidence. In Singapore, a school found that a delayed start time had a positive impact after nine months. A study in Canada found that

“Students from schools that started later slept longer, were more likely to meet sleep recommendations and were less likely to report feeling tired in the morning.”

The authors claimed:

“The study adds weight to the mounting evidence that delaying school start time benefits adolescent sleep.”

Canadian researchers claim that letting teens start school just 10 minutes later might help them to get more than 20 minutes extra sleep on a typical night. Although that might not sound like much, for some sleep-deprived adolescents it might be enough of a difference to enable them to get the recommended minimum eight hours of sleep a night. A lead author of a study into this issue, Karen Patte of Brock University in Ontario, said:

“Our body’s circadian clock naturally shifts later at puberty, so teens get tired later at night (due to later melatonin release) and therefore, need to sleep in longer in the morning in order to get sufficient rest. Delayed (school) start times have been recommended for adolescents to align with their delayed sleep schedules.”

Generally, though, it is thought that a further exploration of the evidence is required. One study, “Delayed School Start Times and Adolescent Sleep: A Systematic Review of the Experimental Evidence,” stated that

“School start times were delayed 25 to 60 minutes, and correspondingly, total sleep time increased from 25 to 77 minutes per weeknight. Some studies revealed reduced daytime sleepiness, depression, caffeine use, tardiness to class, and trouble staying awake. Overall, the evidence supports recent non-experimental study findings and calls for policy that advocates for delayed school start time to improve sleep. This presents a potential long-term solution to chronic sleep restriction during adolescence.”

However, the study goes on to state that

“there is a need for rigorous randomized study designs and reporting of consistent outcomes, including objective sleep measures and consistent measures of health and academic performance.”

I am grateful to Harriet Sherwood, who wrote an excellent piece for *The Guardian* a few weeks ago highlighting some of the issues underlying this debate. She wrote:

“Sleep experts are warning of an epidemic of sleep deprivation among school-aged children, with some urging educational authorities to alter school hours to allow adolescents to stay in bed longer. Adequate sleep is the strongest factor in the wellbeing and mental health of teenagers, and a shortage is linked to poor educational results, anxiety and obesity”.

She reported that the French Education Minister recently approved a proposal to push the start of the school day back by an hour—albeit to 9 am—for students aged 15 to 18 in Paris. The article continues:

“Scientists say that humans’ circadian rhythms – the body clock that manages the cycle of sleep and wakefulness – change in adolescence. The cycle shifts two hours in teenagers which means that they are wired to go to sleep and wake up later. ‘It’s like they’re in a different time zone,’ said Dr Michael Farquhar, a consultant in paediatric sleep medicine at the Evelina children’s hospital in London.

[Daniel Zeichner]

‘We’re asking them to get up before their body clock is ready, because that’s the way the adult world works. So most teenagers end up sleep-deprived.’

Sleep is the ‘strongest predictor of wellbeing among teenagers’, said Russell Viner, professor of adolescent health at University College London and president of the Royal College of Paediatrics and Child Health.”

There are strong scientific reasons for considering change, but beyond the simple correlation between teenage brain development and sleep patterns, and the impact that may have on school results, it is important to recognise that schools are more than just exam factories. I am afraid successive Governments have needed to be reminded about that. I suspect most of us would agree that schools are key parts of communities and play a key role in family life, and that that would have to be considered as part of a proposed change to the school day.

Vicky Foxcroft (Lewisham, Deptford) (Lab) *rose*—

John Howell (Henley) (Con) *rose*—

Daniel Zeichner: I am happy to take interventions from both hon. Members, but I give way first to the hon. Gentleman.

John Howell: Please—ladies first.

Daniel Zeichner: Well, I am not sure I am going to go for that, but I give way to my hon. Friend the Member for Lewisham, Deptford (Vicky Foxcroft).

Vicky Foxcroft: My hon. Friend is making a fantastic speech. Does he agree with me and the *BMJ* that delaying the time children finish school is a very important part of this issue? On his point about our children being safe and part of the local community, ensuring that they stay in school between 3 pm and 6 pm has been shown massively to reduce the potential for knife crime during those hours.

Daniel Zeichner: I am grateful to my hon. Friend. One of the difficulties with the proposed change is that starting later may well mean finishing later. There are pros and cons to that, which I will come to in a moment, but she makes an important point about safety.

John Howell: Has not research shown that we need to limit the amount of time people spend using screens, whether on their phones or their iPads, and that doing so can have a big effect on people’s attentiveness during class?

Daniel Zeichner: I am grateful to the hon. Gentleman for making that point. There has been good research recently suggesting that is the case, particularly with regard to the hours immediately before sleep. There is a range of issues about how we boost young people’s quality of life, and I fully admit that this is only one of them.

I am not an expert, but there are quite a few experts in Cambridge, which I represent, so I know people who are. Sensibly, I would suggest, I sought their advice. I am particularly grateful to the headteachers of Hills Road and Long Road sixth-form colleges, of Coleridge, Netherhall and Parkside secondary schools, of Cambridge

Academy for Science and Technology, and more. I was struck by the alacrity and thoughtfulness of the responses that I received from all those institutions; they were really well considered and well thought through, and of course they pointed out both the advantages and the potential pitfalls of this proposal. I suspect that any Member who asked their local colleges and schools about the subject would get similarly well considered responses.

Cambridge headteachers and principals mentioned plenty of positives. The proposed change could provide opportunities for childcare relief for staff, allowing teachers more time with their children in the mornings, which in turn may improve recruitment and retention—a key issue in my area. A lot of people pointed out that starting school later could significantly reduce traffic problems, which are particularly acute in university cities such as Cambridge, and delaying the start of the school day for teenagers could make a substantial change to public transport peaks. Many of us notice the difference getting in and out of Cambridge outside term time.

However, one local headteacher told me that he thought the proposal would work only if it was

“co-ordinated across the system. That is the big issue, as with the current term structure. Because of the need to co-ordinate with primary schools on childcare, working patterns of parents by and large running 9-5, it is hard for individual institutions to step outside the norm.”

His point is well made. I agree with him about co-ordination, although I have to say that I am less convinced that everyone works nine-to-five these days. I note that better employers are introducing more family-friendly flexible working. That should be encouraged, and it could be part of the answer when it comes to staggered school start times.

Let us look at some of the downsides. Although across-the-board change may be positive from an organisational perspective, the context of the school in question is key. Another Cambridge head, who I think has experience from a previous posting, said that although starting later has worked well at Portsmouth College, “it is very context dependent as a stand-alone solution”.

Clearly, different communities have different requirements and preferences, and any change must take that into account.

There are also questions to do with the impact on the wider community and families—many parents who do the school run on their way to work may find a later start disruptive—and at what age such a change would best suit students. Parents who allow their children to walk home alone may feel uncomfortable with the school day starting at 10 am, as it may mean children returning later in the afternoon or early evening. Clearly, some parents might not feel comfortable with their 11-year-old travelling home in the dark in winter.

Dr David Drew (Stroud) (Lab/Co-op): My hon. Friend is making an excellent speech. We cannot exonerate the parents. For good or bad, I have two grammar schools in my constituency. Children come to Stroud’s grammar schools from the other side of Swindon. That means there are 11-year-olds who have to get up at 5 o’clock in the morning. We can talk about putting the start of the school day back to 10 am, but at the moment, the days of some 11-year-olds start at 5 am and do not end until at least 9 pm, by the time they have finished their

homework. That cannot be good for children. We need to look at what makes a school accessible, rather than letting the free market go mad and letting parents make the choice.

Daniel Zeichner: Many of us continue to argue for a good local school in every area. Parental choice sometimes leads to difficult journeys for children, as my hon. Friend explained. That may be the choice people make, but the impact on children may not be as positive as one might wish.

The proposed change would affect not just children and parents but teachers, many of whom already work very long hours. They may prefer school to finish earlier, because they have more to do when the school day finishes. Of course, the change may cause complications for families with children at both primary and secondary school. It may also impact after-school extracurricular activities, particularly in winter, when inter-school sports games may be affected by darkness. Of course, other voluntary sessions happen after school, including exam revision, music classes and community outreach. There is a range of potential pitfalls.

As I mentioned, others in the world do things differently. There have been changes to school start times in other countries. In fact, some of our European neighbours start their days even earlier; some schools run from 7 am until 1 pm. Of course, that depends to some extent on the local climate, but that all shows that this is a very complicated range of issues.

That complexity is not always understood by everyone. Some people have characterised this debate as somehow being about lazy teenagers. Today I was on BBC Radio Cambridgeshire's excellent morning programme with Thordis Fridriksson. I am told that many people who contacted the show had little sympathy for what they described as "sleepy teenagers", and thought that getting up on time was good practice for the world of work. That is pretty unsympathetic. People of my generation and older should try to remember what it was like for us when we were teenagers. I am afraid that similar grouchiness can be found in some of our national media, which may be dominated by grumpy old men from a certain background—but maybe I am stereotyping, too.

Having said that, some teachers have questioned whether we would risk undermining the work ethic by accommodating difference. One teacher told me she was concerned, and questioned whether, if young people started later at school, we would not be training them to be up and ready for a job, which would often start earlier. I am not that sympathetic to that view; better employers are generally more open to flexible working. However, I recognise that there are jobs that have to be done at particular times, and many of us have been frustrated by colleagues who struggle to get to work on time, Mrs Main—and not always teenagers. There are always extenuating circumstances.

Moving on to the more detailed practicalities, evidence shows that the term "teenagers" does not do justice to the complexity of the issue. What works for older teenagers may not be so beneficial to younger people. A local headteacher pointed out to me that although there is some

"evidence that for 14-18-year-olds a later start to school is beneficial...the same is not true for 11-13-year-olds. This introduces a bit of a dilemma as meeting the needs of all would mean

extending school hours and so adding costs. Given that we are currently unable to meet our costs due to inadequate funding"—a point I think she particularly wanted me to relay to the Minister—

"any move in this direction would be impossible to deliver with our existing resources."

This is a key point, particularly for state schools. I suspect that the proper funding of education is the main issue for almost every state school, so questions about the timing of the school day come lower on their list of priorities. Although this debate is not party political, I highlight the difference that sufficient funding would make to schools. It would give them the ability to experiment and to find what suits them, which would arguably lead to the best outcome for this debate.

I conclude by saying a little about the public response; as I said, there has been huge interest. The Petitions Committee Clerks have engaged with the public on this matter, and they have done an excellent job. Last week, they surveyed nearly 5,000 people, some 92% of whom identified themselves as secondary school students, and who were much more enthusiastic about change. The key themes that emerged touched on the academic research that I have mentioned, the effects on family life and transport, the potential mental health benefits, the potential challenges for teachers, and the effect on those with illnesses and disabilities. The Clerks of the Committee told me that the story about this petition was the most engaged-with post ever on Parliament's Instagram account. When the survey closed, it had had over 5,000 responses in under 48 hours. Clearly, this is an idea that has captured both hearts and minds.

I will read one of the contributions from a parent, which puts the point very well:

"I have five teenage children and it is an absolute nightmare getting them all ready for a 9am start every day. In order to start school at 9am they have to leave the house at 8am and therefore get up at 6.30am."

That echoes the point made by my hon. Friend the Member for Stroud (Dr Drew). She carries on:

"I would defy anyone to try and get 5 teenagers out of bed every day at 6.30am and not feel, as I do, that this is far too early!...Having to wake 5 teens at 6.30am each day is like trying to raise the dead. I can see that it's not that they don't want to get up—they enjoy and look forward to school—but they genuinely can't get up. Being forced to wake up before they are ready has a massive impact on their health and well-being, which suffers hugely, and moreover so does mine! The school morning is without question the most stressful time of the day for children and parents."

I have some sympathy for that account, and I am sure others will recognise the situation.

As for the quantitative response to the questions in the survey, the figures are pretty stunning. One of the questions was:

"How often do you feel drowsy or sleepy during the day?"

That is not a question for MPs, Mrs Main, but a question for teenagers. More than 85% of teenagers said that they often or always felt drowsy or sleepy during the day. That is a message that we should take seriously. The next question was:

"How often have you been bothered by trouble falling or staying asleep, or sleeping too much?"

Some 60% were often or always troubled by sleepiness. There is something going on out there that we clearly need to pay attention to.

[Daniel Zeichner]

I hope that I have been able to lay out just some of the arguments made for and against teenagers starting the school day later, and to show that although some might swiftly dismiss such a suggestion, when you look into matters more deeply, they are never as simple as they seem. My conclusion would be that schools and colleges must make their own decisions, but within a co-ordinated and organised local framework, and with sufficient funding to make it possible. We are a long way from having either of those, but we are a rich country, and it does not have to be this way; it is a matter of political choice.

The time may soon come when these issues should be addressed by a radical and reforming Government. We are living through a world of dramatic technological change; knowledge is more universally available than ever before, through every smart phone. Within a couple of decades, the context has changed beyond recognition, yet our organisational structures for learning remain very much as they were half a century ago. As we learn more about ourselves—how we learn, and how we are different at different stages of our lives—why not reform our structures to meet our needs? Why always say that is too difficult? When hundreds of thousands of young people are telling us that they want change, perhaps it is time to create a system that works for them, instead of telling them why it cannot be done.

4.57 pm

John Howell (Henley) (Con): It is a pleasure to serve under your chairmanship, Mrs Main, and it is a great pleasure to follow the hon. Member for Cambridge (Daniel Zeichner). I will say straightaway that there is a kernel of truth in what he has said, but more research needs to be done on the subject. That is the bottom line of what I am going to say, so I could stop there, but I want to talk about a couple of things. Before he left this place, I remember George Osborne saying what a fine profession we are in when 9.30 is considered to be early. I think that illustrates the point that the issue should be examined in more detail.

When I saw the debate title, I was initially sceptical. I, too, thought it would be about giving teenagers more time to stay in bed for longer and, therefore, to stay up later. However, the scientific evidence, as mentioned by the hon. Gentleman, provides a different perspective. As I said in my intervention, we need to look closely at the amount of screen time used by teenagers during the day, but also, in particular, just before he or she goes to bed at night. Parents have a large part to play in dealing with that important element.

The results of my inquiries suggest that we should take a broader look at the issues. I started by looking at research undertaken in the United States, which is a different country, with different traditions, and where classes have traditionally started much earlier than ours. It is not unusual for them to start before 8 o'clock in the morning—so there is a lot that can be done. One study in the US replaced the self-reported information with information obtained from wrist-worn monitors. The importance of that is that, as the hon. Gentleman has said, many people, when asked how often they feel tired, will say “I feel tired quite a lot,” but I think that wearing wrist monitors,

which monitor the amount of sleep they get and when they begin to drop off, is a better approach to the problem.

A school in Seattle delayed its start time from 7.50 to 8.45, which is quite a big change. However, the difficulty is that it resulted in 34 minutes of additional sleep time for the teenagers—that is all. I have to ask: is that significant? One of the other results was that students were late on two fewer school days and had two fewer absences, which is not, I would argue, a large or significant result from the study. Nevertheless, it indicates a possible solution, which is to do more research. Another factor is that the approach in question appears to reduce the number of car accidents and, given that teenagers are at higher risk of having car accidents, that is significant. There are important societal issues at stake, besides just how much time teenagers can sleep.

The hon. Gentleman suggested a potential course of action, particularly for academies and free schools, which are free to do as they wish on the issue. There should be local action, if people think that is the right way to go, but I suspect that that is not what the hon. Gentleman or I want, because there is a difficulty. One school might move its start time to 9.30 and another might keep it the same. There would then be big knock-on effects on such things as childminding, as he explained. More attention needs to be paid to those considerations. The county councils, of course, have responsibility for decisions for maintained schools, and I suspect that they will not be as willing as academies and free schools to study the research.

As an aside, when I was a sixth former, there were completely different regimes for the sixth form and the rest of the school. Sixth formers came in for their particular classes, rather than spending all day at school. That flexibility in the system was a good thing to encourage. If I may say so, given that I am here participating in this debate, it certainly did me no harm. More research along those lines would be useful and I would welcome it.

5.4 pm

Martyn Day (Linlithgow and East Falkirk) (SNP): It is a pleasure to serve under your chairmanship, Mrs Main. I suspect the irony of our debating this issue, when we start the working week in Parliament at 2.30 on a Monday, has probably not been lost on anyone, and it may have been emphasised by our slightly later-than-scheduled start time—but I am sure that that will just add humour to the debate.

When I first saw the title of the petition I wondered whether it was serious, and the hon. Member for Henley (John Howell) also mentioned such scepticism. I was fascinated when I read the research publications and saw that there are serious, positive ideas on the subject. I am grateful to the hon. Member for Cambridge (Daniel Zeichner), whose opening speech went through much of that research in an even, balanced manner. The remark that he quoted about the possibility of teenagers being in a different time zone will have struck a chord with all of us. When my stepson comes to visit, it often feels like that. Perhaps now I shall have a greater understanding of the body clock mechanisms of the young.

The petition received 431 signatures from my constituency, which makes it the second most popular in my area. It is second only to the petition on fireworks.

To recap quickly the position in Scotland, the Schools General (Scotland) Regulations 1975, as amended, require schools under education authority management in Scotland to be open for 190 days a year. However, they do not define the length of the school week for pupils, which is a matter for the discretion of education authorities, within their responsibility for the day-to-day organisation of the schools. There is a widely accepted norm of 25 hours and 27.5 hours for primary and secondary schools respectively, and school holiday dates are also, of course, set by the local authorities.

The primary focus in any discussion of schools must be on the quality of the education provided, which is why the Scottish Government continue to invest so heavily in education. Schools spending has risen under the Scottish National party since 2006. The average spend per pupil has increased by almost 13%. Scottish spending per pupil was £4,968 in primary schools, and £7,046 in secondary schools in 2016-17. That is an increase in cash terms of at least 12.8% for the primary sector and 13.1% for the secondary sector. Education budgets are rising—

Mrs Anne Main (in the Chair): Order. I have indulged the hon. Gentleman somewhat in his listing of the amounts of money being spent on Scottish education, but the debate is about secondary school opening hours, so I hope he will get on to that now.

Martyn Day: No problem. I make the point that it is part of the wider education package, and the timing issue is obviously important.

Having briefly discussed the budgets, I will move on to ask: what about the proposals in the petition? There is, of course, nothing to stop schools in Scotland adopting the hours they want, although there might be a requirement for staff contracts, school transport contracts and various other things to be changed if those changes to hours were introduced. However, that is not a reason not to introduce them.

There is interesting research behind the petition. Open University research found that teenagers aged 13 to 16 who started their day at 10 am had improved health, with 50% less absence. That is a key factor that might suggest it is worth looking at other contracts and times. On the other hand, research by the University of Surrey and Harvard Medical School suggests that turning down the lights in the evening would be more effective. Using a mathematical model, the research shows that when clocks changed in the autumn most teenagers' body clocks would drift even later in response to later start times and, in a matter of weeks, they would find it just as hard to get out of bed. Clearly, reputable research exists pointing in different directions. I would probably reach much the same conclusion as the hon. Member for Henley—that we need a bit more research. We certainly need to keep looking at the issue.

That brings me to what is perhaps the crux of the argument—whether the real debate is about more sleep versus better sleep. Some studies suggest that longer sleep is associated with academic performance. Better sleep is connected to overall cognitive processing. Clearly, a balance needs to be achieved, and we would all benefit from seeing more research.

The point I was making earlier in discussing budgets and other aspects of education was that the quality of the education provided is fundamental, and must be the

key to the issue. It is a question of what satisfies that criterion. If school hours have an effect, we should be willing to look at them. I am keen to see more research. If I had seen only the title of the petition I might have laughed it off, but actually there is a lot of substantive work behind it, and we all need to look at that and see what we can learn from it.

5.9 pm

Mike Kane (Wythenshawe and Sale East) (Lab): It is a pleasure to serve under your chairmanship, Mrs Main. I congratulate my hon. Friend the Member for Cambridge (Daniel Zeichner) on moving the petition so eloquently on behalf of the Petitions Committee, and Hannah Kidner on coming up with the idea for a petition that has attracted so much support in such a short space of time. She can be very proud indeed that she has made Parliament act on her idea; I will go into why I think it was so popular.

On first reading the title of the petition, that school should start at 10 am as teenagers are too tired, many people will have dismissed the idea—hon. Members have made that case—but there is a growing body of opinion that starting the school day later would be better for teenagers, both in terms of their physical and mental health, which I will come on to, and in relation to their academic performance.

When I researched this debate, I found a 2017 study by Dr Paul Kelley of the Open University. It was conducted at an English secondary school that showed that delaying school start times for teenagers can have major benefits, including better academic performance and improved mental and physical health. The study found that rates of illness decreased by more than half over a two-year period and students in their mid-teens got significantly better grades when they started school at 10 am instead of the usual 8.30 am.

As has been pointed out by several hon. Members, however, children across the world are sleeping less. Here in the UK, the national health service is seeing more serious problems than before, with hospital attendances for children under 14 with sleep disorders tripling in the past 10 years. British schoolchildren are the sixth most sleep-deprived in the world, with American children topping the rankings. There are likely to be a number of sources for that problem, as the hon. Member for Henley (John Howell) pointed out, with mobile phone and tablet use featuring high on the list. More than 80% of children in the UK now have their own phone by the age of 12, while 58% have their own tablet by the age of 10, and two thirds of teenagers say they use those devices in the hour before they go to bed. As it happens, it is one of my personal rules not to do that.

Let us face it: we have all become slaves to these devices, and parents must be role models and set an example in that area. Indeed, the Minister has made the issue the focus of his attention in recent weeks, suggesting that our schools should ban mobile phones altogether. I think that suggestion got rather more attention than he ever thought it might when he made it.

I think the reason why so many young people signed this petition is that they see mental health going up their agenda. The hon. Member for Linlithgow and East Falkirk (Martyn Day) mentioned that we in Parliament start our day at 2.30 pm on a Monday, but my day started at 9 o'clock with a visit to a company in my

[Mike Kane]

constituency called Endress+Hauser, a major manufacturer of pressurised equipment across the continent. Its representatives told me about their workplace practices, changing times to improve people's mental health and having full staff sessions on anxiety and their mental health and wellbeing. It is a rising agenda.

We know that the number of young people attending accident and emergency departments for a psychiatric condition more than doubled between 2010 and 2015; I think that is particularly what young people are worried about. Just 8% of the mental health budget is spent on children, despite their representing 20% of the population. Any MP with a constituency case load will have more and more parents coming to see them about special educational needs and trying to get that provision through local authorities, their multi-academy trusts and child and adolescent mental health services provision. Referrals to CAMHS increased by 64% between 2012-13 and 2014-15, but more than one quarter of children and young people referred were not allocated a service.

What is hampering schools in making a change? Today in *Tes*, the Government were criticised for school budget cuts that lead to less innovation in our schools, particularly relating to education technology. The Minister and I are no strangers to that. In the current climate, it is difficult for schools to make such changes, even innovative changes to the school day, when £1.7 billion in real terms has been taken out of the school system since 2015. As my hon. Friend the Member for Cambridge said, every state school is facing a crisis.

Our schools need the Government to take an honest approach to the issue. We must act now and give our children and teenagers the knowledge and confidence to take charge of their own mental health and wellbeing. The current system gives schools the autonomy to organise the school day in a way that best suits their pupils, in conjunction with the wider community. If schools want to change their times, and do so effectively, they must work through a framework and a form of subsidiarity in their local authority area or more widely. If certain countries that make up the United Kingdom—or conurbations such as Greater Manchester or Merseyside, which have their own mayoral systems—consider doing so, I do not think that any of us would be averse to that. They should come back with ideas.

The subject of the petition merits proper consideration by the Department for Education, particularly the underlying challenges faced by teenagers and the ability of our schools and teachers to support them while facing sustained budget cuts and increasing workloads. I congratulate my hon. Friend again on his considered introduction of the petition, and Hannah Kidner on bringing it to Parliament and gaining so many signatures in such a short space of time.

5.16 pm

The Minister for School Standards (Nick Gibb): It is a pleasure to serve under your chairmanship, Mrs Main. I congratulate the hon. Member for Cambridge (Daniel Zeichner) on the way he introduced the debate. We can all agree that every child's experience at school should be a happy one. The Government want them to do well at school and be alert and receptive to what is taught. Clearly, ensuring that teenagers are refreshed and ready to work when they arrive at school is hugely important.

The e-petition states, bluntly, as the hon. Gentleman said:

“School should start at 10am as teenagers are too tired”.

I share the views of my hon. Friend the Member for Henley (John Howell) and the hon. Member for Linlithgow and East Falkirk (Martyn Day) that there is insufficient evidence at present to suggest that allowing teenagers to start school at 10 am across the board would necessarily be beneficial. A timely start to the school day in secondary school helps prepare pupils to enter the world of work after they leave school. Workplaces expect their employees to start and finish work at a set time and to demonstrate the value of hard work and application.

As the hon. Member for Cambridge acknowledged, delaying the start of the school day for teenagers might also cause difficulties for working parents, for example those with younger children at primary school, if start times were different from those for siblings at secondary school and finishing times were correspondingly different. That would present problems for working families, particularly those where both spouses are working.

The Government have high ambitions for all pupils, and we want to encourage and support greater social mobility. We want to ensure that pupils have excellent opportunities to thrive and to excel. There is broad, though not universal, agreement that teenagers generally need more sleep than they currently get, and while some results have shown a benefit from a later start to school, particularly in the United States, where schools typically start significantly earlier than in the United Kingdom, the effects of delaying school start times are as yet unproven here.

The hon. Member for Linlithgow and East Falkirk cited research conducted by the University of Surrey and Harvard Medical School in 2017, which found that delaying school start times is unlikely to reduce sleep deprivation in teenagers. The research predicts that turning down the lights in the evening would be much more effective at tackling sleep deprivation. The research went on to say:

“The mathematical model showed that delaying school start times in the UK would not help reduce sleep deprivation. Just as when clocks go back in the autumn, most teenagers' body clocks would drift even later in response to the later start time, and in a matter of weeks they would find it just as hard to get out of bed. The results did, however, lend some support to delaying school start in the US, where many schools start as early as 7am.”

It continued:

“The mathematical model shows that the problem for adolescents is that their light consumption behaviour interferes with the natural interaction with the environmental clock—getting up late in the morning results in adolescents keeping the lights on until later at night. Having the lights on late delays the biological clock, making it even harder to get up in the morning. The mathematics also suggests that the biological clocks of adolescents are particularly sensitive to the effects of light consumption.”

Finally, it said:

“The model suggests that an alternative remedy to moving school start times in the UK is exposure to bright light during the day, turning the lights down in the evening and off at night.”

A further study, the Teensleep Project, looks at adolescent sleeping patterns and the impact of sleep education on teenage students. Professor Foster from the project says:

“Our pilot study showed that about 25% of teenagers had clinically poor sleep—can we justify late starts when it might only benefit 25% of students? Instead, we must introduce sleep education with parents, teachers and students. We are not ruling out a later

school start, but we need a good set of data to show this is having a huge impact on adolescents. Unless later starts are combined with sleep education, it may actually worsen the issue”.

That conclusion tallies very much with what my hon. Friend the Member for Henley and the hon. Member for Linlithgow and East Falkirk said.

The Government welcome the chief medical officer’s report into screen time, which was published on 7 February and includes advice on managing screen time and social media use in a sensible and effective way. The report is clear that scientific research is currently insufficiently conclusive to support the chief medical officer’s evidence-based guidelines on optimal amounts of screen use or online activities, such as social media use. However, the report provides advice for parents and carers based on child development research. It includes leaving phones outside the bedroom at night time or taking screen-free meal times, which I am sure that the shadow Minister also does.

We recently consulted on the draft regulations and guidance for relationships education, relationships and sex education and health education. The guidance sets out the content for the subjects, including health and prevention. It says that pupils should know the importance of sufficient, good-quality sleep in promoting good health, and that a lack of sleep can affect their weight, mood and ability to learn. It also sets out that teachers should make sure that pupils are aware of the benefits of physical activity and time spent outdoors, which should be linked to information on the benefits of sufficient sleep and good nutrition.

Good mental health is a priority for the Department and for the Government. It can have a profound impact on the whole of a child’s life, not just their attainment. Schools and colleges have an important role to play in supporting the mental health and wellbeing of children and young people by putting in place whole-school approaches tailored to the particular needs of their pupils and students.

The decision on when to start the school day lies with individual schools, as was pointed out by the hon. Member for Cambridge. All schools have the flexibility to decide when their school day should start and finish. Most schools start their days at 9 am or earlier. That is not to say that a later start time can never work, and some schools have decided to begin their school day later. Monkseaton High School in North Tyneside trialled a 10 am start, but has since reverted to 8.55 am.

In 2011, we revoked the regulations prescribing the procedure for changing school opening times. Since then, maintained schools and academies have had the autonomy to change their own school opening times. The Education (School Day and School Year) (England) Regulations 1999 require all maintained schools to be open to educate their pupils for at least 380 sessions—190 days—in each school year, with every school day consisting of two sessions separated by a break in the middle of the day. Academies and free schools are not bound by these regulations, but their funding agreements state that the duration of the school day is the responsibility of the trust.

There are no specific legal requirements for how long the school day should be. Governing bodies of maintained schools are responsible for deciding when sessions should begin and end on each school day, the length of each lesson and the timings for the morning sessions, the

midday break and afternoon sessions. The governing body has the power to revise the length of the school day as it sees fit. Schools are also responsible for setting the timetable for their school day, and so could, for example, schedule more intellectually challenging subjects later in the day if they decide that that is when their students are more receptive to being taught.

Schools also have the autonomy to extend the length of the school day or offer provision after the end of the school day if they believe that it would be beneficial to their students. Extending the school day, or offering extra education activities around the school day, can help children—particularly from the most disadvantaged backgrounds—to improve attainment and social skills, raise aspiration and help parents with childcare.

We expect schools changing the length of their school day to act reasonably when making those decisions, including by consulting parents, giving parents notice and considering the impact on pupils and teachers, and on parents’ work commitments and childcare options. They should also consider the impact of reducing students’ time in school. Our evidence shows that every extra day of school missed can affect a pupil’s chances of achieving good GCSEs, which has a lasting effect.

I am grateful to the hon. Member for Cambridge for highlighting this issue. The Government cannot, and should not, insist that schools delay the start time of the day. Schools already have the power to do so themselves, if they feel that it would be in the best interests of their pupils. That is a key point: schools know what is in the best interests of their pupils. They are best placed to make a decision on whether to change the content, structure and duration of their school day to get the best outcomes for their pupils, and they know the individual circumstances of their pupils and of the local area.

We would not want to take away the freedom of any school by requiring them to start the school day at a set time, especially when evidence on delaying school start times in the United Kingdom is, at best, inconclusive.

Vicky Foxcroft: I have listened intently to the Minister’s speech, and he is absolutely right about the lack of evidence on delaying start and finish times. However, I mentioned the *BMJ* research on young people and their likelihood of being stabbed or facing violence, and the lack of evidence around that. Will the Minister commit to getting more research on delaying start and finishing times, to make sure that our kids are kept safe?

Nick Gibb: I am interested in the staggered end times of schools, as mentioned in the *BMJ* research that the hon. Lady cited. That feeds into schools’ autonomy to decide when to start and finish. We trust headteachers to make those decisions, which will be based very much on local circumstances, including when other schools in the area finish for the day and so on. We are always open to more research being conducted on these issues. We certainly want to make sure that children are safe when they leave school and walk home in the evenings.

The focus should be on ensuring that children and young people understand the importance of sleep and how best to get sufficient sleep at night, to enable them to achieve their best.

5.28 pm

Daniel Zeichner: I am grateful to all Members for their contributions, a consistent feature of which was the call for more evidence. I sometimes think that people call for more evidence when they do not necessarily like what they hear from the evidence already there. It seems to me that the strength of feeling of young people in this country, demonstrated through the petition that was so admirably put forward, bears some thinking about. I actually think that there is plenty of evidence—particularly the Open University study—that shows a real potential educational gain here, and some schools and colleges might want to seize that opportunity.

I am always mindful of the level at which these decisions are taken. I remember in the early days of the Labour Government after the 1997 general election, when there were discussions on banning smoking in public places. Tony Blair came to a Labour event and

said that it might be left to local councils to decide, because he was a bit nervous about taking that decision. We said, “This needs leadership,” and in the end he did it and no one thinks it controversial now. I would say that the evidence shows that it is very hard for local schools and colleges to take the decision that we debating today on their own. It needs some leadership, and I am hopeful that at some future point we will have a Government who have the courage to listen to our teenagers, act on what they are telling us and find the evidence to back it up.

Question put and agreed to.

Resolved,

That this House has considered e-petition 229178 relating to secondary school opening hours.

5.30 pm

Sitting adjourned.

Written Statements

Monday 11 February 2019

BUSINESS, ENERGY AND INDUSTRIAL STRATEGY

Competitiveness Pre-Council Statement

The Minister for Universities, Science, Research and Innovation (Chris Skidmore): My noble Friend the Parliamentary Under-Secretary for State for the Department of Business, Energy and Industrial Strategy (Lord Henley) has made the following statement:

The Internal Market and Industry Day of the Competitiveness Council will take place on 18 February 2019 where the right hon. Lord Henley, Parliamentary Under-Secretary of State, will represent the UK; and the Research and Space Day on 19 February 2019 where Chris Skidmore MP, Minister of State for Universities, Science, Research and Innovation, will represent the UK.

Day one—internal market and industry

The internal market and industry day will consider a number of non-legislative items including, a competitiveness check-up focusing on the impact of EU value chain integration on competitiveness. Ministers will be asked to exchange views on the impact of artificial intelligence on EU industry and to adopt conclusions on the EU's co-ordinated plan on artificial intelligence.

They will take part in a policy debate on 'Clean Planet for all', the EU's strategic long-term vision for a climate-neutral economy. The non-legislative part of the agenda will finish with a European semester policy debate on how to deliver key reforms to make the European economy more competitive and resilient in the face of global uncertainty.

Under any other business, there will be updates on the following current legislative proposals: the company law package including a directive on digital tools and processes and a directive on the cross-border conversions, mergers and divisions; the regulation on enforcement of union harmonisation legislation on products; and the regulation on promoting fairness and transparency for business users of online intermediation services.

Day two—research and space

The research and space day will begin with a session on the Horizon Europe package during which the Council will review the progress report and exchange views on the specific programme implementing Horizon Europe—framework programme for research and innovation for 2021-2027.

Under any other business, the presidency will provide information on the state of play of the Horizon Europe package, covering the framework programme and its rules for participation and dissemination. The presidency will then conclude the Council by providing information on the ITER and Euratom programmes.

[HCWS1320]

FOREIGN AND COMMONWEALTH OFFICE

Informal Foreign Affairs Council

The Minister for Europe and the Americas (Sir Alan Duncan): My right hon. Friend the Secretary of State for Foreign and Commonwealth Affairs attended the Informal Foreign Affairs Council (Gymnich) on 31 January and 1 February. It was chaired by the High Representative

and Vice President of the European Union (EU) for Foreign Affairs and Security Policy (HRVP), Federica Mogherini. The meeting was held in Bucharest, Romania.

Eastern Partnership

The discussion of the Eastern Partnership confirmed the importance of the partnership and how much it had achieved in the last 10 years with a need to keep focusing on anti-corruption, rule of law, freedom of movement and values; with cyber, stratcomms, energy security, P2P, CSDP and connectivity all cited as newer areas for future attention.

Venezuela

Foreign Ministers expressed concern about the situation in Venezuela, and agreed the importance of holding elections. Foreign Ministers recalled their Council conclusions in May 2018, which stated that the elections were neither free nor fair, and reiterated the need for free and transparent elections respecting the constitutional rules of Venezuela. The HRVP announced the formation of an International Contact Group for Venezuela, with the first meeting due to take place on 7 February in Montevideo.

China

Foreign Ministers had a broad discussion about China's growing role in the world including EU—China co-operation on the JCPoA and climate change. There was agreement that the EU's 2016 China strategy remained relevant and calls for greater EU unity on shared areas of interest. Foreign Ministers also held a discussion on China with candidate countries (Albania, Macedonia, Montenegro, Serbia, Turkey).

[HCWS1318]

HEALTH AND SOCIAL CARE

Mental Capacity (Amendment) Bill: EVEL

The Minister for Care (Caroline Dinage): I am today placing in the Library of the House the Department's analysis on the application of Standing Order 83L in respect of the Government amendments tabled for Commons Report stage for the Mental Capacity (Amendment) Bill.

[HCWS1317]

HOUSING, COMMUNITIES AND LOCAL GOVERNMENT

Integrated Communities

The Secretary of State for Housing, Communities and Local Government (James Brokenshire): Britain is a great place to live and is made stronger by its diversity. However, the benefits and opportunities of our society are not felt equally by everyone. No community should feel excluded, and everyone should understand and embrace the benefits and opportunities of living in modern Britain.

In March 2018, the Government launched a consultation on the Integrated Communities Strategy Green Paper to obtain the views of the public and organisations on its ambitious goal to build integrated communities where people—whatever their background—can live, work, learn and socialise together based on shared rights, responsibilities and opportunities. The consultation ran for 12 weeks in total and closed on 5 June 2018.

I am today publishing the Government's response to this consultation. The consultation process considered the Government's proposed actions as laid out in the Integrated Communities Strategy Green Paper and presented a number of questions about the Government's strategy for consultation. There were over 3,400 responses to the consultation, reflecting the high level of interest in building integrated communities. A breakdown of the responses to each of these questions can be found in the Government's response.

The Government have taken the views expressed in the consultation into account when developing our next steps. These are set out in the integrated communities action plan I am also publishing today. This outlines more than 70 actions across Government to help create strong and integrated communities. This action plan will build the capacity of our leaders, strengthen our communities, boost English language proficiency, and give people the infrastructure they need to thrive. The views of communities will continue to be an important factor when implementing these actions.

The action plan sets out a framework of national priority actions to promote integration and adopts a localised approach. As the Secretary of State for Communities, one of my priorities is to help build thriving, liveable and resilient places where people get along—from our high streets to our community spaces.

I am placing a copy of both documents in the Library of the House.

[HCWS1321]

WORK AND PENSIONS

Private Pensions Update

The Secretary of State for Work and Pensions (Amber Rudd): I am pleased to announce today, two important steps to ensure millions of people have greater security in retirement.

A stronger pensions regulator

Today, the Government have published their response to the consultation "Protecting Defined Benefit Pension Schemes—A Stronger Pensions Regulator". This outlined their approach, as set out in the 2018 White Paper, to strengthen, clarify and streamline the defined benefit pension system.

The Government will introduce two new criminal offences to prevent and penalise mismanagement of pension schemes.

The first will target individuals who wilfully or recklessly mishandle pension schemes, endangering workers' pensions, by such things as chronic mismanagement of a business;

or allowing huge unsustainable deficits to build up; or taking huge investment risks; or a combination thereof. We will introduce a new custodial sentence of up to seven years' imprisonment or an unlimited fine for this offence. This brings the punishment in line with similar offences in financial services.

The second, which will attract an unlimited fine, will target individuals who fail to comply with a contribution notice, which is issued by the Pensions Regulator requiring a specified amount of money to be paid into the pension scheme by that individual. We will also introduce a new civil penalty of up to £1 million for this offence.

We have also provided an update on measures to strengthen the Regulator's information-gathering powers, such as enhancing their interview and inspection powers previously announced in the White Paper.

The changes will build on the robust system that is already in place to protect defined benefit pension schemes, further protecting individuals' pensions and ensure greater clarity for employers.

The Government's full response to the consultation is available here:

<https://www.gov.uk/government/consultations/protecting-defined-benefit-pension-schemes-a-stronger-pensions-regulator>

Ten million workers automatically enrolled into pensions

Today we announce the milestone of 10 million workers having been automatically enrolled into a workplace pension.

Automatic enrolment is transforming the savings culture of this country by normalising workplace pension saving. It is enabling millions of workers to look forward to a more secure future and a better retirement.

Between 2012 and 2017, the proportion of eligible employees saving in a workplace pension rose from 55% to 84%. The private sector has seen the largest increases over this period, with participation rates almost equalising among eligible men and women in 2017. The increase has also been particularly marked among younger workers and those with low earnings. Among eligible employees aged 22 to 29 years, participation increased from 35% to 79%; and 76% of people earning £10,000 to £20,000 thousand are now saving, a rise of 42 percentage points since 2012.

Employers' support is key to the success of automatic enrolment. In the last two years, thousands of small and micro employers have enrolled eligible workers into a pension for the first time. Automatic enrolment is now business as usual.

In addition, we brought in the first of the planned increases in minimum contribution rates, in April 2018, raising the overall minimum contribution level to 5%. From April 2019, the second planned increase, to a minimum 8%, will enable many workers to save even more.

The Government are committed to building on the 10 million milestone to support more workers, no matter what job, to save for a better retirement.

[HCWS1319]

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