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**HOUSE OF COMMONS
OFFICIAL REPORT**

**PARLIAMENTARY
DEBATES**

(HANSARD)

Wednesday 22 May 2019

House of Commons

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The House met at half-past Eleven o'clock

PRAYERS

[MR SPEAKER *in the Chair*]

Oral Answers to Questions

NORTHERN IRELAND

The Secretary of State was asked—

Security Situation

1. **Rebecca Pow** (Taunton Deane) (Con): What recent assessment she has made of the security situation in Northern Ireland. [910951]

2. **Mark Menzies** (Fylde) (Con): What recent assessment she has made of the security situation in Northern Ireland. [910952]

The Secretary of State for Northern Ireland (Karen Bradley): The threat from dissident republican terrorism continues to be severe in Northern Ireland after the appalling killing of Lyra McKee. This Government's first priority is to keep people safe and secure. Vigilance against this continuing threat is essential, and we remain determined to ensure that terrorism never succeeds.

Rebecca Pow: I congratulate my right hon. Friend on securing the £105 million of UK Government funding for the new Derry/Londonderry city deal and the inclusive future fund. Does she agree that it is vital that we provide young people with the jobs and skills they need to move on in the future in a world that is rejecting violence and that all these things will help?

Karen Bradley: My hon. Friend makes a very important point. I am sure that she will have heard the words of Father Martin Magill at the funeral of Lyra McKee; he said that young people need jobs, not guns. It is exactly right that we should focus our efforts on providing jobs as well as tackling terrorism, so that we can give those young people the alternative to violence so that they can have a future that is fit for them.

Mark Menzies: Does my right hon. Friend agree that the Police Service of Northern Ireland is doing an outstanding job and showing tremendous courage and professionalism in dealing with violence and dissident activity? What can the Government do to support the PSNI to ensure that it faces down the dissidents and people who are spreading hatred and violence?

Karen Bradley: My hon. Friend is absolutely right. This Government's first priority is to keep people safe and secure across the whole United Kingdom. We saw incredible bravery from the Police Service of Northern Ireland on the night of Lyra McKee's killing. Although the police faced an onslaught of petrol bombs and shooting towards them, they got out of their vehicles to try to save Lyra, and we all owe them a debt of gratitude. We need to see people across Northern Ireland working with the PSNI to stamp out terrorism, and the Government stand steadfast in our commitment to assisting that work.

Sir Jeffrey M. Donaldson (Lagan Valley) (DUP): It is vital that we give the right message to young people. However, we have recently seen, yet again, shots being fired over coffins at funerals and before funerals by IRA and INLA terrorists, using weapons that were supposed to have been decommissioned. Is it not incumbent on all political parties in Northern Ireland, including Sinn Féin, to make it clear that such paramilitary displays with weapons are harmful to our society, send out the wrong message to young people and should stop immediately?

Karen Bradley: I agree with the right hon. Gentleman that these sorts of outward displays of violence are not acceptable. What I saw after Lyra's killing was the community coming together and rejecting those outward displays, leading to the cancellation of the proposed march through Londonderry on Easter Monday.

Lady Hermon (North Down) (Ind): I am sure that the Secretary of State will have had a briefing earlier today—or, indeed, perhaps yesterday—from the Chief Constable of the Police Service of Northern Ireland about the security situation in Northern Ireland. In that context, would the Secretary of State update the people of Northern Ireland about the success of the PSNI in stopping the spate of ATM thefts and apprehending those responsible? Such an update would be very welcome.

Karen Bradley: The hon. Lady is absolutely right that I saw the Chief Constable yesterday, and I share her concern about the issue. This is an ongoing operational matter, but the actions of the PSNI are to be applauded.

Mr Owen Paterson (North Shropshire) (Con): The whole House will share the Secretary of State's admiration for all the officers of the PSNI—and of the Garda Síochána—who have stopped numerous hideous incidents over recent months and years. What assessment has she made of the PSNI's morale and of the situation for recruitment to the PSNI and other security forces, should there be a different regime for the veterans of Operation Banner compared with other military operations in other theatres?

Karen Bradley: I have seen that the PSNI conduct a very difficult job. I am always pleased to have the chance to meet police officers—particularly at Strand Road in Londonderry, where I have made a number of visits following dreadful incidents that we have seen in that city—and to hear the camaraderie and commitment shown by those individuals. I am determined that we will deal with the matters regarding the legacy of Operation Banner appropriately, lawfully and in a way that reflects exactly the commitment that we see today from the Police Service of Northern Ireland.

Vernon Coaker (Gedling) (Lab): Is not one of the challenges for dealing with the security situation in Northern Ireland to build the confidence of communities right across Northern Ireland, working with the Police Service of Northern Ireland and others? In the face of recent terrible events, we have seen the community doing that, but what more can the Secretary of State do to encourage communities to work with the security forces?

Karen Bradley: The hon. Gentleman, I know, has great experience in this area and he is right that we do need to see co-operation between communities and the Police Service of Northern Ireland. We did see a real step change following that appalling killing where people were welcoming the PSNI into their homes, but it is an incredibly difficult job. We need to make sure that the inclusive future fund—the £55 million that the Government have committed to Derry/Londonderry—is used in part to support those activities.

Tony Lloyd (Rochdale) (Lab): The Secretary of State will know that the security situation depends on, among other things, the perception that the police and the judicial process are independent. Families of victims of the troubles of the past are, in many cases, still waiting for answers. Does she agree that those families, and those young people who can be pulled into terrorist acts, would be influenced dramatically if they believed that there was a rule saying that there would be a statute of limitations for state actors when, quite rightly, we seek to prosecute those who perpetrated either murder or manslaughter from whatever background?

Karen Bradley: The hon. Gentleman will know that this Government are committed to implementing the institutions that were agreed at Stormont House. We have had a consultation on that matter and received more than 17,000 responses—individual personal responses. We will publish the summary of those consultation responses in due course.

Employment Trends

3. **Neil O'Brien** (Harborough) (Con): What recent assessment she has made of trends in the level of employment in Northern Ireland. [910953]

The Minister of State, Northern Ireland Office (John Penrose): I am happy to confirm that the latest labour market statistics for Northern Ireland show employment at a record high and unemployment at a record low. This is a long-term and consistently improving trend, and with continued political stability, we hope that it will continue in future.

Neil O'Brien: Those are very welcome statistics. What is my hon. Friend doing to further grow employment and jobs in Northern Ireland and the rest of the country?

John Penrose: I am delighted to give some examples. Not only is unemployment now the lowest of the UK nations, at 2.9%, but the ratio of public sector to private sector jobs is rebalancing healthily. Exports have grown to more than £10 billion, and we expect a tourism surge from the golf open at Portrush. We will continue to pursue those and other measures, including the city deals that have just been mentioned.

Mr Gregory Campbell (East Londonderry) (DUP): Employment levels are improving, as the Minister has said, but does he agree that we need to attract above-average salary levels now to try to grow the economy? In that respect, the Heathrow logistics hub is an excellent project. Will he join me in pressing and persuading those behind the hub to look at Ballykelly, which is a very attractive environment?

John Penrose: The hon. Gentleman is a doughty battler for his constituents and for his constituency. I am sure that those involved will have heard his words and will be considering them carefully, but he is right about that and many other examples of important local investment in Northern Ireland.

Devolved Government

4. **Bob Blackman** (Harrow East) (Con): What recent progress she has made on restoring devolved government in Northern Ireland. [910954]

The Secretary of State for Northern Ireland (Karen Bradley): The short, focused set of roundtable talks aimed at restoring devolution continues. Northern Ireland's five main political parties have reaffirmed their commitment to restoring a power-sharing Executive and the other political institutions set out in the Belfast agreement.

Bob Blackman: I thank my right hon. Friend for her answer and for the work that she has done thus far. Does she agree that it is absolutely vital to get devolved government up and working as soon as possible, so that the victims of historical institutional abuse receive full and fair compensation for what they have suffered?

Karen Bradley: I do agree with my hon. Friend that we need to see the restoration of the institutions. I also agree that we need to see fair redress for those victims of historical institutional abuse. I have met those victims. Their stories are heartrending and absolutely dreadful. No one should have suffered the way that they did. I am not prepared to wait for restored devolution to take action in this matter. I am determined that we will do everything we can for those victims of historical abuse and that we will take measures forward as soon as possible and not wait for restored devolution.

Nigel Dodds (Belfast North) (DUP): On that subject, the Secretary of State and, indeed, the whole House will be aware of the sense of outrage that there is across the entire community in Northern Ireland and among the victims of abuse about her approach to this issue in recent days. Frankly, many people are saying that far too much time has already elapsed, given the fact that she has the ability to make this move faster. People are outraged at the idea of having to wait another couple of years, as she appeared to indicate. Will she now undertake to bring forward measures immediately to deal with this issue?

Karen Bradley: I do not shy away in any way from my responsibilities in this area, and I am absolutely determined that we will act as soon as we can. The two years the right hon. Gentleman referred to is an estimate by the civil service of Northern Ireland; it is not an estimate that I have put forward. As he will know, following the

end of the consultation that I asked the head of the civil service in Northern Ireland to conduct, a number of decisions need to be taken—decisions that require ministerial input. I have asked the five parties in Northern Ireland to assist me in getting a resolution to those questions as soon as possible, so that I can act as soon as possible, as I am determined to do.

Nigel Dodds: The Secretary of State will be aware that this is one but probably the most terrible example of a whole series of decisions that have cross-community and cross-party support but that she has refused to do anything about, even though this place and her Government are responsible for the administration of Northern Ireland. The fact of the matter is that people are being told that she has now placed another series of questions that need to be answered, and people see this as further delay. What are the questions that she now wants further answers to, who originated those questions, when did they first come to her—when were they put on her desk—and why is this being used as further reason to delay the proper process of compensation for these victims?

Karen Bradley: I have enormous respect for the right hon. Gentleman—he is an honourable man who works very hard for his constituents and for Northern Ireland—but I disagree with him on this matter. The head of the civil service and Executive Office has put forward 15 questions that need a response. I have asked the parties in Northern Ireland to help me to get decisions on those questions. But I am not shying away from my responsibility in that area; I am merely asking them if they will help me to answer the questions that David Sterling has posed to me to enable me to take this to the next stage so that we can deliver for the victims as soon as possible.

Maria Caulfield (Lewes) (Con): The head of the civil service in Northern Ireland, David Sterling, has asked for legislation to be made in this place. When the Secretary of State talks about action on historical institutional abuse, is she talking about bringing legislation through this House?

Karen Bradley: I have said on many occasions that I am prepared to do the legislation wherever it is quickest that we do it. I want to see redress for these victims as soon as possible. But there are some fundamental questions that David Sterling has posed that need answers, and I will get to those answers more quickly if I have the support and co-operation of the parties in Northern Ireland in working with me.

15. [910965] **Conor McGinn (St Helens North) (Lab):** Does the Secretary of State understand the level of public outrage that there is about this? It has been two years since the inquiry reported. Thirty survivors of institutional abuse have died since then. The victims were told this week that they might have to wait another two years before anything is done. Will she act, and act now, so that these good people can get some sense of justice before more of them die?

Karen Bradley: I know the sense of outrage. I have met those victims. I want to see action. It is quite right that the parties in Northern Ireland, when they were in government, set up this inquiry. It is absolutely right that they did that, and I applaud them for doing so. There is an opportunity for us to make progress on this

quickly, but I cannot do it alone. I need the guidance and support of those in the parties in Northern Ireland, because ultimately they will be the Ministers who will have to implement whatever institutions and whatever system is created. I need their support so that we can make progress quickly. I am not delaying anything. I am determined to act for these people, and I will do whatever it takes to do so.

Stephen Pound (Ealing North) (Lab): The House will be aware that today, to the very day, is the 21st anniversary of that occasion when a sunshine ray of hope pierced the dark clouds in Northern Ireland and the Good Friday agreement was ratified, and we must give the victims and survivors some of that hope. Their agony is becoming unendurable. I do not doubt the good nature and the good will of the Secretary of State. She met the survivors, as I did I. But we cannot—we must not—wait for another two years. It would be impossible—unconscionable—for us to do so. Thirty-six have already died; we cannot let more die. I can assure the Secretary of State that she will have the support of Labour Members, but can she please bring this forward and end the agony and the misery of these survivors and victims?

Karen Bradley: I am very grateful for the hon. Gentleman's offer of support. We spoke about this matter yesterday. I am determined to take this forward as quickly as possible. It would be good to work with him in addressing the fundamental questions that need a response before legislation can be finalised. We are also working with Sir Anthony Hart to get answers to those questions, because we need to get this right. There is no point doing this in haste if we fail to deliver for the people who deserve redress as soon as possible.

Confidence and Supply Agreement

5. **Hannah Bardell (Livingston) (SNP):** What recent discussions she has had with the Prime Minister on the continuation of the Government's confidence and supply agreement with the Democratic Unionist party. [910955]

6. **Marion Fellows (Motherwell and Wishaw) (SNP):** What recent discussions she has had with the Prime Minister on the continuation of the Government's confidence and supply agreement with the Democratic Unionist party. [910956]

The Minister of State, Northern Ireland Office (John Penrose): The Secretary of State has not had any meetings with my right hon. Friend the Prime Minister on the confidence and supply agreement. The agreement is between the Conservative party and the Democratic Unionist party for the length of the Parliament, and as the agreement makes clear, the Secretary of State is not involved in confidence and supply discussions.

Hannah Bardell: Last year, I met two incredibly brave women, Sarah Ewart and Denise Phelan, who have been directly impacted by Northern Ireland's near total abortion ban and are working with Amnesty UK to change the law. Their harrowing experience of being unable to access safe and legal abortion in Northern Ireland demonstrates the reality of that restrictive regime. In Denise's case, the foetus died and decomposed inside her. When will the Secretary of State realise that her

Government's agreement with the DUP is holding back the human rights of women in Northern Ireland, and what is she going to do about it?

John Penrose: I am not quite clear what the very important and, I agree, very difficult issue of abortion laws in Northern Ireland has to do with the confidence and supply agreement. It is not in the confidence and supply agreement at all. It is a very difficult and knotty issue that needs to be addressed as soon as we can get the Stormont Parliament up and running.

Marion Fellows: Can the Minister confirm whether there have been ongoing discussions between any members of the Cabinet and the DUP, seeking support for the Prime Minister's latest attempt to bring back her Brexit deal? If so, will the new DUP bung be subject to the Barnett formula?

John Penrose: I tried to make this clear earlier, but let me repeat it, so that everybody is crystal clear. The confidence and supply agreement is not something that the Northern Ireland Office gets involved in, and rightly so. It is done at a much more senior level between No. 10 and through the usual channels, and it is not something that the Northern Ireland Office would have any particular participation in.

Paul Girvan (South Antrim) (DUP): Will the Minister outline the benefits that confidence and supply one—I use that term in anticipation that we will have another—has brought to the population of Northern Ireland?

John Penrose: There has been a great degree of investment in Northern Ireland as a result of the confidence and supply agreement; the hon. Gentleman is right. There has been extensive spending. We have so far spent £430 million in Northern Ireland on things such as health, education and infrastructure. There is a further £333 million, subject to Parliament's approval, and the remaining £323 million will be allocated in due course.

Gavin Newlands (Paisley and Renfrewshire North) (SNP): The Minister's answer to my hon. Friend the Member for Motherwell and Wishaw (Marion Fellows) simply was not good enough. The current confidence and supply agreement between the Tories and the DUP has denied Scotland a total of £3.4 billion in Barnett consequentials. Would the Minister care to find out what the next bribe to the DUP will cost the people of Scotland, so that we can tell them?

John Penrose: It is very clear that the confidence and supply agreement does not incur Barnett consequentials and is separate. In that respect, it is rather like the city deals. I gently point out to Scottish National party Members that Scotland has done extremely well out of the city deals—it has had something like £1.25 billion. It is all very well them gesturing that away, as if it is nothing at all, but this is real money going into important investments in local economies across Scotland, as it is in Northern Ireland as well.

Local Elections

7. **Stephen Lloyd** (Eastbourne) (Ind): What assessment she has made of the effect of the results of the recent local elections on the political situation in Northern Ireland. [910957]

The Secretary of State for Northern Ireland (Karen Bradley): I have had discussions with the five main parties in Northern Ireland since the local elections, and they have all reaffirmed their commitment to restoring a power-sharing Executive and other political institutions set out in the Belfast agreement.

Stephen Lloyd: As someone who is half Northern Irish—in fact, proudly half Northern Irish—I am well aware of the profound sectarian issues that have scarred the nation for many hundreds of years. Consequently, I was delighted to see that the party that did best at the local elections, with the highest increase, was the non-sectarian Alliance party. Would the Secretary of State share with me the joy at seeing that tremendous non-sectarian result?

Karen Bradley: The message I took from the local elections is that what people on the doorstep want is restored devolved Government as soon as possible and that is what I am working to deliver.

Simon Hoare (North Dorset) (Con): Does my right hon. Friend share my hope that, having got the local elections under our belts and on the cusp of the European elections—with both of those out of the way—a really firm, positive focus can be placed by all parties on restoring the devolved Assembly in Stormont?

Karen Bradley: I know that the parties in Northern Ireland are determined that they will do all they can to deliver restored devolved Government. That is what is best for the people of Northern Ireland and it is what the people of Northern Ireland want. But this will not be easy—there are challenges—and I ask that we all offer our support to the parties in Northern Ireland to help them to take those difficult decisions.

Jim Shannon (Strangford) (DUP) *rose*—

Mr Speaker: One sentence.

Jim Shannon: Would the Secretary of State like to comment on or make an assessment of the election of Councillor Gary Donnelly—former spokesperson for the 32 County Sovereignty Movement—in the electoral area where the murder of innocent by-stander Lyra McKee took place and where police and bystanders were unapologetically and indiscriminately fired towards; and what progress has been made in that murder investigation and the process as well?

Mr Speaker: The hon. Gentleman is a fan of the dash and the semi-colon.

Karen Bradley: Very good in the use of a sentence. I repeat that the lesson I took from the local elections was that people want restored devolved Government as soon as possible.

Legacy Consultation

8. **Chris Davies** (Brecon and Radnorshire) (Con): What recent progress she has made on the consultation on addressing the legacy of Northern Ireland's past. [910958]

The Minister of State, Northern Ireland Office (John Penrose): As the House heard earlier, we had over 17,000 responses to the consultation, many of them containing tales of personal tragedy and loss, so I hope that everyone will understand the need to consider them all respectfully and carefully. The process is almost finished and I hope that we will be able to publish an analysis of the views they contain—*[Interruption.]*

Mr Speaker: Order. This is very unfair on the Minister, who is answering a question about the legacy of Northern Ireland's past. This is a matter of the utmost seriousness and solemnity and I think that the Minister and the questioner should be accorded respect.

John Penrose: Thank you, Mr Speaker. I was just finishing my remarks by saying that the process of considering those tragic submissions is almost finished and I hope that we will be able to publish an analysis of the views they contain very soon.

Chris Davies: Does my hon. Friend agree that we must listen carefully to this consultation and does he agree with the words of the Secretary of State in the foreword to the consultation:

“amnesties are not the right approach and”

the Government

“believes that justice should be pursued”?

John Penrose: Yes, I do. Any solution must allow both unionists and republicans to achieve closure, and for all of Northern Ireland to draw a line and move on. Otherwise it will not last. We have been working closely with the political parties in Northern Ireland, as well as colleagues across both Houses, on the way forward and, last week, the Secretary of State met the Victims' Commissioner and legacy groups as well.

Tony Lloyd (Rochdale) (Lab): Part of the dark past of Northern Ireland is also the question of historical institutional abuse. The Secretary of State has said that she now intends to act. The victims groups this week called on her to stand down and resign. She needs to regain their confidence. She needs to give a very clear timetable as to when she will take action in this House and elsewhere. Will the Minister now make it clear when that will happen?

John Penrose: I thought I heard just now the Secretary of State doing a pretty good job of showing the personal commitment and the urgency with which she is treating this. I am afraid I cannot add any more detail to the timetable, but I hope everybody here will have understood and heard the passion in her voice and the determination to move this forward promptly and swiftly.

Prosecution of Veterans

9. **Bob Stewart (Beckenham) (Con):** If the Government will bring forward legislative proposals to prevent veterans who have previously been investigated and cleared of illegal shooting incidents in Northern Ireland being prosecuted for those incidents. [910959]

The Minister of State, Northern Ireland Office (John Penrose): My hon. and gallant Friend gave a very powerful speech on this on Monday, and I would encourage anybody here who has not heard it to go back and listen

again. I think he and I agree that the current situation is not working for anyone. The question is not whether things need to change, because they clearly do, but how, so we have laws which work for police veterans as well as armed forces, for unionists and for nationalists, for victims and their families on all sides of the community, and which bring truth and justice and closure so society can move on. We will bring forward proposals as soon as possible.

Bob Stewart: As an ex-soldier, and now a Member of Parliament, I am ashamed that my Government have not sorted this matter out. I ask the Minister, and especially the Secretary of State, who has been in post longer—how much longer before it can be sorted out, and are you not ashamed?

John Penrose: My hon. and gallant Friend, having served in Northern Ireland, speaks with huge authority on this matter. I suspect that successive Governments have to share some blame for failing to fix it over many years. Clearly, as I said in my previous answer, the situation cannot be allowed to continue—it is not right; it is not just. It must be sorted out as promptly as possible. On that, I hope that he and I agree.

Gavin Robinson (Belfast East) (DUP): It was with regret that yesterday we got the revelation from the Government—through a written ministerial statement, rather than an oral statement—about the proposals for the way forward. We should hang our heads in shame that we intend to treat service personnel who served in Northern Ireland differently from those who served overseas. When I questioned the Attorney General on the issue on 31 January, he said clearly that to treat service personnel differently would plainly be wrong. He was right, Minister, was he not?

John Penrose: The important thing, as we heard repeatedly in last week's urgent question and in Monday's Westminster Hall debate, is that for those servicemen and women who served under Operation Banner it felt the same no matter what. Our challenge is that, if we are to come up with an answer that will work when it is taken to court by the lawfare-mongers, as it inevitably will be, we must have something that works on the basis of the different legal starting points for things that happened in the UK, as opposed to things that happened abroad, but which ends up with an answer that feels the same to our servicemen and women and provides them with the same robust protections no matter what.

PRIME MINISTER

The Prime Minister was asked—

Engagements

Q1. [911036] **John Woodcock (Barrow and Furness) (Ind):** If she will list her official engagements for Wednesday 22 May.

The Prime Minister (Mrs Theresa May): Today marks two years since the Manchester Arena attack. It was a cowardly and sickening attack that deliberately targeted

innocent and defenceless children. Members across the House will want to join me in sending my thoughts and prayers to the families and friends of all the victims. I am sure that Members will also want to join me in paying tribute to the emergency services for the immense bravery and courage they showed that night.

This morning I had meetings with ministerial colleagues and others and, in addition to my duties in this House, I shall have further such meetings later today.

John Woodcock: I know that the whole House will want to associate themselves with the Prime Minister's words about the Manchester attack.

The Prime Minister may not have long left—good luck with those meetings later today—but she can act now against the return of banned chemical weapons. British experts are this morning investigating a suspected chlorine attack by al-Assad in Idlib. If it is proved, will she lead the international response against the return of this indiscriminate evil?

The Prime Minister: The hon. Gentleman is right to raise the issue of the evil that is the use of chemical weapons. We of course acted in Syria, with France and the United States, when we saw chemical weapons being used there. We of course suffered the use of chemical weapons here on the streets of the United Kingdom, and we made a robust response, supported by our international friends and allies. We condemn all use of chemical weapons. We are in close contact with the United States and are monitoring the situation closely, and if any use of chemical weapons is confirmed, we will respond appropriately. But our position is clear: we consider Assad incapable of delivering a lasting peace, and his regime lost its legitimacy due to its atrocities against its own Syrian people.

Q2. [911037] **Antoinette Sandbach** (Eddisbury) (Con): Does the Prime Minister agree that energy efficiency measures are critical in tackling climate change? Bringing every home up to an energy performance certificate band C standard could save 25% of electricity generation, which is equivalent to six Hinkley Point nuclear power stations; it could save every family £270; and it could potentially pay for itself, by generating £1.27 for every £1 invested.

The Prime Minister: My hon. Friend makes an excellent point. We, like her, absolutely recognise the importance of this issue. The Government are committed to improving energy efficiency in 2.5 million homes by 2030 and our aim is to bring 2.5 million fuel-poor homes up to an energy performance certificate C rating by 2030. As she says, that will help to save energy and bring down bills.

Jeremy Corbyn (Islington North) (Lab): I join the Prime Minister in commemorating all the victims of the Manchester bombing two years ago. Our thoughts are with the friends and families of all those who were killed, the survivors, and the emergency service workers who gave such heroic service that night. They will live with the horrors of that night for the rest of their lives and 10.31 tonight will be a very poignant moment for many people in Manchester.

I want to pay tribute to the last survivor of the Hull "headscarf revolutionaries", Yvonne Blenkinsop. She is visiting Parliament today. She led a campaign for basic safety in the UK fishing fleet in the 1960s. As a result,

many lives were saved. People like her have made such an enormous contribution to our national life. They should be recognised for it.

I also want to express, on behalf of the Labour party, my outrage that the Government have again failed our steel industry, putting 5,000 jobs at risk at British Steel and 20,000 more in the supply chain. The Government have failed those people. Even at this late stage—there is a statement later today—they must step in and save those jobs.

Why are schools having to close early on Friday afternoon due to spending cuts?

The Prime Minister: First, I say to the right hon. Gentleman, because he raised the issue of British Steel, that, obviously, we recognise that this is a worrying time for the thousands of dedicated British Steel workers and their families, as well as those in the supply chain and local communities. The Government have been working tirelessly with the company, its owner Greycapital and lenders to explore all potential options to secure a solution for the company. We showed, through the emissions trade scheme agreement, that we were willing to act, but we can only act within the law. It is clear that it would be unlawful to provide a guarantee or loan on the terms requested by the company. We will be working with the company and others, and the official receiver, in the days and weeks ahead to ensure we pursue every step to secure the future of the operations at Scunthorpe, Skinningrove and on Teesside. My right hon. Friend the Chancellor has agreed an indemnity for the official receiver to enable British Steel to continue to operate in the immediate future. There are no job losses at this time and the official receiver has already said that staff will continue to be paid and employed. My right hon. Friend the Business Secretary will be updating the House in a statement later this afternoon.

On the issue of schools, as the right hon. Gentleman knows we are putting record levels of funding into our schools.

Jeremy Corbyn: That would explain why 26 schools close early on a Friday every week because they do not have enough money to keep themselves open. More than 1,000 schools across England are turning to crowdfunding websites with a wish-list of things they want to raise money to buy—really exotic things such as pencils, glue and textbooks. Why are they forced to do that if they allegedly have enough money in the first place?

The Prime Minister: I say to the right hon. Gentleman what I have said before and just quoted: we are putting record levels of funding into our schools. We have also put in place a fairer distribution of the funding between our schools. We are giving every area more money for every pupil in every school. What is important in our education system is not just what the Government put in, but what quality of education is received by the children. There are more children in good and outstanding schools, the disadvantage attainment gap has been narrowed and record rates of disadvantaged young people are going to university. That is a record to be proud of.

Jeremy Corbyn: I do not know if the Prime Minister has had a chance to listen to or read the words of the general secretary of the National Association of Head Teachers. He said:

"The fact so many schools are doing this should be ringing serious alarm bells for the government".

The Prime Minister does not seem to be aware of the crisis that is facing so many in education at the present time, so can she be very clear with the House: has per pupil funding risen or fallen since 2010?

The Prime Minister: As I said to the right hon. Gentleman, we are giving every area more money for every pupil in every school. Why are we able to do that? It is because the Conservatives have taken a balanced approach to our economy and managed our finances well. What would Labour give us? One thousand billion pounds extra borrowing. That would mean higher taxes, fewer jobs and less money to go into our schools.

Jeremy Corbyn: I can help the Prime Minister out in two ways. One is that a Labour Government would properly fund our schools—it would not short-change our children—and we would not use Orwellian words like “fair funding” while we are cutting. Per pupil funding—just so the Prime Minister understands it—has fallen by 8%. For sixth forms, it is 24%.

At the end of last year, the Prime Minister said “austerity is over.” Maria, who describes herself as a “teacher in an underfunded school”

wrote to me this week and asked this—*[Interruption.]* Maria is a teacher in an underfunded school—I think Conservative Members need to listen to her. She asked: “when will the government stop making false claims of increased funding for schools and start to tackle the serious problems faced by teachers?”

When will the cuts end for our children’s schools?

The Prime Minister: I repeat: we are giving every area more money for every pupil in every school, but let us just see the situation that this Government inherited and that we would see under a Labour Government in the future—having to spend more on debt interest than on our schools budget. That is not because of what this Government are doing, because we are bringing debt down. It is the legacy of a Labour Government—more money on debt than on our schools.

Jeremy Corbyn: What this Government have squandered is what they inherited: children’s centres, Sure Start, children taken out of poverty. They squandered the future for so many of our children. *[Interruption.]*

Mr Speaker: Order. Mr Burghart, you are an educated young man. When you came into the House, you struck me as a very well behaved fellow. Calm yourself and listen.

Jeremy Corbyn: The Department for Education’s funding chief met school leaders recently and told them:

“the first thing to say is obviously they are not generous budgets”—he is very cautious with his words—

“They are budgets which leave schools with real pressures to face”.

Everyone agrees that the creative industries in this country are an enormous strength to our economy, so why have the arts borne the brunt of the Government’s brutal cuts to school funding? So many children are losing out on music and creative arts in our schools because of decisions by central Government.

The Prime Minister: The right hon. Gentleman started his question by claiming that this Government had squandered what had been left by the last Labour Government. Let us look at what was left by the last Labour Government. *[Interruption.]* Oh. They do not want to be reminded what they left the last time they were in government. What did the last Labour Government leave? Unemployment higher than when they went into office. What did the last Labour Government leave? The biggest deficit in our peacetime history. And what were we told by the departing Chief Secretary to the Treasury? We were told: under Labour, there is no money left.

Jeremy Corbyn: My question was actually about funding for arts and creative subjects in schools. A survey has shown that nine out of 10 secondary schools have cut back on lesson time, staff or facilities in at least one of the creative arts subjects. Are the artists and actors of tomorrow only to come from the private schools, while the Prime Minister continues to cut the funding for state schools?

When the Prime Minister says that school funding has been protected, she is denying the daily experience of teachers, parents and pupils. She is denying the incontrovertible evidence of the Institute for Fiscal Studies, education bodies and teaching unions. She is actually in outright denial. When the wealth of the richest 1,000 people has increased by £50 billion in the last year alone, do not tell us that the money is not there for our children’s schools. This Government have cut vital public services to give tax cuts to the privileged few. Can the Prime Minister name a more damaging policy—a more short-sighted policy—than cutting investment in our future: our children?

The Prime Minister: The richest have paid more tax every year under the Conservatives—*[Interruption.]* Wait for it! They have paid more every year under the Conservatives than in any year under a Labour Government. The right hon. Gentleman talks about what happens in our schools. As I have said, we are putting record funding into our schools, but what matters is the quality of education our children get. Labour opposed the phonics checks, it wants to scrap academies and free schools, and it would abolish SATs. That does not help to raise standards in schools. Let us just look at the Labour record. When it was in government, standards were lower than they are today. Where it is in government in Wales, standards are lower than in England, and if it was to get into government, we would see more of the same—lower standards, less opportunity, less opportunity for young people for a brighter future. It is the Conservative party that gives good quality education, good jobs and a good future.

Q6. ^[911041] **Mr Ranil Jayawardena** (North East Hampshire) (Con): Can my right hon. Friend explain why she ordered that the consultation on the troubles in Northern Ireland not contain proposals for a statute of limitations, as reported in *The Sunday Telegraph*, and can she update us on what the Government will actually do?

The Prime Minister: My hon. Friend should not necessarily believe all the reports he reads in the newspapers, but let me be very clear on this particular issue. Around 3,500 people were killed in the troubles. The vast majority

were murdered by terrorists. The legal position is clear. Any amnesty or statute of limitations would have to apply across the board. It would apply to terrorists. I am not prepared to accept a proposal that brings in amnesties for terrorists.

Ian Blackford (Ross, Skye and Lochaber) (SNP): I associate myself with the Prime Minister's remarks about the heinous crime that took place two years ago in Manchester. We must all stand together against terrorism.

The Prime Minister's customs tariff plan has been described by the UK's former representative to the EU as the "definition of insanity". Her customs union compromise has already been dismissed by the EU. Is this new deal not just a fantasy?

The Prime Minister: I have set out the 10 points about the new deal. There is an issue about customs. There is a difference of opinion in the House on the future customs arrangement with the EU. That is why it is important that the House comes to a decision on that issue. Allowing the Second Reading of the withdrawal agreement Bill will enable the House to come to a decision on that issue. It will also enable the House to come to a decision on a second referendum, which I continue to believe would not be the right route for this country to go down. We should deliver on the first referendum before suggesting anything about a second.

Ian Blackford: My goodness—talk about ignoring reality! Prime Minister, look at the Benches behind you. The Prime Minister is fooling no one but herself. The truth is that the people of Scotland do not want her deal, her own party does not want her deal, and now even the pro-Brexit Labour Front Bench will not support her deal. Her time is up. Tomorrow, people in Scotland will have the choice to send a message by sending pro-European, outward-looking Scottish National party MEPs to Brussels to stop Brexit. What party does she think the people of Scotland will choose?

The Prime Minister: There is only one party in Scotland guaranteeing no more referendums, and that is the Conservative party. [*Interruption.*]

Mr Speaker: Order. Colleagues, calm yourselves. Dignity. Restraint. Let us hear Mr Heappey.

Q9. [911044] **James Heappey** (Wells) (Con): My constituent Jackie Luxon was 26 weeks pregnant at the time of a car crash that caused her baby to be stillborn. However, only the injuries caused to Mrs Luxon and her older daughter were relevant when charging and subsequently sentencing the driver whose dangerous driving caused the crash. The baby, Grace, got no justice at all. I understand from the police and stillbirth support groups that the Luxon's tragic experience is, sadly, far from unique. Will the Prime Minister look again at the Road Traffic Act 1988 so that those who cause death to viable babies over 24 weeks' gestation through dangerous driving can be held responsible for these tragic losses of life?

The Prime Minister: I know that all Members across the House—it will have been obvious in response to his question—will want to join me in sending deepest sympathies to my hon. Friend's constituent. As my hon. Friend will know, the courts can already, and do, consider

harm caused to a mother or unborn child in sentencing for an offence. I know my hon. Friend has discussed changing the law on this particular issue with the Ministry of Justice. They are concerned that there could be far-reaching unintended consequences of doing so, but I have asked them to keep the law under review. I know that my hon. Friend, along with others in this House, will continue to work on this issue. I am sure everybody recognises the compassion that my hon. Friend is showing in raising this issue. What we want to ensure is that what he is proposing is not something that could lead to other, unintended consequences, of the sort that he would not wish to see.

Q3. [911038] **Ronnie Cowan** (Inverclyde) (SNP): Prime Minister, it has been brought to my attention that some children suffering from severe epilepsy have been able to greatly reduce, and in some cases end, their seizures if they have access to Bedrolite. Due to the cumbersome and discriminatory system that this Government implemented on 1 November 2018, parents are required to travel abroad, pay thousands of pounds and break the law to bring medicine back, or to pay extraordinary prices to access Bedrolite privately in the UK. Rather than people having to fight for access on a case-by-case basis, will the Prime Minister apply some common sense, show a soupçon of compassion and do everything she can to make medical cannabis available to the many people who are suffering and to ensure that those who can benefit do?

The Prime Minister: I fully understand that these cases are desperately difficult, and my sympathies are with the families and friends. The Government did change the law, as the hon. Gentleman said, and specialist doctors on the General Medical Council specialist register can now prescribe cannabis-based products for medicinal use where there is clinical evidence of benefit. NHS England and the chief medical officer have made it clear that cannabis-based products can be prescribed for medicinal use in appropriate cases, but we must trust doctors to make clinical decisions in the best interests of patients.

Q14. [911049] **Kevin Hollinrake** (Thirsk and Malton) (Con): When Sally Masterton discovered a £1 billion fraud at Lloyds, the bank sought to discredit her to the regulator, constructively dismissed her and prevented her from working with the police investigation, which had described her role as vital. Five years later, the bank apologised and paid an undisclosed amount in compensation, yet the Financial Conduct Authority continues to refuse to investigate. Will the Prime Minister use her powers to compel it to do so and to sanction those responsible, including, if relevant, the chief executive for those five years, António Horta-Osório?

The Prime Minister: Obviously, it is important to remember that the events at HBOS Reading branch constituted criminal activity, and it is right that those responsible were brought to justice. The FCA is currently conducting two investigations into the events at HBOS Reading, including on the bank's communications with regulators following the discovery of the misconduct. Lloyds has appointed a former High Court judge, Dame Linda Dobbs, to consider whether issues related to HBOS Reading were properly investigated and reported by Lloyds Banking Group. Those findings will be shared with the FCA, and I look forward to the conclusion of all those investigations.

Q4. [911039] **Toby Perkins** (Chesterfield) (Lab): Brampton Primary School in Chesterfield has an exemplary record in special needs education. Yet, under the Government's funding formula, the first £6,000 for every special needs child is not actually funded by the Government. When even the Tory lead member for education in Derbyshire describes a school like Brampton as a victim of its own success, is it not time that the Prime Minister, in her final days, changed the funding formula and started looking after those special needs children?

The Prime Minister: We have been putting more money into special educational needs. I recognise that for many parents getting the support that is required for their children can be a difficult process with the local authorities. We recognise the importance of special needs and that is precisely why we have been putting extra support in there.

Alistair Burt (North East Bedfordshire) (Con): May I thank the Prime Minister for the amount of British aid that flows through to the World Food Programme in Yemen and ask if she has noted in the last 48 hours a report by its excellent director David Beasley drawing attention to the diversion and theft of aid in Houthi-controlled areas by Houthi authorities? Will she urge the international community to increase the pressure on Houthi leadership to resolve this and further the efforts for peace in Yemen, rather than take the slightly easy course of always focusing on the Yemeni Government and the Saudi-led coalition?

The Prime Minister: My right hon. Friend raises a very important point. We are all concerned about the humanitarian situation in Yemen. As he rightly says, this Government have a good record in terms of the amount of money and the aid we are providing to help those in Yemen, but of course it is only of benefit if it is able to reach those who need it, and it is incumbent on all parties to ensure that that aid reaches those who need it. We will continue to support the efforts to bring a lasting peace to Yemen. A political settlement there is the way to get that sustainability and security for the future, but it is incumbent on everybody to make sure the aid that is being provided for those who are desperately in need can reach those who need it most.

Q5. [911040] **Stephen Morgan** (Portsmouth South) (Lab): On 5 June the eyes of the world will be on Portsmouth for D-day 75. Events planned will give justice to the sacrifices made by veterans like my own grandfather, and will show Portsmouth to be a place that fosters a legacy of remembrance, reflection and reconciliation. Our allies in world war two—Australia, New Zealand, Canada and the US—have all taken steps to ensure that coroners record suicide among the veteran community. Prime Minister, why don't we?

The Prime Minister: May I say first that it is indeed right that the eyes of the world will be on Portsmouth for the D-day national commemorative event? This will be putting our veterans first. It remembers their sacrifices and their achievements, and we will highlight the historic strength of the western alliance and the trans-Atlantic partnership. The hon. Gentleman has raised a specific issue in relation to coroners' reports

and I will write to him in response to that, but may I say that I look forward, as do others, to being in Portsmouth to commemorate this very important anniversary?

Mr Iain Duncan Smith (Chingford and Woodford Green) (Con): Forty three years ago I, like many others, was ordered to serve in Northern Ireland to keep the peace while terrorists were attacking and killing civilians in Northern Ireland. Many of my colleagues and others did not come back, including one, Robert Nairac, a friend, who was tortured and murdered, and his body has never been found nor his murderers ever brought to justice. In answer to an earlier question from my hon. Friend the Member for North East Hampshire (Mr Jayawardena) my right hon. Friend talked about an amnesty. I must tell her that none of those who served has called for an amnesty; what they have called for is fairness and justice. Many old veterans are now finding, having been cleared decades ago, that the Police Service of Northern Ireland is proceeding against them with no new evidence. Will my right hon. Friend please answer me: how can I say to my old colleagues that this Government have not abandoned them?

The Prime Minister: May I say to my right hon. Friend that we absolutely value the service that he and others gave in Northern Ireland? This was a very difficult time for a part of the United Kingdom and the work that the police and the armed forces did in Northern Ireland during that time was absolutely crucial. We are pleased that we have seen the peace that has come since the Belfast/Good Friday agreement but there was obviously much injury and loss of life during the troubles. As I indicated earlier, around 3,500 people were killed during the troubles; the vast majority of them were murdered by terrorists. My right hon. Friend talked about a fair and just system. We want to ensure that there is a fair and just system that is working across the board to deal with these legacy issues, but at the moment there is a disproportionate emphasis on cases that involve the police and the armed forces. There are cases involving terrorists that are being looked into, but I think people would recognise that there is a disproportionate emphasis on the police and armed forces. It is therefore important that we bring in a system that has full support and will enable people to see that fairness and justice are being applied. That is what the Secretary of State for Northern Ireland is working on. She has been working on that with the various political parties in Northern Ireland, and it is what we will put forward in due course. We recognise the sacrifice, the bravery and the determination of our armed forces and the work they did in Northern Ireland, and we, too, want to see fairness and justice.

Q7. [911042] **Ms Karen Buck** (Westminster North) (Lab): It took time to get there, but the Prime Minister has now recognised that a no-deal Brexit is not a viable option. However, she knows as well as the rest of us that many of her potential successors do not feel the same way. So can she tell us whether she agrees with her Brexit Secretary, among others, who thinks that we should be spending the coming months stepping up the preparations for a no-deal Brexit, or with her Chancellor, who has issued an edict that no more Treasury money should be spent on preparing for a no-deal Brexit?

The Prime Minister: As the hon. Lady knows, there is only one way for this House to ensure that we leave the European Union without no deal, and that is to leave with a deal and to support the Second Reading of the withdrawal agreement Bill and to take that process through this House. I am sure that she also knows that the legal default position continues to be no deal. Were we to get to 31 October—I want us to leave the EU before then—but were we to get to the 31 October position, it would be a matter for the 27, not just for this country, to determine whether there was no deal or not. This is why it is absolutely right that the Government are continuing to make preparations for no deal.

Mr Charles Walker (Broxbourne) (Con): Like so many people in this Chamber, I want to see more money for schools, hospitals, the police and transport. Is not the best way of doing this to agree a deal that allows us to legally exit the EU, thereby unlocking the three years of pent-up investment that is sitting on the sidelines seeking the certainty that the Prime Minister is trying to deliver and that this party should be trying to deliver?

The Prime Minister: My hon. Friend is absolutely right. There is pent-up investment there, and there are companies that have been holding investment back until they see the Brexit deal being resolved. It is important that we see that deal going through this House, and supporting the withdrawal agreement Bill is the way to ensure that we deliver the Brexit that the people voted for and that we do it in a way that Conservatives stood on in their manifesto at the last election and actually that Labour Members stood on in their manifesto at the last election. Once we are over this and once we have left the European Union, we will be able to take advantage not only of the deal dividend but of that increased investment, and to see that bright future for our country.

Q8. [911043] **Jeff Smith (Manchester, Withington) (Lab):** As a Manchester MP, may I thank the Prime Minister and the Leader of the Opposition for their words of remembrance for the victims of the terrorist attack in our city two years ago? In the light of the concerns expressed about delays in accessing compensation, and about the amounts being offered to victims following the attack, will the Government give consideration, when the criminal injuries compensation scheme is reviewed this year, to establishing a separate Government funding pot for the victims of terrorist attacks? This would mean that such compensation would not have to be taken from the Criminal Injuries Compensation Authority funding, and that we could give more flexible and immediate support to the victims of terror attacks.

The Prime Minister: The hon. Gentleman has raised an important point, and I recognise the force with which he has raised it and the concern that he has for the victims of that terrible attack. Sadly, we have seen too many people in this country being victims of terrorist attacks. The Lord Chancellor has indicated that the Ministry of Justice is reviewing this situation. He has heard the specific proposal the hon. Gentleman has put forward, and I am sure that he will take it into account in that review.

Maria Caulfield (Lewes) (Con): Returning to Northern Ireland, there has now been no devolved government there for two and a half years. Every week in the

Northern Ireland Affairs Committee, we hear about the impact of this on ordinary people. Whether on equality issues, on funding for the Police Service of Northern Ireland, or on a pay rise for teachers, who are paid 6% less than teachers in the rest of the United Kingdom, Northern Ireland is being left behind. Will the Prime Minister do all she can to restore devolution before the end of the year?

The Prime Minister: I can give my hon. Friend that reassurance. I am as keen as she is to ensure that we see the restoration of devolution in Northern Ireland. I believe that all the parties have recently come together for talks with the Secretary of State and, as appropriate, the Irish Government, and we are ensuring that those talks are continuing. Obviously, there are matters that need to be addressed and concerns from the political parties on different issues. Those need to be overcome such that we can see devolution restored because, as my hon. Friend says, this is a matter for the people of Northern Ireland, ensuring that they have a devolved Government that can ensure good governance in Northern Ireland.

Q10. [911045] **Mike Amesbury (Weaver Vale) (Lab):** On two previous occasions I have asked the Prime Minister to do more to support the victims of the leasehold scandal. Now that she is about to move house any time soon, will she give that issue a little more focus and address it urgently to give leaseholders justice?

The Prime Minister: We have been listening to those who have raised concerns about that particular issue. Last year, my right hon. Friend the Secretary of State for Housing, Communities and Local Government announced that no new Government funding scheme will be used to support the unjustified use of leasehold for new houses. We have had a technical consultation on how to improve the market for consumers, and we are analysing the responses. We will shortly respond to the consultation and to the recent Housing, Communities and Local Government Committee report on leasehold reform, and we will introduce legislation in due course.

Mr Owen Paterson (North Shropshire) (Con): In reply to my right hon. Friend the Member for Chingford and Woodford Green (Mr Duncan Smith), the Prime Minister quite rightly paid tribute to the 300,000 security personnel who through their courage, professionalism and skill maintained the rule of law in Northern Ireland, without which the Belfast agreement would never have been signed, but she did not quite answer his question. None of the people who served and defended the rule of law wants a blanket amnesty; they want a categorical assurance that the prosecuting authorities will not bring forward a fresh process within the existing framework of law unless there is clear new evidence and an assurance that, no doubt whatever, a fair trial will proceed.

The Prime Minister: I absolutely appreciate the points that my right hon. Friend and our right hon. Friend the Member for Chingford and Woodford Green (Mr Duncan Smith) have made in relation to this issue. The problem we face in Northern Ireland is that a number of processes have been aiming to deal with justice in relation to deaths during the troubles, but all the processes that have been followed so far have been found to be flawed in some way. That is why it is necessary to go through

the work that we have been doing to find a process that will not be flawed, that will be legally supportable, and that will enable the fairness and justice that we all want to see to be brought to the fore.

Q11. [911046] **Laura Smith** (Crewe and Nantwich) (Lab): During the 2017 election campaign, the Prime Minister acknowledged that our social care system is broken and promised to fix it, yet the CEO of a care provider in Crewe and Nantwich recently told me that the decision to cut sleep-in pay for care workers by up to £400 a month is a direct result of underfunding in the care sector. Will the Prime Minister consider legislating to ensure that sleep-in shifts attract at least the national living wage, and will she provide local authorities with the necessary funding to give care workers the pay they deserve?

The Prime Minister: The Government have been dealing with the issue of pay for sleep-in cover. We have had to address the matter as the direct result of a court case. We have been responding to that case, so I recognise the issue about pay for sleep-in cover. We are going to bring forward proposals in relation to the wider issue of social care. We want to ensure that we have a sustainable social care system for the future.

Mrs Pauline Latham (Mid Derbyshire) (Con): Will the Prime Minister welcome, with me, the launch of Radio Reminiscence, a fantastic, new dementia-friendly, subscription-based radio service? It is designed to help and comfort people over 70 with early-onset dementia, and it was produced and developed in Belper in my constituency.

The Prime Minister: I thank my hon. Friend for raising the issue of support for people with early-onset dementia and for highlighting the new radio service. As she will know, the Government are committed to doubling spending on research into dementia by 2020. The radio service is obviously a practical way of providing support for people with early-onset dementia, and I am happy to join my hon. Friend in welcoming the new service. I am sure that it will provide important help to those who are suffering with dementia.

Q12. [911047] **Thangam Debbonaire** (Bristol West) (Lab): The Prime Minister must be considering her legacy. She said she wants to correct burning injustice, so will she commit to supporting legislation such as that proposed by my hon. Friend the Member for Kingston upon Hull North (Diana Johnson) so that abortion in Northern Ireland becomes a health matter, not a criminal one, and, as soon possible, women have equal rights across the whole United Kingdom?

The Prime Minister: My view on what should happen in relation to abortion is clear, and I have made it clear in the past, but this is a devolved issue and we believe it should be addressed by the devolved Administration in Northern Ireland when that is restored.

Mr Steve Baker (Wycombe) (Con): As we look forward to the visit by the President of United States, does my right hon. Friend agree with me that it is in the national interest that we support his visit and unite across the House, and across the country, to make a success of the visit so that our special relationship endures, grows and supports the success of this country as we exit the EU?

The Prime Minister: I thank my hon. Friend for raising this issue, and he is absolutely right. We are looking forward to the state visit of the President of the United States, and we are also looking forward to President Trump joining me and other leaders to commemorate the 75th anniversary of D-day. This is an important commemoration where, as I said in response to the hon. Member for Portsmouth South (Stephen Morgan), we will recognise the sacrifice made by British armed forces, American armed forces and others from so many other countries to ensure the freedom of Europe.

My hon. Friend the Member for Wycombe (Mr Baker) is also right that we have a deep and special relationship with the United States of America. It is important, and it is our closest and deepest security and defence relationship. It is a relationship that has helped to keep the peace around the world, and it is one we want to see continue. Every Member of this House should welcome the President of the United States of America to the UK.

Q13. [911048] **Chris Law** (Dundee West) (SNP): We have repeatedly heard from the Prime Minister that it would be an

“unforgivable breach of trust in our democracy”

if we failed to deliver Brexit, yet if the polls are correct Scotland will send a clear message tomorrow that it wants to remain in Europe by increasing its number of SNP MEPs while wiping out the Tories. Should Scotland increase its number of pro-EU MEPs tomorrow, will the Prime Minister finally listen to the people of Scotland, who want to determine their own future as an independent European nation, or will she breach their trust by leaving Scotland’s people with Boris’s Brexit Britain?

The Prime Minister: I suggest that, if the hon. Gentleman wants to listen to the people of Scotland and their view on their future, he starts listening to the decision they took in 2014 to remain part of the United Kingdom.

Dr Phillip Lee (Bracknell) (Con): If polling is to be believed, the winning party in tomorrow’s Euro elections will be the Brexit party. This party, in contrast to the Vote Leave campaign in 2016, has clearly stated that a no-deal Brexit is its policy. On the basis of normal turnout, that means between 6 million and 7 million people will have voted for a no deal, which begs the question: what of the other 10 million Brexit voters in 2016?

It concerns me, and has long concerned me, that we do not have the consent here in this House to deliver the Brexit that is likely to emanate from this House. With that in mind, and I congratulate the Prime Minister on the first steps towards acknowledging it yesterday, will she commit to reaching out across the House to bring about the vote, which remains to take place, on the choice between having a final say of the British public or a no-deal Brexit?

The Prime Minister: I do not recognise the choice that my hon. Friend sets out. First, as I said earlier, I have not changed my view on a second referendum. I have been clear that I believe this House should be delivering on the result of the first referendum, and I believe that the choice before this House is whether it wants to deliver on the result of the first referendum and on the manifestos on which the majority of the

Members of this House stood, which were clear that we want to do it with a deal. We can do that, and we can do it by giving a Second Reading to the withdrawal agreement Bill, by seeing the Bill through the House to Royal Assent, by ratifying the treaty and by leaving the European Union.

Q15. [911050] **Marsha De Cordova** (Battersea) (Lab): Universal credit was today condemned again by the United Nations special rapporteur, who likened DWP policy to creating modern versions of “the 19th-century workhouse”. A leaked memo has revealed that the DWP is doubling down, promoting universal credit with an aggressive public relations campaign, including a BBC documentary and adverts seen in today’s *Metro*, which DWP officials state

“won’t look...like DWP or UC—you won’t see our branding, and this is deliberate.”

Prime Minister, how is it right that the DWP is spending hundreds of thousands of pounds on misleading adverts that promote a cruel policy, which is driving my constituents into debt, despair and destitution?

The Prime Minister: What the DWP is doing is spending not just its resources but its effort—I thank all the staff in the DWP for this—out there, helping people into the workplace and ensuring that when they are in the workplace they are able to keep more of the money they earn.

Steve Double (St Austell and Newquay) (Con): Two years ago, the Prime Minister visited the fishing village of Mevagissey—I am sure she remembers it, because she bought me some chips for lunch. The people of Mevagissey now face losing their only GP surgery because the remaining doctor has given notice to hand back the contract to the NHS. I am sure the Prime Minister would agree that it is vital that these rural and coastal communities retain their primary care services, so what more can the Government do to attract GPs to rural and coastal communities? Will she use her offices to ensure that everything possible is done to make sure Mevagissey keeps its GP service?

The Prime Minister: I thank my hon. Friend for reminding me of the visit to beautiful Mevagissey and of the good chips that he and I shared on that occasion. He is absolutely right about the importance of GPs to local communities, and I recognise the concerns in Mevagissey on this issue. We are giving additional incentives to attract GP trainees into areas where it has previously been hard to recruit, such as rural and coastal communities. I am sure that a Minister from the Department of Health and Social Care would be happy to meet my hon. Friend to discuss this issue.

Nigel Dodds (Belfast North) (DUP): For over two years, the victims and survivors of historical institutional abuse in Northern Ireland have been waiting for justice and compensation, following the independent report of ex-Justice Hart. The fact of the matter is that many of them are dying without seeing the compensation come through. The Northern Ireland Office’s policy of refusing to do anything in Northern Ireland, even when it has cross-community and cross-party support, has now culminated in victims of abuse dying without seeing justice—this has got to stop. Will the Prime Minister intervene and make sure that action is taken to get immediate action for these victims?

The Prime Minister: I fully appreciate the extent of concern that there is about this issue. Of course, we also have our independent inquiry into child sexual abuse here in England and Wales, and I recognise the impact on all those who have been victims of this sort of abuse. We call it “historical”—as the right hon. Gentleman said, the investigation is referred to as an “historical” investigation—but for those who have been victims it is not historical; this rests with them for the rest of their life. I recognise the concern about the issue he has raised. Obviously, if the Northern Ireland Executive were in place, this would be a matter that they would be addressing. My right hon. Friend the Secretary of State for Northern Ireland has been looking at this issue, and I will discuss with her what response can be given on what I recognise is a matter of deep concern to many people in Northern Ireland.

Mr Mark Francois (Rayleigh and Wickford) (Con): I have a question to the Prime Minister from a Northern Ireland veteran. He is Royal Marine David Griffin, a Dublin-born Irish Catholic who joined the British Army and transferred to the Royal Marines. In 1972, in Belfast, he killed an IRA gunman who was about to assassinate one of his comrades at a guard post. Forty-seven years later, he is now being investigated by the Police Service of Northern Ireland. He is watching these proceedings now, Prime Minister, from his home, at the Royal Hospital Chelsea. He asked me to ask you this: “I served my Queen and country in uniform for over 20 years and I was commended for my service in Northern Ireland. Acting under the lawful orders of my officer commanding, I killed a terrorist who was about to murder one of my comrades, yet I am being investigated as if I were a criminal. The IRA have ‘letters of comfort’—we don’t. Why, Prime Minister, are you pandering to Sinn Féin-IRA, while throwing veterans like me to the wolves?” What is your answer, Prime Minister, to this Chelsea pensioner and all the veterans he represents?

The Prime Minister: My right hon. Friend has put his case and that of the veteran he is representing, a Chelsea pensioner. We thank that individual, as we thank all those who served in Northern Ireland for their bravery and the determination with which they acted in Northern Ireland. As my right hon. Friend the Member for North Shropshire (Mr Paterson)—a former Northern Ireland Secretary—said, that bravery and determination enabled the peace that we see today in Northern Ireland.

It is not the case that the terrorists currently have an amnesty. *[Interruption.]* No, it has been made very clear that evidence of criminal activity will be investigated and people should be brought to justice. I want to ensure that we have a fair and just system. I do not believe that the system is operating fairly at the moment. I do not want to see a system where there is an amnesty for terrorists. I want to see a system where investigations can take place in a lawful manner, and where the results of those investigations can be upheld and will not be reopened in the future. In order to do that, we need to change the current system, and that is what we will do.

Joanna Cherry (Edinburgh South West) (SNP): Over the last few days, I have received distressed emails from a number of constituents who are EU citizens living in the UK, but who will not be able to vote tomorrow. Their predicament arises because of this Government’s

late decision to participate in the elections, which did not give many EU citizens enough time to fill out the necessary form declaring that they will not be voting elsewhere. Will the Prime Minister use all the power of her office to take immediate steps this afternoon to ensure that the necessary form is made available at polling stations tomorrow so that EU citizens living in the United Kingdom will not be disenfranchised?

The Prime Minister: We take every step to ensure that those who are entitled to vote in elections are indeed able to do so. The hon. and learned Lady says that it was a late decision by the Government to enter into the European elections. Of course, that decision was taken because of a decision by this House on 29 March not to agree a deal that would have made it unnecessary to hold European elections.

Johnny Mercer (Plymouth, Moor View) (Con): I think the Prime Minister is beginning to understand the level of fury of veterans when it comes to their treatment by this place over this years. The most disturbing part of last weekend was the insinuation of equivalence between those who got up in the morning to go and murder women, children and civilians, and those who donned a uniform to go and protect the Crown. Will the Prime Minister take this opportunity to tell the nation that she sees no equivalence whatever between those two groups, and that the line that preferential treatment should not be given to veterans is not right?

The Prime Minister: I would hope that it is absolutely clear from everything that I have said at this Dispatch Box that I value the sacrifice, bravery and commitment of our armed forces, whose work in Northern Ireland—alongside the police in Northern Ireland and others—enabled us to get to the stage at which we are at today, whereby we have the Belfast/Good Friday agreement and have had peace in Northern Ireland for many years now, and long may that continue. There is no question of equating that bravery and sacrifice with the acts of terrorists. I think the implication of my hon. Friend's question is that he is urging me to put in place a system that would equate terrorists with members of the armed forces. Any statute of limitations and any amnesty that

is put in place would, as a matter of law, have to apply across the board. I do not want to see—and I will not see—an amnesty for the terrorists.

Nic Dakin (Scunthorpe) (Lab): I thank the Prime Minister for recognising the impact on steelworkers and their families of the devastating news that British Steel has gone into liquidation, and for recognising the high quality of work that they do on Teesside, at Skinningrove and in my constituency of Scunthorpe. Will she meet cross-party MPs whose constituencies are affected by this news, so that we can look together at how best to ensure that this great industry moves forward to serve this country into the future?

The Prime Minister: As I said earlier, I recognise that this is a worrying time for the hon. Gentleman's constituents and others. The Government have been actively looking at what we can do. We have given support through the ETS agreement, but have not lawfully been able to give the further support that was requested. I will certainly meet the hon. Gentleman and a group of MPs to consider the issue. This is about one company, owned by Greybull Capital. However, we have taken steps in the past to ensure that the United Kingdom continues to have a steel industry, and we will want to look at the wider issue.

Mr Speaker: Order. Just before we come to the Prime Minister's statement, I think it is fitting for me to refer again to something that was mentioned at the start of questions to the Prime Minister by the Leader of the Opposition.

Three trawlers set out from Hull during January and February of 1968 and never returned, leading to the loss of 58 lives. Yvonne Marie Blenkinsop is the last surviving member of a group of women from Hull who became known, following that tragedy, as the headscarf revolutionaries. The women campaigned for better protection for their husbands, fathers, brothers and sons. Through their actions, countless lives have been saved. I am reliably informed that Yvonne Marie Blenkinsop is with us today, observing our proceedings. We salute her and her fellow women, and we extend to her the warmest welcome to the House of Commons. [*Applause.*]

Leaving the European Union

12.57 pm

The Prime Minister (Mrs Theresa May): Before I make my statement, may I too recognise the work of Yvonne Marie Blenkinsop and others, and indeed all those who have campaigned over the years to ensure that those in the workplace can have the degree of safety and security that they need?

With permission, Mr Speaker, I would like to make a statement on the Government's work to deliver Brexit by putting forward a new deal that Members of this House can stand behind.

We need to see Brexit through, to honour the result of the referendum and to deliver the change the British people so clearly demanded. I sincerely believe that most Members of this House feel the same—that, for all our division and disagreement, we believe in democracy, and that we want to make good on the promise we made to the British people when we asked them to decide on the future of our EU membership. As to how we make that happen, recent votes have shown that there is no majority in this House for leaving with no deal, and this House has voted against revoking article 50. It is clear that the only way forward is leaving with a deal, but it is equally clear that this will not happen without compromise on all sides of the debate. That starts with the Government, which is why we have just held six weeks of detailed talks with the Opposition—talks that the Leader of the Opposition chose to end before a formal agreement was reached, but which none the less revealed areas of common ground.

Having listened to the Opposition, to other party leaders, to the devolved Administrations and to business leaders, trade unionists and others, we are now making a 10-point offer to Members across the House—10 changes that address the concerns raised by right hon. and hon. Members; 10 binding commitments that will be enshrined in legislation so they cannot simply be ignored; and 10 steps that will bring us closer to the bright future that awaits our country once we end the political impasse and get Brexit done.

First, we will protect British jobs by seeking as close to frictionless trade in goods with the EU as possible while outside the single market and ending free movement. The Government will be placed under a legal duty to negotiate our future relationship on this basis.

Secondly, we will provide much-needed certainty for our vital manufacturing and agricultural sectors by keeping up to date with EU rules for goods and agri-food products that are relevant to checks at the border. Such a commitment, which will also be enshrined in legislation, will help protect thousands of skilled jobs that depend on just-in-time supply chains.

Thirdly, we will empower Parliament to break the deadlock over future customs arrangements. Both the Government and the Opposition agree that we must have as close to frictionless trade at the UK-EU border as possible, protecting the jobs and livelihoods that are sustained by our existing trade with the EU, but while we agree on the ends, we disagree on the means. The Government have already put forward a proposal that delivers the benefits of a customs union but with the ability for the UK to determine its own trade and development policy. The Opposition are sceptical of

our ability to negotiate that and do not believe that an independent trade policy is in the national interest. They would prefer a comprehensive customs union with a UK say in EU trade policy, but with the EU negotiating on our behalf.

As part of the cross-party discussions, the Government offered a compromise option of a temporary customs union on goods only, including a UK say in relevant EU trade policy, so that the next Government can decide their preferred direction. We were not able to reach agreement, so instead we will commit in law to let Parliament decide this issue and to reflect the outcome of this process in legislation.

Fourthly, to address concerns that a future Government could roll back hard-won protections for employees, we will publish a new workers' rights Bill. As I have told the House many times, successive British Administrations of all colours have granted rights and protections to British workers well above the standards demanded by Brussels. I know that people want guarantees, and I am happy to provide them. If passed by Parliament, this Bill will guarantee that the rights enjoyed by British workers can be no less favourable than those of their counterparts in the EU—both now and in the future—and we will discuss further amendments with trade unions and business.

Fifthly, the new Brexit deal will also guarantee that there will be no change in the level of environmental protection when we leave the EU. We will establish a new and wholly independent office of environmental protection, able to uphold standards and enforce compliance.

Sixthly, the withdrawal agreement Bill will place a legal duty on Government to seek changes to the political declaration that will be needed to reflect this new deal, and I am confident that we will be successful in doing so.

Seventhly, the Government will include in the withdrawal agreement Bill at its introduction a requirement to vote on whether to hold a second referendum. I have made my own view clear on this many times—I am against a second referendum. We should be implementing the result of the first referendum, not asking the British people to vote in a second one. What would it say about our democracy if the biggest vote in our history were to be rerun because this House did not like the outcome? What would it do to that democracy and what forces would it unleash? However, I recognise the genuine and sincere strength of feeling across the House on this important issue. To those MPs who want a second referendum to confirm the deal, I say that you need a deal and therefore a withdrawal agreement Bill to make it happen. Let it have its Second Reading and then those MPs can make their case to Parliament. If this House votes for a referendum, it would require the Government to make provisions for such a referendum, including legislation if it wanted to ratify the withdrawal agreement.

Eighthly, Parliament will be guaranteed a much greater role in the second part of the Brexit process: the negotiations over our future relationship with the EU. In line with the proposal put forward by the hon. Members for Wigan (Lisa Nandy) and for Stoke-on-Trent Central (Gareth Snell), the new Brexit deal will set out in law that the House of Commons will approve the UK's objectives for the negotiations. MPs will also be asked to approve the treaty governing that relationship before the Government sign it.

Ninthly, the new Brexit deal will legally oblige the Government to seek to conclude the alternative arrangements process by December 2020, avoiding any need for the Northern Ireland backstop coming into force. This commitment is made in the spirit of the amendment tabled by my hon. Friend the Member for Altrincham and Sale West (Sir Graham Brady), passed by this House on 29 January. Although it is not possible to use alternative arrangements to replace the backstop in the withdrawal agreement, we will ensure that they are a viable alternative.

Finally, tenthly, we will ensure that, should the backstop come into force, Great Britain will stay aligned with Northern Ireland. We will prohibit the proposal that a future Government could split Northern Ireland off from the UK's customs territory, and we will deliver on our commitments to Northern Ireland in the December 2017 joint report in full. We will implement paragraph 50 of the joint report in law. The Northern Ireland Assembly and Executive will have to give their consent on a cross-community basis for new regulations that are added to the backstop. We will work with our confidence and supply partners on how these commitments should be entrenched in law, so that Northern Ireland cannot be separated from the United Kingdom.

Following the end of EU election purdah, the withdrawal agreement Bill will be published on Friday so that the House has the maximum possible time to study its detail. If Parliament passes the Bill before the summer recess, the UK will leave the EU by the end of July. We will be out of the EU political structures and out of ever closer union. We will stop British laws being enforced by a European court. We will end free movement. We will stop making vast annual payments to the EU budget. By any definition, that alone is delivering Brexit. By leaving with a deal we can do so much more besides: we can protect jobs, guarantee workers' rights, and maintain the close security partnerships that do so much to keep us all safe. We will ensure that there is no hard border between Northern Ireland and Ireland, and we can bring an end to the months—years—of increasingly bitter argument and division that have both polarised and paralysed our politics. We can move on, move forwards, and get on with the job that we were sent here to do and what we got into politics to do. That is what we can achieve if we support this new deal.

Reject the deal, and all we have before us is division and deadlock. We risk leaving with no deal, something that this House is clearly against. We risk stopping Brexit altogether, something that the British people would simply not tolerate. We risk creating further division at a time when we need to be acting together in the national interest. We also guarantee a future in which our politics becomes still more polarised and voters increasingly despair as they see us failing to do what they asked of us. None of us wants to see that happen. The opportunity of Brexit is too large and the consequences of failure too grave to risk further delay. In the weeks ahead, there will be opportunities for MPs from all parts of the House to have their say, to table amendments, and to shape the Brexit that they and their constituents want to see.

In time, another Prime Minister will be standing at this Dispatch Box, but while I am here, I have a duty to be clear with the House about the facts. If we are to deliver Brexit in this Parliament, we will have to pass a

withdrawal agreement Bill. We will not do so without holding votes on the issues that have divided us the most. That includes votes on customs arrangements and on a second referendum. We can pretend otherwise and carry on arguing and getting nowhere, but in the end our job in this House is to take decisions, not to duck them. I will put those decisions to this House because that is my duty and because it is the only way that we can deliver Brexit. Let us demonstrate what this House can achieve. Let us come together, honour the referendum, deliver what we promised the British people, and build a successful future for our whole country. I commend this statement to the House.

1.8 pm

Jeremy Corbyn (Islington North) (Lab): I thank the Prime Minister for an advance copy of the statement. In fact, I received it yesterday when she made an appeal entitled, "Seeking common ground in Parliament". Where did she make that appeal? Not in Parliament, but in a small room just down the road.

It is now clear: the bold new deal that the Prime Minister promised is little more than a repackaged version of her three times rejected deal. The rhetoric may have changed, but the deal has not. I thank the Prime Minister for her letter, but it offers no change on a customs union, no change on single market alignment, and no dynamic alignment on environmental protections. This Government are too weak, too divided, to get this country out of the mess that they have created. For more than two years, the Prime Minister bullishly refused to consult the public or Parliament.

She did not seek a compromise until after she had missed her own deadline to leave, and by the time she finally did, she had lost the authority to deliver. That became evident during the six weeks of cross-party talks that ended last week—talks that were entered into constructively on both sides to see if a compromise was possible.

But while those talks were going on, Cabinet Minister after Cabinet Minister made statements undermining what their colleagues in the room were offering. The Foreign Secretary, the Leader of the House, the International Trade Secretary and the Treasury Chief Secretary all made it clear that they would not tolerate a deal that included a customs union, while Tory leadership contender after Tory leadership contender took it in turns to make it absolutely clear that any compromise deal would not be honoured. Therefore, no matter what the Prime Minister offers, it is clear that no compromise would survive the upcoming Tory leadership contest. The multiple leaks reported from the Cabinet yesterday show that the Prime Minister could not even get the compromise deal she wanted through her own Cabinet, and it is clear that the shrunken offer that emerged satisfied no one—not her own Back Benchers, not the Democratic Unionist party and not the Official Opposition either. No Labour MP can vote for a deal on the promise of a Prime Minister who only has days left in her job.

Even if the Prime Minister could honour her promises, the deal she is putting before us does not represent a genuine compromise. Her 10-point plan is riddled with contradiction and wishful thinking. First, the Prime Minister pretends she is delivering something new with a temporary customs union. This is not a compromise—

[Jeremy Corbyn]

it is just accepting the reality. Under the withdrawal agreement, we will already be in a temporary customs union through the transition period, which can last up to four years, and if not, we will enter the backstop, which, in effect, keeps us in a customs union, too, without any say.

Secondly, why would this House legislate for a plan that has already been comprehensively rejected by the European Union? The Government want to align with the European Union on goods to keep frictionless trade, but they also want to pursue trade deals that would undermine this process. It is simply not compatible. The technology they need to continue to pursue their Chequers plan simply does not exist. It has already been ruled out by the EU as illegal, impractical and an invitation to fraud. The Government have failed to provide any economic analysis to show that this would make us better off. Why would the House support such a chaotic and desperate approach?

Labour set out a sensible compromise plan over a year ago, including a comprehensive and permanent customs union with the EU that gives us a say, which would allow us to strike trade deals as part of the world's biggest trading bloc, bringing investment, while maintaining the highest standards. It is credible and achievable, and the best way to protect industry, manufacturing and jobs—something that this Government are woefully indifferent to, as the latest crisis in the steel industry shows today. The Government must be prepared to step in and take a public stake to save thousands of high-skilled jobs at British Steel—a foundation industry for any major economy. Instead, the Tory obsession is for striking trade deals with the likes of Donald Trump. They prioritise chlorinated chicken, further NHS privatisation and deregulation over protecting supply chains and jobs in this country.

On workers' rights, we have yet to see the full package the Government intend to bring forward, but many people in the trade union movement remain very sceptical. As Frances O'Grady of the Trades Union Congress said yesterday:

"This reheated Brexit deal won't protect people's jobs and rights."

On environmental protections, it is clear that the Prime Minister is not offering dynamic alignment and that under her proposals the UK would fall behind in a number of areas, with only a toothless regulator under the control of the Environment Secretary in place of binding international commitments to protect our environment.

Finally, on a confirmatory vote, I am sure that nobody here will be fooled by what the Prime Minister is offering. Will she tell us now, if this offer is genuine: will she give her party a free vote on this issue or will she, as before, whip against a confirmatory referendum? If the Government truly believe this is the best deal for the economy and for jobs, they should not fear putting that to the people.

For too long, our politics has been seen through a prism of leave or remain. This is dividing our society and poisoning our democracy. It means that vital issues are being neglected—the crisis in our schools and hospitals, the housing crisis and the cruelty of social security policy and universal credit. Our country needs leadership to bring us together. However, this Prime Minister is

not the person to do that. Throughout the last three years, she has made no attempt to unite the country. She has been focused only on keeping her divided party together—and it has not worked. Her time has now run out. She no longer has the authority to offer a compromise and cannot deliver. That is why it is time for a general election to break the Brexit deadlock and give the country a say.

The Prime Minister: I think that the right hon. Gentleman gave the game away when he made it absolutely clear that, as far as he is concerned, the way to get this through the House is for everybody else to compromise to his plan and only his plan. He was very clear that he was not making any proposals to compromise. The Government have indeed compromised. We have recognised that there are issues on which this House will need to decide—and that is the plain fact.

There are different opinions across this House on the two key issues of the future customs arrangement and the second referendum. I have made my position very clear on these. The Government have set out their position. But it is for this House to decide, and the best vehicle to do this is within the withdrawal agreement Bill, so then this House can finally make its mind up on what it wants the future customs arrangement to be and whether it thinks there should be a second referendum.

The right hon. Gentleman talks about free votes on a second referendum. Well, of course, in the indicative vote process that went through, we did indeed give Conservative Members a free vote on this issue, and the second referendum was rejected across the House.

The right hon. Gentleman made some inaccurate comments. He talks about the environmental regulator. It will be an independent body that is able to hold the Government to account on environmental standards. I think that he shows his blinkered view on trade when what he sets out is that, as far as he seems to be concerned, the only people he wants to trade with are in the European Union. Actually, what we want to see is a good trade deal with the EU and good trade deals with other countries around the world—that is the best way forward for the United Kingdom.

The right hon. Gentleman talks about British Steel. I answered questions in Prime Minister's questions on British Steel and what the Government are doing. He talked about Labour's position of wanting a comprehensive customs union, all the dynamic alignment and single market alignment. What the Labour party wants to achieve in its relationship with the EU would make it even harder for a British Government to take action to protect industries such as the steel industry. He has always complained about state aid rules, but he wants to tie us into those state aid rules with what he proposes.

The right hon. Gentleman talks about different opinions across the House. Of course, the one issue that has never properly been resolved in this House and that the withdrawal agreement Bill would force to be resolved is whether he himself is for Brexit or against it. If he is for Brexit, he will vote for the withdrawal agreement Bill. Voting against the withdrawal agreement Bill is voting against Brexit.

Mr Iain Duncan Smith (Chingford and Woodford Green) (Con): The Environment Secretary was on the radio this morning, and when asked whether it was

certain that the Bill would be brought to Parliament for Second Reading, he did not answer in the affirmative. He said that the Government would “reflect” and listen. Having presented this statement at the Dispatch Box, is the Prime Minister absolutely certain that she will bring the Bill to the House for Second Reading? If so, could she name the date now and then say she will stick to it?

The Prime Minister: We have already made the Government’s position clear: the Second Reading of the withdrawal agreement Bill will be brought to the House after the Whitsun recess.

Ian Blackford (Ross, Skye and Lochaber) (SNP): It is customary to thank the Prime Minister for advance sight of her statement. It was some surprise that we all saw the statement being delivered not in the House of Commons but elsewhere yesterday. Why was the usual protocol of Parliament being the first to hear such statements from the Prime Minister not followed?

Let me give the Prime Minister some friendly advice: this deal is dead. Stop the charade, and let us get on with putting the decision back to the people once and for all. The headlines this morning cry of doom. Conservative Members are concentrating on ways to mount a leadership coup. Where are they? That is exactly what they are doing this afternoon—they are not here to support the Prime Minister.

This is no way to run a Government. The Prime Minister is asking MPs to vote for a deal that takes Scotland out of the single market and eventually out of the customs union. That simply cannot be allowed to happen. This is a rookie Government attempting to blackmail MPs. If we look behind the smoke and mirrors, we see a new, revised deal that has not even been negotiated with Brussels; a second EU referendum, but only if we vote for the Bill; a possible temporary customs union that a future UK Government could change and the European Union has dismissed; and a trade tariff arrangement that the former UK representative to the EU has described as “the definition of insanity”.

None of what the Prime Minister announced yesterday was discussed with the devolved Government in Edinburgh. This goes to the heart of the problem. In December 2016, the Scottish Government published a compromise position, which was rejected without discussion. Scotland’s voice has been ignored time and again. Brexit has meant powers being stripped away from the Scottish Parliament. There is no respect for the devolved Administrations by this Government. Westminster has ignored Scotland.

This is a sorry mess. Look around—there is no support for the Prime Minister’s deal. This deal faces an even bigger defeat than the last vote. Tomorrow, communities will make their voices heard in our democratic European elections. A vote for the Scottish National party is a vote to stop Brexit, a vote to stop this economic madness and a vote to respect Scotland’s decision in 2016. The Prime Minister has lost the confidence of her party. Parliament will not support her, and she has lost the trust of the people. It is time to go, Prime Minister. Will you do it?

The Prime Minister: The right hon. Gentleman talks about discussions with the Scottish Government. Of course there have been discussions with the Scottish

Government. I have met the First Minister, and my right hon. Friend the Chancellor of the Duchy of Lancaster has held a number of meetings with the Scottish Government. The devolved Administrations have been party to the debates and discussions that have been taking place.

The right hon. Gentleman says that a vote for the Scottish nationalists is a vote not to leave the European Union. A vote for the Scottish nationalists is a vote to betray our democracy and to betray the view of the people of the United Kingdom. People asked us in this House to deliver Brexit. We have a responsibility to do that. The question is how we do that. The withdrawal agreement Bill gives us the opportunity to debate the issues about how we do that. This House should have those debates, come to a decision, stop ducking the issues and get on with the job that the British people instructed us to do.

John Redwood (Wokingham) (Con): What does the Prime Minister say to the many members of the public who think the Government should have kept their promise to take us out on 29 March with or without the draft treaty? What does she say to the millions of angry leave voters who do not see the agreement as any kind of Brexit, but a lock-in for many months with no clear way out?

The Prime Minister: With the greatest respect to my right hon. Friend, what I say to voters who expected us to leave on 29 March is that the Government’s position was that we should leave on 29 March. The majority of Government Members voted for us to leave on 29 March. Sadly, Opposition Members and some others voted to keep us in on that date.

Hilary Benn (Leeds Central) (Lab): Given that this Bill appears to have been sunk even before its publication, the Prime Minister must know that the only way now to break the deadlock—which, as today’s terrible news about British Steel shows, is damaging our economy—is to put the choice back to the British people. At this eleventh hour, may I urge her to take that one final step, change her mind and say that she will support a confirmatory referendum?

The Prime Minister: As I have indicated in a number of answers to questions this afternoon, I have not changed my view on a second referendum. I believe that we should be putting into effect the views of the people expressed in the first referendum, but I recognise the strength of feeling in the House on this issue from the right hon. Gentleman and others, particularly on the Opposition Benches. That is why it is important that we in this House are able to determine this issue, which is best done through the passage of the withdrawal agreement Bill. That is why I have confirmed yesterday and today that there will be a vote during the passage of the withdrawal agreement Bill on whether to hold a second referendum. The Government’s position will be clear: we do not think it right to hold a second referendum. But it will be for Members of this House to come together and determine that, for those who believe there should be a second referendum to put their case to the House, and for the House to come to a decision.

Sir William Cash (Stone) (Con): The Prime Minister tells us that, if MPs vote for the withdrawal agreement Bill—which we have not even seen, let alone the

[*Sir William Cash*]

amendments that will be tabled to it—we would leave the European Union by 31 July. How on earth does she know that?

The Prime Minister: Because I have been discussing, and business managers have been discussing, a timetable for the Bill's passage. Obviously a business motion and a programme motion have to be agreed by the House. It is very clear, and the determination of the last European Council makes it clear, that bringing the Bill back for Second Reading after the Whitsun recess would enable us to do exactly what I said and leave the European Union on 31 July.

Yvette Cooper (Normanton, Pontefract and Castleford) (Lab): Given the awful news about British Steel, it is crucial that the Government stand up for British manufacturing. The Prime Minister will know that a customs union is immensely important to manufacturing across the north and the midlands, and that industry needs a long-term deal to support investment. Given the reports coming out of Cabinet yesterday, can she tell us: has the Cabinet ruled out a long-term customs union being part of the future partnership with the EU that they are supposedly going to negotiate after this withdrawal agreement? Have they ruled out a long-term customs union—yes or no?

The Prime Minister: The right hon. Lady referenced what has happened to Greybull Capital's company, British Steel. She will be aware, as others will, that a number of issues and a number of challenges face the steel industry—not just in the UK, but globally—and part of that, of course, is the overcapacity issue because supply is outstripping demand. Of course, much of the excess production is coming from China. That is why in the G20 two or three years ago we acted to bring China around the table to try to deal with that issue.

The right hon. Lady asks about the long term. The compromise solution on the customs that I put forward and referenced in my statement is designed to ensure that a future Government can take that issue in the direction that they wish to take it, and for the House to determine what those negotiating objectives should be. What matters to our manufacturing industry is the frictions that take place at the border and having the benefits of the customs union in no tariffs and no quotas. That is exactly what is already in the political declaration—the benefits of the customs union—and, as I say, we are committed to ensuring that trade is as frictionless as possible.

Nicky Morgan (Loughborough) (Con): It is difficult to make any judgments about a Bill when it has not been published. If there were issues with purdah, the announcement should not have been made this week. Next week, this House is in a recess, which is very nice for all of us, but it is not needed, given the seriousness of the situation. I will probably vote for the Bill when it comes back, but please can I ask the Prime Minister to reflect very carefully on whether it should be put to Parliament, because the consequences of its not being passed are very serious? If she really wants to heal the divisions and to get on with it, I ask her to reflect very seriously about this Bill not being put to Parliament in early June and being allowed more compromise and more time being taken.

The Prime Minister: My right hon. Friend is right that, if the Bill is not passed, this House will be faced with a stark choice. That choice will be whether Members go for no deal, for revoking article 50 or for a second referendum, with the intention that many have, in asking for a second referendum, to stop Brexit. That will be the choice that will face this House.

People talk about the compromises that have been made so far. There are people who are telling me that I have compromised too much in the package that has been put forward and others who are telling me I have not compromised enough in the package. At some stage, the House has to come together, and we have to decide the distance that we will go together in order to deliver Brexit and to deliver on what people asked us to do.

Nigel Dodds (Belfast North) (DUP): The Prime Minister has referred a lot in this statement and yesterday to the new deal—the new Brexit deal—but is it not a fact that the deal itself has not changed? The treaty is as it is, and these are a series of domestic legislative provisions to try to mitigate what is, in some cases, a very bad deal, but they will not actually change the Brexit deal itself. To illustrate that, the alternative arrangements proposal that she has put forward seeks merely to legally oblige the Government to conclude their own processes, but will she confirm that there is absolutely no obligation on the European Union to agree alternative arrangements? Indeed, the final decision about whether it accepts them or views them as reasonable is entirely a matter for the EU. It will not even be a matter of objective assessment. If a member state Government decide that they would rather keep us in the customs union, that is what will happen. There will be no means of getting out of it.

The Prime Minister: We have put forward to the House today a package of proposals. It is a new package of proposals. The right hon. Gentleman has been clear that, in relation to the operation of the backstop, one of his key concerns was making that UK-wide. That commitment is there in the statement that I have made today. As I have said, we are happy to sit down and discuss how we can ensure that these are enshrined in law, which I know has always been an issue of concern to him.

As regards the alternative arrangements, the groups to do that work have been set up by the Government and the money has been afforded by Government to do that work. But the European Union was clear—and it has committed itself in the legally binding commitments that have been made at recent Council meetings—that it will also work with us to ensure that those alternative arrangements are in place and are available by the end of December 2020.

Mr Owen Paterson (North Shropshire) (Con): Has the European Union agreed to any changes to the withdrawal agreement that are legally binding in international law?

The Prime Minister: I have said to my right hon. Friend and others on many occasions, and the EU Council has made it clear on many occasions, that the EU is not reopening the withdrawal agreement. What we have done in the processes that we have taken through the House up until now—until the most recent discussions with the European Union—is to be able to have certain

legally binding commitments made by both the UK and the European Union in addition to the text of the withdrawal agreement, which cover a number of issues that have been of concern to people in this House.

Liz Kendall (Leicester West) (Lab): Does the Prime Minister understand that she will not get enough support from Members on the Opposition side of the House to allow her withdrawal agreement to pass unless she includes a confirmatory vote in the Bill? She has come to the end of the road. But if she and indeed any Conservative MP wants to stop the Prime Minister's successor from inevitably pursuing a no-deal Brexit, they must back giving the public the final say. Time is running out. Prime Minister, please change your mind.

The Prime Minister: This is an issue on which, as I say, there are very strong feelings across this House. I have met Members from all sides of the House who support a second referendum and who have put forward their case with their sincere belief in that second referendum. I have a different view. I believe we should be delivering on the first referendum, but I believe—because of the strength of view across this House, on both sides of the argument—that it is important that the House has the opportunity properly to consider it in a way that is appropriate, and that is through the withdrawal agreement Bill.

Alistair Burt (North East Bedfordshire) (Con): One of the ironies of resigning from Government is that it gives you rather more freedom and emphasis when you choose to support the Government, and I will be supporting the Prime Minister's Bill. I thank her for her efforts and ask her to recognise that there are still many people in the country who believe that the best future for the UK outside the EU is with a compromise deal based on the interests of both, rather than a reckless and increasingly bitter pursuit of a single type of no-deal leaving—at a cost to many businesses, industry and agriculture and a cost to the country—so expertly skewered by the Chancellor in his speech yesterday?

The Prime Minister: I do indeed agree with my right hon. Friend that I think there are many people across this country who want to see us leaving the EU in an orderly way and with a deal. Indeed, that was the manifesto on which he and I, and those of us who sit here as Conservatives, stood at the last election. We stood to deliver the best possible deal for Britain as we leave the European Union, delivered by a smooth, orderly Brexit, with a new, deep and special partnership, including a comprehensive free trade and customs agreement with the European Union. Those are the objectives that I have been pursuing. I have put forward today a new package that does change the situation that has been voted on previously. I hope all those who want to leave the European Union with a deal will indeed support it.

Tim Farron (Westmorland and Lonsdale) (LD): In 1992, the Prime Minister and I toured the working men's clubs of north-west Durham and I was hugely impressed with her resilience in front of audiences that were as hostile to her as they were indifferent to me. [HON. MEMBERS: "What's changed?"] Indeed. But it turns out that the audience behind her is tougher still. She will fail in her bid in two weeks' time because

people behind her who are for Brexit refuse to vote for Brexit. That is not her fault, but it is her problem. For old times' sake, I want to help her out. If she will agree to put her deal—to be fair to her, it is the only concrete version of Brexit we have yet seen—to the British people in a confirmatory vote, I will join her in the Lobby. Will she help me to help her?

The Prime Minister: May I say to the hon. Gentleman that I fondly remember those days in 1992 in north-west Durham? I also say to him that I think, if this House does not pass the withdrawal agreement Bill and if the House does not enable the treaty to be ratified, what this House is saying is that it does not want to leave the European Union with a deal. I believe that the majority of people in this House do want to leave with a deal. This is the vehicle to do it.

Richard Drax (South Dorset) (Con): May I correct my right hon. Friend on two points that she has made today? First, she said that it was up to the House to decide about a customs union and a second referendum. It is not up to MPs to decide that; the country decided to leave—spelled L.E.A.V.E—the EU. It is as simple as that. It is not for the House. Secondly, when she responded to my right hon. Friend the Member for Wokingham (John Redwood), she said that we could not have left the EU on 29 March. The legal position was that we could have done so, but she and, dare I say it, a very heavily remain Cabinet decided not to take us out.

The Prime Minister: I and my colleagues across Government voted to leave the European Union on 29 March. We continue to believe that the best way to leave the European Union is with a deal. That is the manifesto on which my hon. Friend and I both stood at the last general election, and I believe it is important that we recognise that and deliver it for the British people. He makes the point about whether it is for the House to decide. The British people voted to leave. I have been trying to leave the European Union. I am looking forward to voting a fourth time to leave the European Union in the withdrawal agreement Bill. Sadly, Opposition Members and some of my colleagues have not voted alongside me. How we do it is a matter for this House, because the deal must be ratified by this House, and the Government and this House must determine the objectives for the next stage of negotiations. I have been clear that those negotiations will be taken forward by somebody else leading this Government, but I am also clear that we cannot get on to that second stage of negotiations until we get over the first stage. That is what the Bill is about.

Mr George Howarth (Knowsley) (Lab): The Prime Minister rightly referred in her statement to the need to avoid the risks inherent in the Brexit process. Does she not realise that her latest proposals hard-wire those risks into the process?

The Prime Minister: If the right hon. Gentleman is talking about the issues on which there is significant division in this House—namely, customs and a second referendum—and taking those through in the withdrawal agreement Bill, the Government are committing to ensuring that those issues can be addressed during the passage of the Bill. The reality of the way legislation works is that

[*The Prime Minister*]

people would table amendments to any Bill brought before the House, and amendments could be seen on a whole range of issues, including those. The key question is what this House determines in response to those issues. This House will have to come to a decision.

Mr David Jones (Clwyd West) (Con): On the basis of the negotiations thus far, what arrangements alternative to the Irish backstop does my right hon. Friend consider to be most capable of securing agreement?

The Prime Minister: A set of proposals have been put before the European Union, with a number of elements in them that bring together both technological approaches, some of which can be improved as we see technology developing, and the key issues that have been debated and discussed so far—those around elements of the derogation from EU law that will be necessary in order to enable the alternative arrangements to provide for no hard border in the way that both sides intend them to.

Liz Saville Roberts (Dwyfor Meirionnydd) (PC): With respect, the Prime Minister is asking us to put our faith in her deal while, frankly, authority is slipping from her grasp with every passing hour. The Tories have had three years to agree a deal among themselves, including weeks of full-on collaboration with Labour, yet there is no guarantee that she will be in a place to bring the Bill back next month. How can we believe that there is any guarantee of a people's vote, when she cannot even bring herself to put it on the face of the Bill?

The Prime Minister: The right hon. Lady and I have different views on the issue of a second referendum, but I am saying that we will ensure that this House is able to determine that issue. She wants to ensure that there is a people's vote, but that will be for this House to decide. It has already been rejected by this House, but it will be for the House to come to a decision on that issue, and for the House to accept that decision.

Vicky Ford (Chelmsford) (Con): We cannot continue to leave our country in this uncertainty. This has to stop. The whole House needs to stop saying no to everything on the table, just because it is not our favourite dish. The EU negotiators also need to stop saying no every time we have an issue, but we have to end this uncertainty. If we vote for the Bill, we can move on and the discussions on the next stage can start. I ask the Prime Minister: what happens if we say no again?

The Prime Minister: My hon. Friend is right that we need to be able to move on. We can move on, while respecting the wish of the British people, by taking the Bill through and ensuring that we ratify and that we leave the European Union. If this House chooses not to take the Bill forward, it will face a choice of no deal or no Brexit; that is the choice that will be available to people in this House. I still believe that there is a majority in this House who want to deliver on the referendum result, but to do so with a deal. This is the Bill that will enable that to happen.

Chuka Umunna (Streatham) (Change UK): It is clear that the House will reject the Prime Minister's deal a fourth time, and she has indicated that she will then set

out a timetable for her departure. She has also just said that there is no mandate here, or indeed in the country, to leave without a deal. Regarding that timetable, if a change in Prime Minister occurs near the end of October, leaving her successor no time to negotiate a further extension, will she request a further extension herself before the September recess, to stop us leaving with no deal?

The Prime Minister: I am afraid that the hon. Gentleman knows my answer to that: if he really wants to ensure that we do not leave the European Union without a deal, the best way is to agree a deal, and that is the Bill.

Richard Graham (Gloucester) (Con): It is the saddest irony that those of my colleagues who most want to leave the European Union have so far frustrated us from doing so by voting with Labour and the Scottish nationalists. The Prime Minister is right to highlight the dangers of Parliament not supporting the withdrawal agreement Bill the day before the European elections, which none of us on this side wanted to happen. Does she agree that the superficially seductive line from the Brexit party, "Just leave on WTO terms," holds enormous dangers, above all for our farmers and manufacturers, and would in fact cause the break-up of the United Kingdom?

The Prime Minister: My hon. Friend is absolutely right, particularly in the point he makes about the dangers of a no-deal Brexit for the future of the United Kingdom. That is a key concern of mine in relation to that issue. It is also surprising to see that some of those who, at the time of the referendum, while encouraging people to leave, were talking about leaving with a deal, being like Norway and accepting those sorts of restraints on the United Kingdom's ability, are now unwilling to accept a deal that would enable us to leave and would be good for the future of the UK. When people come to vote at the European elections tomorrow, they have an opportunity to vote for a party that not only believes in delivering Brexit but can do it, and that is the Conservatives.

Joanna Cherry (Edinburgh South West) (SNP): The Prime Minister has said that this 10-point offer was framed after having listened to the devolved Administrations, yet there is nothing in it to address the concerns expressed by Scotland's Government, the cross-party majority in Scotland's Parliament and the majority of Scottish Members elected to this House. Now that her days of sneering at the democratically elected representatives of voters in Scotland are nearly at an end, does she concede that her successor will need a more intelligent approach to Scotland than she has felt able to adopt?

The Prime Minister: We have consistently engaged with the Scottish Government, and with the Welsh Government, throughout our discussions and negotiations on our future in the European Union. What is important is that we all recognise the responsibility we have to deliver on the vote that took place in 2016—

Joanna Cherry: I don't have that responsibility.

The Prime Minister: The hon. and learned Lady says she does not have that responsibility. She is an elected Member of this House and she has a responsibility in the votes that she casts. She has said consistently that she does not want us to leave without a deal. That can

only happen if we have a deal, or, of course, if we choose to stay in the European Union. She says that we have not listened to the Scottish Government. What the Scottish Nationalists have made clear at every stage is that they wish to revoke article 50, they wish to go back on the referendum result of 2016, and they wish to keep the United Kingdom in the EU. The majority of the British public do not want that; they want the party in Government and parliamentarians in this House to deliver on what they asked us to do.

Robert Neill (Bromley and Chislehurst) (Con): The Prime Minister rightly referred in her statement—*[Interruption.]*

Mr Speaker: Order. This is a most extraordinary situation. The hon. Gentleman is seeking to ask a question in a seemly way and is effectively being heckled and prevented from doing so by the chuntering from a sedentary position in pursuit of Scottish tribal warfare by the hon. Member for Ochil and South Perthshire (Luke Graham). Calm yourself, man. The Prime Minister is perfectly capable of looking after herself. She was asked a question and she has given an answer. There can be differences of opinion and interpretation as to what is the responsibility of a Member of Parliament, and those issues have been aired. The hon. Gentleman has not in any way benefited the mix by his disorderly chunter.

Robert Neill: Thank you, Mr Speaker. The Prime Minister rightly referred in her statement to the importance of leaving in a way that maintains the closest possible security, policing and judicial co-operation with the EU27. That is what we have at the moment. The Justice Committee was given clear evidence by the head of the National Crime Agency that to do otherwise would severely impair our ability to fight organised crime and terrorism, and keep our country safe. Does she agree that to fail to leave without a deal—to fail, therefore, to pass the only available means of leaving with a deal—will be to put the security of the country at risk? That is not something that any Member of this House could responsibly contemplate doing.

The Prime Minister: My hon. Friend is absolutely right to raise the issue of security. It is one that is rarely raised in these debates. The majority of questions tend to be about the economic and trade relationship, but the security relationship is fundamental to us being able to keep ourselves safe. That is why I am pleased we have negotiated, in the political declaration, the strongest possible security relationship with the EU for the future of any country that would be outside the European Union. Of course, if we were to leave with no deal, those security relationships would not be open to us. Could we negotiate some for the future? That is, of course, possible, but it would require further negotiation and at the point of leaving those security relationships would be stopped.

Caroline Flint (Don Valley) (Lab): I agree with the right hon. Member for Loughborough (Nicky Morgan), who has left the Chamber. The essence of what she was saying was that everyone should take a breath, take stock of what is on the table and look at the published Bill when it arrives on Friday. All colleagues across the House need to be mindful of the results of the European

elections. The Prime Minister has said several times already that if the Second Reading of the Bill does not succeed, there will not be another opportunity to leave with a withdrawal Bill. The only course and direction will be to leave without any deal at all. Does she agree that anybody who claims to be against no deal, on whatever side of the House, should, without any commitments right now, give this proposition due consideration, think about how they would amend it, and, as my right hon. Friend the Member for Normanton, Pontefract and Castleford (Yvette Cooper) said recently in a newspaper report, stop the shouting and start agreeing on what we can agree on to move forward?

The Prime Minister: The right hon. Lady is absolutely right. The point of the process of legislation that we have in this House is that once we are beyond Second Reading of the Bill it will be open to Members across the House to table amendments to it and to have those debates about the precise detail of how we are leaving. Anybody who wants to ensure that we leave with a deal and that we do not see a no-deal situation should support Second Reading and enter into that debate. That debate, of course, does not make commitments towards the end of that process. I hope that we would see the Bill passed and therefore the treaty ratified, but it will be open to have that debate while the Bill is progressing through the House.

Jeremy Lefroy (Stafford) (Con): As so often, the right hon. Member for Don Valley (Caroline Flint) speaks with a great deal of common sense. Will my right hon. Friend spell out what she has heard the consequences will be for our economy of leaving without a deal?

The Prime Minister: There have been a number of analyses of the impact of leaving without a deal. I think there would be an immediate impact economically of leaving without a deal. Over time, of course, we could restore our fortunes, but I think it is much better to be in a position where we are leaving with a deal, which will unleash, I believe, significant business investment in this country and see that positive future for our economy that is possible by leaving with a deal.

Mr Pat McFadden (Wolverhampton South East) (Lab): I have been listening to the Prime Minister respond to several questions about the consequences of no deal. Given what is likely to happen in the European Parliament elections tomorrow and in the Conservative party leadership election to follow, on which she has fired the starting gun, does she regret legitimising and normalising a no-deal outcome in the minds of the public through the repetition of the mantra, “No deal is better than a bad deal”?

The Prime Minister: No, I don't. No Government could have said they would accept whatever they were offered, rather than be willing to see no deal. If it had been a bad deal, I stand by what I said in relation to that matter. I also say to the right hon. Gentleman that anybody sitting in this Chamber who believes that we should not have a no-deal situation has to support a deal. That is the only way of making sure we do not leave with no deal. The vehicle for doing that, for determining the details of that leaving, is the withdrawal agreement Bill.

Sir Peter Bottomley (Worthing West) (Con): Unlike in 1831, the 1832 Reform Bill got through, because some of those who opposed the Government did not vote against it and that led to progress.

As a national interest Conservative, I have by choice voted with the Government on every single vote, because I think it is right. I hope that others who think that no deal is bad and that trying to reverse the referendum is bad do so.

The majority in this party, this House and the country would prefer to see the withdrawal agreement Bill at least get through Second Reading, so we can make progress and have a chance of a better future for our country.

The Prime Minister: Absolutely right. If we get through Second Reading we can determine the details, through the progress of the Bill, of the precise nature of our leaving. That will enable us to see progress for this country. To pick up on what my hon. Friend said, I believe it is absolutely in the national interest that we should leave the European Union as the referendum vote set out, but that we should do it with a good deal for this country. That is what is on offer.

Helen Goodman (Bishop Auckland) (Lab): My right hon. Friend the Member for Islington North (Jeremy Corbyn) asked the Prime Minister if she was intending to offer a free vote on the second referendum. I would like to ask her the same question about the customs arrangements, which she knows are extremely important for manufacturing industry. Would it be her plan to offer a free vote on those customs arrangements?

The Prime Minister: As in the normal progress of these things, whipping decisions will be taken when we see the proposals on the table. I reiterate the point I made in response to the right hon. Gentleman. The key issues raised around manufacturing industry are, yes, the benefits of a customs union—they are in the political declaration already—and ensuring we reduce friction for trade at the border. That is not just about customs, but the benefits of the customs union are in the political declaration already.

Mr Speaker: Ah yes, a Lincolnshire grandee: Sir Edward Leigh.

Sir Edward Leigh (Gainsborough) (Con): Not so grand, Mr Speaker, but just a question. The Prime Minister knows of my warm, personal support for her. I voted for her deal not once, not twice but three times. I have to say, as somebody who wishes her well and wishes the agreement well, that I am worried about the tactics. I thought we had agreed with the EU that we were going to have binding indicative votes, which would enable people such as me to express our opposition to a permanent customs union or a referendum and vote for the withdrawal agreement. Now when it is not necessary, because Parliament could do it anyway, I have been asked to vote for a Bill that has, on the face of it, a nod towards a second referendum, which I believe would be disastrous to the Union and to the vast majority of people who voted for Brexit.

I ask the Prime Minister to be very cautious, to listen to our party, to remember that the one vote we won was on the Brady amendment, and, if we cannot get this

through, that, given the incalculable disaster of losing the Bill and not being able to bring it back again in this Session, she will, if necessary, think again and not bring it back?

The Prime Minister: My right hon. Friend refers to the indicative votes. I propose that during the passage of the Bill it will be possible to address these issues and to come to binding decisions on them—particularly the one he references on customs. The fact is that regardless of what indicative votes had been taken and what decisions had been put in the Bill from those indicative votes, had that been the way we progressed, those matters would have been within the scope of the Bill—it would still have been possible for Members to put down other amendments to that position and to vote differently from the way in which they had voted in the indicative votes. That is why it is better to bring these matters to the point of decision, which will be the point within the Bill where Members are deciding not just to indicate a position but what position comes into legislation.

Mr Barry Sheerman (Huddersfield) (Lab/Co-op): Is the Prime Minister aware that I sincerely want to help her get a good deal through this House—but could she help me? My good, common-sense folk in Huddersfield, who are very clever people, are saying to me that, after three years and now that we know the full consequences of leaving the EU, why can they not have a chance to say what they think of the deal once it comes out of this House?

The Prime Minister: I have responded to similar points from the hon. Gentleman's honourable and right honourable colleagues this afternoon. He wants to put a decision back to the people—we have to have a deal to do that, as I think he indicated at the end of his question—which means getting a withdrawal agreement Bill through, and it will be possible for the House to determine its position on this matter within that Bill. As he will know, the House has rejected a second referendum on a number of occasions, but at the point at which it takes that decision within the Bill it will be making that decision in a different environment. As I say, my position continues to be that we should deliver on the first referendum.

Several hon. Members *rose*—

Mr Speaker: A choice between such distinguished colleagues—I call Mr Jacob Rees-Mogg.

Mr Jacob Rees-Mogg (North East Somerset) (Con): My right hon. Friend must have noticed the response in this House and overnight to her statement. In proposing this folderol, is she going through the motions or does she really believe in it?

The Prime Minister: I do not think I would have been standing here at the Dispatch Box and have been in receipt of some of the comments that I have been in receipt of, from colleagues on my side and across the House, if I did not believe in what I was doing. I am doing it because I genuinely believe that it is in the national interest for us to leave the European Union with a deal. The only way to get a deal through is to get a withdrawal agreement Bill through this House. There are

issues that this House disagrees on. I believe that those issues should be put to the House and it will determine them. At that point, the House and all Members of it will have to come to some decisions.

At the moment, it has been possible through indicative votes to give indications, but they have not been decisions that will be put into legislation. When the time comes to look at this matter, these will be decisions about what should go ahead in the Government's position and what should be in legislation. People will not be able to duck the issues. It will be necessary to come to an agreement. *[Interruption.]*

Mr Speaker: The hon. Member for Huddersfield (Mr Sheerman) does not need to chunter from a sedentary position. He is a very illustrious representative of Huddersfield, but the hon. Member for North East Somerset (Mr Rees-Mogg) has just used a noun that, I hazard a guess, has probably not been used on any other occasion in this Parliament, or if it has, only by the hon. Gentleman.

Alistair Burt: It is because he's got a Lib Dem council now. *[Laughter.]*

Mr Speaker: I am very grateful to the right hon. Gentleman.

Peter Kyle (Hove) (Lab): What I welcomed most about the statement yesterday was its change in tone, which was markedly different from the ones that had gone before. I express my gratitude to the Prime Minister for the amount of time that she has personally spent with Members from across the House—including me—with whom she has disagreed but engaged in recent weeks. It is clear, though, that the contents of the statement yesterday have widened, not healed, divisions going forward. In the two weeks before the Bill comes before Parliament and this House, I urge her to carry on that engagement with an open mind and to enter into discussions at least about what can be changed on the face of the Bill going into Committee, in which case we will all have something to talk about. Otherwise, it is not even worth putting it forward in the first place.

The Prime Minister: Obviously, I am happy to continue engaging across the House, as I have been, and I thank the hon. Gentleman for his comments. I also suggest that, as his right hon. Friend the Member for Don Valley (Caroline Flint) said, it will be helpful to all Members of the House to wait and see, when the Bill is published, what its actual terms are. He is encouraging me to put a position on the face of the Bill with which I do not agree, but it is right that what we do in the Bill is enable this House to come to a decision.

Several hon. Members *rose*—

Mr Speaker: A Hampshire knight who represents a beautiful forest—I call Sir Desmond Swayne.

Sir Desmond Swayne (New Forest West) (Con): Out by the end of July, she says! A Brexiteer of whatever flavour could grant the Bill a Second Reading, saving their reservations for Committee, and make their final judgment on Third Reading, could they not? And what is a folderol?

Mr Speaker: There are different definitions. A showy and useless item, allegedly, or an unnecessary or inconsequential fuss, or something—but that is only the view of the matter from the hon. Member for North East Somerset (Mr Rees-Mogg). I am not expressing any view on that matter; I was just intrigued by the endless lexicon of the hon. Gentleman.

The Prime Minister: I have to say, I think that when my hon. Friend the Member for North East Somerset (Mr Rees-Mogg) used that word, he was not intending it to be complimentary about the package that the Government have brought forward. My right hon. Friend the Member for New Forest West (Sir Desmond Swayne) is absolutely right: for the Bill to get through, for the treaty to be ratified and for us to be able to leave at the end of July, it is about not only getting Second Reading through but ensuring that the Bill is confirmed on Third Reading. By getting through Second Reading, it is possible to have those debates during the progress of the Bill on the key issues that remain and on which there remains disagreement between Members of this House, such that it will be possible—I believe—to come to an agreement that can see us leave the European Union.

Stephen Kinnock (Aberavon) (Lab): The Prime Minister has made it clear that she does not intend to put a commitment to a second referendum on the face of the Bill on Second Reading. In the spirit of compromise, therefore, will she commit to giving her MPs a free vote in Committee when we debate and vote on that measure?

The Prime Minister: As I have said, what we intend to put in the Bill is the commitment to have a vote on whether to have a second referendum and that the Bill cannot be completed and the treaty ratified until that vote has taken place. I hope that that gives confirmation to Members of the House who are in favour of a second referendum that that issue will be addressed properly within the passage of the Bill. As I said, whipping decisions will be taken closer to the time. I note the keenness of some Opposition Members to determine what the whipping arrangements for those on the Government Benches should be, but with no reference to their own whipping arrangements.

Thangam Debbonaire (Bristol West) (Lab): The Prime Minister asks what it would say about democracy if we put this back to the public. The Leader of the Opposition has said from the Dispatch Box that if the Prime Minister likes her deal so much—this is roughly what he said—she should not be afraid of putting it back to the people, and I agree with him. She is putting it back to us time after time after time when we have already rejected it time after time after time. Why does she not trust the people? Why will she not go back to them and ask them what she thinks of her deal?

The Prime Minister: I do trust the people. That is why I believe that it is our duty to put in place what the people asked us to do.

Mike Gapes (Ilford South) (Change UK): After weeks of negotiations between a pro-Brexit Prime Minister and a pro-Brexit Labour leadership, it is clear that we have not been able to get an agreement on the terms of

[Mike Gapes]

this process. It is also clear that no Parliament can bind its successor and no lame-duck Prime Minister can bind her successor. Is it not clear that this Parliament is unable to resolve these matters and that we should go back to the people in a people's vote, or, if we are unable to do that, revoke article 50 and have more time to find a way forward?

The Prime Minister: It is clear from the Court judgment that we cannot just revoke article 50 to create more time to consider a deal and then re-trigger it and go back into a negotiating process. Once we revoke, we revoke, and we stay in. I believe we should not stay in. We should leave.

Gavin Newlands (Paisley and Renfrewshire North) (SNP): In her statement, the Prime Minister said that “to address concerns that a future Government could roll back hard-won protections for employees, we will publish a new workers’ rights Bill”.

It was this Government who rolled back those protections in the anti-trade union Bill. If she is serious about workers’ rights, will she reinstate those lost protections in this new Bill?

The Prime Minister: The Government have enhanced workers’ rights and are putting in place the recommendations from the Taylor review. Ours is the first Government to consider seriously what workers’ rights are suitable for the economy of today. We have enhanced workers’ right and will continue to do so.

Alberto Costa (South Leicestershire) (Con): I will support the Bill when it comes to the Floor of the House for the simple reason that it is the only deal on the table that will protect under international law the rights of British citizens living in the EU as well as those of EU nationals living here. I am grateful for the comments the Prime Minister made last September following Salzburg about unilaterally protecting certain rights of EU nationals. I regret that there was no mention of British citizens in her statement. What message does she have for British citizens living in the EU?

The Prime Minister: My message has been consistent. It is that we have been working for their interests as well as those of EU citizens living in the UK. That is why I was pleased that we achieved the reciprocity in the withdrawal agreement—it is an important part of the withdrawal agreement and therefore of the withdrawal agreement Bill. We continue to work with the other 27 member states to ensure they can confirm that in a no-deal situation—as I say, that remains the legal default—they would also protect the rights of British citizens living in those 27 member states.

Phil Wilson (Sedgefield) (Lab): This is the Prime Minister’s deal. Others in the House want to leave on WTO rules, some want Norway plus, some common market 2.0, others Canada plus—the list goes on and on. Which option does she think the people voted for in 2016, and how can the Government know that their definition of Brexit is the option people voted for without asking them?

The Prime Minister: The hon. Gentleman references the different opinions in the House. That is precisely why I think it is important that we crystallise those opinions to a position that can command a majority across the House. People voted in 2016 to leave the EU, to end free movement, to ensure our courts were supreme, and to ensure we did not send vast annual sums to the EU. They wanted us to be that independent nation. I believe that an independent trade policy is part of that independence, which is why I have proposed and supported the position I have on customs, but it will be for the House to determine the customs union objectives—we are talking about the objectives—for future negotiations.

Dr Rupa Huq (Ealing Central and Acton) (Lab): With the inevitable end nigh for the Prime Minister and our still being in the EU under an extension to an extension, and with burning injustices still unextinguished everywhere, will the Prime Minister tell us, under her premiership, factoring in the two new Ministries she has created, the civil servants from all over redeployed to this exercise and her costly and sometimes incompetent no-deal planning experiments—she now tells us no deal would be a bad thing—how much Brexit has cost the public purse?

The Prime Minister: The hon. Lady knows full well that the Treasury’s figures for the two Departments preparing for Brexit, in whatever form it takes, have been made public. She alludes to other work the Government have undertaken. I am very pleased that this Government introduced, for example, the race disparity audit and that we are taking action to ensure that those in certain communities who find it harder to get into the workplace are given the support they need, and introducing changes to domestic abuse legislation. There are many areas where this Government are acting to deal with exactly the injustices I have referred to previously.

Peter Grant (Glenrothes) (SNP): The Prime Minister knows that her promises are only valid for as long as she is Prime Minister—that is probably now measured in hours rather than days—because her successor can tear them up. Even if the House were to vote for what has come to be known as “May’s Brexit mayhem”, we could end up with “Boris’s Brexit boorach”. Is it any surprise that the people of Scotland are not prepared to accept that and that tomorrow they will once again declare our determination that our nation remain in the EU? If her nation insists on leaving, it had better reconcile itself to leaving without us.

The Prime Minister: For those in Scotland who want us to leave the EU with a deal that is good for the whole United Kingdom, including Scotland, there is only one party to vote for, and that is the Conservatives, and for those in Scotland who want Scotland to remain part of what is, economically and in other ways, its most important union—the United Kingdom—there is only one party to vote for, and that is the Conservatives.

Janet Daby (Lewisham East) (Lab): The Prime Minister states that those of us seeking a public vote should support her withdrawal agreement and make our case to Parliament on Second Reading, but we have already and repeatedly made our case in the Chamber for a public confirmatory vote. If the Prime Minister wishes

to be bold with her new offer, she must allow the public a voice on her deal, which would be democratic. Does she agree?

The Prime Minister: I think I answered that question earlier. I refer the hon. Lady to that answer.

Tom Brake (Carshalton and Wallington) (LD): At the latest count, eight Ministers or Members of Parliament who sit beside or around the Prime Minister are jostling for her job. Most, if not all, appear to be enthusiastic endorsers of a kamikaze no deal. Given what she knows about no deal, can she understand why any of those candidates would want to advocate one?

The Prime Minister: The right hon. Gentleman can leave the issue of the determination of the leadership of the Conservative party to the Conservative party. The House has to decide whether it wants to leave the EU with or without a deal. The withdrawal agreement Bill is the vehicle that enables us to ensure we leave with a deal.

Cat Smith (Lancaster and Fleetwood) (Lab): The Prime Minister has been very clear that she believes that her deal is what the public want, but she is also very clear that she is not supporting a second referendum or confirmatory vote. Does she see the inconsistency in that argument? What is she scared of?

The Prime Minister: It is very simple. As I say, if we get through Second Reading of the withdrawal agreement Bill, it will be possible for people who want a second referendum to put that case to the House and for the House to come to a decision on that matter. I have made changes to the offer I have put forward. I set those out today in my statement to the House. They reflect the discussions we have had across the House and address concerns raised by Members.

David Linden (Glasgow East) (SNP): In her statement, the Prime Minister talked a lot about compromise. I agree that compromise is required. Since the referendum result in 2016, the Scottish Government have sought to compromise. Can she name one single part of the document “Scotland’s Place in Europe” that she agreed to compromise on?

The Prime Minister: We have had discussions with both the Scottish and Welsh Government about their concerns, particularly around trade across the EU, and our proposals reflect those concerns, together with our discussions with business across the whole UK. As I understand it, the position of the Scottish nationalists now is that they want to revoke article 50. That is not a compromise. It is a position that goes back on the result of the referendum.

Geraint Davies (Swansea West) (Lab/Co-op): MPs from around the House have suggested that the Prime Minister’s deal is not sustainable because she has announced her resignation and that it is not future-proofed. Does she agree that neither her deal nor any other deal can be future-proofed or sustainable unless entrenched by a public confirmatory vote? On that basis, if she wants to heal the wounds and make it sustainable, she should put that public confirmatory vote in the Bill itself.

The Prime Minister: No, I am afraid the hon. Gentleman is wrong. The concern people have about entrenching for the future is about the objectives for negotiating in the future stages. Those will not be determined by a people’s vote—by a second referendum—because, by definition, they will be part of a negotiation with the European Union in the future. Nobody can say at this stage absolutely what will come out of those negotiations; it will be part of a process.

Dr Sarah Wollaston (Totnes) (Change UK): I spent 24 years on the frontline of the NHS, and like the vast majority of clinicians, I am desperately worried about the impact of a no-deal Brexit—a WTO Brexit—on the NHS, social care, science and research, and public health. I really want to help the Prime Minister get her deal across the line if it is subject to a confirmatory vote, but I do not believe it has the consent of even the loudest voices among the Brexiteers, let alone of constituents across this nation. Will she please commit to ending all of this? Her deal would get across the line with the support of so many colleagues across this House if she would just agree to make sure that it was genuinely the will of the people?

The Prime Minister: If the hon. Lady wants to ensure that we do not leave without a deal, and she wants to press the case for a second referendum, the way to do that is to vote for Second Reading of the withdrawal agreement Bill. Then, during the progress of that Bill, we will be able to have that debate about a second referendum and, indeed, about other issues on which there is disagreement across this House, and come to a determination on them. That is the proper process to follow; it is the process that enables this House to take that decision.

Rachael Maskell (York Central) (Lab/Co-op): The reality is that we are getting the same withdrawal agreement coming back that has already been rejected three times, with some additional legislation on things such as workers’ rights, which the Government could have brought forward over the last nine years. The political reality is that the Prime Minister’s deal is not going to pass in this House unless there is a guarantee of a second referendum. Why is she willing to risk her deal rather than reach a compromise?

The Prime Minister: What I want to see is this House voting to leave the European Union with a deal. I have compromised, and I have moved on the issues that have been raised as concerns by Members across this House. There are two elements of the deal with the European Union—the withdrawal agreement and the political declaration. We have made it clear that we will be seeking changes to the political declaration to reflect the package that I have put to the House today. It is important for the House to make decisions on this matter and to ensure that we can deliver on the result of the 2016 referendum, but to do that with a good deal.

Anna McMorrin (Cardiff North) (Lab): May I strongly urge the Prime Minister to look across this House and to understand, as I am sure she does, that there is no majority for any version of Brexit compromise, or therefore for her Bill? That is causing so much harm to our businesses, our communities and our democracy. The only

[Anna McMorrin]

way to avoid the threat of no deal and to get this Bill passed is to put a confirmatory vote back to the people for a democratic say.

The Prime Minister: The hon. Lady talks about the impact of the situation we are in on British business. Yes, uncertainty is never good for business, and business always wants to have the certainty of knowing the way forward, but what she proposes will not remove that uncertainty from British business—

Anna McMorrin indicated dissent.

The Prime Minister: I am sorry, but it will increase the period of uncertainty for the British people. Anything that extends the point of decision making actually increases that uncertainty for a further period of time. It will be for this House to decide. If the hon. Lady is certain of her arguments, she should not be worried about the House having the opportunity to hear those arguments and make a decision.

Chris Stephens (Glasgow South West) (SNP): Given that the Prime Minister has indicated that she will publish a new workers' rights Bill, will she confirm whether the publication of that Bill relies on the withdrawal agreement Bill being passed? It seems to me that the House could decide to pass the workers' rights Bill and not the withdrawal agreement Bill. Will she also say how the workers' rights Bill will work in practice? I am thinking specifically of rights for workers in the gig economy, where Europe seems to be offering better and stronger protections than those that our Government have proposed in relation to the Taylor report.

The Prime Minister: What will happen is that the withdrawal agreement Bill will be published and the draft workers' rights Bill will be published, and we will see them progressing in tandem.

Alex Sobel (Leeds North West) (Lab/Co-op): The Prime Minister has repeatedly talked about having a democratic mandate. However, the Information Commissioner's Office found repeated data breaches in Cambridge Analytica's work for Vote Leave, and Chris Wylie, the Cambridge Analytica whistleblower, said,

"if we allow cheating in our democratic process ...what about next time? What about the time after that? This is a breach of the law. This is cheating. ...this is an irreversible change to the constitutional settlement of this country."

Does the Prime Minister not really need a democratic mandate for this withdrawal agreement, considering how tampered with and damaged the campaign was in the last referendum?

The Prime Minister: The hon. Gentleman refers to issues in relation to the conduct of the last referendum. Of course, the Electoral Commission has acted on a number of the issues, but if we look across what happened, we see one of the most significant exercises in democracy in our history from people who came out to vote in the referendum. What the hon. Gentleman is saying is that we cannot actually trust the British people to exercise their vote according to their judgment and their instincts. I believe that is what the British people did, and we should listen to them.

Neil Gray (Airdrie and Shotts) (SNP): Yesterday, in her prequel to this statement, the Prime Minister referred euphemistically to the "devolved lock" that would come forward as part of the withdrawal agreement Bill, but her comments did not stretch as far as whether legislative consent would be required from the devolved Administrations. Will she therefore confirm that she accepts that legislative consent will be required for the Bill, and that she will accept the mandate given to her by the Scottish Parliament as to whether it will grant legislative consent?

The Prime Minister: The hon. Gentleman is, I am sure, very clear about the legislative consent requirements that relate to the Scottish Government and the Welsh Government in relation to these matters. Of course, I am well aware that the Scottish Government have made it clear that they do not wish to give legislative consent to matters that are put forward in relation to this issue, but we will be discussing that with the Scottish Government when the time comes.

Jim Shannon (Strangford) (DUP): What is the purpose of bringing forward withdrawal agreement mark 4 if no attempt has been made to address the backstop, which continues to be a key obstacle to any way forward? I reiterate firmly but gently that we seek and need protection for Northern Ireland that is both legally binding and time-limited. What talks have there been, and what effort has been made, to address the backstop?

The Prime Minister: Obviously, the hon. Gentleman has raised this point with me on a number of occasions. As he knows, we have had a number of discussions with the European Union that have led to further commitments in relation to alternative arrangements, for example, and we will also enshrine those in UK domestic legislation. The key issue about the separation of Great Britain and Northern Ireland is one we have committed to dealing with. As I said in my statement, we will work with our confidence and supply partner, the DUP, to look at how that commitment can best be enshrined in law.

British Steel

2.28 pm

The Secretary of State for Business, Energy and Industrial Strategy (Greg Clark): With your permission, Mr Speaker, I would like to make a statement about British Steel.

It was announced this morning that the court has granted an application by the directors of British Steel to enter an insolvency process. Control of the company will now pass to the official receiver, an employee of the Insolvency Service, who will run a compulsory liquidation. The official receiver has made it clear that British Steel employees will continue to be paid and employed, and the business will continue to trade and to supply its customers while he considers the company's position. In fact, employees were paid early, with the May payroll being run yesterday through cash being advanced by the company's lenders.

As the House will recall, I made a statement on 1 May setting out details of a bridging facility that the Government agreed to provide to ensure that British Steel was able to meet its obligations under the EU emissions trading scheme, which fell due on 30 April. The Government provided the facility to purchase allowances worth £120 million against the security of 2019 ETS allowances, which are currently suspended pending ratification of the withdrawal agreement.

Without this facility, British Steel would have faced a financial pressure of over £600 million—the ETS liability, plus a £500 million fine. This would not only have placed British Steel in an insolvent financial position, but the charge attached to its operational assets would have been likely to prevent any new owner from acquiring these assets in the future. This transaction demonstrated the Government's continuing willingness to work closely with all parties to secure the long-term success of this important business.

Following this agreement, the Government have worked intensively with the company for many weeks to seek solutions to the broader financial challenges it has been facing. The Government and individual Ministers can only act within the law and this requires that any financial support to a steel company must be made on a commercial basis. In the case of the ETS facility, this was based on the security of future ETS allowances.

To provide liquidity to the business in the face of its cash-flow difficulties the Government were willing to consider making a cash loan to the company and worked hard to investigate exhaustively the possibilities. However, the absence of adequate security, no reasonable prospect that any loan would have been repaid and the shareholder being unwilling to provide a sufficient cash injection itself meant that this did not meet the required legal tests.

I am placing in the Library the accounting officer's assessment of these proposals, drawing on professional and legal advice, which concludes:

“It would be unlawful to provide a guarantee or loan on the terms of any of the proposals that the company or any other party has made or any others we have considered. You must note that such an offer cannot be made legally and that by making it you would be in breach of the Ministerial Code.”

The insolvency removes Greybull from day-to-day control of British Steel. Given the Government's willingness to help secure British Steel's future, demonstrated in the ETS facility, and the discussions that have taken place

in recent weeks, the Government will work closely with the official receiver and prospective new owners to achieve the best outcome for these sites.

The Government have provided an indemnity to the official receiver, who is now responsible for the operations. We will take every possible step to ensure that these vital operations can continue, that jobs are secured and that the sites at Scunthorpe and Skinningrove and on Teesside continue to be important centres of excellent steel-working. During the days and weeks ahead, I will work with the official receiver, the special managers and a British Steel support group of trade unions, management, suppliers, customers and the local communities to pursue remorselessly every possible step to secure the future of these valuable operations.

This is a very worrying time for everyone associated with British Steel. Each one of British Steel's sites has a proud record of steelmaking excellence, and I am determined to see it continue. Britain and the world will continue to need high-quality steel, and British steel is among the best in the world. Today is a very big setback for these operations, but it is far from being the end and we will take every step possible to secure a successful future for these vital assets, both people and plant.

2.33 pm

Rebecca Long Bailey (Salford and Eccles) (Lab): I thank the Secretary of State for advance sight of his statement.

This is indeed very worrying news for the workers, their families and the communities who rely on British Steel directly in Scunthorpe, Skinningrove and Teesside and all the way through the supply chain. At least 25,000 people will be worried sick this morning, wondering whether they will have a job this time next week.

As the Secretary of State knows, however, the sector is critical to our manufacturing base and is strategically important for Government procurement from rail all the way through to defence. It is therefore imperative, given that the Government now have some control via the official receiver, that this business is stabilised and confidence is given to customers, workers and businesses right across the supply chain. The message from the Government today must be that British Steel is one of the linchpins of our industrial strategy and to that end they will move heaven and earth to ensure business as usual continues.

It is reported that the owner, Greybull Capital, was asking the Government for a loan of £30 million. The shadow Minister for steel, my hon. Friend the Member for Sheffield, Brightside and Hillsborough (Gill Furniss), asked for more information yesterday, but we were given none. Can the Secretary of State confirm today what the asks of British Steel were in the negotiations? Were they just the reported £30 million or was that part of a wider package of measures to support steel production?

I welcome the publication of the accounting officer's assessment, but can the Secretary of State confirm Greybull Capital's reasoning in asking for a loan, while reportedly being unwilling to put money on the table and simultaneously investing over £40 million in a French steelworks last week?

The Secretary of State has said in his press statement today that he will

“pursue remorselessly every possible step to secure the future of the valuable operations in sites at Scunthorpe, Skinningrove and on Teesside”,

[Rebecca Long Bailey]

and I welcome that. I also welcome the indemnity he has referred to, but can he outline exactly what other possible steps he will be pursuing in the coming days? Do they include bringing British Steel into public ownership as Unite the union and the Labour party have called for? Do they include discussions with other interested stakeholders to examine options for saving the company, including with Network Rail, which procures 95% of its rails from the Scunthorpe site? It is clear that we simply cannot countenance warm words and no real action as was the case with the SSI steelworks almost four years ago.

The truth of the matter is that the cost of British Steel collapsing is far greater than any short-term outlay the Government must make now. The Institute for Public Policy Research has estimated that British Steel's collapse could lead to £2.8 billion in lost wages, £1.1 billion in lost revenue and extra benefit payments and that it could reduce household spending by £1.2 billion over 10 years. This is a significant economic disturbance, if the Secretary of State would like to dust off his state aid handbook.

We know Network Rail sources 95% of its rails from Scunthorpe. Last year, Network Rail signed a £200 million contract with the company. The loss of this supply could have serious consequences for Network Rail's cost base and the quality of the steel used to maintain and upgrade the British rail network. Notwithstanding the great commitment by Network Rail to British Steel, however, we also know the Government's wider public procurement of UK steel has been disappointing, with only 43% of steel used in Government projects traced to firms based in the UK, according to UK Steel analysis. So will the Secretary of State confirm today what steps he is taking to positively procure British steel for more of our key infrastructure projects?

Finally, there is no doubt that the UK steel industry is in a difficult place. Uncertainty about future trade with the EU and the dangling prospect of no deal are having a severe impact. Domestic issues like uncompetitive electricity prices, business rates and lack of support for steel in the so-called industrial strategy are also undermining the sector's ability to compete, but UK steel has a proud history in the UK and there is no reason why this cannot continue. The ball is in the Government's court: they can take action now to save British Steel and support the wider industry, or they can accept that their legacy will, yet again, be industrial decline. We in the Opposition know which side of history we want to be on, and I hope the Secretary of State wants the same thing.

Greg Clark: I am grateful to the hon. Lady for the spirit in which she approached her response to the statement, recognising that there is a total common purpose across both sides of the House to provide the confidence for new investors to be able to take on these assets, and we all, wherever we sit in this Chamber, want this to be a change of ownership rather than something that puts a stop to steel production.

The hon. Lady was right to refer to SSI, and she will recall—as will her colleague the hon. Member for Middlesbrough (Andy McDonald)—the situation with Corus in 2010. One thing we know about steel assets is that they are not like other kinds of facilities; once they close, it is very difficult for them to come back into life.

So it seems to me that we have a special responsibility to make every effort to ensure there is no interruption whatsoever in production. That is my purpose, and I see it reflected in what the hon. Lady said.

I agree with the hon. Lady about the strategic importance of steel. It presents a strategic opportunity as well, because this country and the world will always need steel and British steel is among the best in the world, so we should be looking to supply it. I think my commitment was demonstrated in the move I made to provide £120 million to make sure that the liability under the ETS was addressed. Crucially, if we had not removed that liability, it would have hung over the assets, preventing any new partner from taking them on.

The hon. Lady also asked about the reports of the £30 million facility. The assessment of the accounting officer gives more information on that. In fact, that £30 million was not for a permanent refinancing of British Steel; it was a contribution to an administration only. The assessment was that the contribution from all parties would not be enough to withstand the cost requirements during that administration. She will see clearly set out the assessment of the proposals that were given. I have been exhaustive in pursuing the possibilities with British Steel over many weeks. If she is in government, she will find that she is obliged to follow the ministerial code, under which we are not allowed to make a decision that would be illegal, immensely frustrating though it is. I would have much preferred to have given the opportunity of this loan rather than go down the route that has been taken, but that is the requirement and there is no possibility of setting that aside.

On the motivation of Greybull in investing its cash in other facilities in France, one of the requirements in the case of any company failure is that the official receiver conducts an investigation into the reasons for the failure and the lessons to be drawn from it. I very much look forward to seeing the official receiver's report. I dare say that the Chair of the Select Committee will also want to inquire closely, on behalf of her colleagues, into this as well.

On the question of new possibilities, I understand that there are buyers who have already made contact. The hon. Lady is right to say that important stakeholders such as Network Rail, which has been very supportive in recent weeks and has pledged to continue to be supportive, will work together. That is why I have invited everyone with an interest in this, including colleagues on both sides of the House, to work together so that we can make a demonstrable and clear case that the cross-party and cross-House of Commons consensus that reflects the importance of the steel sector is available to any new investor.

Finally, I agree with the hon. Lady's assessment, relating to the report she mentioned, that the consequences are important not only for the workforce and those in the supply chain, vital though they are; they are also important for whole communities and indeed for the country. This furthers my resolve, which I know she shares, to do everything we can in the days and weeks ahead to ensure that there is continuity in these operations.

Several hon. Members *rose*—

Mr Speaker: Order. Colleagues, I will shortly come to Members with constituency interests, and indeed to the hon. Member for Watford (Richard Harrington),

the former Minister, but I would like to begin with a new, young Member who once worked for British Steel. I call Sir Peter Bottomley.

Sir Peter Bottomley (Worthing West) (Con): That was quite some time ago, Mr Speaker, when it was the British Steel Corporation rather than the old Appleby-Frodingham steel plant that we are discussing today.

I put it to my right hon. Friend that we ought to go on following his non-partisan line, but we ought also to remember what happened to steel production and steel employment during the last Government. Will he also tell us what can be done on energy costs, which form a large part of steel production costs?

Can my right hon. Friend confirm that this is an industry in which the worldwide steel cycle has a massive impact? The House will be grateful to him for doing all that he can to mitigate its effects on this country.

Greg Clark: I agree with my hon. Friend. I was unaware that he had had that early experience in the steel sector. I do not want to make a partisan point, so perhaps I can take this in a historical sense to illustrate that the steel sector has been through periods of turbulence and difficulty in this country and around the world, and it is clearly going through one now. It was the case that steel production fell by 50% between 1997 and 2010, as did employment in the sector, but I do not blame that on the Government of the day. It was a feature of the market at the time, but I think that we should learn the lessons from some of the decisions that were taken then. *[Interruption.]* The hon. Member for Middlesbrough reminds us from a sedentary position that the blast furnaces at Redcar were mothballed, which made it difficult to return them to service. They did come back with SSI, but it was very difficult to do that. The point is that we should have the maximum possible continuity, and attend to the lessons from that time. Criticisms were made at the time of the approach being taken both there and in SSI, and in the present situation we should learn the lessons and ensure that we have maximum continuity.

Marion Fellows (Motherwell and Wishaw) (SNP): I thank the Secretary of State for giving me advance sight of his statement.

Since I was sworn in as a Member of this House four years ago, I have watched two Tory Prime Ministers and two Business Secretaries fail the steel sector across the UK. Time and again, they have refused to level the playing field for steel in relation to energy costs and to rates in England. I have been happy to show solidarity with those in the steel sector who face the prospect of not having a job and with those who work in the supply chains. We cannot keep on repeating this.

The UK Government need to achieve a sector deal for steel and, by their actions, fully commit to the steel industry's future across the UK. A first step would be to listen to the industry and its concerns on Brexit, and I am glad to hear the Secretary of State say that he will do that. The inaction and apathy of this Government and this Prime Minister towards industry are reminiscent of another Tory Prime Minister. We are still recovering from the damage that Margaret Thatcher did to the steel industry in Scotland. Do this Tory Government recognise the danger inherent in pursuing their current policy regarding industrial strategy?

In 2015, by contrast, the SNP Scottish Government saved the Scottish steel industry. They saved the Dalzell works in my constituency and the Clydebridge works in the Rutherglen and Hamilton West constituency. Indeed, I am going there on Wednesday to sign the UK steel charter with the Scottish Minister for Trade, Investment and Innovation. Will the Secretary of State look to what was done by the SNP Scottish Government in setting up a Scottish steel taskforce, and commit to saving steel across the UK? The Scottish steel taskforce was a model committed to saving those works, and it did so because it started out with that commitment as its sole objective, in contrast to the UK steel summit that we had in 2015. Minister, you have a grave responsibility here and I hope that you will come back and tell us that you have achieved what we all want for British Steel.

Greg Clark: I recognise that responsibility, and the intention of the group that the hon. Lady describes is precisely what I have set out. We all need to join forces to provide the best prospect for continuity for these operations. She referred to the important steelworks in Scotland. Sometimes, for the reasons I have set out, it is necessary for a Government to participate in a sector where discontinuities and interruptions can be difficult to recover from. I think she would be generous enough to concede that the £120 million that I informed the House of on 1 May gave precisely the possibility for these operations to continue, without which we would have been unable to have this discussion today about the prospects for the industry.

The hon. Lady asked about energy costs. Energy-intensive industries obviously incur significantly higher energy costs than other sectors. Over the past few years, we have paid £291 million in compensation to energy-intensive sectors, including steel. The industrial strategy contains an industrial energy transformation fund to increase the energy efficiency of energy-intensive operations, and that is worth about a third of a billion pounds. That constitutes, I think, the kind of action that she would expect. We now need to ensure that that is applied to the situation facing British Steel so that it can continue to operate and, indeed, to flourish.

Several hon. Members *rose*—

Mr Speaker: Order. We need to speed up a little bit.

Mr Simon Clarke (Middlesbrough South and East Cleveland) (Con): I thank my right hon. Friend for his statement, which will be hugely reassuring to my constituents who work at Skinningrove steelworks, most of whom live close by. It is vital that we prevent the closure of that plant, just as it is vital that we prevent closures at Scunthorpe and Lackenby and all the other sites that are affected. With that in mind, I welcome that the Government have provided the indemnity to the official receiver to try to keep British Steel operational while a buyer is sought. Beyond that, may I emphasise the case for public ownership or, indeed, a public-private partnership in order to serve as a bridge to new ownership? The priority is to save jobs. Everything else—all matters of ideology—must come second.

Greg Clark: My hon. Friend is absolutely right. We need to do everything we can. The situation is not entirely in the hands of the Government, because the official receiver is obviously responsible for the operations,

[*Greg Clark*]

and the trade unions and local communities want also to participate. This morning, the director general of UK Steel was asked whether he thought that the Government have done everything they can, and he said that he thought that we have. There is a recognition, which I am sure my hon. Friend will find in the sector, that we are serious about doing everything we can within our legal limits to help to give stability and a good future to this industry.

Rachel Reeves (Leeds West) (Lab): This is a desperately sad day for our steel industry and those who work in it, and I am sure that the Business, Energy and Industrial Strategy Committee will want to look at what triggered the collapse of the company. The Government are now paying the wages of British Steel's workers, which is welcome, and 25,000 jobs depend on production continuing. Will British Steel continue to take new orders under the Government's official receiver in order to maximise the chances of the company's survival? Will the Government guarantee to pay the wages and continue new production at the site until a new buyer can be found?

Greg Clark: I am grateful to the hon. Lady, and I would welcome her Select Committee, on which many Members currently in the Chamber serve, looking into this matter. There may be wider lessons to learn about how assets of such importance, where continuity is important, are held.

When it comes to paying the employees' wages, we should be clear that the official receiver is responsible for that, not the Government. The Government have provided the official receiver with an indemnity, and his responsibility is to manage the business and to make a judgment about the business's future prospects. He started today with a clear statement that the business continues to trade and that the workforce continue to be employed and to be paid. I hope that that was reassuring for the members of staff.

Andrew Percy (Brigg and Goole) (Con): On behalf of the thousands of my constituents whose livelihoods rely on Scunthorpe, may I thank the Secretary of State for his personal interest and dedication? He has worked incredibly hard to try to find a solution here. I echo the comments of my hon. Friend the Member for Middlesbrough South and East Cleveland (Mr Clarke) about not applying any ideology to the ownership model moving forward. We want to keep this site together, and we do not want any cherry-picking if it can be avoided.

Will the Secretary of State also encourage the official receiver to work with North Lincolnshire Council and the local enterprise partnership, which commissioned and paid for a study into how British Steel could make better use of other parts of the site to generate money? Some of it could be used for energy generation or for housing, but such proposals have not been taken forward by the current owners. Will he ensure that the official receiver looks closely at that?

Greg Clark: I am grateful to my hon. Friend, and I will certainly do that. As I said, the official receiver is independent, but it is very much in his interests to maximise the opportunities on the sites that are now in his charge, and I daresay that that study will be helpful.

I completely agree with my hon. Friend that we should not take an ideological approach. We need to do what is right for the jobs and livelihoods of the people who work in and around those sites.

Nic Dakin (Scunthorpe) (Lab): I thank the Secretary of State and his Ministers and officials for their work over a long period to get this business to where we all want it to be. I thank him for his statement, the commitments in it and his recognition of the strategic value of this industry and the business not just to the workers and families in my constituency and others but to the UK. Will he commit to ensure that these national assets are secure and to involve the workforce in all discussions through the excellent trade unions that work in the steel industry, so that they can be full partners as we take this business into a better future?

Greg Clark: I am grateful to the hon. Gentleman for his comments. The town that he represents has a proud history of steelmaking, and I want that to continue for many years. It should be making history in the future, as it has done in the past. It is vital in that to reflect the sense of community in the steel industry, both in particular places and across the country. Through my contact with the trade unions and the workforce, I will certainly involve them in the discussions about the future, and I will encourage the official receiver, who will want to benefit from those discussions, to do the same.

Richard Harrington (Watford) (Con): The Under-Secretary of State for Business, Energy and Industrial Strategy, my hon. Friend the Member for Pendle (Andrew Stephenson), said in answer to yesterday's urgent question that he and the Secretary of State would leave no stone unturned to save British Steel. As a former Minister in this area, I can confirm that the Secretary of State's commitment is second to none.

I was impressed with British Steel. Some of its management was very good, as was the workforce. The trade unions had a responsible attitude, and I want to pick out Roy Rickhuss of the Community union, who is very committed to this site. It seems to me that the company has a good business plan. It produces a product that people throughout the world want to buy, but one of the main dangers, and one of the reasons behind this situation, is the threat of WTO rules and the disgraceful tariffs that this country would be lumbered with if this House was not sensible and did not vote for a deal to rule out the burden that WTO rules would have on the steel industry.

Greg Clark: I am grateful to my hon. Friend for the hard work that he put into understanding and helping the steel industry during his time as a Minister. I know that it was well appreciated. I echo his tribute to Roy Rickhuss. My hon. Friend, the new Minister and I have always had a good relationship with the trade unions. I spoke to Roy Rickhuss and Steve Turner of Unite this morning, and they share the intention of everyone in this House to get the best possible future for British Steel.

One reason, although it is not the only reason, for the problems that British Steel is experiencing is the uncertainty around whether our future relationship with the European Union will involve tariffs—at least that is what the

management say. Like my hon. Friend, I have a high regard for the management of British Steel, which needs to be taken at its word. We should resolve that uncertainty as quickly as possible, because that would be a major contribution that we can make to the future of British Steel.

Mr Pat McFadden (Wolverhampton South East) (Lab): I am grateful to the Secretary of State for his approach in recent weeks and for his statement today. I thank him for his comments about the difficulty of turning off steel mills like a tap, because they cannot be turned off and on like that. We are all grateful to hear that the wages will continue to be paid for the moment and that the company continues to trade. Will he say anything more about the official receiver's capacity to keep the situation going so that a new buyer can be found?

Greg Clark: I am grateful for what the right hon. Gentleman says. It is important that I should state, and that the House should recognise, that the official receiver is independently appointed by the court. The official receiver has a team of special managers from Ernst & Young who were appointed today, and their responsibility is to secure the best possible resolution for the assets they inherit. They have strict duties to the court, and they cannot be directed by me. My experience of the Insolvency Service and the official receiver is that they will want to recognise the importance of continuity, which I contend will help to secure the best value for the future of the site. From my conversations I know they have that very much in mind, but it is important to emphasise that they are independent and do not take direction from me.

Tom Pursglove (Corby) (Con): I impress upon my right hon. Friend the expectation of my constituents in Corby that he must pull out all the stops to secure the future of this business. Will he advise the House of whether any other steel businesses have indicated a willingness to take on the business at this stage?

Greg Clark: I certainly agree with, and will act upon, the first part of my hon. Friend's question. It is a matter for the official receiver to consider but, during the course of the day—after all, it was just this morning that the company went to court—I have had some early indications of interest. I intend to be active in helping to promote these important assets to prospective investors, whether or not they are currently aware of the opportunity this may give them to invest in successful facilities in the future.

Anna Turley (Redcar) (Lab/Co-op): I thank the Secretary of State for engaging with me constructively on the phone this morning, which I appreciate. I also pay tribute to all those at British Steel who have worked so hard, particularly over the last three years, to try to make a success of the company. I was proud to be at the launch at the Lackenby beam mill in 2016 when, out of the ashes of the SSI disaster, we felt that British Steel would rise and be a strong, fantastic brand. Obviously, today is extremely disappointing for those workers and for others all across the country.

I implore the Secretary of State to learn the lessons of SSI from 2016. He spoke movingly today of the importance of keeping the assets going, which is the No. 1 priority.

We cannot turn this off because of the consequences for individuals, for families, for communities and for local economies. We are still facing the clean-up costs, three years down the line, of a rotting, decaying site that is still toxic. That cannot be allowed to happen again. We must ensure that the assets are maintained and preserved and jobs safeguarded.

Greg Clark: I grew up in the hon. Lady's constituency, and I am very familiar with the landscape of steelmaking across Teesside. We need to learn the lessons of this. Across the country, including in Scotland, as we have heard, there have been times when the steel industry has been challenged. Not everything has been done in the best way each time. We should learn the lessons and apply them in this case. I hope that the official receiver will do that, and the indemnity is partly given to provide the official receiver with the confidence that the liabilities, especially the safety aspects, will be covered.

Mark Pawsey (Rugby) (Con): The Secretary of State will know that, for any business to succeed, it is vital to look after the needs of the customer, so will he say a little more about the steps being taken to maintain the continuity of supply to manufacturers and contractors of the excellent, high-quality products produced by British Steel?

Greg Clark: My hon. Friend is absolutely right. The company benefits from very good relationships with customers, and I particularly mention Network Rail. This is important to both sides of that relationship. Network Rail has been particularly understanding and supportive during British Steel's difficulties, and I hope very much that Network Rail will be part of the solution to resolving the difficulties facing the operations.

Nick Smith (Blaenau Gwent) (Lab): The Government need to buy more UK-produced steel, yet the Ministry of Defence has refused to confirm that it will buy UK steel for the Navy's solid support ships. Less than half of the steel currently bought by the Government is from the UK. How high will that percentage be in a year's time to help avoid recurring steel crises?

Greg Clark: I hope the hon. Gentleman will acknowledge that we have taken some major steps. First, we have published the proportion of UK steel procured for each Government Department and, secondly, we have changed the procurement rules so that social and environmental factors can be taken into account in future procurement. Thirdly, we have published a future pipeline of opportunities. We have done all those things because I agree with his contention that, where we have good-quality British steel that can be used for purposes in this country, we should be making use of it.

Martin Vickers (Cleethorpes) (Con): Like my colleagues, I congratulate the Secretary of State and his ministerial team on their efforts and on keeping Members informed. He knows north Lincolnshire well, and he will be mindful of the fact that some 200 people are employed at the port of Immingham either by British Steel or by associated companies. Can he give those businesses and their employees an assurance that, when Government decisions are made in future, those associated industries will be at the forefront of his mind?

Greg Clark: My hon. Friend is right that the impact of an industry such as steelmaking extends beyond its own limits, and he gives a good example of that. It is important that those impacts are reflected. Obviously, because the business is trading, suppliers can count on being paid now that they have the protection of the official receiver. I hope that will give them confidence, which was perhaps knocked in recent weeks when there were widespread rumours of the company's cash-flow difficulties.

Jessica Morden (Newport East) (Lab): Steelworkers in the community I represent will be very much thinking of those at British Steel sites who are affected by today's announcement. Does the Secretary of State acknowledge that the uncertainty around thousands of jobs, including those in the supply chain, could pose a threat to other steel companies because of the potential weakening of the supply chain? The Government must show by their actions that they value manufacturing.

Greg Clark: It is important that we consider and act on the impact on the wider supply chain, and the group I propose to bring together to support British Steel will include representatives of the suppliers. I will set out further details of how we might do that in the days ahead.

Jack Brereton (Stoke-on-Trent South) (Con): Energy-intensive industries like steel and other manufacturers in my constituency of Stoke-on-Trent South have come under increasing pressure from high energy costs. Will my right hon. Friend outline more of the measures that the Government are taking to address those high energy costs?

Greg Clark: My hon. Friend is absolutely right. The ceramics industry shares the concerns of the steel industry in needing relief from high energy costs. The industrial energy transformation fund is available to the ceramics industry, and I hope it will come forward with proposals that can reduce energy consumption and, in that way, reduce energy bills, so making industry more competitive—that applies to ceramics as it does to steel.

Peter Kyle (Hove) (Lab): I, too, am grateful for the Secretary of State's approach to this challenge. Hours before the collapse, the Under-Secretary of State for Business, Energy and Industrial Strategy, the hon. Member for Pendle (Andrew Stephenson), said from the Dispatch Box yesterday that no stone had been left unturned in the run-up to this, which implies that the collapse was inevitable. I do not believe such a collapse is ever inevitable. As we move forward, will the Secretary of State reconfirm that he will do everything he possibly can to make sure this plant carries on trading for as long as it takes to get back on its feet? Secondly, will he do everything he can to get a sector deal, for which the steel industry has been crying out for a very long time, up and running?

Greg Clark: I will continue to do everything I can. It is important to level with the House that I do not run these operations and these assets—they are under the control of the official receiver—but I will do what I can to interest prospective partners with a long-term interest in this. I will continue to leave no stone unturned.

As with the solution to the emissions trading scheme problem, I will be creative where I possibly can be in finding solutions.

The second point was—

Peter Kyle: The sector deal.

Greg Clark: The sector deal was proposed in the industrial strategy. I am keen that there should be a sector deal in the steel industry, but the essence of a sector deal, as the hon. Gentleman knows from his work on the Business, Energy and Industrial Strategy Committee, is mutual investment by both sides. There is a good plan there, but one difficulty at the moment—British Steel is a good example of this—is that it has not been possible to see the investment coming in that is the hallmark of every sector deal. I very much want us to have that, and I hope that in talking to new partners we might have an opportunity for that sector deal to be completed, because in every sector deal we have the new investment that is required.

Jeremy Lefroy (Stafford) (Con): I entirely support what my hon. Friends the Members for Middlesbrough South and East Cleveland (Mr Clarke) and for Brigg and Goole (Andrew Percy) have said about an innovative public-private approach to this. My right hon. Friend the Secretary of State talked in his statement about the accounting officer's assessment, which said:

"It would be unlawful to provide a guarantee or loan".

Will he confirm what the situation would be with regard to equity capital, in the context of a public-private partnership or other innovative solutions such as those that have been mentioned?

Greg Clark: I am grateful to my hon. Friend for that. As I said to colleagues, we should not allow any ideology to influence these decisions, but he is right to draw attention to the accounting officer's opinion and advice on this, which includes an assessment that makes it clear that the option of whole or partial nationalisation of the company, temporary or permanent, does not change the assessment of legality. The reason for that is that it is a question not of the ownership but of the cash needs of the company. Whether a business is owned in the public sector or the private sector, the test of commerciality has to be met for the Government to put cash in; that applies whichever sector it is in. That is the legal test on which this hinges.

Tom Brake (Carshalton and Wallington) (LD): The action taken so far is welcome, but this is still clearly a disturbing time for workers and suppliers. We heard earlier that British Steel invested £40 million in Ascovall—the Select Committee may want to look at that. At the same time, the French state and local government bodies invested an equivalent sum of £40 million in that steel mill. Is there anything the Government could learn from that? May I encourage the Secretary of State to be creative in the way he was suggesting he would be, by setting up a Brexit fund that could support businesses struggling as a result of Brexit?

Greg Clark: It is not a question of having the funds available, it is a question of the legality of being able to deploy them. The right hon. Gentleman will know, as

the House will, that I have a good record of being able to invest alongside private businesses where this secures jobs and innovation. That is absolutely something that I would do in the steel sector. One legal requirement—we are meeting the legal requirements—is to show that there is co-investment from a private investor. In the situation in France, there was substantial investment on both sides. The same was not available in this case, which was one reason why the advice that I was given was of the nature that it was.

Mr Jim Cunningham (Coventry South) (Lab): We have been here on two or three occasions, including with GKN and Bombardier, so one wonders where we are going, as the steel industry is vital to manufacturing in this country and, more importantly, to the defence industry. I thank the Secretary of State for his statement, but I can tell him that I worked at Rolls-Royce when it collapsed in 1971 and there is no worse situation an employee can find themselves in; that situation went on for weeks, until eventually the Heath Government had to semi-nationalise it. I have the feeling that you may be back here in a couple of weeks' time if you cannot find a buyer, so you will really have to consider that. I hope you will consider that, because if you do not, you will be inflicting a lot of pain on a lot of good employees who work very hard. Once you have experienced something like that, you never forget it.

Mr Speaker: The hon. Gentleman raises a very serious point, but I just gently observe that I will not find a buyer and I will not be giving any consideration to this matter whatsoever.

Greg Clark: I get the hon. Gentleman's gist; I know what he requires. He is right to call attention to the fact that, notwithstanding the intentions that everyone in the House has expressed, today is a day that no one in Scunthorpe, in Skinningrove or on Teesside wanted to see. It is a very worrying day; people will go to bed tonight very concerned about their future. We cannot resolve this overnight, but we can resolve to do everything we practically can to make a good future possible. I am grateful for the support and commitments from across the House that we will all do precisely that.

Vernon Coaker (Gedling) (Lab): May I join others in welcoming the Secretary of State's commitment to do all he can to prevent the demise of one of our great strategic industries? In the light of that, will he explain something to the House? In his statement, he said:

“The Government have provided an indemnity to the official receiver, who is now responsible for the operations.”

Will he explain a little more about what that actually means, how long that will last and whether it will give the time for the official receiver to find another owner for the steelworks? Some clarity on that would be really helpful.

Greg Clark: If I am legally permitted, and I do not see why I should not be, I will put the letter of indemnity in the Library of the House. If I am not permitted to do so, I will find a way to share it, perhaps through the Select Committee. It reflects the fact that an industrial facility such as a steelworks is a hazardous environment, with a lot of risk. Given that the official receiver is legally responsible for that site, he should be fully indemnified. So the indemnities arise, for example, through liabilities that might arise from carrying out the proper performance of his duties as liquidator in maintaining, securing and funding the ongoing operation of the company's undertakings, and distributing its assets. So it is the work that the official receiver is engaged in that has the backing of this indemnity from the Treasury from the outset—from this morning, when the letter was sent.

Chris Elmore (Ogmore) (Lab): It is clear from the Secretary of State's statement that he cares deeply about the issue, but may I take him back to the question from my hon. Friend the Member for Hove (Peter Kyle) on a sector deal? The Secretary of State talks about why the deal cannot take place, but may I put it to him that the industry clearly is suffering and is not cash-rich, and that could be a good reason to implement the sector deal now and take that risk to ensure that we protect jobs and the industry in the future. If there are no other reasons why the deal could not take place, that would at least give us some assurances for the future.

Greg Clark: I am grateful for what the hon. Gentleman says. I am keen to have a sector deal in the steel industry. The nature of sector deals is the Government investing in certain capital improvements, research and development programmes or training programmes, and the industry investing alongside them. That is the essence of the deal. As is evident in the case of British Steel, it has not been possible for it to invest, which is why it has not been possible to conclude the deal. Given that, he makes a reasonable point: perhaps separately from the sector deal, other things could be done for a sector that is going through what is evidently a challenging time, not just here but around the world.

Unauthorised Encampments

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

3.19 pm

Toby Perkins (Chesterfield) (Lab): I beg to move,

That leave be given to bring in a Bill to make it a criminal offence to demand money to vacate an unauthorised encampment; and for connected purposes.

The relationship between the Traveller community and the resident community is one of the most tense of any in our society. As Members of Parliament, we are often contacted to support those caught up in the unhappy collision between the two groups, and successive Governments have failed to bridge the gap. By the sheer weight of Members who have volunteered to be sponsors of this Bill, I know that I am not the only Member who has faced such issues in my constituency. Usually, getting other Members to be co-sponsors of a Bill is an arduous and time-consuming task that requires the calling in of favours—or at least a good deal of doleful pleading. In this case, I had secured the requisite 11 volunteers within a few minutes of emailing round my request for sponsors. Indeed, as many as 41 right hon. and hon. Members have expressed an interest in being supporters of the Bill.

The Bill would build on current legislation to make it a specific offence for people to demand money to vacate an authorised encampment, which has happened in my constituency on several occasions that I have been made aware of. It is worth saying that I entirely understand that the Traveller community faces a good deal of prejudice and discrimination. I also think it is lamentable that successive Governments, and perhaps this one in particular, have spoken the language of supporting Traveller communities while failing to take the requisite steps to ensure that there are an adequate number of legitimate sites. We in this place will make the job of our overstretched police forces a much easier one if we ensure that there are sufficient legitimate sites.

I have to confess that some may see my own contribution as a little two-faced: I am happy to call for more sites, but when the recent local plan for the borough of Chesterfield went out for consultation, I considered all six of the potential venues that the council identified for a Traveller site to be inappropriate. I do recognise that if we wait for a resident community that positively demands a site, we will be waiting a long time, but the planning guidance needs looking at, because all the sites identified in Chesterfield were on council estates in built-up communities, and were clearly inappropriate and would lead to greater division and unrest in the community. Surely other sites that are more remote from other housing estates would make more sense than these collisions being inflicted on a specific estate and community.

Having said all that, it is perfectly possible to have every sympathy about the lack of authorised encampments and still be horrified by some of the practices that we have all experienced in respect of unauthorised encampments. In particular, it is clear that, far from simply requiring a place to stay for a few days, many Travellers have seen the disquiet that their visit causes as an opportunity to use fear to earn and, indeed, to demand money. A number of different pieces of legislation already address the issue of trespass and encampments,

but my Bill will deal with the specific offence of demanding money to leave a site that people are not entitled to be on in the first place.

Three weeks ago, I was contacted by an information technology firm in my constituency called Coolspirit, which is based on the Bridge business park in Dunston in Chesterfield. Coolspirit employs more than 20 people and had been notified that Travellers had moved on to its car park at 7 pm that night. The owner, Damon Robertson, attended and attempted to encourage the Travellers to leave. He explained that their use of his car park would prevent his staff from attending work the following day. Immediately, the Travellers suggested that he pay them £2,500 to leave the site, alongside making threats to him, his wife and his property. They also informed him that it would cost him a lot more than that to employ bailiffs to remove them from the site. To his amazement, the police officer who eventually attended seemed to think that this was an offer worthy of consideration.

Coolspirit was not alone in feeling utterly abandoned by the forces of law and order and as though the law was kinder to those who were breaking the law than those who were attempting to uphold their legal rights. Eventually, after my intervention, the police took a more helpful approach. It is only fair to acknowledge that the Derbyshire police and crime commissioner, Hardyal Dhindsa, has taken a very proactive approach in attempting to get these offences policed more robustly. Too often, though, the experience of businesses and landowners is that the victims are on the wrong side of the law.

The incident I have outlined was not the first time that the strategy of using an illegal encampment to extort money had been used in Chesterfield. Last August, Travellers arrived on the cricket square at the famous Queen's Park cricket ground in Chesterfield on a Friday night, just an hour before a junior cup cricket final was due to start. Dozens of parents and supporters, plus the 22 children who were due to play in the cup final, arrived only to discover that play was impossible because of a caravan sited on a good length just outside the off stump, with further vehicles pitched up at gully, square leg and extra cover.

The chairman of the cricket club approached the Travellers and asked them if they would mind moving 60 yards or so on to the bank—there is large amount of park land just beyond the cricket pitch at Queen's Park—so that the children's cup final could take place. He explained that the children had worked hard to get to the cup final and that their parents were all excited about watching them play. Again, he was told that the Travellers would be willing to move 60 yards on to the bank, but that the inconvenience would not come cheap: they would require £10,000 and the return ferry fares to Ireland to move.

In doing research for the introduction of my Bill, I learned of the case of Thwaites brewery in Blackburn. An even bigger group of 20 caravans arrived on site, ultimately costing about £350,000 in damage and stolen goods. Again, the Travellers made financial demands, in this case asking for £20,000 to leave the site. The police's first question to the brewery owners was, "Are you insured?" Let us stop for a moment and ask, as legislators, what kind of law and service we are presiding over when

the first question that the police ask a victim of crime is not, “Is an offence being committed?” but, “Are you insured?”

In that case, the police eventually—and uniquely, as far as I have been able to establish—prosecuted the Travellers for the offence of blackmail alongside the criminal damage prosecution, although the chief executive of Thwaites brewery, Richard Bailey, told me that he believes the blackmail prosecution was sought only as an addendum to the criminal damage case. When I asked the Government how many blackmail prosecutions there have been for the offence of demanding money to leave a site that someone is on unlawfully, they confirmed that they did not hold that data. My diligent staff have worked night and day to try to find other examples of convictions for that offence under existing legislation, and they have been unable to find any.

It is not enough for us in this place to allow public authorities, whether the police or councils, to expect private landowners to pay thousands of pounds to regain unfettered access to their own land because of the failure of public authorities to provide adequate authorised facilities and our failure as legislators to provide usable legislation and policing resources to support landowners to rid their sites of illegal occupants. The Bill will not address all the issues, but it will at least create one new tool for the police and landowners and will discourage those people who might be tempted to try to raise money through demanding cash to leave premises that they should not be on in the first place.

This issue is causing a huge deal of distress, fear and mistrust, and it stands with us as MPs to tackle these issues, at a time when Parliament is passing precious little other legislation. The Bill enjoys cross-party support, and I know it will be popular not just among Members from all parties but, more importantly, among business owners and families across the land. I encourage the Government to find time in their schedule to support the later stages of the Bill.

Question put and agreed to.

Ordered,

That Toby Perkins, Vernon Coaker, Sir Roger Gale, Nigel Mills, Philip Davies, Matt Western, Stephen Pound, Bob Stewart, Ian Austin, Albert Owen, Mr Jonathan Lord and Sir David Amess present the Bill.

Toby Perkins accordingly presented the Bill.

Bill read the First time; to be read a Second time tomorrow, and to be printed (Bill 393).

Business without Debate

SITTINGS IN WESTMINSTER HALL (4 JUNE)

Ordered,

That, notwithstanding the provisions of Standing Order No.10(2)(b), the sittings in Westminster Hall on Tuesday 4 June shall begin at 11.30am, shall be suspended from 1.30pm to 4.30pm and may then continue for up to a further three hours.—(*Mike Freer.*)

PETITIONS

School Funding

3.31 pm

John Howell (Henley) (Con): I present a petition that has been signed by just under 1,000 residents of Henley-on-Thames in Oxfordshire and friends of the schools in the Henley area to try to remove, once and for all, issues over school funding.

The petition states:

The petition of residents of Henley on Thames, Oxfordshire and of friends of the schools in the Henley area,

Declares that a funding review is needed in relation to schools in the Henley constituency; further that this school funding review should address how funding increases will be made in relation to schools in the Henley constituency in real terms beyond the amounts already being spent on schools and how to eliminate the gap between the best and lowest funded schools in the constituency; further that there must be a review of areas of inflationary pressures and situations where schools provide additional services such as social care, or deal with criminal behaviour to examine the real costs of providing education; further that there must be an assessment into the extent and access to capital funding; further that the Basic Entitlement must form an appropriate percentage of the National Funding Formula used locally; further that the Department and Treasury must ensure that small primary schools in the constituency remain integral to their communities.

The petitioners therefore request that the House of Commons to ask the Department of Education and the Treasury to conduct a review of school funding in Henley that addresses the issues stated above, in advance of the Comprehensive Spending Review; and further requests that the findings of this review are communicated to the House of Commons.

And the petitioners remain, etc.

[P002454]

Funding for Russell Hall Primary School

3.33 pm

Judith Cummins (Bradford South) (Lab): I rise to present a petition on behalf of teachers and staff at Russell Hall Primary School in Queensbury in my constituency. This petition has been signed by every single teacher and every member of support staff at the school, who are extremely concerned that this Government's cuts to school funding are having a detrimental impact on the school's ability to provide pupils with a well-rounded education. I hope that the Government will listen to the experts—the teachers, parents and children across the country—and stop these funding cuts.

The petition states:

The petition of residents of the United Kingdom,

Declares that Russell Hall Primary School has seen a decline in funding per pupil and a reduction in the lump sum allocated to the school by almost £65,000 in 2018/19 and by the same in 2019/20; further that the school is facing a significant deficit budget and is having to make staff redundancies to save money, including the reduction of vital frontline teaching staff, the restructure of support staff roles and the end of additional services currently available to children such as the Early Bird Club.

The petitioners therefore request that the House of Commons urges the Government to increase per pupil funding and reverse the cuts made to school budgets.

And the petitioners remain, etc.

[P002455]

Farming Community: Suicide

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

3.34 pm

Chris Davies (Brecon and Radnorshire) (Con): I thank you, Madam Deputy Speaker, for allowing me to bring this debate to the Chamber today on what is a very difficult subject that clearly needs to be raised publicly so that the causes can be dealt with and the issue erased.

My lovely constituency of Brecon and Radnorshire has recently been rocked by a small number of suicides within our rural community. Small in number they may be, but they have had a massively disturbing effect on the families of the bereaved and on the communities that surround them. The farming community, not just in my constituency but right across the country, is tight knit, hard working and supportive of one other. We all know that farming can be a lonely occupation, that the working area is often remote, and that isolated working is clearly the norm and certainly not the exception.

Regrettably, when looking at the figures of the National Farmers Union, I found that suicide among farmers is one of the highest of any occupation. It is male-dominated, especially for those under the age of 40. Statistics prove this, but, sadly, every statistic is not just a number but a human being and suicide has devastating effects on a family, a community and an industry. Such a loss has an effect not just immediately but for years, if not decades, after.

Last week in this place we acknowledged Mental Health Awareness Week. Well, it is about time. It is about time we talked about mental health and the pressures it brings to bear. For far too long, we, as a country, have been fully aware and prepared to talk publicly about physical health, but until the past few years we have looked on mental health as one of those taboo subjects.

John Howell (Henley) (Con): I thank my hon. Friend for giving way. He is making an excellent point about mental health. What can we do? Let me explain why I ask that question. I am very worried about a farmer in my constituency, which is as rural as my hon. Friend's, whose cattle have been infected with TB by badgers, making him feel very unsure about where his future lies. What can we do to help in that sort of situation?

Chris Davies: I thank my hon. Friend for his intervention. My view is that his farmer is certainly not alone. If my hon. Friend sticks with me through my speech, I am sure that he will hear many remedies and suggestions, which I hope the Minister will pick up on.

Mr Jim Cunningham (Coventry South) (Lab): I congratulate the hon. Gentleman on securing this timely Adjournment debate. I do not know whether he watches the farming programme on the BBC on Sunday night. On one or two occasions, it has highlighted some of the points that he made in his earlier remarks about farmers being isolated and under stress, particularly when animal disease is about. Very often, farmers find they have no one to consult or talk to because they are totally isolated. Will he tell us what his perception is later in his speech?

Does he think that those farmers can access the services they need? Very often, they are very remote from a hospital.

Chris Davies: I thank the hon. Gentleman for raising such a good point. Clearly, this issue is shared right across the country, including in his constituency and in mine. I will bring forward many points in my speech, which I hope the Minister will pick up on. This matter is the subject of television programmes and it is often talked about outside this place, but this House needs to be talking about it as well and Ministers and MPs need to be doing something about it.

Jim Shannon (Strangford) (DUP): May I congratulate the hon. Gentleman on bringing this matter before the House? I spoke to him before this debate and reminded him of the Environment, Food and Rural Affairs questions the week before last when I asked the Minister about suicides in the farming community. I represent Strangford, which is a rural constituency with large towns in the middle. I am aware of the suicides among the farming community and the pressures—financial pressures and family pressures—that bring on anxiety and depression. At DEFRA questions, I suggested to the Minister that there is the opportunity to have parish halls or community halls in rural communities available to address these issues as a one-stop shop where people can go to talk to someone about their anxiety and issues that concern them. There could be somewhere like this available in nearly every constituency. Does the hon. Gentleman feel that that might be a way forward?

Chris Davies: The hon. Gentleman raises a very good point. That is certainly one of the remedies that we need to be looking at. I was here for DEFRA questions when he asked his question, and I was delighted that the Minister at the Dispatch Box gave a very positive reply. I can see that the whole of DEFRA is very keen to do something about this endemic problem.

For so long, as I said, mental health was a taboo subject, never to be mentioned and preferably whispered about or, better still, even to be swept under the carpet. Thank goodness we are all now talking about it. There are television programmes on it. We can get to the problem and get the remedies in place to ensure that not just the farming community but other communities around the country do not have to go through such tragic events.

We are very lucky that we have many organisations that one can turn to when requiring help. I recently had the good fortune to visit the local branch of the Samaritans, based in Llandrindod Wells. I met the manager, Mrs Alison Davies, who introduced me to an outstanding team of volunteers who work both on the telephones and in their associated charity shop. They do a superb job with call cover as an avenue for discussion. They provide someone to talk to, 24 hours a day and covering all communities, whether rural or urban, near or far.

I regularly attend events organised by Mrs Elaine Stephens and her team, who run the Brecon and Radnorshire branch of RABI—the Royal Agricultural Benevolent Institution. This organisation raises much-needed funds for farmers to call on when they have fallen on hard times, and helps to alleviate financial pressures, where needed, easing the stress and worry

caused to those in the farming community. There is also the Farming Community Network, which does so much in Wales and across the United Kingdom, together with the Christian Centre for Rural Wales, based on the Royal Welsh Showground.

I am very proud to mention the outstanding work that the young farmers clubs do. They carry out a tremendous amount of work for their communities.

Julian Knight (Solihull) (Con): I really do congratulate my hon. Friend on bringing this debate to the House—it is of crucial importance. This does not apply just to rural seats such as his but also to mine, an urban seat surrounded by countryside—*urbe in rus*. He mentioned the young farmers clubs. Does he agree that we need to double down in focusing on the mental health of young people, in particular, because so often we miss these problems, particularly now, in this 24-hour culture with all the social media, where they are particularly vulnerable?

Chris Davies: My hon. Friend raises an extremely good point. The young farmers clubs' age group goes up to 26. As I said, the majority of suicides in the farming community are among those under 40. There is just a small gap between the very young and the boundaries up to 40 years of age. The young farmers clubs play a vital role. We have to be careful for and look after all ages.

After these tragic circumstances, young farmers club members from the Radnor, Brecknock and Montgomeryshire branches have taken it on their own backs to do the three highest peaks challenge in their counties for Mind and the DPJ Foundation. Mind, as everybody in the Chamber knows, is an excellent organisation that carries out outstanding work across the country.

The DPJ Foundation is a charity that has come to my attention only since my area has been rocked by recent events. It was set up in 2016 by Emma Picton-Jones from west Wales, whose husband Daniel, who was under 40, tragically took his own life and left Emma a young widow and mother of two small children. The foundation aims to support people from rural communities with poor mental health, especially men in the agriculture sector. It does an amazing job of providing swift agriculture-focused support, and the service is entirely funded by fundraising. I am sure the whole House will join me in congratulating Emma on the amazing courage she has shown with her foundation and the youth in our community for taking such initiative through their young farmers clubs.

Peter Heaton-Jones (North Devon) (Con): My hon. Friend is making an excellent speech. This issue concerns us in North Devon, as a largely rural and farming community. Sadly, across Devon and the south-west, the number of suicides is higher than the national average. That is partly being tackled by the excellent work he describes. Does he agree that a lot of good work can also be done in the local community, by talking, listening and teaching people to recognise the signs of those who are crying out for help—particularly men, who are so bad at expressing it?

Chris Davies: My hon. Friend makes an excellent point. His constituency is very similar to mine. The point I will hang my hat on is his final one. Men will not

speak out about the fact that they have mental health issues and admit it to themselves or their families. The community around them are vital, with support from Government and charities.

Jim Shannon: I thank the hon. Gentleman for giving way to me a second time. He has referred to young farmers clubs in his area. The Young Farmers Clubs of Ulster—our equivalent in Northern Ireland—are very active in providing social occasions and leisure activities, which are an outlet for the clear anxiety among farmers. They are very caring clubs and do great work. Young farmers clubs are very much the same in other parts of the United Kingdom of Great Britain and Northern Ireland.

Chris Davies: I thank the hon. Gentleman for his endorsement. Young farmers clubs are a beacon in our countryside and do so much good; I am sure the Minister will agree. Sadly, we have seen funding cut for young farmers from local authorities in our area—but, my goodness me, £1 spent on young farmers clubs is returned to the community tenfold, twentyfold or one hundredfold. I cannot praise young farmers clubs enough.

I mentioned the terrible circumstances of my asking for this debate. I have also mentioned some of the outstanding organisations and charities that do so much to help address these issues, but now I need to turn to the reasons that drive people to their lowest point and, ultimately, to take their own lives. The one fact that has clearly shone through in my knowledge and research is that there is no one issue or set of circumstances, and therefore there is no one answer. We have to tackle the causes from many different angles. Some of the causes, pressures and worries are small, but when layered and compounded, they become a huge problem for the individual.

I am sure many were surprised when I asked that a DEFRA Minister respond to the debate, rather than a Minister from the Department of Health and Social Care. The reason for that is clear: we all know about the remedies and wonderful help available, but if we can take away the burden before it becomes too big, we will alleviate the need for support at that late stage—or, in some cases, when it is all too late.

I am pleased that my right hon. Friend the Minister for Agriculture, Fisheries and Food is responding to the debate. He is not only a very capable Minister who has worked in several Departments during his distinguished career, but he is also a farmer. He lives within the farming community and was born into it. He understands at first hand the pressures on farmers, the isolation of the occupation and therefore the worries that, for some, can turn into an unbearable burden.

Chris Elmore (Ogmore) (Lab): I am exceedingly grateful to the hon. Gentleman for giving way. As a Welsh MP, he will be aware of my constituency having many farmers right across it, as well as heavily deindustrialised areas, so farming is very much in line with the wider sector. We still have sheep sales every August, which bring all the community together and become a wider discussion about what is happening in the farming community. Something that comes across consistently and clearly is that people do not really understand the sector. When someone attends the local hospital in my constituency

[Chris Elmore]

and says, “I’m having problems with x, y and z,” the person they see says, “Well, why are you having a problem? You’re a farmer. You’ve got plenty of money. You’ve got no problems. There are no particular challenges.”

Whenever I talk to younger farmers or owners who have been in the industry for 40 or 50 years, it comes across that people often do not understand the pressures facing the farming industry, the farmers working in it and their wives and children. They do not understand the expectation to be up at dawn and go to bed when the sun goes down, with a constant merry-go-round of pressure. They are running businesses, but most people do not think of farms as businesses, and they have all those same pressures. Does the hon. Gentleman agree that there is a need to improve understanding about the very active and live pressures facing the industry?

Chris Davies: I fully agree with the hon. Gentleman. It is great to see somebody on the Labour Benches having such an understanding of his rural community, so I thank him for that.

I have been touched by the many messages of thanks I received when news of this Adjournment debate was announced. It certainly shows that the people in our communities and our constituencies want this subject tackled. I was extremely touched to receive several letters and emails from farmers in my own constituency, who have been brave enough—yes, I say brave enough—to write to me to tell me of their concerns and experiences, and how some of them have come very close to the edge because of their worries.

Of course, I am not going to divulge who has contacted me, but I have taken a few extracts from five letters so that the House can hear of the worry directly from the farmer. The first is:

“I started farming in 1979 and built the farm up to today where I am running 450 acres, 1200 breeding sheep and 70 cattle. We should have a comfortable lifestyle—but we do not! As long as there is food on the table and we can pay the bills, I am happy, but this is seldom the case”.

The second is:

“I am dismayed at the way farmers are being put under more and more pressure by the increasing demands for futile records which accomplish no logical sense, either in the form of animal welfare, animal distress or traceability. The ever-increasing pressure of inspections and financial penalties from an industry that cannot take more...financial burdens”.

From a 20-year-old:

“Paperwork has got out of control not only do I struggle to make ends meet but I am now taking on a third job—Where do we go when it all gets too much? Nowhere because we work 365 days a year”.

Another extract says:

“Some may not know they have issues and don’t recognise the signs (as I did) and for some—

for too many—

“it’s been too late.”

Finally:

“I used to spend one day a week walking—I found this very therapeutic. But I am unable to do this now owing to the pressure of work and all the deadlines of form filling and keeping record books up to date. At times during the last six months I have not wanted to live—The progression from this is to commit suicide.”

Those are powerful messages, as I am sure the whole House will agree, and those people are only a tiny fraction of those concerned in the industry.

Minister, I am afraid it is time to turn to your Department and to the agencies you have under your control. I would like to be clear that failures here are mirrored in devolved Governments in Wales, Scotland and Northern Ireland. This is not a witch hunt, but we would like to see the waving of a magic wand over some of your agencies and the bonfire of some of the layers of rules and regulations—

Madam Deputy Speaker (Dame Eleanor Laing): Order. I am sure the hon. Gentleman means “his”—the Minister’s agencies and the Minister’s Department—rather than “your”, which would refer to the Chair. I am sure the hon. Gentleman means that, and I am just guiding him in the right direction.

Chris Davies: Madam Deputy Speaker, I have been told off in the most polite manner. I accept that fully of course and apologise.

Certainly those outside would like the Minister to have a bonfire of some of the layers of rules and regulations. That would be a massive relief for so many people.

There are external factors as well. I am not going to spend time talking about the weather, which is always a great concern to farmers in both the uplands and the lowlands. It is of course only God almighty that can make a difference there. Saying that, however, when extremes such as drought or heavy snow happen, Government support is a must and the guarantee of support in such extremes would lift a burden. I am not going to dwell on the fact that farmers have access to the means of committing suicide—guns, poisons and so on—because I do not want farmers to think that these means will be subject to further regulation or removal altogether, which would be an impossibility in agriculture, adding more stress to them. Such items are the tools of the trade in this occupation and they are necessities on their farms.

As I have mentioned, many of the problems that put pressure on our farmers are small but, when compounded with others and dwelt on over many long and lonely hours, they become huge. We are all aware of the volatile markets and the problems that low prices at livestock markets can cause, including difficulties with cash flow and profitability. The same can be said for arable prices and the difference that a good or bad harvest can make.

Cash flow is always a worry. There was a time when the local farmer who was awaiting a subsidy cheque or payment from the auctioneer could go into the local bank branch and ask for an immediate overdraft to see them through the difficult weeks or months until the payment arrived. Today, there are very few local bank branches. A decision on a bank extension can now take many weeks, and the decision is taken many miles away—sometimes hundreds of miles away—whereas the local bank manager used to know the farm, the farmer, their parents and their grandparents.

We have already heard that TB tests are a worry for farmers. Apart from not knowing whether they will be closed down if a reactor is found, there are also the financial and cash-flow pressures, together with seeing

the cattle themselves being stressed by having to go through the tests. Yet we seem to be far away from eradicating the disease for good, and with little light at the end of the tunnel.

A TB test is just one of the inspections that farmers have to contend with. There are now many inspections from different agencies, and the rules and regulations that must be complied with appear immense: the checking of the medicine book, the ear tag records, the movement licences, the Health and Safety Executive requirements—the list goes on and on. Rules and regulations and reasons for checks appear to be added daily, while the original rules and regulations never appear to be removed. Those inspections come with a heavy burden and, while farmers want to be farmers, they seem to be spending all their time filling in forms and completing administration. Believe me, Madam Deputy Speaker, anyone can make mistakes in their administration—even MPs, as I know all too well.

If a farmer makes a mistake, there will be a fine, a retention or a financial burden of some kind. If an agency makes a mistake or a payment is delayed, no interest or compensation is paid for its mistake—often, there is not even a deadline for them to report back to the farmer. That could be deemed to be very one-sided indeed. We see endless and sometimes pointless regulation, introduced with little warning and no clear plan for how it will work or the impact it will have on the industry. A prime example is the removal of general licences in England in the last few weeks.

A point that has regularly been raised with me is the constant bashing that farmers have taken in the media and the onslaught they receive on social media, which take their worries to a whole new level. One day, eating meat is healthy for us; the next day, it will kill us. One week, livestock farming is the cause of climate change; the next week, it is the best way of saving the natural environment. There are so many mixed messages for a farmer to dwell on during those many hours alone doing their job.

I have mentioned the constant form filling, which in recent years has moved online. That move online has been great, as long as one has broadband. Clearly, in areas such as mine and those of other Members, we have not seen joined-up thinking; the direction of travel has moved, but the preparations have not been made in the original broadband performance. That just adds extra stress for a farmer—another headache and another cause for concern.

I am sure that, having heard the points already raised, the Minister will not be surprised to know that, according to the British Association for Counselling and Psychotherapy, recent research by the Farm Safety Foundation found that 81% of farmers under 40 believe that mental health is the biggest hidden problem facing farmers today, and 92% believe that promoting good mental health is crucial if lives are to be saved and farmers kept safe.

I have already said that I know the Minister will totally understand the content of the debate and my speech. The concerns will be familiar to him and so will the issues that need to be addressed. If by raising this issue in this House in the Palace of Westminster our farmers' calls are listened to and actions are taken, and if we manage to stop one farmer from taking their own life, our time here will have been well spent.

3.59 pm

Mr Alistair Carmichael (Orkney and Shetland) (LD): I congratulate the hon. Member for Brecon and Radnorshire (Chris Davies) on nominating this topic for debate. It is important that, at a time when politics is divided and polarised, the House should spend some time discussing an issue on which there is an obvious consensus across the parties in the way we have seen demonstrated this afternoon.

I speak as a farmer's son. I live in and represent a rural and sparsely populated series of communities. My wife is a veterinary surgeon and practises in a very mixed veterinary practice in Orkney. My friends and neighbours in Orkney and Shetland include many farmers. I see for myself the many pressures that can lead them to this quite dreadful state of affairs, so it is good that parliamentarians speak about these things.

I was elected to this House for the first time in 2001, in the aftermath of the foot and disease outbreak. The mental anguish—I use the term advisedly—of many of those who had their flocks and herds slaughtered was something we saw right across the country. Fortunately, it never reached as far as Orkney and Shetland, but I was very aware, as I went around different communities in May 2001, that I had to be so careful. Every time I got on a plane or came off a ferry, my shoes and the rest were disinfected. I just did not go to places where it was possible that I might cause some sort of contagion, and that was in an area that, thankfully, was free from it. I know the stress suffered by friends of ours whose dairy farm just outside Lockerbie in Ecclefechan was in the middle of a hotspot. Someone who is not a farmer and does not have that background does not understand the emotional investment farmers have in livestock in particular.

We have to recognise that suicide is the last and tragic link in a chain that starts with poor mental health not being treated because there are not adequate services for the people who rely on them. That is very often the case, because too many of the mental health services we rely on in country areas are designed by people in towns and cities who do not have the breadth of understanding of what is needed. On this, as on so many other issues, everything I see makes me think that if a decision can be taken in the local community, that should absolutely be done.

I also know from my own experience as a constituency Member of Parliament that when one is a part of a small community and someone takes their own life, the impact on the community is quite disproportionate to anything one might understand in a city. From the time we spend in London, we all hear that this or that train is delayed because somebody has taken their life by throwing themselves on to the line. In London, that just seems like something else that has happened, but when one is in a small community, although the tragedy for the family is very real, it is a tragedy not just for that family but the whole community.

As the hon. Gentleman comes from Brecon and Radnorshire, he will know of the good work done on this issue by the Welsh Assembly Member Kirsty Williams—as I said, it is very important that parliamentarians should speak about this issue. One of the most effective parliamentary interventions I have ever seen was when, in the early days of the Welsh Assembly, she spoke about the impact the suicide of farmers had had on the small community of Beulah.

[Mr Alistair Carmichael]

For the Minister's benefit, it is worth considering how farmers find themselves in this acute situation. The financial pressures of farming are there for all to see. There may be a handful of people who get rich on farming, but there have never been any in my family and I do not think I have known many among those I represent or with whom I grew up. For the first time ever a couple of years ago, I was allowed to see the books of my family farm on Islay. I have long suspected that if my parents had just sold the land and put the money in the post office, they would probably have got a better return on it, but people farm because they have a commitment to agriculture and because, for them, it is a way of life. It is as much a vocation as an occupation.

The financial pressures are severe. The bureaucracy has grown like Topsy over the years. The penalties that are visited on farmers who are not able to fill in the right form at the right time or with the right information are wholly disproportionate to the administrative nature of those forms, but that never seems to change.

At the heart of it, I think that the biggest root cause is geographic isolation. That is because agriculture as an industry has changed enormously. Most farms these days are one-man businesses. In a previous generation, there would have been a father, perhaps a son or two, farm workers and neighbours within easy reach, whereas now farms have been sold and amalgamated, so that geographically, people have become that much more isolated. Of course, that has a knock-on effect, because the network of neighbours around a farmer, which a generation ago would almost exclusively have been other farmers, will now include a much wider social mix. There will be people who have bought and moved into farmhouses on amalgamated farms. They will doubtless be good members of their community, but they do not share the same problems and pressures, so the isolation grows in that way.

Some of the changes that have contributed to the isolation are in themselves good. The fact that it is no longer socially acceptable to drink and drive has to be seen as a good thing, but it has meant the closure of an awful lot of pubs in rural areas. That was one place where there was a bit of social interaction, which would have gone some way to mitigating the isolation.

The hon. Member for Brecon and Radnorshire spoke about the important role of young farmers clubs. I very much concur with that, but I think the average age of a farmer in Britain is now 59. Even in most young farmers clubs, that would stretch the definition of a young farmer. The growth in country areas of the Men's Sheds movement—I have an excellent example of this in Orkney—is a good way in which men can get together and share some of their experiences in a safe environment, and should very much be encouraged. Without generalising, it has to be said that farmers are not good at talking about their mental health, so we should be particularly appreciative of those who are prepared to do it.

I place on record my admiration for Gary Mitchell, who, until earlier this year, was vice-president of the National Farmers Union of Scotland. He stood down at the AGM in February, but at the time, he spoke about the way in which he had struggled with mental health problems as a consequence of taking on too much—it was all getting too much. In February, he wrote—it is worth reflecting on these words:

“Last summer was a very difficult time; trying to balance representing the union and keeping things afloat on my own dairy farm, my own mental health took a real downturn. My farm at home was in crisis and my work with the NFUS became an escape from everything else that was going wrong at home. I couldn't face up to the problems and glossed over it all.”

Gary began to fill his head with doubts about whether he was good enough for the union and lost confidence in his ability to run the home farm. Eventually, he decided it was time to resign from the union, and he wrote further:

“After it was announced I was leaving, I remember farmers picking up the phone to give me their support. Farming can be a lonely business, so it is so important to have others there at these times”.

The kind of leadership he displayed in speaking like that, as somebody who had been an enormously effective representative of the farming community, helps to break down barriers and stigma that in other communities and parts of the country would already be considered quaint.

I would like to make one final point. Not everybody in the farming community is a farmer. As I said earlier, my wife is a practising veterinary surgeon. Vets have a suicide rate four times the national average, and for much the same reasons as farmers. They have the long hours, the isolation and the sheer physical exhaustion, especially in the springtime, when, as well as their routine 40 hours a week, they will be out, sometimes right through the night, doing calvings and lambings, before having to start again at 9 o'clock the next morning. They also have the extra burden of compassion fatigue. It is hellish for the farmer who has TB in his herd and has to see widespread exterminations, but for the vet who has to pass the actual death sentence, it is even worse.

There are 24,000 practising veterinary surgeons in Britain, and the Vetlife helpline last year alone recorded 2,500 calls. That body of 24,000 practising veterinary surgeons generated 2,500 calls—obviously that is not to say 2,500 veterinary surgeons, but it is still quite a sobering statistic. As professionals in a rural community, they also have obligations of confidentiality, and their professional duty is towards their clients and the animals in their care. As I say, not everyone in the farming community is a farmer, and we should extend our consideration to those within our farming communities who suffer similar stresses.

I commend the hon. Gentleman for bringing this topic to the Floor of the House—I am delighted he has done so. I do not expect the Minister to wave a magic wand at the Dispatch Box, though I hold him in high regard. It is good that we are hearing from the Farming Minister in the Department for Environment, Food and Rural Affairs, because the answer will be found across a whole panoply of Government services, and I hope that as the voice of rural communities in government, he will understand that he has a role to play in holding the ring while everybody else does their bit.

4.13 pm

The Minister for Agriculture, Fisheries and Food (Mr Robert Goodwill): Would that I had a magic wand! I can think of a number of applications I could use it for at this present very difficult time.

I thank my hon. Friend the Member for Brecon and Radnorshire (Chris Davies) for securing this important debate. Coming just after Mental Health Awareness Week,

it gives us a chance to consider this important issue affecting key communities across the country. Tragically, this is an issue that affected one member of my own wider family some years ago, and I extend my condolences to the three families from his constituency who he referred to in his opening remarks.

Irrespective of where farmers farm and what they produce, the farming community contributes a huge amount to this country, providing the best food, the highest standards of animal welfare, beautiful landscapes and healthy land and water. However, hard work, long hours, challenging conditions and volatile markets mean that there are often very real human costs to living in a farming community. Those communities are often remote—none more so than those in my hon. Friend's constituency in mid-Wales, where farmers often place self-reliance over seeking support. The right hon. Member for Orkney and Shetland (Mr Carmichael) talked about the provision of services. Sadly, in many cases, farmers are reluctant to access those services, because of some sort of pride in them that means they do not want to seek help.

It is widely acknowledged that there is an increased risk of suicide among people working across a range of agricultural occupations, compared with the general population, and data from the Office for National Statistics demonstrates that. There are many factors influencing wellbeing in the farming community, but as a Minister and a farmer, I am committed to ensuring that, as we prepare for new agricultural policies in the future, we do what we can to reduce negative impacts and, where possible, improve health and wellbeing across the sector.

My officials were in Builth Wells, in my hon. Friend's constituency, for a Farming Community Network event last November, and they heard first hand from volunteers about the pressures in farming. I note that the DPJ Foundation, which was mentioned by my hon. Friend, and which started in Pembrokeshire in tragic circumstances and aims to help people in agriculture who are struggling with mental health issues, started operating in Powys at the start of the year.

My hon. Friend mentioned the role of young farmers clubs. As a former chairman of the Amotherby young farmers club, I know what a great social network the clubs provide in the community. That was particularly true in my day, when there were no other social networks to rely on. I recall that we never got a penny from the council, although we raised thousands for local and national charities.

It is important that farmers are aware of the people and particularly the farming charities they can turn to if they are going through difficult times. The Farming Community Network, the Royal Agricultural Benevolent Institution and the Addington Fund all do a brilliant job in supporting farmers and their families. The National Farmers Union also has a regional network of advisers who can provide support. The Rural Payments Agency works closely with farming help organisations to support the farming community in England. That includes having hardship arrangements in place for those farmers facing financial difficulties.

DEFRA works closely with the Department of Health and Social Care on this important issue. In 2016, NHS England published "The Five Year Forward View for Mental Health", and in January, NHS England published the NHS long-term plan, which sets out a comprehensive

expansion of mental health services, with funding for mental health growing by at least £2.3 billion a year by 2023-24.

The national suicide prevention strategy for England has ensured that every local authority has a suicide prevention plan in place to implement tailored approaches to reducing suicides, based on the needs and demographics of local communities. In October 2018, my right hon. Friend the Prime Minister announced our first Minister for suicide prevention. The Under-Secretary of State for Health and Social Care, my hon. Friend Member for Thurrock (Jackie Doyle-Price), who holds that responsibility, recently met the Farming Community Network to understand better what can be done to help. In January 2019, the Department of Health and Social Care published the first cross-Government suicide prevention work plan. DEFRA's specific interest here is to understand the trends in rural communities and how best to undertake targeted action.

As we have heard, loneliness is a key contributor to poor mental health in rural communities. That is why the Government have committed £11 million to the building connections fund to help bring communities together. DEFRA also gives an annual grant of nearly £2 million to the Action with Communities in Rural England network to help keep rural communities vibrant, active and connected.

I would like to reflect briefly on DEFRA's future responsibilities, which we take very seriously. The agricultural industry is about to go through the most significant change in over 40 years following our imminent—I hope—departure from the European Union and the common agricultural policy. Some stability is therefore important, and we have pledged that funding will remain unchanged until the end of this Parliament. We plan to phase out CAP payments gradually over a seven-year period from 2021 to 2027, which I hope gives sufficient assurance to everyone currently relying on those payments that change will not happen overnight.

Over the next 18 months, DEFRA will introduce new policies that will start to transform the domestic agricultural sector. DEFRA is committed to developing policies that support wellbeing, and it plans to work with partners to foster personal and business resilience as changes begin to happen. For instance, we are designing policies with those who will be affected by them wherever we can. We are also mindful of the capacity to adapt to change that farmers will have. DEFRA is currently feasibility-testing proposals for future policies, taking into account farmers' experiences. In designing the new agricultural policy, we are clearly focused on outcomes and all our key messages about policy changes will be accessible for those who most need to understand them and take action.

Those are just some of the ways that DEFRA is incorporating wellbeing into future agricultural policy, but we also recognise that we have to address long-standing pressures affecting livestock farmers. Bovine TB has been cited by the Farming Community Network as a factor in one in three of the 2,500 cases it deals with every year. It is a disease that we are determined to beat, even if that means taking tough and sometimes unpopular decisions. That is why our eradication programme has to balance the necessity of tough control measures with the need to safeguard the sustainability of affected farming businesses through information, advice, support and compensation.

[Mr Robert Goodwill]

The Government take our responsibility seriously to listen and understand what pressures farmers are under and what they need to ensure they can take care of their own physical and mental health and wellbeing. We are currently evaluating where direct support may be helpful to farmers to manage change. I personally welcome new initiatives such as Grow Yorkshire, where local partners have come together specifically to help the farming sector to prepare for change. Where Government can add value to positive initiatives that will support farmers to navigate the changes ahead, we will consider how best we can do just that, without imposing an inappropriate burden on the taxpayer.

I would like to reflect on a different aspect of mental health and wellbeing. We should not forget that there is an important opportunity for the farming and countryside stewardship sector to provide access to mental health support for the wider community. There are clear benefits in spending time in the natural environment: it can improve mental health and feelings of wellbeing; it can reduce stress, fatigue, anxiety and depression; and it can help boost immune systems as encouraging physical activity may reduce the risk of chronic diseases.

For the majority of people, the countryside can improve wellbeing, and nature plays a major role in facilitating good mental health. I am delighted that the Duchess of Cambridge is promoting this idea with a wonderful “back to nature” garden at the Chelsea flower show this week, which I had the privilege to see on Monday. However, it is important to remember that, although the countryside provides an essential gateway for other parts of society to benefit from our natural environment, those working in farming may not always share this improved wellbeing—particularly if the wind is driving the snow in from the west on a difficult lambing day. We are currently exploring projects that will connect people with nature for better mental health. These projects will help to implement our commitments in the 25-year environment plan.

Specific mention was made of the pressures being put on farmers by delayed payments and problems with some of the support systems in place. In Wales, the Welsh Government are responsible for the payment of the basic payment scheme. By 30 April, the Welsh Government had processed more than 98% of 2018 BPS claims, and in England by 30 April, the Rural Payments Agency had paid more than 99.5% of 2018 BPS claims, a significant improvement on previous years. Some 93.4% of 2018 BPS claims were made during December 2018, the best performance in the first month of the payment window since the scheme started in 2015, and I pay tribute to all who work in the RPA for their tremendous commitment and hard work, particularly as they did not necessarily get much good press in previous years.

In April, the RPA made bridging payments to those farmers in England who did not receive their full 2018 BPS payment by 31 March. A bridging payment is an interest-free loan to customers ahead of their full payment, providing them with 75% of the current estimated value of their claim. Once the full payment has been processed and made, the amount already issued through a bridging payment will be held back. The RPA works closely with farming help organisations to support the farming

community in England. This includes having hardship arrangements in place for those farmers facing financial difficulties.

I wish the story was as good in terms of countryside stewardship and environmental stewardship payments, but we are absolutely determined to improve the situation. Our priority is getting money into people’s bank accounts as quickly as possible. The Secretary of State has reiterated that we need to urgently address the problems with farm payment schemes. The RPA is driving up performance on environmental stewardship and countryside stewardship after delivering significant improvements on the BPS this year. We are working hard to simplify and improve the existing scheme so that farmers and land managers will want to continue to sign up to agreements. On environmental stewardship, we are prioritising paying historic advance and final payments for previous scheme years, and we are on track to complete 95% of ES 2017 final payments by the end of July.

The hon. Member for Strangford (Jim Shannon) raised the issue of village halls, as he did at the last DEFRA questions. DEFRA fully recognises the value of these assets for a variety of activities, and we provide funding and support through ACRE. Many village halls are regularly used by young farmers organisations. Indeed, my own young farmers club used to meet in one of the village halls, and they are a critical source of emotional support and friendship. The Men’s Sheds Association provides a similar service for a slightly older category of countryside people, and I was privileged to visit the Men’s Shed just outside Whitby in my constituency.

We have heard a number of comments about charities doing good work, and I can absolutely assure the House that DEFRA is keen to support farmers in coping with change. We work closely with charities such as the Farming Community Network and the Farm Safety Foundation to raise awareness and support programmes that help farmers to take care of their mental and physical health. We welcome awareness campaigns such as Mind Your Head and the YellowWellies.org campaign.

At lunchtime today, I met some hill farmers from Lancashire, and they made the point that we have also heard in the debate about reducing the bureaucracy that farmers have to go through to access support. A number of suggestions were made, and I hope that we will be able to consider them. They included having a rolling application schedule for some of the countryside stewardship schemes, so that there are no longer deadlines in place, and possibly helping cash flow by having monthly rather than annual payments. I know the frustrations that many farmers feel when the rent is due but the payment has not come through. There have even been cases when farmers who have not received their cheques are at the sale ring trying to buy store cattle for the summer grazing season, and their neighbours who have received their cheques can bid for the cattle but they cannot. By the time they get their cheques, the market has sometimes moved on.

Outside the European Union, we will be able to design and implement our own new user-friendly schemes. I was touched by the testimony in the constituents’ letters quoted by my hon. Friend the Member for Brecon and Radnorshire, and one comment that struck me was that the paperwork was now out of control.

We need to bring it back under control, and I believe that, without the European Commission calling the tune, we will be in a better position to design our own schemes.

In conclusion, my Department takes farmers' and agricultural workers' wellbeing very seriously. I am aware that rates of suicide are higher across the agricultural sector than in the general population. People working in the agricultural industries often have a solitary lifestyle. It is hard work, and their businesses are subject to unpredictable factors such as the weather. Indeed, it is usually either too wet or too dry. As we design our future

agricultural policy, we are looking at the impact of new policies on wellbeing, and we are also working with partners to foster personal and business resilience. Together with other parts of the Government such as the Department of Health and Social Care, I am committed to finding and implementing the best solutions to reverse this worrying trend and provide help where and when it is most needed to save lives.

Question put and agreed to.

4.28 pm

House adjourned.

Westminster Hall

Wednesday 22 May 2019

[MR LAURENCE ROBERTSON *in the Chair*]

Leaving the EU: Extension Period Negotiations

9.30 am

Julia Lopez (Hornchurch and Upminster) (Con): I beg to move,

That this House has considered negotiations on the UK leaving the EU during the EU extension period.

Although I have contributed to many Westminster Hall debates, it is an honour to lead my first one this morning and to do so under your chairmanship, Mr Robertson.

In my maiden speech nearly two years ago, I spoke of the “delicate gift” that is our “parliamentary democracy”, which is

“the sum of the toil”

and

“sacrifice...that generations before us have made”.

I also said that this “dynamic system” has worked on “trust”, with each cohort of parliamentarians vowing to “fine-tune” and reform our laws and institutions

“to reflect the needs and desires of the citizens they represent.”

—[*Official Report*, 6 July 2017; Vol. 626, c. 1392.]

I made my own vow two years ago, standing on a manifesto to leave the single market and customs union, in an election at which nearly 85% of votes went to parties promising to fulfil the referendum result. I was elected to a House that had already triggered the two-year countdown to our departure from the EU, and I took leadership from a Cabinet that repeated in one voice that no deal was better than a bad deal.

On the eve of European elections, we should all reflect with regret on the fact that this generation of parliamentarians is now on the cusp of losing the trust that is so fundamental to democratic legitimacy. Could there be a more poignant symbol of that devastating loss than the scaffolded shroud that this mother of Parliaments now wears? How disappointing to those who flock to this place in admiration that they find not a confident institution but one where Big Ben—the icon of our democracy—is silent, its clock face peeping on to a Parliament that is being incrementally fortified against rising anger from the streets.

I do not wish to downplay the magnitude of the decision to leave the EU or the complexity of extracting ourselves from the EU some 40 years after entry. However, it should have been our role as parliamentarians to address and manage those complexities. Instead, it is an indictment of this place that, three years on, the question of whether we shall leave the EU at all is not even a settled one. There remains no clear vision of our future relationship with the EU or of our new role in the world to underpin Government strategy. In the absence of that vision, we have become increasingly desperate just to deliver the word Brexit, even if an unholy fudge to

obtain our withdrawal binds us into the very systems that the electorate rejected while denying our voice within them.

I sought this debate not to argue about the merits or otherwise of leaving the EU, because that decision has been made, nor to pick over the bones of a withdrawal agreement that has thrice been rejected. Instead, I want us to take stock, ask ourselves how we got here and then—most importantly—ask how we can make use of the period until 31 October to deliver on the referendum and gear our country to its new future.

There are many and varied reasons why people voted to leave, but one of the turning points for me as a floating voter was the conclusion of the attempted renegotiation of our membership. In my opinion, the preference of many swing voters would have been to stay in the EU and reform it from within. However, the renegotiation was the point at which it became clear that British influence, and the threat of the third largest member of the EU walking away from it, was going to be an insufficient driver in making the EU more dynamic and accountable. Instead, the eurozone members were likely to require further political integration, creating a deeper divide with non-eurozone nations and an even more pronounced loss of influence for our nation when it comes to addressing the concerns of our own citizens.

Since then, we have spent three years effectively trying to carve out a bespoke association agreement with the EU, with Chequers being the Prime Minister’s attempt to obtain a half-in, half-out option. The EU dubbed that cherry-picking, and in reading the UK’s political dynamic, it has banked our offers of cash and a comprehensive security partnership, while holding us to a backstop in Northern Ireland that in the next stage of talks will ultimately pull us into a customs union and large parts of the single market. If it does not do that, it risks splitting our country.

Peter Grant (Glenrothes) (SNP): I am listening with great interest to the hon. Lady’s comments. She does not want a Northern Ireland backstop. Could she tell us her proposal to respect the Good Friday agreement if we leave the customs union and the single market? Does she accept that the Government’s own view is that such a solution does not yet exist?

Julia Lopez: I will go on later in my speech to talk about some of the alternative arrangements that are already being worked up. There is a group within Government that actually has the resources now to deal with that issue, and the EU is also looking at alternative arrangements. I think that the question now becomes this: do we make those alternative arrangements now, or after we have signed a withdrawal agreement that is effectively an international treaty that will bind us into a number of things that are not in our country’s interest?

Tied into EU rules on goods, we will find that we have little leverage in negotiating access for our critical services, either with the EU or with new trading partners. However, there is absolutely no point in directing our frustration over this substandard withdrawal agreement at the EU. We have been out-negotiated, hoisted by the petard of an article 50 process that British diplomats designed; this poor outcome has come about through our complicity in its sequencing and design.

[Julia Lopez]

However, the withdrawal agreement has been neither signed nor ratified, so there remains a chance for us to pause and read the writing that the British public—if not Britain's politicians—have seen on the wall for some time, namely that if we go ahead with this agreement, we will give up our ability to secure an attractive future relationship with the EU and instead will find ourselves in an unsustainable, asymmetric relationship with the EU, which will arguably leave us with less say over the rules and regulations that govern us than we have now. The transition period will only extend political uncertainty, and therefore economic uncertainty, because we do not know to what we are transitioning. That will throw a blanket over an economy that desperately wants a sense of direction. Whatever Bill now comes before us in Parliament will not change what has been negotiated in Brussels; we must not waste the next four months attaching funereal adornments to a thoroughly dead horse.

The public also know that the EU is unlikely to reform any time soon because the existing system benefits its most influential members. The EU will not draw up, at least in these current negotiations, a bespoke relationship with the UK, because it has decided that it values the integrity of the single market over frictionless trade with us, and it has also determined—quite correctly—that it has the leverage to reject our overtures regarding special treatment.

Parliament has so far done its job in judging this agreement to be against our interests. However, it has not accepted the consequences of that judgment. Despite attempts by parliamentarians to suggest practical amendments, the Prime Minister and the EU have made it quite clear that no other withdrawal agreement is available. They have also made it clear, through the sequencing of talks, that there can be no negotiations about the future relationship, beyond the broad-brush political declaration, until we have formally left. To put it another way, we will only be permitted to move to stage 2 once we have tied our hands behind our backs in stage 1.

I say with deep regret that we are left to face an unavoidable question: will we leave without a formal withdrawal agreement, with the economic challenges that presents, or will we vote to revoke article 50, and face the democratic consequences of that action? If parliamentarians wish to revoke article 50, let them vote for it and explain to their electorates why they now seek to overturn the inexorable logic of what they themselves put into law. Alternatively, we must face leaving without a withdrawal agreement and use the time before we leave to do our damndest to make that work, while leaving the door firmly open for discussions with the EU on an alternative withdrawal agreement. Such an outcome, however, will require more than cosmetic preparation and jingoistic mantras about WTO terms. It will need major policy prescriptions, strong Government direction and co-ordination, transparency about the state of our preparedness and potentially even a fresh mandate if Parliament contrives to frustrate this process.

I am grateful to have the Minister for no deal here this morning so that he can set out with honesty and clarity the challenges that we would face in delivery, and how we can best mitigate them, while maximising the leverage of any advantages that this freedom might provide.

The urgent priority for Government in such a scenario would be to address the absence of an underpinning philosophy about Britain's place in the world. My concern at this absence is reflected in Friday's National Audit Office report on future trading policy, which effectively said that the UK will not get what it wants if it does not know what it wants.

The Brexit vote has often been misinterpreted as a misty-eyed reflex to return us to Britain past, but I see it instead as a judgment about the future—about where the world is going and whether the trajectory of the EU puts us in the right place to tackle the new challenges ahead. We are moving into an era of substantial regional trading blocs, in the form of China, the US and the EU. However, the UK has ultimately been unable to reconcile itself to Guy Verhofstadt's vision, which he expressed this week, of an EU empire as the best way to flourish in this era, because we believe that the nation state still has fundamental relevance in maintaining the social and economic pact between Government and citizens that safeguards our cohesion.

Leaving the EU must not mean simply jumping into the arms of an alternative bloc. We must set ourselves up as a dynamic, open trading nation like Australia, Singapore and Canada, with strong links to all major powers and co-operation with the most forward-thinking, mid-tier nations on global standards for new technologies and data, the rule of law, security, and constantly evolving free trade agreements that break new ground on environmental stewardship, sustainable development and people-to-people exchange. Globally, we can be a bridge, a mediator and a thought leader; domestically, we can be a place of safety, liberty, creativity and prosperity, comfortable with the value of our nationhood and proud of our collective, modern identity.

Secondly, we need to move with speed—but not haste—in drawing up a new independent trading policy, ensuring that we avoid entering substandard agreements out of political imperative. We need to quickly establish whether the EU is genuinely interested in rapidly striking a comprehensive FTA along Canada lines, or whether it would seek to drag that process out to stifle talks with other nations. As things stand, it has been difficult for us to roll over existing FTAs, for example, because third countries want to see the shape of the future UK-EU trading relationship: how much flexibility over our own rules we are going to have, and how much access to the EU market.

Before making that approach to the EU, we have to undertake a hard-nosed assessment of our negotiating leverage, be it money, access to goods and financial markets, or co-operation on research and security. We must then answer broad strategic questions such as whether we have the capacity to attempt parallel negotiations with other countries, and whether to roll the Department for Exiting the European Union into the Department for International Trade so that the Government speak with a consistent voice. Immediately after tomorrow's elections, we will require swift diplomatic analysis of how the new make-up of the European Parliament and Commission has changed the European power dynamic, and the extent to which that alters the landscape of future talks.

Thirdly, we need to accept that future access to the EU market will not be as good as our current arrangements, or is unlikely to be. Trading on WTO terms is not a

cure-all, otherwise Governments would never seek to improve those terms via FTAs. We need urgently to identify which businesses will be most affected by that change in access and mitigate its impact, whether through a bold programme of tax cuts, greater regulatory freedoms that can drive competitiveness, or specific short-term support packages from the state. I would be grateful if the Minister explained what cross-departmental work has already been done in this area.

There also needs to be an analysis of long-term impacts. In financial services, for instance, the EU will want to avoid immediate shocks to its own institutions, but will then try to create a medium to long-term drag for firms so that they base themselves in the single market. What is our strategy to provide an even more compelling pull for services firms to retain, or move, bases here? How ready is our trade remedies regime, and are we really prepared for dealing with our own defensive producer interests, which we have hitherto hidden behind the EU to arbitrate?

Fourthly, Northern Ireland will require intensive and sustained focus. All parties, including the EU and Ireland itself, have agreed that there cannot be a hard border, so political impetus and financial resourcing need to be given to the alternative arrangements working group on how existing techniques—not new technologies—to check and clear goods away from the border can be implemented. I would appreciate the Minister's update on that work, as well as on the state of preparedness at Dover and other major ports; on progress in rolling out authorised economic operator and trusted trader schemes; and on HMRC support for businesses dealing with new paperwork requirements.

If we are to take a tighter approach to immigration from the EU, we will need a major boost to our domestic skills agenda, including the adequate resourcing of our vocational education and college system; intensive investment in recruitment to the health and social care sectors; and incentivisation of businesses to train UK workers. What discussions has the Minister had about the preparedness of the labour market to tackle any impact of no deal?

To make this policy effort work, we will need to rally businesses, citizens and the civil service. Enough of the attacks on one another. Civil servants are just that: dedicated, professional citizens with a desire to serve. However, they cannot compensate for an absence of political direction. Once that has been provided, we must trust them to deliver.

That change of attitude must also translate to our dealings with the EU. Enough of the constant wartime references, and of speeches made in the UK that we think are not being heard in Brussels. The EU is not an enemy, but an organisation comprised of treasured partners; we need a reciprocation of that attitude, while reassuring the EU that it should not fear contagion. For Brits, our membership of the EU has always been more transactional, because as an island nation our borders are comparatively well defined. A desire for political stability, even if at times it comes at the price of economics, takes precedence for many continental European nations.

This new era therefore allows for a renewal of our relationship that will let each party move in a trajectory with which it is more comfortable. That relationship will require the establishment of fresh diplomatic frameworks

for dialogue on issues of shared importance, and I would be grateful if the Minister explained what discussions he has had with the Foreign and Commonwealth Office about how we are gearing up our presence across the continent. The National Audit Office has also identified that DIT is under-resourced for the new relationships we wish to build. Can the Minister advise us on how quickly we might step up our presence in those countries with which we wish to deepen trading ties?

There are many other areas of no-deal preparations that require intensive focus. However, as other hon. Members wish to contribute, I will conclude by raising a bizarrely under-discussed aspect of Brexit that goes to the heart of this nation's political malaise. Representative democracy works by citizens effectively subcontracting political decision making to a class of people in a way that gives those citizens the freedom to live their lives and prosper. They then endorse a framework and strategic direction for those decisions via a general election, or—in the case of Brexit—a referendum. In many ways, contempt for the political class has grown over these past few years in line with politicians' avoidance of the kinds of decisions that they are explicitly elected to make, and their insistence on blaming institutions like the EU for failings.

Brexit was a signal to this place that the public want us to make more of our own decisions and then be accountable for them, but it is astonishing how few parliamentarians welcome the raft of powers that will soon make its way across the channel. We have not even begun to contemplate what that restoration of powers will mean for Parliament, and how it can be used to reinvigorate our pact with the electorate. In that vein, I would be grateful if the Minister could tell me what urgent thought is being given to rebalancing with the legislature the power that has been transferred to the Executive from Brussels via Henry VIII clauses in this period as a means of managing short-term Brexit challenges. Such power vested in Government may seem expedient now, but will rapidly seem less attractive under a Corbyn Government.

I fear that for some time, our political class has harboured a simultaneous inferiority and superiority complex about this nation's abilities. One group of politicians consistently talks down our country's inherent strength and resilience, while another parrots slogans of exceptionalism that diminish the practical challenges ahead. The public believe in this nation's future beyond the EU, but expect us to be clear-eyed in its delivery. The Prime Minister has indicated that she will not take us forward in such an endeavour should her withdrawal agreement fail again, so the duty will fall upon any leadership contender to set out with resolve, and in forensic detail, their response to some of the issues I have highlighted. In doing so, I hope they will place service to nation, rather than personal ambition, at the heart of their task.

Regarding the latest EU extension period, EU President Donald Tusk warned
“do not waste this time”,

but it is not his wrath about which we should be worried. If on the road to 31 October, we do not employ the lessons we have learned over these past three years, the electorate may well indicate tomorrow that they are more than willing to bestow democracy legitimacy on another group of people.

9.47 am

Sir Robert Syms (Poole) (Con): I congratulate my hon. Friend the Member for Hornchurch and Upminster (Julia Lopez), who has eloquently opened this debate and set out some pertinent questions that I hope the Minister will try to answer—probably with limited time.

The referendum was a vast vote of confidence by our people in the future of our country—a vote of confidence not entirely shared by the political class, who seem to suffer from a collective Stockholm syndrome: they cannot see a way forward without trying to hold on to nurse for fear of something worse. A lot of the problems we face in our democracy at the moment have arisen because although Parliament's role is different from that of a referendum, we have to facilitate the decision, and I do not think Parliament has done the job that the people expected it to do when they elected it in 2017. Somehow, those of us who wish to enact the referendum have to try to find a way through.

A lot of the deal that the Prime Minister has agreed with the EU is not controversial; it is quite sensible, and is eminently voteable for. However, there is a big problem with that deal. There were no coterminous trade talks, so where we are going to land becomes a vacuum, into which the EU has very helpfully placed the backstop. That backstop should not be in the withdrawal agreement; it should be part of the trade talks. Nearly three years after the referendum, we are still arguing about whether we are going to be in the single market and what the relationships are going to be. That problem arises first from the EU's response, but secondly from the Government's response in accepting the EU response.

It is manifestly clear to me that 12 to 18 months ago, we should have walked out of the talks and gone for no deal, because the agreement is not fair and equitable. The fundamental problem in getting the deal through the House of Commons is the backstop and the fact that there is still great doubt about where we are going to land. Most of us want a good relationship with the Irish Republic and most of us want an open border. Had there been coterminous trade talks, we probably would not be very far away from having that as part of the agreement. Not doing coterminous trade talks was a monumental mistake, but it was made in the EU and in Downing Street. There were times in the negotiations where we needed a bit of handbagging, and we did not get it.

That leaves a problem. The one proposition that would go through the House is the deal without the backstop. If the backstop is taken out of the withdrawal Bill on Second Reading, I will vote for it, and I think the House will vote for it, but I suspect that the backstop will still be there, and that fundamentally is a problem. We have properly to prepare for no deal, because there are not many options if Parliament does not support the Prime Minister's deal. As always, the people walking through the Lobby to vote against are those who do not like the deal, but they are also those who want to revoke or overturn the referendum. It is no doubt an unenviable and difficult task for the Prime Minister, because there are many swirling tensions and arguments over Europe that have been in the House for 20 years, and they are bedevilling the chances of our getting a deal and getting on to trade talks.

Moving on to no deal, a lot of preparation has been undertaken. Every time I used to read in the Sunday papers that some disaster would befall us, I would ask

the then no-deal Minister, of which the current Minister is one of a succession, "Is this true and what we have done about it?" The no-deal Ministers have been doing a massive risk assessment of what could go wrong and what we should do about it. One Minister mentioned to me one day that a lot of British information was kept in southern Ireland, and they would have to repatriate it to British servers otherwise we could not access some of the things to do with pensions, benefits and everything else. I think we can all reassure ourselves that the civil service and the no-deal Ministers have done a pretty good job.

Pertinently, one of the no-deal Ministers said to me, "You can make lots of preparations. Clearly, if you go on to WTO terms overnight, there will be problems for exporters and businesses. That requires the Treasury effectively to underwrite some of our businesses for a period of months." We did that with the banking collapse, and we have done that at certain times in our history. For example, in the second world war when ships were being torpedoed, the British taxpayer paid for merchant shipping. We need to underwrite any kind of change with the resources of the UK Treasury. The problem many of us face is that people in the Treasury spend most of their time worrying about no deal and saying it will be a disaster, rather than preparing for it and backing what the British people want to do.

I am confident that a lot of things have been done by the Government. I am a little less confident that preparations for no deal have been undertaken by many private businesses, but the problem many of them have is that they prepared for no deal at the end of March. They are now left with large inventories. They have expended millions of pounds, and they do not know whether we will have no deal in October or maybe later. We may have a worse scenario with no deal because we put it off in March when people were preparing for it, because businesses now have to take some hard political decisions. If we look at the banks' reports, they have all been lending money to their customers so that they can make preparations. There is of course a limit to what the banks will put forward and what companies will do.

There have been good preparations by no-deal Ministers. A no deal needs to be planned, organised and underwritten by the billions of the UK Treasury. I do not think it is a question of costing lots of money. The wheels of business turn, and if people find that a ship going to South Korea suddenly gets landed with tariffs or turned around, that will drive British exports to bust.

We need vision in British politics. Not only is there a vacuum in our future trade arrangements, but British politicians should be looking ahead with an optimistic view of how we are going to put our place in the world. There is an awful lot for us to do, but we desperately need to fulfil the terms of the referendum. The only way we will be able to do that, if things continue as they are, will be in a prepared, organised, and packed no deal where we get where we want to get. My view is that if the Prime Minister had stuck to the end of March, we would now be getting through the problems, rather than being up to our neck in them, but the fact that we are having an unwanted, uncalled-for European election is probably an awful indictment of where we are.

I am confident in the Minister, but it boils down to a question of trust. Unfortunately, many of my colleagues do not trust the EU, looking at the track record, but

there are severe concerns and question marks over the Prime Minister, and we see that, even when her own Cabinet have arguments. Sometimes people can vote for a deal they do not feel comfortable with if they feel that the person in charge is going to bat for them. Too many of my colleagues feel that that is not taking place. I am looking forward to the Minister's response. I am grateful to my hon. Friend the Member for Hornchurch and Upminster for securing the debate. Many of us think we have to proceed, if necessary with a no-deal scenario that is well-organised, well-funded and successfully undertaken.

Several hon. Members *rose*—

Mr Laurence Robertson (in the Chair): Before I call the next speaker, I am going to limit speeches to seven minutes so I can get everyone in.

9.55 am

Eddie Hughes (Walsall North) (Con): That could be difficult, Mr Robertson. It is a pleasure to serve under your chairmanship. I thank my hon. Friend the Member for Hornchurch and Upminster (Julia Lopez) for securing this debate. Little did she know that it would serve as an opportunity to release some of the anger I feel following the announcement last night, but more of that later, perhaps.

As is often the case when I get to my feet here or in the Chamber, my audience first and foremost is the good people of Walsall North, because I am here to speak on their behalf and also to speak to them. They will be slightly perplexed, because tomorrow, we will take part in the European elections. That might sound like a fairly uneventful thing, but let us go over it again: tomorrow, we will take part in the European elections. Some 1,062 days ago, 17,410,742 people voted to leave the European Union, yet this Government have so far, after 1,062 days, been unable to deliver that. How do we think the people of Willenhall, Bloxwich and Walsall North are feeling? Not too good, I would say, and that was 24 hours ago. I am not sure how they are feeling after they heard from the Prime Minister yesterday.

Let us talk, however, about why my constituents might have voted to leave in the first place and how optimistic they might have felt. What grounds did those people have for their optimism, which we seem to have misplaced on their behalf? First, let us think about what was happening in 2010. In 2010, Merkel, the German Chancellor, was talking to Sarkozy, the French President, about reform of the Lisbon treaty. They wanted a little photo opportunity, so they took a walk along the beach in Deauville. They were able to do that without their advisers present. Why was that? We know that Merkel does not speak French and Sarkozy does not speak German, but they both spoke English. It is the universal language of business. What a great opportunity we have, because we speak a lot of English in this country. It is a handy place for people to locate their business.

Hiroshi Mikitani, the chief exec of Rakuten, certainly thinks that. He runs a business in Japan that employs 7,500 people. There must have been something in the air in 2010, because he told his business that from then on, it would conduct all its business transactions in—you guessed it—English, because he understood that it was the language of business across the world. The people

of Walsall North understand that, too, which is why they believe that people come to locate their businesses in the great United Kingdom.

People right across the globe know where Liverpool, Manchester and London are. We know that because the premier league is broadcast in 221 areas across the world. It is the most successful football league anywhere on the planet. It is broadcast to 640 million houses, with a possible viewership of 4 billion. People right across the planet know where England is. They know where the constituent cities of our great country are because we have great advertising through the premier league.

If those people come here, will they be studying in great universities? According to the Centre for World University Rankings, they damn well will be. Those rankings put two of our universities in the top 10. Unfortunately, they did not have any room for any other European universities in the top 10. QS, on the other hand, put four of our universities in the top 20, and, once again, it did not have any room in the top 20 for other European universities. We have the best universities in Europe as well as having the premiership, and, conveniently for my speech today, the two teams contesting the final of the champions league happen to be from England.

A great nation has a fantastic opportunity and great optimism. People went to the polls and voted to leave because they damn well knew that the UK could make its own way in the world. They also knew that we were leaving the European Union, but not leaving Europe. They knew that nine out of 10 of our holiday destinations were to Europe. They will continue to take their holidays there and they expect us to continue to trade. We will still be friends and will still need each other's products.

Peter Grant: Why is Thomas Cook in danger of going bust if people are still booking holidays in Europe?

Eddie Hughes: I do not know the answer to that. I am not aware of the story, but I do know that a couple of weeks ago *Which?* magazine published an article that said that TUI should not describe hotels that are not on the beach as being on the beach, so perhaps there are some other practices going on. I am not sure what the reasons are, but I am damn sure that we will continue to holiday in Europe: mostly in Spain, as it turns out. Perhaps the hon. Member for Glenrothes (Peter Grant) will share his travel plans for the summer with us later. I am going off course—we are a great nation with a great opportunity that has not been delivered by the Government so far.

So what happened? I came to Parliament and went along with my dear friend, my hon. Friend the Member for Middlesbrough South and East Cleveland (Mr Clarke), to see the then Immigration Minister. We said, “We don't think you are making good enough preparations for no deal, because those pesky people from mainland Europe will spot that, although we are telling them we are preparing for no deal, the fact that we have not submitted a single planning application to build any new infrastructure at our ports will probably give the game away that we are not actually committed to it.” It was like playing cards with somebody who had a mirror behind them. They were looking at our hands and saying, “We know you do not have aces. You are not building anything, and that puts us in a great position to negotiate a very weak deal for you and a very strong deal for us.”

[Eddie Hughes]

Margaret Thatcher said she had the patriotic belief that the British people could achieve anything. If only our Prime Minister had that same belief in our great nation, we might not be in the position that we are in today. When we look forward to any future negotiations, let us believe in this great country, let us understand the reasons why 17,410,742 people voted to leave, and let us deliver on what they voted for because they deserve better.

10.2 am

Ben Bradley (Mansfield) (Con): I rise to support my hon. Friend the Member for Hornchurch and Upminster (Julia Lopez). If we were allowed standing ovations, I would give one to my hon. Friend the Member for Walsall North (Eddie Hughes).

Most frustratingly, the Prime Minister had it all together in her Lancaster House speech in 2017 when she talked about negotiating a “bold and ambitious” free trade deal with Europe that would give us the ability to strike out around the world. She did not pretend it would have all the same benefits of membership, because we were going to leave, but we would have a different and positive relationship. She was going to take back control of our money, borders and laws. She was quite right when she said that those things were highly important to people’s decision to vote leave in the referendum. Importantly, one of the few messages that really struck a chord with people out there in the country—a message that they heard and believed—was that

“No deal is better than a bad deal.”

If the EU would not give us something that worked for the United Kingdom, we would walk away and succeed on our own merits. There is no point now in wishing that things were different, but it is heartbreaking that we have ended up here, when the Government had the right approach two and a half years ago—an approach that has long since been abandoned.

The referendum vote was a massive vote of confidence in the United Kingdom and in the Government. The people of Britain said, “We do not want people in Europe telling us what to do. We know and we believe that our Government in the United Kingdom has the strength and the power to deliver this difficult decision and to get it right for us as the population of the UK.” That huge trust is a burden that we should bear here in Parliament. We should have delivered. My hon. Friend the Member for Poole (Sir Robert Syms) is absolutely right when he says that politicians have not shared that optimism and confidence, and have eroded that trust over the past three years.

The Brexit party seems likely to wipe the floor with us in the European elections tomorrow, because the promises have been broken. The deal was not good enough. We should have stuck to the words in the Lancaster House speech and left on 29 March. That is what I voted for in this House, and it was perfectly within the Prime Minister’s power to do it if she genuinely believed her own words in 2017.

I will not go into great detail on the new deal—it seems almost irrelevant. I cannot for the life of me understand how anybody in Government can think that slight variations on a theme, and the increasingly muddled and contradictory plan that we are now presented with, are the answer.

Mr Simon Clarke (Middlesbrough South and East Cleveland) (Con): Time for change.

Ben Bradley: It is time for change, as my hon. Friend says from a sedentary position. There are two ways we can proceed: either we revoke article 50, which is totally unacceptable, or we stand firm in our commitment to leave on 31 October, come what may. A good deal would be great; no deal would be okay. Either way, we have to leave and we have to honour the promise that we made to the public.

It is clear that the Prime Minister cannot get a better deal, as she has shown that she will not leave without the EU’s agreement. A new leader might be able to do something different, but the vital thing is that there can be no more delay and no more trying to fudge the withdrawal agreement into something acceptable, because it will not happen and is wasting time.

My hon. Friend the Member for Hornchurch and Upminster is absolutely right about what needs to happen now. She went into great detail about plans that need to be put in place for our exit on 31 October. We should keep trying to agree something; we have time, so we should keep trying. However, if the European Union sticks to its word, at the end of October we will probably be faced with the decision to leave without an agreement, or to stay in the EU. I will certainly not be a part of any party or group that tries to block or overturn Brexit at that point. We have to leave.

I ask my hon. Friend the Minister to reassure me on the points raised by our hon. Friend the Member for Hornchurch and Upminster. Will he assure us all that we are planning properly for our departure; that we will lay out our plans for the UK’s key priorities for trade and future relationships if we leave on WTO terms; that we have put in motion plans to mitigate the short-term adverse impacts; that we will ensure we have the necessary agreements in place to keep things moving; that we are looking at the practical delivery, not just the theory, of alternative proposals for the Irish border; and that the attitude of the Government and the civil service will be one of steely determination to deliver the smoothest possible exit on those terms, as it now seems the most likely outcome? It should be perfectly possible, as we will have had six months more to prepare than we had expected. The Minister’s predecessor, my hon. Friend the Member for Daventry (Chris Heaton-Harris), was adamant at the time of his resignation that we are as prepared as we could be, and I trust that that remains true.

We cannot start to heal the divisions that exist in this country until we have left the European Union. We cannot seek to restore trust and reaffirm democracy in this country until we have left the European Union. Anybody who wishes to lead this country and start to implement the positive, small “c” conservative agenda that those of us on the Government side of the House crave must first get their hands dirty with Brexit solutions, not just soundbites. They need to deliver and get us out on 31 October at the very latest, or we can be sure that, come the next election, no Conservative leader will deliver anything for a very long time. I know the Minister understands that.

It is not only faith in the Prime Minister and the Conservative party that has been shaken by broken Brexit promises; it is faith in our entire political system and its institutions, and in politics as a whole. That faith

is not lost forever, but every day that we drift on without showing clear determination to honour the referendum result makes it harder to recover that trust. I hope the Minister can assure me that in his role with responsibility for preparing our leaving without an agreement, and in the absence of a deal that works for the UK, he is confident that everything is being done to ensure that we are in a position to leave on 31 October.

10.8 am

Robert Courts (Witney) (Con): It is an honour to serve under your chairmanship, Mr Robertson. I congratulate my hon. Friend the Member for Hornchurch and Upminster (Julia Lopez) not only on securing this timely debate, but on her extremely thoughtful and persuasive opening speech. That wonderful speech illustrates why she is one of the rising stars of the Conservative party.

I am honoured to stand alongside the exceptionally talented 2017 intake of Members of Parliament. It is particularly fitting because we are all dealing with the consequences of decisions that were taken, in many cases, before we were born, and certainly many years ago. Those of us who speak from the back row in this debate are all post-referendum MPs. I was the first of them, so I take a slightly different attitude from many Members. My role is not to fight old battles or to justify why I took a particular position at the time, because I was elected, as all Conservative MPs were in 2017, on a manifesto committed to implementing the referendum result, that in/out referendum having been called on the back of a clear promise in 2015. That is the historic charge that we have been given, and it is an enormous honour for us to do it.

Fundamentally, Brexit is not a policy; it is a constitutional question. It is the fundamental issue of how this country is governed and by whom—whether it is by elected politicians in this place, whom the people can judge, and hire and fire as they desire, or by a supranational layer of government in Brussels. We will start to bring the country back together only by understanding that we were going to have to deal with that question, or one like it, at some point.

Anybody who voted at the time of our entry to the then Common Market in the early 1970s will say, “I thought I was joining a trading arrangement. I thought I was joining a common market.” Nobody thinks that now. Everybody now accepts that the European Union is a political union. People may have different views about how far it should stretch, but clearly it is no longer a trading organisation; we need only to look at the recent comments, which I do not need to repeat, by Guy Verhofstadt about a European empire, and President Macron’s calls for further integration and a European army.

At some point, Britain had to deal with the logical consequences of joining a political union while trying to persuade itself, even to this day, that it is only a trading bloc. It is not a trading bloc, and we had to deal with that. We could not forever have remained reluctant passengers in a car going in a direction that we do not want to go in, constantly asking the driver to slow down or change direction. We had to decide whether we were going to be passengers or get off.

The issue was thrown into stark relief when Britain decided not to join the euro. From that point, some major, fundamental parting of the ways was going to happen, because a monetary union cannot exist without

fiscal and political union. The European Union will have to integrate or accept that the euro will not survive. We wish them well with their project, but nobody in Britain wants to be part of a United States of Europe—or, at least, nobody who does want that has ever had the courage to make that argument.

A fundamental reassessment of our relationship was therefore going to have to happen, but that did not have to mean leaving. As I think my hon. Friend the Member for Hornchurch and Upminster said, I was a firm supporter of David Cameron’s policy of remaining in a renegotiated European Union—one in which we could remain at the table but outside the political structures, in a second tier of membership. However, that question was settled when David Cameron’s renegotiation could not produce enough to persuade the British people to remain.

It would do all of us in this House, and the country, a lot of good to take some of the heat out of the issue, and accept that we were always going to have to renegotiate in some way our relationship with the European Union; and that once it became clear that the European Union would not budge and allow us to be part of a looser outer tier, we were probably going to have to leave. However, that does not mean that we raise the drawbridge, that we are not friends with our European neighbours, that we do not co-operate, or that we do not trade.

I take the slightly controversial view that the two sides of the argument are not as far apart as they think. Whenever I speak to someone in my constituency who wants to remain, I ask them why. They say, “Because I want to work with our European neighbours. I want us to trade closely with them. I want us to co-operate.” When I speak to somebody who voted to leave, I ask them what they want. They say, “I want to trade closely. I want to be part of a co-operative relationship. I want to be friends with our closest neighbours. I simply don’t want to be part of a political union. I’m comfortable with the concept of the nation state, and I want our decisions to be made here by our politicians—people we not only elect but can get rid of.” If people cannot dispense with those who govern them, they are not living in a proper democracy.

Let us now accept all that; let us accept that we have a historic charge that we have to carry out. It was not of our making; it was probably preordained to some extent, in many cases before we were born, and certainly before we became MPs. It would do us a lot of good to understand that and to ensure we have a close relationship, but that close relationship must have democratic accountability. If MPs exist to do one thing it is to defend our democracy. People want to see a direct link between their vote, their constituency MP and the rules that govern them.

I am conscious that I have run out of time; there is much more that I would love to say. My final point is simply that we can establish that relationship in a number of ways, but let us please have a spirit of optimism. We have to stop looking at Brexit as a damage limitation exercise. We are recovering full democratic self-government. That is something to be proud of—now let us get together and shape it.

10.15 am

Mr Simon Clarke (Middlesbrough South and East Cleveland) (Con): I congratulate my hon. Friend the Member for Hornchurch and Upminster (Julia Lopez)

[Mr Simon Clarke]

on securing the debate, not least because it really has lived up to the quality that we hoped for. The debate has showcased voices from across our country—London, the midlands, the south and, now, the north-east—talking about the issues that matter to our constituents.

My hon. Friend the Member for Walsall North (Eddie Hughes) referred to his constituents. When I was talking to mine on the 2017 election trail, I was able to make three firm promises to them: first, that we would leave the single market and the customs union; secondly, that we would leave the European Union at the end of the two-year period under article 50, which turned out to be until 29 March; and thirdly, that we would not, under any circumstances, allow a second referendum. Those three promises all seem, in different ways, to be in jeopardy today, which is a source of grave concern. Most of my constituents have been left somewhere between bemusement and anger that we are in this situation.

On 12 February, my hon. Friend the Member for Basildon and Billericay (Mr Baron) asked the Prime Minister whether we were “sufficiently prepared” to leave the EU on 29 March with no deal. The Prime Minister responded unequivocally, “We are indeed.” Given that colleagues had been calling for no-deal preparations from day one, and the Government had 9,000 civil servants with an extra £4.2 billion of funding working on those preparations, that answer was no less than we should have expected.

It was therefore both surprising and disappointing that on 13 March the Government supported a motion in the name of the Prime Minister to delay our exit from the EU on the ostensible grounds that we were not yet prepared. They argued that we were not ready to leave because approximately one third of UK businesses that trade with the EU had not yet registered with Her Majesty’s Revenue and Customs. They also claimed that the border inspection posts for agricultural goods at Dover and Calais were not yet operational.

Despite repeated promises that the UK would leave the EU on 29 March, we now find ourselves in a six-month extension period. Although it is deeply regrettable that the promise was broken, the unexpected extra time affords us an opportunity to address those issues, as there must be no further delay beyond 31 October. However, one of the first actions the Government took after delaying our departure was to stand down “no-deal operational planning with immediate effect”.

Brilliant. At the same time, the Government have wasted lots more valuable time in predictably futile negotiations with Labour MPs, too many of whom take the view that the same people who elected them are, in fact, stupid and should be ignored. The complete absence of those MPs today speaks volumes.

Those few in the Labour party who still notionally claim to respect the referendum mandate have decided, for reasons not well understood, to advocate the worst-of-all-worlds position of staying in the customs union. Entering into a customs union would hand Brussels total control of our trade and customs policy, and preclude our right to sign trade deals with the rest of the world. Worse, when the EU signed a trade agreement with another country—for example, China—we would be compelled to make all the concessions agreed to by the EU.

Julia Lopez: Does my hon. Friend agree that a customs union does not actually deliver frictionless trade?

Mr Clarke: Indeed it does not. It has become a holy grail—a totemic example of our determination somehow to be in and half-out at the same time. As other hon. Members have pointed out, that is a fundamentally untenable position. Making the decision to leave the European Union means embracing the choices, challenges and opportunities that come with that; the same would be true of the decision to be part of the European Union. There are trade-offs to be made in either position. In that respect, there has been a fundamental lack of honesty throughout the entire debate.

The European Commission’s own website states:

“The Customs Union is a foundation of the European Union”.

I am clear that continued membership of the customs union would be not only a serious misjudgment, but a breach of faith with the referendum result. It was therefore with absolute incredulity that I watched the Prime Minister yesterday promising to adopt both the customs union and a second referendum as official Government policy if Parliament votes for them. Frankly, that position represents a devastating failure of politics, leadership and statecraft. Indeed, the only redeeming feature of the situation is that this desperate attempt to win the Labour party’s support must be the final one.

Many of us have advocated a Canada-style trading relationship with the EU, with frictionless trade and a high level of customs facilitation. In such an arrangement, we would be fundamentally responsible for controlling our internal affairs. Regrettably, we have encountered the twin misfortune of having a leader who never asked for it and an European Union that would rather turn us into a colony. Unless and until both those facts change, it is incumbent on us all to prepare for no deal. Indeed, on the very same day in March that Ministers stood at the Dispatch Box warning of the lack of preparedness for no deal, the European Parliament in Strasbourg voted through no-deal measures on, among other things, social security, road freight connectivity, basic air connectivity, the fishing fund, fishing vessels authorisation, railway safety and connectivity, and road haulage. There is no reason why there should be any interruption to or shortage of goods coming into the UK in a no-deal scenario.

Sir Robert Syms: Is it not a little ironic that the European Union’s no-deal preparations are much clearer than ours?

Mr Clarke: There is a bitter irony in that, as my hon. Friend rightly says. It speaks to the choices that we have made, but choices they were—it needs to be recognised and understood that there is nothing inevitable about the situation in which we have placed ourselves.

It is entirely up to us what barriers to impose on imported goods in any scenario. The Government have already said, quite rightly, that in the event that we leave with no deal, we will prioritise maintaining the flow of goods—even at the risk of losing some customs revenue—until long-term arrangements are in place.

Foreign countries and ports have also demonstrated their keenness to co-operate in a no-deal scenario. For example, Xavier Bertrand, president of the Hauts-de-France region, said in January that

“the ports of Calais, Boulogne and Dunkirk, as well as the Eurotunnel and airports,”

will

“have 100 per cent fluidity on day one in the event of a no-deal Brexit.”

We need to intensify our preparations, as my hon. Friend the Member for Hornchurch and Upminster said, and look at dynamic policy responses. People on Teesside are intrigued and excited by the possibility of a free port, which would really boost our connectivity in the event of our actually getting free of the European Union. These are the things that we need to be doing. These are the choices that we need to be taking. That is the leadership that we need to be showing.

10.22 am

Lee Rowley (North East Derbyshire) (Con): It is a pleasure to serve under your chairmanship, Mr Robertson. I congratulate my hon. Friend the Member for Hornchurch and Upminster (Julia Lopez) on securing this timely and important debate. I would particularly congratulate her on the timing if I thought that she had had any knowledge of what would happen yesterday, but given that I do not think that my Government had any knowledge of it, I am not sure that I can accord her that credit.

I welcome the Minister to his place. I have a huge amount of time for him; he is an amazing man who has done great things in our party, and I am sorry for him, because he is a good man about to defend a bad deal. None of my remarks will be directed against him personally.

Here we go again. Twenty-four hours after the latest catastrophe—the latest stupidity—we are being asked to manage down, mitigate away, split the difference and trample over our manifestos yet again, as if that has worked so well over the past year or so. It is absolutely outrageous that we are even having this conversation, and it is inappropriate that we are not out of the European Union. I am tired of standing up and expressing the frustration of my constituents in North East Derbyshire about the abject failure of this Government to do anything about their core manifesto commitment. We should not be here.

Two years ago, I made a series of commitments to my constituents, and I will not break those commitments even if the Prime Minister breaks hers. I said that we would leave on 29 March; I voted to leave on 29 March. It was because of the Prime Minister’s choice, not the highly inappropriate meaningful vote 3 that was scheduled for that date to embarrass people like me, that we did not leave on 29 March. I said that I would not support a customs union; now my own Government seek to put a customs union to the country. I said that I would not support a European election; tomorrow there will be a European election that should not happen. I said that no deal was better than a bad deal; I will continue to believe that, even if my Prime Minister no longer does. Fundamentally, I said “No second referendum”—and what did I see yesterday? I saw a Prime Minister who is willing to chuck every single principle out of the window to push forward a deal that just will not get the support of this place and, more important, that does not have support outside it.

Every single principle is being put on the fire to get the deal through. It is absolutely outrageous—it is a fundamental misreading of what the people think. The Government are paralysed by inaction, every principle is being shredded, trust is shattered, and what is the apparent answer? Some kind of pick-and-mix, choose-your-own, go-your-own-way Brexit? Some kind of

smorgasbord of stupidity? Some kind of Brexit of the shadows, where we push anything through and then let it get amended in Committee, where we think our constituents will not see it, will not comprehend that it is not Brexit, or will not understand that they have been lied to?

I am being asked to endorse something—anything, whatever—as Brexit, simply becomes somebody stands in front of a lectern and tells me it is so. I am being asked to coalesce—to unify—around a cult of stamina that goes nowhere and uses that Protestant work ethic to drive us off a cliff. I am being asked to look a fourth time at a deal that I have already rejected three times, when it has absolutely no coherence, absolutely no understanding and does not respect the will of the people.

We are not a parish council. We are not arguing for 20 years about where a bench should go in the local park. We have a unique responsibility to deliver what people have told us to deliver. I will keep that deal. I will ensure that the residents of North East Derbyshire understand that I am going to deliver my promises even if the leader of my party has decided to break hers. Where do we go from here? The deal will not pass—that is blatantly obvious. The frustration will not go away. The difference will not be split.

Each of us is charged with a unique responsibility as an elected official to ask ourselves a series of deeply personal questions. How long will we allow this tragedy to persist in our name? How long can we look at a wreckage of a Government decaying before our eyes, when the principles that I came into politics for—those good Conservative principles—need to be used to make the constituency of North East Derbyshire and my country better? What will we say in a few years’ time, when it becomes painfully obvious that the abject failure of leadership over the past year was never going to get us anywhere?

My hon. Friend the Member for Hornchurch and Upminster highlighted a statement that Donald Tusk, the President of the European Council, made a few months ago. He said to us:

“Please do not waste this time.”

I agree with him. It is a Conservative Government—a Conservative Government!—who are wasting this time, failing to demonstrate leadership on the most important thing that we promised the people, and allowing trust in the entire democratic system to be shredded.

There is no dignity in this impasse. There is no honour in the abdication of this responsibility. There is no thanks for what we are doing. Wake up! Wake up before it is too late, and deliver what our country told us to do three years ago.

Mr Laurence Robertson (in the Chair): Before I call the SNP spokesperson, I remind the Chamber that I would like to leave two minutes for the mover of the motion to wind-up at the end. I call Peter Grant.

10.29 am

Peter Grant (Glenrothes) (SNP): Thank you, Mr Robertson. I am pleased to begin summing up.

I do not think anyone will be surprised that I disagree with quite a lot of what I have heard in the last 59 and a half minutes. In fact, most people in here, and a lot of people back home, would be extremely disappointed if I did not.

[Peter Grant]

I congratulate the hon. Member for Hornchurch and Upminster (Julia Lopez) on securing the debate. She spoke very passionately and I have no doubt whatsoever that she spoke with complete sincerity, but I have to say that, far too often, she just does not get it. There was no recognition at all in her outline of how we got here that it was her party and her Government that put us here. Her party called a referendum to solve the endemic infighting within its ranks. We can see from this morning's debate what a complete and abject failure that has been. Her party unilaterally changed its own manifesto mid-term, from one that gave it a majority Government and said we would stay in the single market and the customs union, to one that lost it that majority and said we are going to come out.

When I asked the hon. Lady what alternative she suggests to the Northern Ireland backstop, she promised to come back to it later. She then referred to the need—I think it is correct; I wrote it down—to “check and clear goods away from the border”. That would be a violation of the Good Friday agreement and incompatible with the Northern Ireland peace process.

How can it be that three years after the referendum and more than 20 years since the peace process was secured—a process that is still happening; it is not an event that is finished and done and dusted—we still have people leading debates in this Parliament, and speaking knowledgeably about other aspects of the relationship with the European Union, but not understanding what a catastrophic mistake it would be to think that border checks carried out somewhere away from the border would be good enough? They will not be. Nobody but nobody has suggested a solution that comes anywhere close to answering that contradiction. We cannot avoid a customs border between two countries if one is in a customs union and one is not. When the Government set out something that has been tested, and works, that will allow that to happen, then they can credibly say they will come out of the customs union and respect the Northern Ireland peace process and the Good Friday agreement. I do not think it is possible and I have seen no credible suggestion that it is.

It is not good enough to continually make the European Union out as the villain. The European Union did not force anybody to call a referendum. The European Union did not force anybody to trigger article 50 before anyone in the UK Government had a clue how they were going to deal with it. The European Union did not force the Prime Minister to unilaterally paint herself into a corner with red lines. The European Union did not force the Prime Minister to call an unnecessary election to enhance her majority and end up throwing it away. Those have all been mistakes that have been made by this and the previous Prime Minister. It is high time that the Conservative party accepted its collective responsibility for putting those Prime Ministers into power and supporting them through all those catastrophic mistakes, simply because it thought it might enhance the party's chances of holding on to power for a wee bit longer.

Given that the hon. Member for Walsall North (Eddie Hughes) was so glowing about trade and tourism between the UK and the European Union, I asked him why Thomas Cook was in trouble. He suggested it was

because TUI had been criticised by *Which?* magazine. TUI is Thomas Cook's biggest competitor in the United Kingdom. We might have thought that if TUI was being criticised and getting bad publicity that would help its biggest rival, rather than push it further into difficulty.

Eddie Hughes: There are many reasons that a business can go bad. It can be down to management or other changing circumstances. The idea that anyone could solely identify anything relating to Brexit as the reason for business failure seems—I don't know—imaginative, at best.

Peter Grant: Sadly, it is not imaginative that British Steel has cited Brexit-related issues as one of the reasons why, as of about half an hour ago, it is now in insolvency and 25,000 direct and indirect jobs are under threat. That is not something anyone can celebrate or be happy about. Surely it is time for everyone who continues to push us towards the possibility of a no-deal Brexit to stop and ask the question: would the 66% of people in and around Scunthorpe who voted to leave in 2016 have done so if they had understood what it might mean for their town's biggest employer? I do not know the answer to whether they would have voted the same way, but I would like to give them the chance to answer the question again.

Comments have been made in this debate and others about the 80%-plus of the electorate who voted for pro-Brexit parties in 2017. Some 80%-plus of the electorate voted for pro-remain parties in 2015, because Labour and the Tories were both remain parties in 2015. We are saying that in the space of two years, 60% of the electorate changed from voting for remain to voting for Brexit, but three years after the referendum, we are not allowed to consider the possibility that 5% of the electorate might have changed their minds between remain and leave. It simply does not add up.

Lee Rowley: The hon. Gentleman has said that surely it is time for us to understand the consequences of the issue. Surely it is also time for him to acknowledge that he should not use business examples to extrapolate, as he did with Thomas Cook. He will know as well as I do that it has had a massive debt pile for a number of years, that most of its operations are external, that it was previously a German company and that it is seeking to sell off its German airline as much as its British one. These are wide trends and it is just not correct to use these debates to try to extrapolate things that are not directly linked.

Peter Grant: Again, I hope that nobody would suggest that the problems in the UK travel industry are completely unrelated to Brexit or that the problems in the British steel industry are completely unrelated to Brexit. It is not the only problem—in manufacturing, we have not kept up with the advances in productivity of our European neighbours, for example—but anyone who would suggest that this catalogue of company failures is not in any way related to the damaging Brexit that the Conservatives are leading us through really needs to face up to reality.

I understand the desire to respect the result of the referendum. I want the 62% result in my country to be respected as well. My national Government put forward a compromise as long ago as December 2016, which was laughed out of court at the time—to the extent that

the Prime Minister has actually forgotten that it ever existed. When we are talking about negotiations that might happen now, after the March deadline, is it not a pity that there was not proper negotiation before the red lines were painted?

We have an electoral system in these islands that is deliberately rigged to turn minority popular support into majority Government. When the people choose not to give a big majority Government, the system cannot cope. The Prime Minister came back in 2017 and acted as if she had a huge majority in Parliament, when most of the time she has struggled to maintain a majority within her own party, and that is why she has never been able to get any kind of deal through.

It is not just about trade. Most of the contributions we have heard today have been about trade deals. World Trade Organisation terms—assuming we are allowed in to the WTO, which is not automatic—do nothing about Horizon, Erasmus, the European Medicines Agency, security co-operation, the rights of 4.5 million citizens, the ability to share data to cloud storage in the European Union, or about a million and one other things that the European Union brings us as benefits that have hardly, if at all, been mentioned in the debate this morning. The European Union is not simply a trading organisation. Membership has brought massive economic, social, cultural and educational benefits to our people and it is a tragedy that in the lead-up to the referendum, so few politicians in this place had the courage to stand up and say that.

I was asked about my holiday plans. I will be holidaying in the country that, according to “Rough Guides”, is the most beautiful country in the world, and I would encourage lots of other people to do the same.

As far as what will happen if and when the withdrawal agreement Bill comes back, the position of the Scottish National party is as it has always been. We will oppose any Brexit that takes away the rights of our citizens. We will oppose any Brexit that makes our people poorer. We will oppose any Brexit that takes us further away from the Scotland that we want to be and that our people have told us they want us to help to build.

While tomorrow it is quite possible that the far-right Brexit party will secure a significant victory in other parts of the United Kingdom, the polls suggest that even after 12 years in Government, the Scottish National party will have its most successful European election ever. That is what happens if a party of Government is prepared to show leadership and to face up to the myths, lies and misinformation that Mr Farage and his party and his previous parties have spread for so long.

If tomorrow the results in the rest of the United Kingdom are taken as a message about discontentment with the European Union among the population of some partners in this Union, the results north of the border will give a clear statement about the dissatisfaction of the citizens of my country with the Union that we have been part of for 300 years too long.

10.39 am

Jenny Chapman (Darlington) (Lab): It is a pleasure to take part in the debate, although I feel that it has been something of an internal Conservative party discussion. To sum up for the Minister, I do not think his colleagues are very happy. It is a pleasure, too, to follow the hon. Member for Glenrothes (Peter Grant). I have a great

deal of time for many things he said. Perhaps with the exception of the Minister, most hon. Members here in Westminster Hall agree that the Government have mishandled negotiations and served up a deal that is unsupportable by a majority in the House.

The hon. Member for North East Derbyshire (Lee Rowley) used some memorable phrases. He talked about the situation being a “catastrophe” and “stupidity”, and said “the Government are tired”. He said that it is a “Brexit of the shadows,” that there is a “cult of stamina,” and that we have a “wreckage of a Government decaying before our eyes”. That is pretty damning from a fairly new MP about the one job on which the Prime Minister said she should be supported: delivering Brexit. That is what Conservative MPs think about it. It is a pretty incredible situation for us to have reached.

I congratulate the hon. Member for Hornchurch and Upminster (Julia Lopez). Although I did not agree with everything she said, I found the manner in which she said it, the tone she used and the considered way she formed her argument quite refreshing. It is not the way these discussions have often been carried out in this place and outside. If we could have had a bit more of that kind of discussion, perhaps we would have avoided getting to where we are, three years after the referendum.

The hon. Lady spoke of her maiden speech, which I do not think I caught. She made me think of my maiden speech nearly 10 years ago, in 2010. I remember speaking about cuts to education and about serious crime, and I promised that I would always put my constituents first, which is something that is felt by everybody who gets elected to this place.

I regret some of the comments that have been made. I think the hon. Member for Middlesbrough South and East Cleveland (Mr Clarke) said—I wish I had written it down, because I cannot remember the exact words he used—that we despise our constituents if we do not happen to agree with some of them on Brexit. I find that unhelpful, and it misrepresents the relationship we have with our constituents, which is absolutely one of respect and understanding. We attempt to represent the whole of our constituencies, even though they are inevitably divided on this issue at the moment.

Mr Clarke: This is really important. Every constituency in the Tees valley voted to leave by more than 60%. In some cases, it was nearer 70%. That was a very clear mandate to leave. Of the six Tees valley MPs, I am the only one who is voting to leave the European Union and trying to deliver on the referendum mandate. Can the hon. Lady inform the House what she is doing to support any meaningful exit, or is she in fact determined to prevent it?

Jenny Chapman: In fact, my constituents in Darlington did not vote by more than 60% to leave the European Union.

Mr Clarke: Can the hon. Lady give the percentage?

Jenny Chapman: Fifty-six. My constituency boundary is different from the borough boundary, as the hon. Gentleman probably knows. Nobody really knows what percentage of my constituents voted to leave, but that is not really the point. The fact is that, like all hon. Members present, a large number of my constituents wished to leave the European Union, which is why I voted to

[*Jenny Chapman*]

trigger article 50. I campaigned to remain. I believed that being part of the European Union would serve this country better in the future than leaving it, but I promised—as did many of my colleagues—to respect the outcome of the referendum. I have done that, and I voted to trigger article 50. I did not agonise about it; I saw it as my job and duty, and I did it with a clear heart. I then stood to be re-elected in 2017, as did we all, and I said that the kind of Brexit I wanted was something that at the time we all referred to as a soft deal. I would have voted for that. We would have left the European Union had that been on offer, but it never has been.

There was no deal until very recently, and we now find ourselves with something that the hon. Gentleman will not support, so I do not quite understand how he can have a go at me for not supporting it. It seems that no hon. Members present, apart from the Minister, want to support the existing deal.

Mr Clarke: Will the hon. Lady give way one more time?

Jenny Chapman: Oh, one more time. Go on.

Mr Clarke: Can I clarify that the Labour party manifesto is clear about leaving the single market and the customs union? It was clearly implied in the Labour manifesto that freedom of movement would end, and that there would be a free trade policy.

Jenny Chapman: We are saying that following the referendum and the general election, we need to have a close, collaborative relationship with the European Union. We want the benefits—as were promised by the then Secretary of State—of a customs union and the single market. I do not know—perhaps the Minister can tell us—how we achieve such benefits, particularly of a customs union, without being in a customs union. How do we get frictionless trade? The hon. Member for Hornchurch and Upminster is completely right to say that we will not get frictionless trade via a customs union alone, but we sure as hell cannot have such trade without one.

There is not a customs border between two different jurisdictions anywhere on the planet that does not have infrastructure. That really gets to the heart of this issue. Despite all this stuff about alternative arrangements, no one has been able to tell me what alternative arrangements we could put in place that would avoid infrastructure. We talk about Northern Ireland, because there are very obvious reasons why we want to maintain an infrastructure-free border there, but the same problems would arise at other ports of entry.

Alternative arrangements just do not exist. If somebody could persuade me that alternative arrangements could be put in place that would mean we do not need a border, it would be a really interesting conversation. If we could leave a customs union without infrastructure, and Ministers showed how that could be done, I would be obliged to seriously consider voting for that. However, that case has never been made, and alternative arrangements have never been outlined. We have never seen an example of how they would work. Nobody is persuaded, which is one of the reasons why we find ourselves where we are.

It struck me that hon. Members, particularly the hon. Member for North East Derbyshire, object to the Prime Minister's suggestion that we should have a customs union or another vote. I understand where he is coming from—he is being completely consistent. He thinks we are being offered a customs union and a confirmatory vote, but one of the problems that the Opposition have with the Prime Minister's speech yesterday is that but we do not think that is what is being offered. The lack of clarity and the attempt somehow to speak slightly differently to people who have different perspectives is one of the reasons we find ourselves in this position. There is a lack of trust, a lack of faith and a lack of confidence that this Prime Minister will be able to see the deal through. I find myself wondering—I am sure I am not alone—whether we will hold a vote on the Bill in the first week of June. It would be true to form to get quite close and then the Government think better of it and withdraw the proposal—in the end, we would not get to vote on it.

I want to give the Minister sufficient time to respond to questions, particularly those from the hon. Member for Hornchurch and Upminster on our preparedness for a no-deal Brexit. Given everything we have learned from listening to industry, I venture to guess that we are nowhere near ready to leave without a deal. We do not have the infrastructure, IT or staff, and we do not have the procedures or any of the things that we will need in place to leave without a deal, certainly not by the end of October. I will be fascinated to hear how the Minister thinks we will leave.

The hon. Member for Hornchurch and Upminster said one thing that really struck me: she pleaded that service to nation, not political ambition, should drive decision making as we go forward towards the end of October. I worry about that a great deal. Looking at the people who are putting themselves forward from the Conservative party to be Prime Minister, it strikes me that its members might prefer the candidate who takes the hardest position, is the most enthusiastic about leaving the EU without a deal, and promises that we will prorogue Parliament until the end of October to ensure that we get to leave without a deal.

I caution the Conservatives that that would be a disaster for the country and my constituents. I know what industrial decline looks like, and what being cavalier about these things can do to communities. They do not recover for decades, if ever. I worry about that for the country, and for the health of our democracy, too. Our democracy needs a well-functioning multiplicity of parties competing and holding each other to account. If the Tory party did that to itself, satisfied as I would be that it would be out of power for a generation, I do not think it would be the healthiest thing for our democracy. I am surprised to hear myself saying those things, but I really hope it does not elect an extreme no-deal Brexiteer to be the Prime Minister of this country. I look forward to the Minister's response.

10.50 am

The Parliamentary Under-Secretary of State for Exiting the European Union (James Cleverly): It is a pleasure to serve under your chairmanship, Mr Robertson. I thank my hon. Friend the Member for Hornchurch and Upminster (Julia Lopez) for securing this very important debate at such an interesting point on the road to delivering Brexit. She raised a number of interesting

and important issues. I will attempt to address them in the limited time that we have, but I also want to give her time to respond to the debate that she initiated.

I remind hon. Members that the Government, much like the majority of MPs, want to deliver on the result of the referendum and leave the European Union promptly and in good order. The British public are justifiably frustrated—that is an understatement—and the tone and passion of this debate is reflective of the public mood. They want us to act together in the national interest, end this impasse and deliver Brexit. Delivering Brexit was never going to be simple or straightforward, but the Government firmly believe that the best way to leave the European Union is with a good deal.

At the most recent European Council, the UK and the EU agreed an extension to article 50 until 31 October. It was also agreed that if we successfully brought forward a withdrawal agreement, we would be able to leave earlier. That is why the Prime Minister put forward a range of options hopefully to build a consensus that can secure a vote for the withdrawal agreement so the UK can leave the EU promptly.

The Prime Minister has worked hard to find a way forward that accommodates concerns from across the political spectrum, and yesterday she presented a new deal to MPs to settle the core issues of the debate. MPs must now work together to deliver the result of the 2016 referendum.

A number of hon. Members cited the Prime Minister's words,

“No deal is better than a bad deal.”

The Government's position is that the deal that has been negotiated over the past few years is a good deal, but hon. Members have criticised it. If you will forgive me, Mr Robertson, I will dwell briefly on why it is viewed as a good deal. It protects citizens' rights for UK nationals living in the EU and EU nationals living here. It delivers an implementation period until 2020 to allow businesses to adjust to the new situation. It ensures a fair financial settlement of less than half of what was initially expected and demanded, which reinforces our global reputation as an honourable and honest international player. It ensures that Gibraltar is covered by the withdrawal agreement. It guarantees that geographical indications such as Scotch whisky and Welsh lamb will be protected until a future economic partnership is put in place. It allows the UK to negotiate, sign and ratify new trade deals during the implementation period, to be brought into force once it ends.

Alongside that, the accompanying political declaration sets out the scope for a bold and ambitious future trade relationship between the UK and the EU, to be built on for the next stage of negotiations. Hon. Members reminded us that there was a commitment to take back control of money, borders and laws. The agreement allows the Government to introduce a new fair skills-based immigration system, taking back control of our borders and ending free movement. It ends the jurisdiction of the European Court of Justice UK and means that our laws will be made in Parliament and enforced by our courts. It also protects security and sets out a close relationship on defence and tackling crime and terrorism. It ensures that we will leave the common agricultural policy and the common fisheries policy, delivering a good deal for farmers and fishermen up and down the UK.

I will address some of the points that my hon. Friend the Member for Hornchurch and Upminster made. She asked about border preparation work. My officials and I have regular meetings to ensure that the UK border is operational and in good order, and that trade flows can continue with the minimum amount of friction in the event of a no-deal Brexit, with a cross-Government borders programme. All Departments will be able to set up fully and partially operated systems, processes and resources to ensure disruption is minimised as far as possible.

My hon. Friend asked about labour market preparations. We are in the enviable position of having incredibly low levels of unemployment. The Government will ensure that any changes in the labour market are reflected in Government policy.

My hon. Friend asked about the use of Henry VIII powers. The use of statutory instruments came after a decision by Parliament during the passage of the European Union (Withdrawal) Act 2018. Every SI using those powers is scrutinised by Parliament in the usual way, and there is a new sifting mechanism.

Unfortunately, I will not be able to answer all the questions I was asked, because I want to address the broader point about no-deal preparations. Although Parliament has rejected the UK leaving the EU without a deal multiple times, that remains the legal default position if a deal is not agreed. As a responsible Government, we have been preparing for more than two years to mitigate any negative effects and any disruption as far as possible in the event of no deal. Those preparations are well developed and ongoing. We continue to prepare for all Brexit scenarios. Some £4.2 billion of funding has been allocated to help the UK prepare for all eventualities. It is only sensible that we do that.

Although the Government's preparations continue, many of the most important mitigations require businesses and citizens, not just the Government, to act. There are also consequences that are simply not within the Government's direct control, such as the actions of third countries. We should be under absolutely no illusion that not leaving the European Union would have a significant negative social, political and economic impact. That is another reason why leaving with a deal is the best option.

People want politicians to act together and honour the result of the 2016 referendum so we leave the European Union in good time and good order. The hon. Member for Darlington (Jenny Chapman) highlighted the fact that Labour is uncomfortable with elements of the deal. The only way it could have influence on the future deal is to vote on Second Reading for the withdrawal agreement Bill. I therefore encourage all hon. Members to do what the people of Britain demanded of us, ensure we leave the European Union in the national interest, and back the deal.

10.58 am

Julia Lopez: I am incredibly grateful for the thoughtful contributions from Members across the Chamber. My hon. Friend the Member for Poole (Sir Robert Syms) talked about the need for handbagging during negotiations, and said that our leadership has too often been for turning. He also highlighted how hamstrung the no-deal preparations have been by the Treasury's reticence.

[*Julia Lopez*]

My hon. Friend the Member for Walsall North (Eddie Hughes) released a lot of tension this morning. It was a wonder to behold. He is an eternally optimistic champion of an eternally optimistic constituency. Hearing that optimism being misplaced is a matter of profound regret.

The description of Government's negotiating style as being like playing cards with a mirror behind us was painfully accurate. My hon. Friend the Member for Mansfield (Ben Bradley) talked of broken promises and the increasingly muddled and contradictory withdrawal agreement, which he doubts has any life left in it. He is right that we have no further time for delay.

My hon. Friend the Member for Witney (Robert Courts) highlighted the different perspective of the 2017 intake. He is absolutely right that how we dealt with the challenge of the EU's political ambitions was always going to lead to a fissure. He said that the two sides of the divide in our country are not so far apart, and that we can heal.

My hon. Friend the Member for Middlesbrough South and East Cleveland (Mr Clarke) talked of our collective shame that we have not delivered on the promises we made to our voters, and said that too much time has been wasted. We all want to leave the European Union in an orderly way, but that option has been closed off by ineptitude.

My hon. Friend the Member for North East Derbyshire (Lee Rowley) has been in a perpetual state of outrage since Chequers in July. We have had many quiet moments to share that. I appreciate his support. I thank everybody for a very good debate.

Motion lapsed (Standing Order No. 10(6)).

Information Disclosure: Pre-trial Abuse of Process Hearings

11 am

Dame Cheryl Gillan (Chesham and Amersham) (Con): I beg to move,

That this House has considered the disclosure of information in pre-trial abuse of process hearings.

As usual, it is a pleasure to serve under your chairmanship, Mr Robertson. I am pleased to welcome the Minister, who will respond. I am very pleased to have secured this debate, to raise a matter that concerns a constituent of mine, Mr Tom Perry.

The Minister will be aware of the problems arising from failures of disclosure that continue to confront the criminal justice system. Those problems received the attention of the Attorney General in his 11 December 2017 review, which reported on 15 November last year. One of the worst cases, which was reported in *The Times* on 21 May last year, concerned five defendants who spent seven years in jail after being wrongly convicted of the murder of Mohammed Afsar. Unfortunately, there is another aspect to that disclosure problem, which, despite repeated requests from my constituent, the Attorney General has so far refused to examine to his satisfaction. I applied for this debate to try elicit a response to the concerns of my constituent, who is in the Public Gallery.

Although my constituent's case is long since over, the abiding issue is the dual and interconnected problem of a non-disclosure by the defence in criminal proceedings in situations where a duty of disclosure rests on the defendant and his or her legal team, and the apparent impossibility of procuring corrections by solicitors and counsel of such failures of disclosure and of erroneous submissions consequently made by them to the court. The procurement of such corrections is part of the professional disclosure obligations that counsel must make to prevent the possibility of a court being misled.

Generally, in criminal proceedings, the duty of disclosure rests not on the defendant but on the prosecution. Exceptionally, however, in cases where the defendant wishes to make an application for an indictment against him to be stayed on permissible grounds under our criminal law and procedure—principally, that to allow the indictment to proceed to trial would amount to an abuse of process—a duty of disclosure rests on the defendant and their legal team to make a full disclosure of all relevant matters, whether or not they are entitled to such an order being made for their benefit.

One class of case in which that frequently occurs is that of non-recent child abuse. Applications for stay indictments in those cases are most often heard in non-evidential proceedings, in which oral submissions are made to the judge only, without any evidence actually being given. As the judge is wholly dependent on the oral submissions made to him, the absence of the production of evidence makes it easier to mislead a court than would otherwise be the case. I am told that there is growing evidence of malpractice arising from this procedure.

Jim Shannon (Strangford) (DUP): I thank the right hon. Lady for giving way—I spoke to her beforehand to seek her permission to intervene. Does she agree that, although the courts have an overriding duty to promote

justice and prevent injustice, the duty to stay an indictment must be used only in extreme and clear circumstances, to ensure that there is no abuse of the judicial process?

Dame Cheryl Gillan: In the context of the debate, the hon. Gentleman makes a very valid point.

My constituent, Mr Perry, was heavily involved in the case of Caldicott School, which was heard in Aylesbury Crown court. As a pupil there in the '60s, he and many other boys suffered very considerable and grave child abuse that has been the subject of criminal proceedings. The Minister may recall that in that case, the defendant, former headmaster Mr Wright, was eventually tried and convicted on 17 December 2013, and was sentenced to 8 years imprisonment on 6 February 2014.

I say “eventually”, because there were two indictments brought in this case. The first was in 2003 and the second in 2012—tried in May and June 2013 and re-tried in November 2013. Of the two indictments, only the second proceeded to trial. The first was stayed by an order made by his honour Judge Connor, following the application of the defendant and his legal team, at a non-evidential pre-trial abuse of process hearing in Aylesbury Crown court on 26 September 2003.

In criminal proceedings, an order to stay an indictment results in the termination of that indictment. The counts that related to the extensive abuse suffered at Caldicott School by my constituent, as well as by four other former pupils, were contained in the first indictment, which was stayed. That meant that the history of abuse suffered at the school by my constituent and the other former pupils was never heard in open court. Not unnaturally, my constituent and the other former pupils were deeply unhappy with that outcome.

My constituent was even more unhappy about that negative outcome because it later emerged that the court had been gravely misled by the failure of the defence, which applied for the stay, to disclose relevant information to the court. With that information, his honour Judge Connor might not have considered the stay of the indictment justified. My constituent tells me that all the details of that were set out in correspondence with the Crown Prosecution Service at the time and copied to the office of the Attorney General.

It emerged in particular that before the hearing in September 2003, the defence solicitors, Blaser Mills, had engaged in private correspondence with the school on the subject of the availability of the school pupil records to the defence. Had that correspondence been disclosed to the court, it could have assisted the prosecution in opposing the application for the stay and, in all probability, would have undermined the grounds of the application to stay the proceedings on the indictment. However, neither the judge nor the prosecuting counsel ever saw the correspondence because it was never produced in open court, even though, according to the transcript of the proceedings, the counsel for the defendant, AJ Bright, QC, had it with him in court and was aware of its contents.

The contents of the hidden correspondence only became known publicly five years later, when in November 2008, the school released it into the public domain. It then became apparent to everyone involved in those proceedings how the non-disclosure meant that the court had been misled and, in effect, deceived into

making the order for the stay of the original indictment. That situation was bad enough, but according to my constituent, what followed was arguably worse still.

With the trial on the second indictment looming, my constituent and his co-complainants, who had resigned themselves to the impossibility of their cases ever being heard in open court, were naturally concerned about the position of the other five former pupils whose abuse at Caldicott School was the subject of the second indictment. Their concerns grew when it became known that the defence intended to argue that the second indictment should be stayed on the same grounds as had applied to the first indictment. Accordingly, they repeatedly pressed the CPS to ensure that those submissions made to the judge and accepted by him in the September 2003 abuse of process hearing should be formally corrected to the court.

Their argument was that those submissions, which the defence already knew to be false at the 2003 hearing, were now known to be wrong by all parties and the public at large following the release into the public domain of the correspondence between Caldicott School and the defence solicitors, Blaser Mills. Formal correction of those false submissions was needed to prevent the possibility of the court being misled in the same way that it had been in 2003.

Attention was drawn to the explicit wording of both the Solicitors Regulation Authority handbook and the Bar Standards Board handbook—I have made the relevant sections of both available to the Minister—and to the professional obligation resting on all solicitors and counsel, as officers of the court, to correct submissions of fact made to the court once they are known to be erroneous, to prevent the court from being misled further. It was noted that no one, not even those responsible for making the wrongful submissions in the first place, has been heard to deny that false submissions had been made at the September 2003 hearing or that the effect of that was that the court was misled and proceeded to rule on the basis of false information.

To my constituent's complete and abiding astonishment, the CPS did absolutely nothing. While not disagreeing that the defence had acted improperly by telling the judge that the pupil records could not be obtained from the school, or even tacitly accepting that the court had been misled by that, it took no action at all. However, not only were the records available but, in the hidden correspondence that the judge never saw, the defence had actually relinquished its request to be given them.

In addition, the Solicitors Regulation Authority and the Bar Standards Board took no action. Likewise, the Office of the Attorney General, from which at least my constituent might have expected some intervention, given the failure of the regulatory bodies to deal with the situation, did nothing. Only at a much later stage, when the defendant, following his conviction and sentence, applied for leave to appeal to the Court of Appeal, did the CPS finally agree with the complainants that, if leave to appeal conviction were granted and if the defence were to argue that the grounds of the imposition of the stay of the indictment in September 2003 were relevant to the appeal—in fact, it transpired that the defence did intend to argue exactly that—it would finally take action. It would require corrections to be made to the false submissions made in 2003 by counsel and solicitors for the defence in order to ensure that the

[*Dame Cheryl Gillan*]

Court of Appeal would not be misled in 2014. However, the appeal did not proceed and in the event, therefore, those corrections were never made.

At the request of my constituent, I have referred to what he considers—as I do—the embarrassing irregularities that unexpectedly and unusually came to light in the Caldicott School case, and those have a public profile. I have been led to believe, however, that similar problems were experienced in a number of other cases of lesser profile. My constituent has generously offered to provide the Minister with the details, if she so wishes.

It is too late now for the complainants in the Caldicott School case to be accorded the simple justice of the correction of known false submissions that were made to the court, that derailed the first indictment and that they believe denied them justice in 2003.

Alex Chalk (Cheltenham) (Con): Will my right hon. Friend give way?

Dame Cheryl Gillan: I would like to make progress.

The abiding concern of those complainants, however, is that to their knowledge nothing has been done to prevent the distressing situation in which they found themselves recurring in other cases, concerning other abused children. The men involved feel rightly aggrieved about the wrongfulness of the Law Society and the Bar, and their respective regulators, holding out to the public the existence of certain published professional standards intended for the protection of the public, while at the same time appearing in this case to have had no intention of taking any action at all, even when the published professional standards were found unarguably to have been breached. Throughout this case, those men have felt that they have been stonewalled. They have now lost faith in the so-called professional standards.

Such matters are the responsibility of the Office of the Attorney General. That can be seen clearly in the “Protocol between the Attorney General and the Prosecuting Departments”, at page 7, under the heading “4(d) Superintendence of casework”:

“The Attorney General’s responsibilities for superintendence and accountability to Parliament mean that he or she, acting in the wider public interest, needs occasionally to engage with a Director”—

the Director of Public Prosecutions—

“about a case because it...has implications for prosecution or criminal justice policy or practice; and/or reveals some systemic issues for the framework of the law, or the operation of the criminal justice system.”

In the Minister’s response, I trust that she will provide the reassurance that is sought by my constituent, together with many of his former school colleagues, who were the subject of such appalling abuse at Caldicott School. I trust that she will now agree to include in her review the dual problem: first, non-disclosure of relevant facts and matters by the defence in criminal proceedings in situations in which a duty of disclosure rests on the defendant and his legal team; and, secondly, the apparent impossibility my constituent faced in attempting to procure corrections of the records of the court to solicitors and counsel, and the refusal of the Solicitors Regulation Authority and the Bar Standards Board to assist him in any way.

I look forward to hearing the Minister’s comments on those failures to disclose and on the misleading of the court consequent to the erroneous submissions made to it. The formal confirmation of the Minister is needed to reassure my constituent that solicitors and counsel are professionally obligated to make such corrections as soon as possible, and that in future, where necessary, robust and firm action will be taken by the Solicitors Regulation Authority and the Bar Standards Board in order to prevent the possibility of any court being misled in that way in the future.

I hope that the Minister, in responding, will bear in mind that I have known my constituent, Mr Perry, for 20 years. I have been dealing with his case and other matters pertaining to him for a long time. He is a man of great honour and integrity, and he has come forward to speak out in public about some horrendous abuse he suffered in childhood, thereby hoping to prevent something similar happening to other children in the future. This is just part of that pattern. I hope that the Minister will give a positive response in this debate.

11.15 am

The Solicitor General (Lucy Frazer): It is a pleasure to serve under your chairmanship, Mr Robertson.

I thank my right hon. Friend the Member for Chesham and Amersham (Dame Cheryl Gillan) for raising these important issues. I acknowledge the hurt and anger of her constituent, and how he feels as a result of what happened to him at school many years ago. Sexual abuse of children by those in positions of authority or power who abuse their position of trust is a devastating crime.

I cannot imagine what Mr Perry has been through, but I commend him—as my right hon. Friend has done—for his courage in continuing to speak out about his experiences so as to contribute to the debate on how we improve the criminal justice system for victims. I also understand what she says about her relationship with him, and I am pleased that he has been able to contribute to improvements and to the future of those who have suffered as he has. I am pleased that we have the opportunity today to discuss the concerns expressed by my right hon. Friend about disclosure of information in pre-trial abuse of process hearings.

My right hon. Friend the Member for Chesham and Amersham spoke about the broader issues in relation to disclosure. Like her, we are concerned about the broad issue. It is imperative that disclosure in a case is made properly. She correctly identified the fact that last year the Attorney General published a review of disclosure, and will be publishing further guidelines in due course.

My right hon. Friend referred in some detail to the case of her constituent, Mr Perry. As she knows, it is not appropriate for me as Solicitor General to comment on decisions made by members of the independent judiciary in the two prosecutions of Peter Wright. I understand, however, that the allegations made about the conduct of those representing Peter Wright during the original criminal proceedings in 2003 have been considered by the police, as she said, the Bar Standards Board and the Solicitors Regulation Authority. Those are the correct bodies to look at allegations of that nature.

Furthermore, in 2012, one of my predecessors as Solicitor General personally considered whether to bring contempt proceedings arising from what the judge was told in 2003, but he concluded that there was insufficient

evidence to do so. I understand that the trial judge in the proceedings that led to Peter Wright's conviction in 2013, as my right hon. Friend said, also considered the arguments that had been employed in the abuse of process application in 2003 but declined to lift the stay on proceedings.

I am not aware of any adverse findings made against any lawyers involved in the criminal proceedings arising out of the abuse at Caldicott School between 1959 and 1970. None of that is in any way designed to diminish the profound effect that those crimes must have had on Mr Perry's life, or to detract from our commitment as Law Officers superintending the prosecuting departments to promote best practice in the care that victims of sexual abuse receive from the criminal justice system. However, the issues that Mr Perry continues to raise have not been ignored and have received serious consideration in the past.

As Members know, it is open to a defendant to argue that a prosecution is an abuse of process—for example, because of the effect of delay on the fairness of the trial—and that proceedings should therefore be stayed. That arises from the overriding duty on courts to promote justice and to prevent injustice. In these cases, the burden lies on the defendant to prove on the balance of probabilities that there has been an abuse and that a fair trial is no longer possible.

There is clear authority from the Court of Appeal that there is a strong public interest in the prosecution of crime, and that ordering a stay of proceedings is a remedy of last resort, even where there has been significant delay in bringing proceedings. As the hon. Member for Strangford (Jim Shannon) pointed out, the bar for a stay is very high. Even when a judge imposes a stay of proceedings, the prosecution can apply to lift the stay in future. As my right hon. Friend the Member for Chesham and Amersham mentioned, such an application was made in Mr Perry's case in 2012. Although the judge declined the prosecution application to lift the stay on the 2003 proceedings, she allowed the fresh allegations against Peter Wright to be tried by a jury, and also allowed details of the abuse that Mr Perry suffered to be admitted as bad character evidence during the trial. As a result, the jury found Peter Wright guilty of abusing five pupils during the 1960s and he was sentenced to 8 years' imprisonment.

My right hon. Friend makes some important observations about disclosure in the criminal justice system. Hon. Members will be aware that the Attorney General recently carried out a review of disclosure and made recommendations to improve performance across the criminal justice system. In our criminal justice system there is a statutory duty on prosecutors to disclose to the defence any material or information that may assist the defence or undermine the prosecution case. That duty applies to abuse of process hearings as well as trials. There is also a residual duty on the prosecution at common law to disclose any information that would assist the accused in the preparation of the defence case. That duty applies from the outset in criminal proceedings and requires the disclosure of material that might enable an accused to make an early application to stay the proceedings as an abuse of process.

Alex Chalk: The Minister is quite properly setting out the duties on the prosecution entirely accurately and fairly. Does she agree that there is a duty, however, on

all parties to ensure that what they submit does not in any way mislead the court, and that applies to the defence just as it does to the Crown?

The Solicitor General: My hon. Friend makes an important point that I will come on to. It is absolutely right that counsel or solicitor must not mislead the court, as officers of the court with a primary duty to the court and not to their client, but the disclosure of evidence is a different obligation on the defence. There is no corresponding legal duty on the defence to disclose information that is harmful to its case, because that is consistent with the fundamental principle that it is for the prosecution to prove its case and not for a defendant to prove their innocence.

As my right hon. Friend the Member for Chesham and Amersham rightly identified, there is an important duty on counsel and barristers; they have a professional code of conduct that includes the requirement to act ethically and with integrity at all times. That includes a prohibition on knowingly or recklessly misleading anyone, including a court, and a positive duty to behave in a way that maintains public trust and confidence in the proper administration of justice. My right hon. Friend mentioned that her constituent may have details of other cases where a court has been misled; I strongly encourage her to share those details with the CPS and the professional bodies responsible for barristers and solicitors.

Dame Cheryl Gillan: I am grateful to the Minister for the way in which she is responding. She mentioned that it is important to maintain trust in the regulatory bodies. In the light of the circumstances of this case, does she agree that trust has been shaken? I will provide her with those details once my constituent provides them, so she may pass them on to the relevant authorities or look at them herself, because it is from her office that I believe my constituent wishes to have a response.

The Solicitor General: I appreciate that my right hon. Friend's constituent feels that trust in the criminal justice system has been shaken. That is of concern. I reiterate that as far as I am aware no misconduct has been found by the Bar Standards Board in relation to the case, but I would be very happy—as I am sure it would—to receive any further information that she can provide.

I would like to underline the additional safeguards that exist for defendants and victims when a stay application is brought. There are a number of rules and regulations that ensure that the hearing should be conducted with due notice and in the interests of justice. The Criminal Procedure Rules 2015 set out clearly the timetable that the defence and prosecution should adhere to when preparing for the hearing. For example, the defence application must be in writing and provided to the prosecution and court as soon as practicable after becoming aware of the grounds for applying. The application must include or identify all supporting material, specify all relevant events and identify any witnesses the defendant wishes to call in support of the application. The prosecution must do likewise within 14 days of receiving the application. Both parties must serve skeleton arguments on each other and the court in advance of the actual hearing, so that everyone knows the issues to be determined at the hearing.

[*The Solicitor General*]

Victim care is important in cases of sexual abuse. Mr Perry's experience demonstrates why it is so important that we continue to make victim care priority in our criminal justice system.

Dame Cheryl Gillan: I agree with the Minister that victims should have priority in our criminal justice system—that is most important. She mentioned at the beginning of her response that she is working on new guidelines that will come out shortly. Could she give us a greater indication of when we can expect those new guidelines? Would there be any possibility of looking at the draft guidelines before they are finalised and published?

The Solicitor General: A review of disclosure has already taken place. Further guidance will come out in due course. I am happy to update my right hon. Friend on any further details on that and will take on board any points that she might like to make.

We are not just focusing on disclosure, although that is very important. The CPS has almost doubled the number of specialist prosecutors in its dedicated rape and serious sexual offence units, and is working with the Ministry of Justice and the Home Office to revise the victims code, to improve the support and care offered to victims. It is important to remember that these issues do not just affect the Attorney General's office but are cross-departmental, and we are working together with Departments on those. Debates on this area make an important contribution to the ongoing work to improve the experience of victims in the criminal justice system. I thank my right hon. Friend the Member for Chesham and Amersham and her constituent for raising important issues that affect our criminal justice system.

Question put and agreed to.

11.28 am

Sitting suspended.

Pension Funds: Financial and Ethical Investments

[MR GEORGE HOWARTH *in the Chair*]

2.30 pm

Sir Edward Davey (Kingston and Surbiton) (LD): I beg to move,

That this House has considered financial and ethical risks of investments in fossil fuel companies by pension funds.

I refer Members to my entry in the Register of Members' Financial Interests, in which I disclose my interest in renewable energy, particularly solar.

Parliament has declared a climate emergency. I welcome that tremendously, but it prompts the question: how do we solve that emergency? The good news is that many of the technologies we need are already here, and they are developing fast. From solar to wind to storage, their price is coming down fast—far faster than many people expected—and their reliability is increasing dramatically. On top of that, massive innovation will propel those technologies further forward, and we will enter a cheap green energy age.

The barriers to dealing with the climate emergency are no longer technological; they are more about policy, leadership and cash. We need politicians to show leadership, but we also need to ensure that investment funds get behind the new technologies at a speed and with an urgency that currently we are not seeing. That is why we, as a country and as the world, need to disinvest from fossil fuels and dirty technologies, and reinvest in clean green technologies. The question is how we propel that as fast as possible.

I believe we need a system-wide approach. We have to decarbonise capitalism at a fundamental level across the whole of the City—the debt markets, the stock exchange, the banks, the Bank of England's own balance sheet and the pension funds. The Committee on Climate Change has asked for Britain to become carbon net zero by 2050, but we produce only 1% to 1.5% of global greenhouse gas emissions. However, 15% of the world's greenhouse gas emissions are funded in London, so not only do we have the power to get our own country's greenhouse gas emissions down to zero, but we can help spread that around the world and be a real leader. We could be the green finance capital of the world and say, "We will no longer finance the climate crisis in our country." If we did that, we would show dramatic leadership in the world on this emergency. We should start with pensions.

Dr David Drew (Stroud) (Lab/Co-op): The right hon. Gentleman is making a cogent argument. Can he assure me that the parliamentary pension fund, which has long been looking at this issue, is now clear of fossil fuels? We should ensure that that is completely the case.

Sir Edward Davey: I believe that is not the case. We need to ensure that the parliamentary pension fund becomes zero-carbon. We as Parliament need to say, "Divest Parliament." That would show leadership both to public schemes, particularly in local authorities, and to the wider sector. Let us remember that we have already discovered four to five times the fossil fuels the

world would need to exceed a climate change budget. We already have too many fossil fuels. We should not invest in more. We should disinvest now.

Wera Hobhouse (Bath) (LD): The previous Government target to cut carbon emissions by 80% by 2050 is no longer relevant because we have to cut our emissions to net zero, so fracking, which is a source of carbon fuel, is no longer an option for this country. Should not the Government reflect that new reality and issue new planning guidance for local authorities or give them new powers? Such leadership would have an immediate consequence: investment in fracking as a source of fossil fuel would no longer be an option or attractive to investors.

Sir Edward Davey: I totally agree with my hon. Friend. In government, we placed tough regulations on that sector, which were based strongly on environmental considerations. It has not been able to grow to meet them. It has nowhere to go.

Bambos Charalambous (Enfield, Southgate) (Lab): I congratulate the right hon. Gentleman on securing this important debate. I agree entirely that Parliament should take the lead in not investing in fossil fuels. Yesterday, BP's investors decided that it should adopt a totally different strategy on carbon fuels so it fits in with the Paris agreement on climate change. Does he agree that other companies should take that way forward?

Sir Edward Davey: I saw what happened at the BP annual general meeting yesterday, and I welcome it, although a second motion, which was a bit stricter, did not carry. I would have liked that motion to carry.

That brings me to my argument. Not only is there a moral imperative for us to divest, given the threat climate change poses to our planet; there is also a financial risk for pension funds and their beneficiaries. We need to explore that. We need to make it clear to pension fund managers and trustees that pulling out of fossil fuels is the right thing to do in financial terms. The real issue is often called the carbon bubble. We are investing in more fossil fuels than we could possibly need if we were going to stay climate change compliant. At some stage, that bubble of investment in carbon that we do not need will burst, leaving pension funds and the wider economy in a serious mess. Those assets would be worthless; they would be stranded assets, which would cause huge disruption in our financial sector.

Tommy Sheppard (Edinburgh East) (SNP): I agree completely with what the right hon. Gentleman is saying. I think he is coming to the heart of the matter. I, like many other people, have a private pension fund, and I instruct my broker to ensure that it is directed into ethical investments. Of course, the broker has always said, "You're not going to get as much of a return as you might get if you invested in other things." The time has come for that paradigm to be reversed. We have to explain to investors that, over the next 10 to 15 years, increasing governmental action against fossil fuels and dirty technology will make their returns worse. Now is the time to jump ship and to disinvest from dirty technology.

Sir Edward Davey: I totally agree. Indeed, analysis by the Grantham Institute shows that if someone had not held fossil fuels in their portfolio for the last 50 years, their overall returns would not have been any different. The idea that we have to invest in fossil fuels to have a return was not true in the past, and it is not going to be true in the future.

The Parliamentary Under-Secretary of State for Work and Pensions (Guy Opperman): I am grateful to the right hon. Gentleman for giving way. I thought I would intervene at this stage to try to frame the debate, because I think some colleagues will not be aware of the Pension Protection Fund (Pensionable Service) and Occupational Pension Schemes (Investment and Disclosure) (Amendment and Modification) Regulations 2018, which the House passed in September last year. Those regulations require environmental, social and governance matters to be taken into consideration as part of the statement of investment principles, and require individual pension fund trustees to take into account ESG factors when considering their strategic process to invest. I suggest that is one of the reasons why BP, the parliamentary scheme and others are beginning to change their approach. Those regulations will come into force in October.

Sir Edward Davey: I am grateful to the Minister for his intervention. Those new ESG guidelines are helpful, but I am afraid I do not think they are quite up to the scale of the task we face. I will come to that in a second.

We have this carbon bubble; the question is how we are going to deflate it. How will we move from where we are now, with this big risk to our economy, to the low-carbon economy we need? One option is to say, "Well, it will sort itself out. We don't need to worry now. We can delay it all and it will be all right. We can allow the fossil fuel companies to keep investing in exploring and getting even more fossil fuels, and inflate that bubble even more." How risky would that be? That is one scenario that some people seem to think is possible. I reject it entirely.

Another approach is to say, "Let's reduce, and ultimately stop, exploration for further fossil fuels. Let's not inflate that bubble any more. Let's gradually deflate it, so we can have an orderly transition for our economy, our energy sector and all the communities, towns, cities and people who depend on it." That is the solution, and that is why I have concluded that we must disinvest and reinvest in a thoughtful, careful way. If we do that, we can tackle the climate emergency and avoid a financial and economic catastrophe.

That brings me to the Minister's point. There are three possible approaches to disinvestment and investment. One is what I would call the gentle, market-led approach, which says, "If you have a bit more transparency and disclosure and a few ESG guidelines, it will all take care of itself." I am in favour of all that stuff, but it is nowhere near up to the task. It is not urgent enough. We have people talking about voluntary disclosure. No, we need mandatory disclosure now, regulated by this House. I applaud the ESG guidelines, but they are a little woolly and poorly defined. They are little nudges when we need more than a nudge, because this is an emergency.

There is a second, state-led approach advocated by at least one Front-Bench team, involving wholesale nationalisation and dismantling capitalism. That would

[*Sir Edward Davey*]

be the wrong approach, because it would delay action and not enable us to take the power of capitalism, with market forces, innovation and competition, to help us solve the problem.

We need to make capitalism our servant, not our master, and that comes from laws and regulations in this House. I propose a five-point plan systematically to decarbonise capitalism and tackle the disinvestment and investment challenge of the pension funds. First, there should be mandatory disclosure from all fossil fuel companies on how much carbon their business plans would see emitted and how much carbon is in their reserves. That should be coupled with a legal requirement to show how they will become compliant with the Paris treaty, with timed targets, so that fossil fuels can unwind the pollution they cause.

Secondly, there should be new climate accountancy rules for accountants and auditors on fossil fuels and pension funds, which would require accountants and auditors to produce Paris-complaint accounts, where assets and activities not aligned with the Paris treaty are written down to zero by 2050 at the latest. I think that would change the valuation of a number of companies. We would see a lot more transparency, really know what was going on, and be able to take better decisions.

Thirdly, there should be new, mandatory requirements on all pension fund managers and trustees to report on whether their portfolios of investments are aligned with Paris or not—really strong transparency and disclosure. Fourthly, there should be new powers for pension regulators, and the Bank of England if required, to challenge funds and other investment operations on their climate risk management. Where that is found wanting, the regulators should be able to take action to ensure proper alignment.

Fifthly, we need to develop a register—probably Government-led—of all the low carbon, green and zero carbon investment opportunities for the capital to go to. We cannot just say disinvest; we must show where investments and that capital should go. The good news is that there are a huge number of very attractive low carbon and zero carbon investment opportunities in this country and around the world, so we can ensure that our pensioners of the future get the pensions that they need and that those pensions are far less risky because they will be based on climate-friendly assets.

David Duguid (Banff and Buchan) (Con): The right hon. Gentleman seems to be advocating a reduction of investment in energy companies. Does he recognise—I am sure he does from his time as Energy Minister—that many such companies, and particularly the larger international oil companies, are investing in new technologies, cleaner technologies and research and development in renewable energy?

Sir Edward Davey: I am not trying to get rid of energy companies; I am trying to get them to switch. We have a couple of examples of big energy companies switching out of fossil fuels and into green technology. Some have done that around the world successfully. Unfortunately, most of the majors to which the hon. Gentleman refers have not done so on any serious level at all. I did some calculations that showed on average their capital expenditure

on green technology in the last decade or so is just 1.3% of their total spend. That is just not serious. I hear what he says, but we must get those energy companies to take this far more seriously. Some are beginning to shift, but we need to show that they must step up to the plate.

We have a climate emergency, and it is great that we are seeing people—young people in particular—coming out and protesting. I celebrate what they have done. There is a thirst for Governments to take action. The question is: are our actions up to it? The only response to what people are arguing for and what the science says is a quite dramatic systemic change. In the disinvest and reinvest approach and the policies I have outlined, I want to argue for something very radical but practical.

Those who go to the City and talk to pension funds such as Legal & General, Allianz and Axa will find that a number of them are doing what I am talking about. Those who talk to the Governor of the Bank of England, Mark Carney, as I did four weeks ago, will find that he is absolutely on to this case. There is a coalition of willing people in the City who want to go this way; it is just that this Government and Parliament are behind the City and the regulators. We must get in front of them, because they want us to show true leadership. Let us today give that leadership.

Several hon. Members *rose*—

Mr George Howarth (in the Chair): Order. Before I call the next speaker, in view of the importance that people rightly attach to this issue, a large number of people want to speak. Accordingly, I will have to impose a time limit on speeches of five minutes. I may have to reduce that later.

2.47 pm

Richard Graham (Gloucester) (Con): I congratulate the right hon. Member for Kingston and Surbiton (Sir Edward Davey) on obtaining this debate, which is relevant, timely and of key interest to many Members across the House, not least those who are members of the parliamentary pension scheme. I draw attention to my entry in the Register of Members' Financial Interests and highlight that I used to run the pensions business for a significant UK asset manager before coming to the House and that, along with my hon. Friend the Member for North East Hampshire (Mr Jayawardena) and the hon. Member for Sheffield South East (Mr Betts), I am one of the three current Members of the scheme's board of trustees.

I have three points to highlight. First, this is a challenge for all pension funds not just in the UK but across the world. The rules and regulations by which pension funds are governed have changed significantly, not least under this Conservative Government. The Law Commission reports of 2014 and 2017 are relevant: 2014 was the first time that pension funds had in effect an obligation to take ethical or environmental issues into account. The 2017 changes allowed for some social investment. The parliamentary guidance to which my hon. Friend the Pensions Minister referred, which came in last autumn, made a significant change in requiring trustees to report, as part of the statement of investment principles, on the portfolio's effect on climate change and what trustees intended to do about that. That is the background.

The parliamentary pension fund is conscious of its obligations under the 2018 regulations. We have had several meetings and discussions with different advisers to consider how we might best tackle the challenges and how to amend our statement of investment principles. The three existing Members who are trustees—me, my hon. Friend the Member for North East Hampshire and the hon. Member for Sheffield South East—had a separate meeting, and we also met one of the world's leading green asset managers to look at what sort of investment vehicles are available to schemes that want to take a greener approach.

That leads to my second point. In trying to make a pension scheme greener, we have to be honest about the scale of the ambition that the right hon. Member for Kingston and Surbiton set out. I think I heard him correctly when he said that pension schemes should invest in new technologies to try to be carbon free. I challenge that gently, because I do not believe there is a company in the world that is completely carbon free and has never used a single vehicle, train or aeroplane that uses fossil fuels or any form of heater or boiler that runs on gas. It is virtually impossible, at this stage, to measure the complete carbon footprint of any business of significant scale.

As an illustration of the proof of that pudding, which shows the challenge for individuals, the chairman of Ecotricity—whose headquarters is in the constituency of my neighbour, the hon. Member for Stroud (Dr Drew)—is an outspoken champion of everything green, but he clocks up a huge number of air miles every year as a global ambassador for sport, for some United Nations subsidiary. My guess is that he does not travel economy class. There are challenges at an individual and at a corporate level.

Sir Edward Davey: To clarify, I was focusing on ensuring that companies were compliant with the Paris treaty. That does not mean that they need to be zero carbon now—that would be impossible—but they need to be on a pathway that is Paris compliant, and that is the case for many companies already. We just need fossil fuel companies and others to catch up.

Richard Graham: I am grateful for the clarification. I think the right hon. Gentleman understands that, from a personal investor or a pension fund investment point of view, finding an entirely fossil fuel-free investment would be very challenging.

My third point is that there is a challenge not just for pension funds, but for the wider financial sector. The most innovative green energy projects in the UK, particularly those looking at how we can mobilise some of the most powerful tidal streams in the world—including wave technology in the north of Scotland and cases being worked on in Cornwall, Hampshire and the west coast of Wales—are not easily accessible investment vehicles and are not at the scale that a significant pension fund could easily invest in. It would be useful to look at challenges around some investment regulations, including how major investors, such as large insurance companies that manage huge pension assets, could be allowed to invest more money almost in creating businesses to invest in new technologies.

I am conscious that time is running out, so let me move to my final point.

Mr George Howarth (in the Chair): Order. I am sorry; the hon. Gentleman has exceeded his time limit.

2.53 pm

Matt Western (Warwick and Leamington) (Lab): It is a pleasure to serve under your chairmanship, Mr Howarth. I thank the right hon. Member for Kingston and Surbiton (Sir Edward Davey) for bringing this important debate to the Chamber.

Pension funds are hugely important—they are also personally important to me—because they are major stakeholders in the UK and global investment markets, with £2.8 trillion invested in assets and more than £90 billion invested a year on behalf of 84% of UK workers. That is why leadership is so important in this sector. In 2015, when I was a councillor at Warwickshire County Council, I wanted the council to show leadership and go fossil fuel free in recognition of what the Rockefeller Brothers Fund and several other major investors had done at that time by diverting from the fossil-fuel industry into the renewable sector. I felt that if that necessity was recognised by the once all-important Rockefeller company and family, we should look to follow. Sadly, that motion was put to the vote and lost.

The motion failed because of the rules of the local government pension scheme, the LGPS, which are set nationally but administered locally. Its responsibilities include managing the investment funds within a statutory framework. The 2014 Law Commission report on “Fiduciary Duties of Investment Intermediaries” concluded:

“Where trustees think ethical or environmental, social or governance (ESG) issues are financially material they should take them into account. However, while the pursuit of a financial return should be the predominant concern of pension trustees, the law is sufficiently flexible to allow other, subordinate, concerns to be taken into account.”

For me, that is important. More recently, I checked the Local Government Association legal advice, which says that

“the precise choice of investment may be influenced by wider social, ethical or environmental considerations, so long as that does not risk material financial detriment to the fund.”

Mark Carney, the Governor of the Bank of England, recently wrote about that. He said meeting the Paris targets

“requires a massive reallocation of capital. If some companies and industries fail to adjust they will fail to exist.”

He pointed out that fossil fuel investments carry major financial risks since overvalued carbon assets may be left stranded. This stranding could cause a global wealth loss of \$1 trillion to \$4 trillion, posing major risks to pension funds.

One does not have to look just in the UK or at what happened with the Rockefeller Brothers Fund. The California Public Employees' Retirement System and the California State Teachers' Retirement System divested themselves of any holdings of thermal coal in 2015. Norway's sovereign wealth fund is dumping investments in firms that explore for oil and gas. This strategy shift, on the back of advice from the country's central bank, will affect 1.2% of its holdings, worth about 66 billion Norwegian krone, which is a significant amount. According to Norway's Minister of Finance:

“The objective is to reduce the vulnerability of our common wealth to a permanent oil price decline. Hence, it is more accurate to sell companies which explore and produce oil and gas, rather than selling a broadly diversified energy sector.”

[*Matt Western*]

More recently, the Environment Agency decarbonised its £2.9 billion pension fund by increasing climate positive investments, reducing its exposure to the coal industry by 90% and greatly reducing its exposure to oil and gas. More parochially, Southwark Council has moved £450 million into passive funds that track low-carbon and fossil-free indices produced by MSCI. It has invested £30 million in the Glennmont Partners clean energy fund III, which invests in western European wind and solar companies. For me, that shows great leadership and is to be commended.

Sadly, according to the 2018 report of the parliamentary contributory pension fund, its largest holding is in BP. The fund has no positive investments that are committed to bringing about a zero-carbon world, which is a real shame. Hence, 244 serving and former MPs have signed the Divest Parliament pledge calling on the trustees to phase out investments in fossil fuel companies; I have signed that pledge. As if to underline this move, the Church of England's General Synod—its parliament—voted 347 to 4 in favour of removing its holdings in fossil fuels. That type of leadership is widespread and it is something we should follow.

In following the leadership of others, and going for socially, environmentally and economically advantageous investments, let us ensure that we are Paris compliant. Almost 20 years ago, BP rebranded as Beyond Petroleum. Let us go beyond petroleum, beyond BP and show leadership.

2.58 pm

David Warburton (Somerton and Frome) (Con): It is a pleasure to serve under your chairmanship, Mr Howarth. I join others in congratulating the right hon. Member for Kingston and Surbiton (Sir Edward Davey) for his efforts to bring this important debate to the House. I found his five points interesting and inviting.

The question we are looking at today might seem divorced from the emergency that Parliament has rightly declared in respect of climate change, but in fact it cuts to the heart of the issue. There is a causal and consequential link between finance and the environment, as we have heard, as well as environmental implications of investment strategy and supply chains.

As Members will be aware, article 2 of the Paris agreement states the need to make

“finance flows consistent with a pathway towards low greenhouse gas emissions and climate-resilient development.”

The fact that it is not merely ethically and environmentally better but more financially prudent to move away from fossil fuel investments is a welcome sign that the systemic change we need is slowly coming together. Along with an ever-growing number of MPs from all parties, I signed and fully support the Divest Parliament pledge. Parliament must lead the way, lead the debate, lead by example and lead by action.

If we are to achieve a net zero target before 2050, we require not only political will but the active support of all sectors of society. The low-carbon sector and its supply chain now provides nearly 400,000 green-collar jobs in the UK—more than aerospace—and is growing considerably faster than our main economy, with estimated potential exports of more than £60 billion by 2030.

Lord Deben, chair of the Committee on Climate Change, said that the CCC had been deliberately cautious in drawing up its 2050 target and had deliberately excluded the impact of technological innovations, as we heard earlier, which could hasten the UK's progress towards a net zero target in ways that cannot currently be anticipated. So our progress in meeting our environmental targets directly depends on the prosperity of our green economy.

We know that the personal is increasingly becoming the political, and vice versa. Few things would more erode the channels of communication between Parliament and the public than our asking one thing of them while tacitly endorsing something else ourselves. We cannot just talk the talk; we also have to walk the walk. If we are to work alongside our constituents and harness their energy in eliminating net UK emissions, it is vital that we divest the parliamentary pension fund of fossil fuel investments. I therefore welcome the recent pledge by the fund trustees to

“prepare a climate change policy”

and to “show ambition” in formulating a responsible business plan that is in line with the principles being discussed today. As we have heard, this is not just about the parliamentary fund but about the broader symbolic implications of such a step.

The Governor of the Bank of England and the Environmental Audit Committee have publicly warned of the dangers of over-exposure to carbon assets in the light of the international drive towards net zero. Hon. Members will be familiar with the 2006 Stern review and the pivotal role it has played in shaping understanding of the interaction between climate change and the economy. Lord Stern recently suggested that the economic models under which current projections are produced systematically underestimate the economic implications of climate change and its effects. A study published last year by the co-director of the Oxford University climate econometrics project describes the catastrophic economic consequences of a 2° C jump in the global temperature, and how, beyond that headline figure, the poorest countries will suffer the direst economic effects.

Since the introduction of auto-enrolment in 2012, the percentage of UK workers in a pension scheme has mushroomed. Ignoring the effects of investment strategies really is disastrous short-termism. The parliamentary fund needs to demonstrate the beautiful truth that long-term measures to mitigate climate change and long-term investment strategies are not incompatible—far from it. In fact, they can form a fabulous virtuous circle, and one that I hope will be beneficial to us all.

Mr George Howarth (in the Chair): Order. To give people time to adjust their speeches, I say now that I will reduce the time limit to four minutes after the next speech.

3.3 pm

Alex Sobel (Leeds North West) (Lab/Co-op): I welcome this important debate, secured by the right hon. Member for Kingston and Surbiton (Sir Edward Davey). It follows the Environmental Audit Committee's inquiry into green finance, which he clearly read because his recommendations seem to mirror our own. It is good to see Committee members who served on that inquiry in the Chamber.

The physical impacts of climate change, such as rising sea levels and increased frequency and intensity of extreme weather events, will pose increasing economic risks for a range of businesses and investments, from food and farming to infrastructure, homebuilding and insurance. In the UK alone, climate change is projected to increase the risk that business assets and operations are damaged and disrupted by flooding, degrade some of our most productive agricultural land, to reduce water supplies, to increase the frequency and intensity of heatwaves, and to stress transportation, energy and water infrastructure. There are a great many risks for investors to consider.

For instance, climate change may result in liability risks when those who suffer losses as a result of climate change take legal action to recover damages from those who can be found responsible. For example, the city of New York is currently seeking to recover costs from BP, ExxonMobil, Chevron, ConocoPhillips and Shell as a result of flooding. Transition risks could also be faced by companies in high-carbon sectors that fail to diversify and adapt to policies introduced in response to the Paris climate change agreement. Firms that do not make a timely transition and remain over-invested in climate-changing activities could face costly regulatory action, suffer reputational damage, or see their assets become stranded as carbon prices rise. Our inquiry found several examples of stranded assets, such as oil refineries or fracking infrastructure. A Bank of England paper published in 2016 warned that

“a sudden, unexpected tightening of carbon emission policies could lead to a disorderly re-pricing of carbon-intensive assets”.

These are real challenges for pension providers and pension investors.

Our Committee heard about a range of worrying practices in the pension industry, including the fiduciary duty of pension scheme trustees often being misinterpreted as a duty to maximise short-term returns; remuneration for investment consultants and fund managers encouraging a pursuit of short-term returns rather than long-term value creation; and a tendency to under-invest in physical assets, technology innovation and employees' skills in preference for nearer-term gains from financial mergers, acquisitions or restructuring. In the context of our climate change risk, we want none of those things.

Clive Lewis (Norwich South) (Lab): It is really good to hear hon. Members talk about climate change and greenhouse gases, but there are in fact nine planetary boundaries, of which greenhouse gases are one. I wonder whether people understand that it is entirely possible that we save the planet from climate change yet kill ourselves through eight of the other planetary boundaries, two of which we are in the red for. Is it not the case that financial markets, pension schemes and so on actually need to see their remit as wider than just greenhouse gases, also covering a range of other areas, including biodiversity and carbon?

Alex Sobel: Absolutely. A range of factors, including air quality and the insect population and pollinators, should be taken into account. It is not just about fossil fuels, but as the debate mainly concerns fossil fuels and climate change, I will concentrate on those. I recently led a debate on insect populations. It is good that we are looking at all of that in the round.

There are structural incentives in the UK for maximising short-term returns over long-term investments, which are much more climate-sensitive. The Government should clarify that pension schemes and company directors have a fiduciary duty to protect long-term value and should consider environmental risks in the light of that. Some pension companies are taking that up, and investors are also looking for better, fossil-free pension options. A 2017 YouGov poll for Good Money Week found that more than half of 18 to 34-year-olds—the pensioners of tomorrow—would like fossil-free investments offered as standard.

We need to make progress, and the Government need to bring in stricter rules. The Committee found that the current rules are that trustees or governance committees legally must have good reason to think that scheme members would share their concerns, and that decisions should not involve a risk of detriment to the fund. However, the European Commission's action plan on sustainable finance proposes that institutional investors and investment managers should consult their beneficiaries on their sustainability preferences and reflect those in their investment decision making, regardless of whether they are financially material. The European Commission plan states that

“institutional investors and asset managers do not sufficiently disclose to their clients if and how they consider these sustainability factors in their decision-making. End-investors may, therefore, not receive the full information they need, should they want to take into account sustainability-related issues in their investment decisions.”

I call on the Government to adopt the action plan in full; the Minister intervened earlier to say that the Government have only partially adopted it.

Pension savers should be given the greatest opportunity to engage with decisions about where their money is invested. As I said, younger generations want fully fossil-free pension options. Divesting from fossil fuels makes sense not just in terms of ethics and the climate, but as a sound long-term financial strategy. As soon as I joined the parliamentary pension scheme, I also became a supporter of Divest Parliament. According to the latest annual report, as my hon. Friend the Member for Warwick and Leamington (Matt Western) said, the fund includes stakes in BP at £ 733 million, Shell at £6.6 million, Rio Tinto at £3.67 million and Total at £2.93 million. Our own funds are being invested in those companies. It is time our own trustees heard our voices in this debate and in this place, divested our pension funds and reinvested in renewables and clean tech for our future and for the planet.

3.10 pm

Derek Thomas (St Ives) (Con): In 2018, the Government said they would update the law to require trustees to consider the impact of their investment on a changing environment. That has now been implemented. I congratulate the right hon. Member for Kingston and Surbiton (Sir Edward Davey) on securing this debate. He clearly set out the changing environment in the world of fossil fuel companies. Pensions funds are investments for many years. Our job in this place is to ensure that people who invest in a pension fund, but who do not necessarily have the power to decide where their money is invested, can be confident that their pension is secure and will provide the retirement that they expect.

[Derek Thomas]

Is a pension fund in a fossil fuel a sound investment? Evidence suggests it is not. The Government, for example, are introducing a ban on carbon-fuelled new cars in 2040. Calor, which I met last year, has committed to 100% BioLPG by 2040. This month, a whole week went by in which no energy generation came from coal-fired energy plants. Our focus should be on ensuring a secure future for pension fund savers, and investment in fossil fuel does not provide that. It should also be on the choices that pension fund owners want to make. Many employees have no choice in where their pension contributions end up, and increasing numbers of people would be horrified if they thought that the funds they hold were invested in fossil fuels, when at home they do all they can to reduce their carbon footprint.

I heard what was said earlier about the need to invest in companies for research and development to provide cleaner and carbon-free fuels. I am sure that, given a choice, people would welcome that, but they need to be given a choice about where their funds end up, and they need their funds to be secure and invested in something that they feel comfortable with. The Government have a real opportunity to support employees and to ensure greater transparency in where their money ends up and where the pension funds put their money, as well as greater choice in pension markets. Empowering consumers will have a greater impact when it comes to caring for our natural environment.

3.13 pm

Dr Alan Whitehead (Southampton, Test) (Lab): I congratulate the right hon. Member for Kingston and Surbiton (Sir Edward Davey) on securing this debate. I think he slightly understated the carbon bubble in his opening remarks. The carbon bubble—basically the evaluation of assets that we know will never be realised—is not something that might burst in the not too distant future. It will inevitably burst because energy companies have systematically overvalued their assets and put them on their balance sheets. Not only will the historical overvaluing be in question, but all the valuing for the future will be in question, basically in line with where we now know we have got to go on net zero in our economies.

I prefer to call the carbon bubble a carbon boil. I am afraid the image is rather poor, but what we can do with a boil is lance it before it bursts, and that is the exercise we should be engaged in right now. The suggestions that the right hon. Member for Kingston and Surbiton put forward for doing that were sound. However, pension funds are complicit in the carbon boil/bubble because, by and large, they consider their fiduciary duty to be about getting the best for their pensioners over the next few years. They do not generally look at the long term, and do not think they are required to do so as far as their funds are concerned. The Governor of the Bank of England recently described it as “the tragedy of the horizon”.

Richard Graham: To reassure the hon. Gentleman and others, it is perfectly possible for pension fund trustees to take the view that their fiduciary duty of obtaining good returns to deliver the pensions expected is not incompatible with taking into account huge amounts

of other issues, including climate change. It is important that we all recognise that. We have a duty to look at that as well.

Dr Whitehead: I agree with the hon. Gentleman that some pension funds are beginning to take a different view. Indeed, that different view is becoming more possible, but the general consideration of the fiduciary duty remains a short-term gain for pensioners in the funds. Of course, the people setting out on their working lives will not get the benefit of those pension funds for 30 or 40 years. During that time inevitably we have to move to the net zero carbon economy. It is therefore essential that pension funds have a duty to look at the long term.

Guy Opperman: I want to help the hon. Gentleman on one point. He needs to understand that the ESG regulations are not voluntary, as the right hon. Member for Kingston and Surbiton (Sir Edward Davey) suggested. They are mandatory. If the trustees fail to follow them, specific sanctions follow.

Dr Whitehead: My understanding of the 2018 regulations is that it is mandatory for people to look at such things, but not mandatory for people to do things. That is the difference. In fact, I welcomed the regulations.

Pension funds should in future have a duty to protect the long-term value of the funds as well as consider the short-term issues of making money for their pensioners. We therefore need to clarify in law the fact that pension funds have a duty to protect the long-term value of the funds. Indeed, a recommendation that the Environmental Audit Committee made in its 2018 report has not been acted on, even though those regulations were introduced. That is something we need to move to urgently.

Having said that pension funds tend to invest in bonds and various other things that are primarily about energy bonds, on the assumption that there will be value, which we know will not be there in future, there is then the question of moving towards investment in things that do make a difference to climate change. Pension funds have a genuine problem in terms of the Solvency II regs, which tend to guide pension funds away from investing in the schemes that are capital-intensive up front and revenue less intensive behind, that are at the heart of the green investment revolution.

We need to do two things: first, make it much easier for pension funds to invest in long-term schemes, and secondly, ensure that they have a duty to ensure that they do not invest in short-term schemes. I have addressed the practical aspects of what pension schemes have done. I have not touched on the moral aspect. We simply have to leave dirty energy in the ground. We have got to invest in clean energy for the future, and pension funds ought to be at the front of that. If pension managers take that view in addition to the legal responsibilities that they have, I am sure they will go a long way to helping the green revolution succeed.

Several hon. Members *rose*—

Mr George Howarth (in the Chair): Order. To get the three remaining speakers in and leave enough time for the Front Benchers, and a moment of two at the end for

the right hon. Member for Kingston and Surbiton, I shall have to reduce the time limit further to three minutes.

3.20 pm

Sarah Newton (Truro and Falmouth) (Con): I congratulate the right hon. Member for Kingston and Surbiton (Sir Edward Davey) on securing this important debate. I could not agree more that we must harness the power of capitalism as a force for good—because it can be a force for good. I agree that wholesale nationalisation is the wrong approach to the emergency. It will not provide the creativity, investment or innovation that we need to tackle what is a huge problem.

I agree with my hon. Friend the Member for St Ives (Derek Thomas) that it is important to give people information, so that they can make informed choices. They will want to know not only that their pension investments are working to secure them income in retirement, but that those investments are a force for good in the world. That is especially true when people are making so many sacrifices at home to reduce their carbon footprint.

I pay tribute to the Minister who, I know, completely gets this issue. In an article in *The Times* today he talks about the potential to be gained from unlocking the huge investments in pension funds to tackle climate change, and he makes a good case. Picking up on that, I ask him to work with his colleagues, particularly in the Department for Business, Energy and Industrial Strategy, and to look at the opportunity to harness through local industrial strategies the potential for investment by local authority pension schemes in clean growth.

We have set clean growth at the heart of our economic growth in Cornwall. Cornwall Council sits on a pension fund well in excess of £1 billion. Many people in Cornwall would like to think that the council was making safe, wise decisions by creating well insulated, environmentally friendly new homes and communities that are affordable for people to live in. They would want it to invest in the excellent, growing, high-tech, clean growth industries in Cornwall, as well as in existing organisations such as Kensa, which is Europe's favourite supplier of ground-source heat pumps. There are plenty of organisations that would deliver good returns for the pension fund in Cornwall, and which would use the money locally for the benefit of local people. There is an opportunity through the industrial strategy for the local growth strategies to link the need for finance with the need for local growth.

I ask the Minister to bear in mind what has been said today and give local authorities clearer guidance, so that they can meet their responsibilities and use the huge opportunity of their pension funds to deliver the clean growth and decent homes that people in their communities want.

3.22 pm

Thangam Debbonaire (Bristol West) (Lab): It is a pleasure to serve under your chairmanship, Mr Howarth. I shall cut from my speech anything that anyone else has already said, and try to focus on things that I hope are new to the debate.

The parliamentary contributory pension fund, into which I believe we all pay, continues to hold fossil fuel investments, despite the wish of many parliamentarians

and many of the people we represent. However, it is not easy to find out the full list of PCPF holdings. The 2018 annual report lists only the top 20 holdings, which account for only 21.6%, so I wrote last week to the trustees with a specific request, as a pension contributor, for a complete list so that I could prepare for the debate. I was disappointed by the response that I got today, informing me of what I already knew—that the fund publishes the top 20 holdings—and giving me a link to the website, which I was already aware of. The response mentions fiduciary responsibilities, and I accept that point, but it ignores the long-term threat of fossil fuel use to the economy.

The website also mentions environmental, social and corporate governance, but the documents available on it do not appear to me to provide any explanation of what efforts have been made to identify non-fossil fuel holdings that could replace the fossil fuel holdings with an equivalent financial benefit. It is disappointing that my specific request for information on the other 78.4% of the holdings was not met. I respectfully ask the PCPF to provide full, detailed disclosure after the debate. If I am mistaken about where it is on the website, I ask forgiveness, but I have searched and searched, and cannot find it.

People around the world are wising up to the risks of fossil fuels, and my constituents want me to do everything I can to get Parliament's contributory pension fund to lead by example. The University of Bristol has already done so by divesting from its climate change-inducing fossil fuel funds. Investing in fossil fuel funds is, as we all know and as has been said, bad for the planet and for business. I do not want my pension to be invested in funds that jeopardise the future of the planet and the future of my nephews and nieces and their children. As a pension fund contributor I urge the trustees to change their investment strategy and to be fully transparent. In responding to the climate change emergency Parliament must get its own house in order.

3.25 pm

Helen Hayes (Dulwich and West Norwood) (Lab): It is a pleasure to serve under your chairmanship, Mr Howarth. I congratulate the right hon. Member for Kingston and Surbiton (Sir Edward Davey) on securing this important debate.

I commend the climate change protesters who have taken to our streets in recent weeks, including many schoolchildren from my constituency who will be out again on Friday. They have succeeded in putting climate change where it should always have been, at the top of the political agenda. They are right to protest and they are right not to rest until the action that we need is taken and carbon emissions are falling.

It is good that Parliament has declared a climate emergency, but we need action now that is commensurate with an emergency. Divestment is critical to that. One of the essential systemic changes that we need to make is to look at the big flows of investment finance in our economy, divert them away from harmful, polluting and exploitative fossil fuels and reinvest them to scale up sustainable zero-carbon change.

Anna McMorrin (Cardiff North) (Lab): My hon. Friend is making an excellent speech. There are hundreds of billions of pounds in UK pension schemes, and asset

[Anna McMorris]

owners sit on top of the investment scheme without realising the financial power that they wield. Should not it be made mandatory, so that there can be a transition to a low-carbon economy, for them to examine the situation and take action on the climate risks?

Helen Hayes: My hon. Friend is absolutely right. To my mind, divestment is a no-brainer. As far as we can we must keep fossil fuels in the ground. We do not have the luxury of doing anything else. Yet for as long as the fossil fuel giants can draw down big investment finance they will keep extracting and selling their damaging products. As long as the development of sustainable alternatives is starved of investment finance, limiting their availability and keeping their cost high, consumers will remain addicted to fossil fuels. It is that simple.

Divestment is a big, systematic change that we can make now. I pay tribute to both local councils in my constituency, Lambeth and Southwark, which were among the first local authorities to divest their pension funds from fossil fuels. I am proud of their commitment, which shows that divestment is completely possible within the strict fiduciary duties of pension fund trustees. More than that, retaining funds in fossil fuels is increasing the risk of those investments over time. At City Hall Sadiq Khan is also showing great leadership on divestment, divesting the Greater London Authority's assets, working to support boroughs and encouraging them to divest.

The parliamentary pension scheme remains invested in fossil fuels. Five of the top 20 investments of our pension fund are in fossil fuel companies. The pension fund trustees have been far too slow to react to calls for divestment and are still refusing to do so, despite the fact that more than a third of MPs have written to them about it. The divestment of our pension funds is a straightforward leadership action that Parliament should take. No increased risk is entailed and in fact the opposite is true. The climate change emergency demands it.

Finally, we need the law to drive a further change in divestment. Although arguably the law currently requires pension fund trustees to invest in line with the Paris agreement, new legislation is needed to clarify and strengthen the duty. Reporting of fossil fuel-based investments should be mandatory and there should be a duty on all investors to report on the alignment of their portfolios in relation to the Paris agreement. This cannot be left to chance. We will not tackle climate change by retaining the status quo and fiddling around the edges. We need systemic change and it must start with our own leadership and a legislative framework that drives investment finance nationally and globally away from fossil fuels and towards the sustainable investment we need.

3.29 pm

Patrick Grady (Glasgow North) (SNP): It is always a pleasure to serve under your chairmanship, Mr Howarth, and I congratulate you on managing to fit in nine Back-Bench speeches, as well as the one by the right hon. Member for Kingston and Surbiton (Sir Edward Davey) and several interventions. That demonstrates the importance of this issue to hon. Members across the House and their constituents.

I congratulate the right hon. Member for Kingston and Surbiton on securing the debate, and on framing it in such an interesting way that enabled us to consider

both the ethical and the financial risks of investment in fossil fuels. As well as risks, however, there are immense investment opportunities. We have an important chance to get this right and to build a cleaner, greener and more sustainable future for us all.

The subject is of considerable concern to many of our constituents—I have certainly received emails about it, and people have come to my surgery to speak to me, which is always a demonstration of the importance that people attach to an issue. The divestment campaign has been running for a considerable time. In 2014 there was a successful campaign at the University of Glasgow in my constituency, since when the university has made a concerted effort to divest away from polluting and fossil fuel technologies.

As the extremity of climate events increases, the urgency becomes clearer and the momentum behind the campaign continues. Hon. Members have mentioned that energy companies and other such industries are willing to engage with that momentum, but they also need support and incentives. The declaration of a climate emergency is crucial because it helps to reframe that policy debate. We in Parliament have declared a climate emergency, civil society is doing so, and Glasgow University and Glasgow City Council have done so. The Scottish Government and the SNP have also made that declaration, but I think I am right in saying that the UK Government have not done so yet. They may have accepted the motion that was passed but they have not yet declared a climate emergency, and that is a missed opportunity to show leadership.

Deidre Brock (Edinburgh North and Leith) (SNP): Does my hon. Friend agree that consistent, reliable policy frameworks from Governments are essential when encouraging investors to take up the ethical investment opportunities that I know they are keen to take up?

Patrick Grady: My hon. Friend is right, and I hope we will hear that point from the Minister.

Difficult decisions will have to be made. The Scottish Government have halted their plans to cut departure tax at airports, and the First Minister said in the Chamber that we will have to look again at our stance on the expansion of Heathrow. Those are the ways that we can begin to make that just transition, and that is the importance of the Divest Parliament pledge, which I and the vast majority of SNP Members have signed and are happy to endorse.

David Duguid: Will the hon. Gentleman give way?

Patrick Grady: I am conscious of the time, and as the Chair said, we must ensure there is time for the Minister and shadow Minister to respond.

We must lead by example, and starting with our own pension funds is one of the best ways to do that. Like the hon. Member for Bristol East (Kerry McCarthy), and others, I hope that the trustees are listening to this debate.

It is right to place an emphasis on both the ethical and the financial risks. The ethical risks are there for us all to see. The impact of over-reliance on fossil fuels over the years most affects people in developing countries, whose consumption of fossil fuels has been the least, but who are feeling the impact of climate change first

and hardest. As the hon. Member for Somerton and Frome (David Warburton) said, this is not just about financial prudence; there is also a financial logic to switching investments towards clean, green and diversified technologies. Even without a reduction in emissions for reasons of climate change, fossil fuels are a finite resource, and one day they will run out. We must make the transition.

While we still use fossil fuels, we must do so as cleanly as possible. That means investment in things like carbon capture and storage, on which the UK Government have again been woefully lacking. Governments have a responsibility to create a climate-friendly investment environment. The Scottish Government are doing their part with solid environmental and ethical considerations and procurement guidance, as well as the establishment of the Just Transition Commission, which will seize those transition opportunities while ensuring that communities are not left behind as they were during the deindustrialisation of the 1980s.

The UK Government must play their part, and we heard interesting proposals from the right hon. Member for Kingston and Surbiton about aligning decisions to the Paris agreement targets. I suggest that aligning decisions to the sustainable development goals would also make a lot of sense. In reserved areas, the Government should fully operationalise carbon capture technologies and accelerate action to decarbonise the gas grid. They should redesign vehicle and tax incentives to support industry, and commit to adhering to future EU emissions standards, irrespective of our future status within the EU. They should reduce VAT on energy efficiency and home improvements, and support the renewables industry more generally. All that would create a more incentivised investment environment for new, clean and green technologies.

We should listen to the future generations and climate change school protesters. If they wish to claim a pension in a sustainable environment in decades to come, that will require action now to tackle climate change and build a financially viable and sustainable pension fund. For them we must seize this opportunity and look not just at financial and ethical risks, but at the financial and ethical opportunities of a cleaner, greener and more just world.

3.35 pm

Mike Amesbury (Weaver Vale) (Lab): It is a pleasure to serve under your chairmanship, Mr Howarth. I thank the right hon. Member for Kingston and Surbiton (Sir Edward Davey) for securing this vital debate. I also thank the nine Members who made speeches, as well as those who intervened.

It is not every day that I agree with the Liberal Democrats, but we certainly have common ground on this issue. We are in a climate emergency, and when we talk about moving towards a greener economy, we must be clear that the time for debate and discussion alone has passed. It is now time for clear, concrete and urgent action. As my hon. Friend the Member for Dulwich and West Norwood (Helen Hayes) so powerfully argued, we must make no mistake: this is a climate emergency; this is a crisis.

One could argue that climate change has never been so prominent in public consciousness and political discourse. Despite the Brexit-related dramas in Parliament, which

still continue, between 15 and 25 April, climate change was high on the news agenda in response to Extinction Rebellion protests in London, a major BBC documentary presented by Sir David Attenborough, and the visit to London of a Swedish schoolgirl. They led the way for many of us.

Over the past 12 months, according to pollsters, the environment has risen in public concern. In a YouGov poll conducted on 29 and 30 April, 24% of people placed the environment among the top issues facing the country—about the same level as concern about the economy and immigration. That is a stunning development. We know from our postbags the levels of concern among the public about the climate emergency. Nothing short of a major transformation from fossil fuels to renewables will be good enough. Changing the ways that pension funds invest will not solve the crisis on its own; it must be part of a much wider approach—a new green deal, or a green industrial revolution. We have made some progress but, my God, we need to make considerably more if we are genuinely to tackle this emergency.

My hon. Friend the Member for Warwick and Leamington (Matt Western) highlighted the fact that the Labour-led Southwark Council has moved £450 million into passive funds that track low-carbon and fossil-free indices. It has also invested £30 million in Glennmont's green energy fund, which invests in western European wind and solar companies. Many trade unions—I declare an interest as a member of Unison—have produced excellent and accessible guides to divesting away from fossil fuels, and I know that has been welcomed by representatives on local government pension committees and schemes up and down the country.

Parliament has started to take this issue more seriously and put its own House in order. In June last year, 11 hon. Members, including the shadow Chancellor, called for Cambridge University to remove its £377 million fossil fuel investments. In addition, 244 serving and former MPs have signed the Divest Parliament pledge, calling on the trustees to phase out investments in fossil fuel companies. The trustees are developing a climate change investment policy, but not quickly enough, as highlighted powerfully by my hon. Friend the Member for Bristol West (Thangam Debbonaire). We want that policy to commit to phasing out investment in fossil fuel companies in the earliest timeframe possible and to reinvest the money in funds aligned to the Paris agreement.

This country's pension assets, as highlighted by my hon. Friend the Member for Warwick and Leamington, total some £2.8 trillion. Pension savings should be at the forefront of the fight against climate change. Pension savers have money invested for the long term, so it is particularly exposed to climate risks, as powerfully argued right across the Chamber. This concern is now relevant to more of us than ever.

Given the clear threat that climate change poses, we would all hope that it would be the norm for pension schemes to manage the risks. Unfortunately, research from the charity ShareAction finds that, for many, their retirement savings are unlikely to be sufficiently protected against climate risks. In a survey of some of the UK's largest defined-contribution corporate pension schemes, just two of the 15 participating schemes had changed their default investment strategy specifically to reduce the exposure of employees' savings to climate change

[Mike Amesbury]

risks. Although ShareAction found that a handful of schemes are considering further policy developments in this respect, the fact that a gulf exists between the strategies of schemes means that workers face a lottery from one job to the next as to whether their savings are sufficiently protected against climate change.

As the Minister stated in an intervention, the new pensions investment regulations, in force from October 2019 and to be strengthened in 2020, go some way towards addressing the issue. Scheme trustees will need to update policies to show how they take climate change into consideration as a financial risk. However, as my hon. Friends the Members for Norwich South (Clive Lewis) and for Southampton, Test (Dr Whitehead) argued powerfully, we need to go considerably further.

Financial regulators have a major part to play. Trustees in charge of managing schemes need enhanced guidance from the Pensions Regulator on how best to manage climate risks. The Financial Conduct Authority, in charge of regulating contract-based schemes, needs to provide clarity on the need for consideration of and reporting on climate risks, through both investment and stewardship, to ensure that no savers face weaker protections because of the scheme in which their employer happens to have enrolled them.

Greater transparency about the actions that schemes are taking to manage the risks should result in better decisions being made.

Luke Graham (Ochil and South Perthshire) (Con): The hon. Gentleman is making a very good point about transparency. A large reform is going on in the audit industry at the moment. Does he agree that there is an opportunity for us to look at the whole of financial services and financial infrastructure and look at how we value investments, so that we value intangibles along with tangibles and ensure that our environmental and sustainability investments are getting their appropriate value? This is not just a trade-off between short-term returns and long-term investments; we can achieve both if they are valued correctly.

Mike Amesbury: That is a very good point, which I will come on to.

Pension schemes should be required to report on their management of climate risks in line with the Task Force on Climate-related Financial Disclosures. Transparency could also be enhanced by mandating scheme member representation—I think that my hon. Friend the Member for Leeds North West (Alex Sobel) argued for this—on the governance boards of the new auto-enrolment schemes, as well as by requiring pension schemes to consult their members on key policies.

We need to send clear signals that tackling climate change and other environmental, social and governance risks is not distinct from the core purpose of financial markets, but an integral part of it, as the hon. Member for Ochil and South Perthshire (Luke Graham) argued in his intervention. Of course, as we divest from fossil fuels, we must ramp up investment in clean and green technology. Labour has set out plans to fit 1.75 million homes with electricity-generating solar photovoltaic panels, creating thousands of quality skilled jobs across the UK. That is a Labour green deal that will shift energy

generation via renewables to 85% by 2030. It will provide a major boost to an industry that is still recovering from the effects of the coalition Government's ill thought out slashing of feed-in tariffs, which was such a blow to a growing and vital industry.

Anna McMorrin: Does my hon. Friend agree that to really address this issue, we need legislation like that in Wales, the Well-being of Future Generations (Wales) Act 2015, which is transforming how the public sector takes decisions? Legislation like that could and would address this very issue if we had it in the UK.

Mike Amesbury: I do agree with that point, which was powerfully made.

Labour will transform corporate environmental responsibility by making compliance with key environmental criteria a condition of firms listing on the stock exchange, so we will be applying that more broadly. Of course, to deliver the change needed to respond to this emergency, all parties need to show leadership.

Does the Minister agree that we are in a crisis, an emergency, and that nothing less than transformational, revolutionary change is needed? If that is the case, does the Minister believe that rolling out the red carpet for the current President of the United States, who is perhaps the most high-profile and influential denier of climate science in the world today, sends the right message? Will the Minister look at giving further strength to the ESG regulations? They are a welcome step forward, as we have already said, but we could go considerably further. Will the Minister offer Government support for the parliamentary schemes divesting from not only fossil fuels but environmentally damaging investments more broadly and doing so as quickly as possible? Finally, if the Government support the move away from fossil fuels, why do they continue to support the fracking revolution, as highlighted in their party's 2017 manifesto? We need more than warm words. We need emergency action now.

3.47 pm

The Parliamentary Under-Secretary of State for Work and Pensions (Guy Opperman): This Parliament accepts that there is a climate emergency, and this debate, which I am delighted so many colleagues have embraced this afternoon, has focused on the following key issues: the change that clearly is taking place in our climate; the role of the consumer; the choices that are available to the individual parties that we are dealing with; and, ultimately, the role of capitalism and its ability to assist in addressing these particular problems.

We should trumpet the success of successive Governments of different persuasions, leading up to the coalition and this Government, in leading the way in the G20 and reducing our CO₂, and we should celebrate the quadrupling of our renewable capacity, but we clearly must do more. We should celebrate the fact that, as my hon. Friend the Member for St Ives (Derek Thomas) said, on the May bank holiday Britain had burned no coal for electricity for a week—the longest period without coal since the industrial revolution.

Although we celebrate these good things, they are patently not enough. Although we will plant more forests, recycle more and, crucially, try to engage our

consumers, our citizens, our constituents to change their behaviour, we do, I suggest, need capitalism to save the day. I agree with my hon. Friend the Member for Truro and Falmouth (Sarah Newton) that we need to urge local authorities to focus on the clean growth strategy that has been set out by the Government to address the way we do housing and the way we do energy on a localised basis. I believe very strongly—any Conservative will make the case—that capitalism is a force for good, because we need technological innovation to solve the climate change issues, and innovative start-ups will be needed to address the access to capital and the changes that are required.

David Duguid: Many hon. Members have spoken about the need for transparency regarding the kinds of companies that are being invested in. Does the Minister agree that that transparency should include the work already done by large oil and gas companies to invest in the innovation he is talking about? It is not only small start-ups that do this innovation; the large companies with large resources behind them are already investing in it heavily. As the right hon. Member for Kingston and Surbiton (Sir Edward Davey) mentioned, the 1.3% invested by the 13 or so companies that are part of the oil and gas climate initiative works out at approximately \$100 million a year. That is a very large number, even though the percentage sounds small.

Guy Opperman: I accept my hon. Friend's point. The crucial point is that natural gas had been one of the biggest parts of reducing carbon dioxide in the electricity sector. Hydrogen derived from natural gas will decarbonise heating for homes and transport. The large companies are leading the way on carbon capture and storage. We must work with them to ensure that the successes, which we all want to see, continue.

We can see the changes that are taking place. Individual companies must answer for themselves. Last year, Shell, one of the largest companies that we are debating, agreed to link its executive pay to its carbon emission targets, in direct response to particular shareholders. The Minister for Energy and Clean Growth, my right hon. Friend the Member for Devizes (Claire Perry), would be here if she could, to make the case for the Government's clean growth strategy and the green agenda. Like her, I urge individual consumers—anybody who has a particular pension—to make the case to their trustees as to how that is being invested.

Several hon. Members *rose*—

Guy Opperman: I am going to make some progress and then I will try to take the greatest hits—bear with me one second.

I accept that the technological changes require capital, long-term thinking and a lack of political agenda. I strongly believe that the pension industry has those attributes. I urge the House to accept that the Government's regulations—namely the ESG regulations, which come in this year, but were passed in September 2018—which require a pension fund to update its statement of investment principles and take into account environmental, social and governance regulations, are key to the change to the strategic progress of investment.

To address the point made by the hon. Member for Norwich South (Clive Lewis), those occupational pension schemes regulations require that trustees must—the emphasis is on “must”—set out their policies on environmental, social and governance matters, including climate change, and how they engage with the companies in which they invest. Those regulations also introduced a requirement for trustees of DC schemes, where the member bears the financial risk of poor investment decisions, to report on how their investment policies are being put into action and make all of that information publicly available online.

For too long there has been a perception by too many trustees—I am happy to clarify this as a Government Minister—that the environmental practices of the firms they invest in are purely ethical concerns, which they do not need to worry about: that is utterly wrong. Aside from the ethical considerations, there are real financial risks resulting from climate change. With the long-term horizons of pension investing, trustees must now consider that when they set out their investment strategies. Trustees who do not consider those matters will be breaching their statutory and potentially their fiduciary duties not only to current but future members.

Ben Lake (Ceredigion) (PC) *rose*—

Guy Opperman: I will give way to the hon. Gentleman, who has not had a chance to speak.

Ben Lake: There is consensus that divestment from fossil fuels makes both financial and environmental sense. Further to the point that the Minister has just made, does he think that those changes will be sufficient to ensure that the industry actually makes that transition, or does he envisage further measures in the future?

Guy Opperman: I will come on to some of those particular points. In terms of regulatory guidance, which has been raised by several hon. Members, there is no doubt that the Pensions Regulator is planning to publish further guidance on managing the climate change risk in advance of those regulations, which come in to place in October. A key point is that non-compliance with those regulations can potentially lead to sanctions from the Pensions Regulator, which is acutely mindful of its obligations and what it needs to do to address this particular point.

As a Government, we will respond shortly to the advice from the Energy and Climate Change Committee on the target for net zero emissions by 2050. That advice was only published two weeks ago. Colleagues will be aware of the 25-year environmental plan, which has been set out in detail. It commits to using resources from nature more sustainably and effectively, and achieving a clean air, water and wildlife approach.

Alex Sobel: The Minister began by saying that Parliament has declared a climate emergency. Do the Government also recognise and declare a climate emergency? His remarks on the recent report from the Energy and Climate Change Committee indicate that the Government must declare a climate emergency.

Guy Opperman: The hon. Gentleman and I went into the same Lobby when we voted on that matter. He has heard that the House gave universal support to the

[*Guy Opperman*]

debate that was taking place. I am not here to make policy on behalf of the whole of the Government, but the Government will respond formally to the 2 May report shortly. He will have to bear with us until that stage.

Deidre Brock: Will the Minister give way?

Guy Opperman: I will not give way again, because I have very little time left.

I want to address a couple of points made by the right hon. Member for Kingston and Surbiton (Sir Edward Davey). He asked whether we are creating a coalition of the willing. I strongly suggest that we are. We are working with the Institutional Investors Group on Climate Change, ClientEarth, ShareAction—which I have met on several occasions—and the UK Sustainable Investment and Finance Association. There is a serious amount being done to ensure we are aligned with the Paris agreement. The widespread global commitment to the Paris agreement suggests that trustees have a responsibility to align their investment strategies with its aims.

However, it is fair to say that there is no definitively agreed consensus on what being aligned to those aims of being below 2° mean for a specific pension fund and its asset allocation. That is why I am delighted to see the initiative of the Institutional Investors Group on Climate Change, which is developing a common understanding of what such alignment means for pension schemes, and the Government will work with it on that point.

Green finance is a key priority for my right hon. Friend the Minister for Energy and Clean Growth, who set up the green finance taskforce which, with the clean growth strategy, will drive economic growth as part of industrial strategy, to ensure that the UK remains a driving force in enabling the global transition to a low-carbon economy. A green finance strategy paper will be launched later this year, which will set out the Government's green finance objectives on an ongoing basis.

I want to talk about consumers. It is absolutely the case that members can make individual choices. They can choose to move their individual pension into a

self-selected fund that aligns with their own objectives, such as an ethical fund. We massively support such an approach and feel that it is the right thing to do.

On transparency, which my hon. Friend the Member for Banff and Buchan (David Duguid) mentioned, the Government intend to announce further transparency measures on the topic of responsible investment in the coming weeks, in respect of the shareholder rights directive. This Government absolutely accept that there is a climate emergency and we are addressing this. I thank the right hon. Member for Kingston and Surbiton for bringing forward this vitally important debate, which all of us have engaged with and embraced as the right way forward. I look forward to updating the House on further developments, particularly in October after the regulations kick in.

3.58 pm

Sir Edward Davey: I thank everyone who has contributed to this debate, which has been really good. There is some degree of consensus emerging. I agree with what the Minister said on carbon capture and storage. I was disappointed that the former Conservative Chancellor, George Osborne, got rid of the CCS projects that I had been developing as Secretary of State for Energy and Climate Change, particularly the gas CCS which was a world-leader. I regret that, because I think it was an extraordinarily bad decision for the gas industry.

I want to return to the issue of consensus. We need to act. I set out a five-point plan today. There were other ideas. I hope the Government will listen to those ideas. While the ESG guidelines are helpful—I know some of the work that the Minister for Energy and Clean Growth is putting forward on green finance—I think we have to be bolder and go further. The Minister has heard that today.

In the context of the role of the UK and the City of London internationally, we need to go further. If we can lead from the City of London, we can decarbonise capitalism not only here, but globally. That will be the biggest contribution that Britain can make to tackling global climate change.

Question put and agreed to.

Resolved,

That this House has considered financial and ethical risks of investments in fossil fuel companies by pension funds.

Adult Survivors of Child Sexual Abuse

[MR PHILIP HOLLOBONE *in the Chair*]

4 pm

Sarah Champion (Rotherham) (Lab): I beg to move,

That this House has considered achieving quality information and support for adult survivors of child sexual abuse.

It is a true pleasure to serve under your chairmanship, Mr Hollobone. I declare an interest as an ambassador for the National Counselling Society. Child sexual abuse in the UK is a public health crisis. The number of victims is simply staggering: 7% of people aged between 16 and 59 report being sexually abused as a child, which equates to more than 2 million survivors in England and Wales alone.

The all-party parliamentary group for adult survivors of childhood sexual abuse, which I chair, recently published the results of a six-month inquiry into the impact of abuse, and the support and information that survivors need to recover. Of the 365 survivors who responded, 90% said that their intimate relationships had been negatively affected by abuse, 89% said that their mental health was negatively affected, 72% said that it was damaging to their career, 65% said that their education was affected, and 46% said that it had a detrimental impact on their financial situation.

It is common, if not typical, for mental health conditions triggered by the trauma of childhood sexual abuse to have a detrimental impact on all aspects of a survivor's life if left untreated. They can cause survivors to fall out of employment, which jeopardises their financial situation and puts a strain on their family life. Some survivors accrue substantial debts while trying to pay for private therapy after they have failed to access appropriate support on the NHS. Others struggle to find jobs in the career they want to pursue, because their education was severely disrupted as a result of missing education because of abuse. For many survivors, the trauma of abuse makes it difficult to develop close trusting relationships.

The APPG's report recommends that the Government publish an assessment of the economic and social costs of child sexual abuse, as the Home Office has recently done for domestic abuse. Having that information will help policy makers and the public to understand the scale of the issue.

John Howell (Henley) (Con): The hon. Lady is making an excellent point. Of course, we have all seen many sufferers of sexual violence live with that for years and years, unable to express it, until a sudden trigger point means that they can come forward and say what has happened. Will she review those trigger points, so we understand them and can encourage them? Can she also tell us what she would recommend to encourage people to come forward as early as possible to discuss such issues? The earlier they are discussed, the easier it will be for the person involved.

Sarah Champion: The hon. Gentleman makes profound points that go to the nub of the argument. If survivors had confidence that the system would support them, I genuinely believe that they would come forward earlier.

Early intervention is key—having a few sessions where people are listened to and fundamentally believed, and can then continue with the rest of their lives.

What tends to happen, however, as the hon. Gentleman has alluded to, is that survivors do not have that trust, so it can take decades for them to come forward, if they ever do. As a result, the spectre hanging over them infiltrates every aspect of their life. A trigger can be anything—the same aftermath that their abuser was wearing or a feeling of being enclosed in a space—so unless we address the actual issues and recognise that these people are victims of crime, they will not be able to lead their full lives and reach the potential that we all deserve to achieve.

Jim Shannon (Strangford) (DUP): I commend the hon. Lady for securing the debate and for her work on the subject across the House, in Westminster Hall and in the main Chamber, for which we greatly respect and are proud of her. I met a lovely lady who was repeatedly sexually assaulted in the worst imaginable ways. To say that she still bears the scars is an understatement. The support for her, and too many others like her, was not in place when it should have been. That failure has to stop. Does the hon. Lady agree that the time has come for us in this place to step up and do right by those who have been so terribly wronged? The system needs to be there at the beginning, and now, when they need it most.

Sarah Champion: I completely agree with those sentiments. It is a blessing that MPs such as the hon. Gentleman fight for people when they need it, but it should not come down to an MP fighting for an individual. They pay their taxes. We have a duty to support them. That support should be accessible to everyone as an automatic right.

Survivors told our inquiry that the impact of trauma caused by childhood sexual abuse is not widely recognised by professionals, which can make it hard to get the support they need. One survivor described visiting a GP as

“a lottery as to which kind of help they will get” and said that there is a

“lack of diagnosis and failure to understand the significance of the disclosure...many survivors are misdiagnosed with lower level issues such as anxiety and depression.”

Survivors feel that the effects of the abuse are not well known in the NHS. Frontline staff are not equipped to deal with disclosures, and they do not have the knowledge to direct survivors to appropriate treatments. It is telling that, although 89% of survivors said that their mental health had been negatively affected by abuse, only 16% said that NHS mental health services had met their needs. Another survivor told our inquiry:

“I'm a survivor of childhood sexual abuse and of the mental health system.”

Recent studies have found that a wide range of social and environmental factors increase the risk of mental ill health, including growing up in poverty, early separation from parents and experiencing sexual abuse as a child. Professor Richard Bentall at the University of Sheffield has argued that the evidence of a link between childhood trauma and a future psychiatric disorder is at least as strong as the evidence of genetic causes. Solid evidence also shows that adverse childhood experiences can affect the brain structure, which then affects a person's sensitivity

[Sarah Champion]

to stressful situations and causes fluctuations in mood throughout adulthood. That has significant ramifications for adult survivors of childhood sexual abuse.

Survivors of childhood sexual abuse have two cards dealt against them. Because the trauma of the abuse increases their risk of developing psychiatric disorders later in life, their risk of experiencing adverse conditions as an adult also increases. The findings of that research were borne out by our surveys, which demonstrated survivors' experiences of poor relationships, unemployment and financial hardship.

Survivors need the professionals they interact with, whether they are child protection social workers, jobcentre work coaches, GPs or judges, to be curious about the circumstances that led to their current predicament, rather than just dealing with the presenting symptoms. Survivors told the inquiry they want frontline professionals to ask not, "What's wrong with you?" but, "What happened to you?". That professional curiosity will allow survivors to build relationships with professionals that are oriented to meeting their needs. It is key to achieving quality support and, ultimately, securing justice. Will the Minister commit to developing guidance and training on trauma-informed practice for frontline professionals, in conjunction with the specialist voluntary sector and his colleagues across Departments?

Survivors told the APPG that the support they found most important to their recovery is specialist voluntary sector counselling and therapy; I will shorten this to "specialist services" for the rest of the debate. Specialist services provide a range of options tailored to meet the needs of the survivor, including counselling, support groups and advocacy. Survivors say they value these services for a wide range of reasons: the services provide them with support regardless of whether they report to police; they are met by knowledgeable staff in a welcoming, non-clinical environment; and the staff recognise that there is nothing intrinsically "wrong" with them and that the issue is the effects of the trauma caused by the abuse.

We need to continue to develop what we know about child sexual abuse, its links to mental illness, and the most effective forms of support and therapies for survivors. The APPG wants the National Institute of Health Research to commission studies into effective therapies for survivors of abuse and I urge the Minister to support us in that aim.

The inquiry heard that specialist services face unprecedented demand without a related increase in their budgets. SurvivorsUK reported a 30% year-on-year increase in people attempting to access its services in each of the last three years. In 2017, the National Association for People Abused in Childhood—NAPAC—answered 8,500 calls and emails on its national support helpline, but that is less than a tenth of the 90,000 inquiries that it received that year.

Sir Kevin Barron (Rother Valley) (Lab): I am grateful to my hon. Friend for giving way and I congratulate her on securing the debate. She has mentioned one issue that we Rotherham MPs are all too aware of—without the proper services to support these people, justice will not be brought through the courts. If we look at the number of people who the Jay report says were abused, we can see that the number of people who come forward

is far, far fewer than that, and without these types of services we will not get these people the justice that they deserve, and they all deserve justice.

Sarah Champion: I completely agree with my right hon. Friend, and I congratulate him, because as a Rotherham MP he has been an absolutely tireless campaigner, both to get justice for the survivors in Rotherham and to get the support services, which we are still waiting for.

The APPG's inquiry into adult survivors of childhood sexual abuse found that the average male survivor waited for 26 years before disclosing abuse. Therefore, it cannot be right that, at the moment survivors are ready to speak about their abuse, they are forced to join the back of a queue, with waiting lists a year long, and sometimes waiting lists are closed, due to demand and the lack of funding to meet it. Across the country, the reality for survivors is a lengthy wait for support, or limits on the number of sessions available.

Although it was welcome that the Ministry of Justice increased by 10% the rape support fund, which provides grants to specialist sexual violence support services, specialist services are seeing demand increase far in excess of 10%.

Lilian Greenwood (Nottingham South) (Lab): I congratulate my hon. Friend on securing the debate, and I am really pleased to have this opportunity to intervene on behalf of survivors in Nottingham. She is doing a fantastic job. Does she agree that there needs to be a specific pathway, so that people can get referred to robust trauma therapy without having to tell their story again and again, and wait for months? Actually, there is a model for such a pathway, because one has been established for veterans. Should not the same level of care and support be given to these people who—to be honest—have already been failed by the system once? Providing such a pathway would go some way towards recognising that we have failed them, by allowing them to be victims of child sex abuse in the first place.

Sarah Champion: I completely agree with my hon. Friend, and it should go on the record that she has been such a fighter for the survivors in Nottinghamshire, which is hugely appreciated. Yes, she is right that victims should not have to battle and beg to get support services to enable them to live their life. They are a victim of crime; access to such support should be an automatic right. But victims having to tell their story time and again is something that we keep hearing about. The thing that I am most fearful of is that some of the people going through that fight will just step away from it, and who can blame them for that? However, as a society and as a Government, we need to address that situation and we need to do it now.

To that end, would the Minister consider developing a mechanism for pegging the funds to uplifts in demand, so that specialist services and survivors are not forced to bear the effect of any funding shortfall? Instead, the Government would pre-empt that need and fund it accordingly. We all have to admit that for too long the Government have been behind the curve on this issue.

If we acknowledge the prevalence of abuse and its devastating costs to the individual and society, the logical policy to adopt is a transformative funding

package that funds services that redress the trauma of abuse and help survivors to recover. Minister, that requires more than an occasional 10% uplift.

Will the Minister commit to asking the Chancellor for a cross-Government strategic fund, which meets the core funding needs of specialist services, to prevent and respond to child sexual abuse? He may find that he is pushing against an open door, because in March and again in the main Chamber yesterday the Chief Secretary to the Treasury spoke about survivors, saying in March that

“because they have been traumatised and left in despair after suffering the consequences of crime...it should be government’s responsibility to prioritise support for these people”.

Both the NHS and the specialist voluntary sector have a vital role to play in supporting the recovery of survivors. On average, 17% of the budgets for specialist sexual violence and support services comes from the rape support fund, and 14.5% comes from NHS England and clinical commissioning groups, or CCGs. The APPG’s inquiry heard that CCGs have a responsibility for commissioning long-term therapeutic support for survivors. However, when I asked Ministers for an assessment of the effectiveness of CCGs in this regard, they told me that they do not even collect the data on it.

When survivors tell us that the support they need is not there, and specialist support agencies find many CCGs challenging to work with, I must say that this lack of data is extremely concerning. I therefore also ask the Minister to make representations to his colleagues in the Department of Health and Social Care to collect this data centrally, so that proper analysis of it can be made. If it is discovered that CCGs are failing in their duty to commission such support, will he consider ring-fencing funding for the long-term therapeutic support that survivors need?

There also needs to be research into the availability of appropriate services for black, Asian and minority ethnic survivors; for lesbian, gay, bisexual and transgender survivors; and for disabled survivors. During the APPG’s six-month inquiry, we found virtually no evidence, or indeed recognition, of those survivors’ specific needs, nor a desire to commission the services that they need, which is of considerable concern.

Minister, a nationwide public health campaign about child sexual abuse is required. It would raise awareness and—importantly—reduce stigma. It should also aim to direct both survivors and professionals to sources of information and support. In the absence of professional expertise, survivors said that they need quality information about the impact of abuse and about where they can access support. To date, professionals are described as being “caught out” by disclosures, and therefore as being unable to provide up-to-date, relevant and accurate information. In such a situation, survivors usually take it upon themselves to find information and services on the internet, which has mixed results.

In parallel with a public health campaign, the Government need to address the fact that existing sources of information and support are patchy and disparate. The Government could do more, in co-operation with the specialist voluntary sector, to provide online resources about the impact of abuse, and information about the support services that are available, both locally and nationally. This will necessitate cross-Government working and marshalling existing online information from police

and crime commissioners, specialist service umbrella agencies, and the Ministry of Justice’s own Victim and Witness Information website. Survivors and professionals need to know where they can source information and support; currently, there is just no clear answer for them.

Andrew Griffiths (Burton) (Con): If the hon. Lady will forgive me for saying so, I just cannot congratulate her enough, both on securing this debate today and on her work with the APPG, which I am proud to be a member of.

As Members of Parliament, we come to this place to speak for others, but I am sitting here and the hon. Lady is speaking for me, as a survivor of child sexual abuse myself, through the things that she is saying and the way that she is articulating the difficulties in coming forward—in admitting it even to yourself; admitting it to others is even more difficult. She talked about people taking an average of 26 years to talk about their abuse as a child. For me, it took 40 years, and here I am—an articulate, sensible, educated man.

I urge the hon. Lady to continue this campaign for greater awareness. We all understand that the more we talk about this issue, and the more we break down the stigma, the more that people will come forward. Since I spoke about my own individual case, I have been inundated by people in the same situation contacting me to say, “Me too. We went through that.” I have even had people who work in this place come up to me and say, “You are speaking for us.” I congratulate the hon. Lady, but will she continue to fight for that awareness campaign?

Sarah Champion: First, I promise that I will continue fighting for that awareness campaign, as the Minister knows. Secondly, I thank the hon. Gentleman for being so outspoken on this issue and using his own, personal testimony, because that is what resonates. The reason we set up the APPG was that a staff member in Parliament came to me and shared his experience. Looking around this room, and holding the statistic that 7% of adults in the UK are survivors of childhood sexual abuse, the hon. Gentleman will not be the only one present. I admire him, and thank him for sharing his story to help other people. I turn to the Minister after such a testimony and ask him to please address this worrying shortfall, and commit to developing a public health campaign, with the associated website and the information we need alongside it.

I thank all MPs present and the Minister, who I know cares deeply about finding solutions to these issues and has done so much so far. I thank all the professionals and specialists in the voluntary sector and across the board who have contributed to the APPG’s report. Most of all, I thank the 400 survivors of childhood sexual abuse—some of whom are in the room, and many of whom are watching on telly—who have generously given their time and experience to try to make positive change for all victims and survivors in future.

I have illustrated today that child sexual abuse is a public health crisis. The number of affected adults is in the millions, scattered across the four nations of the United Kingdom. The trauma of abuse has severe implications for a survivor’s mental wellbeing, which in turn negatively impacts their relationships, work and financial security. Fortunately, the solution lies before

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us: the Government can ensure that frontline professionals are curious about a person's trauma, and are able to recognise how that trauma may impact behaviour and wellbeing. They can fund specialist voluntary sector services to meet demand while continuing to improve NHS pathways. They can take responsibility for the information available to survivors, harness new technologies, encourage better collaboration, and prioritise child sexual abuse as a public health issue.

I will leave Members with the words of a survivor from my constituency of Rotherham:

"We need counselling and we need therapy. We need the little things. There's nothing there. Just a chance to rebuild our lives. It's. Not. Our. Fault."

Mr Philip Hollobone (in the Chair): The debate can last until 4.30.

4.23 pm

The Parliamentary Under-Secretary of State for Justice (Edward Argar): It is a pleasure to serve under your chairmanship, Mr Hollobone, as I do so frequently these days. I thank the hon. Member for Rotherham (Sarah Champion) for securing a debate on such an important subject, and I will start by briefly acknowledging her work and dedication to the cause of improving support for those who fall victim to the horrendous crimes of sexual violence and child sexual abuse. One of the very real pleasures of doing the job of victims Minister is that I have been able to work closely with the hon. Lady, with all the knowledge, passion and determination to improve things that she brings to all she does in this House.

As the hon. Lady highlighted, she has chaired two all-party parliamentary groups on these topics, producing two extremely useful reports with recommendations. I hope that at some point soon, with her permission, I might be able to meet the all-party parliamentary group for adult survivors of childhood sexual abuse. I welcome both reports, and commit to giving their recommendations the full and proper consideration they deserve and that the hon. Lady would expect. I will respond to her in due course about the detail of those reports.

I also thank all survivors who took the time to share their experiences to inform the report. I know it takes great courage to speak out about such difficult issues, and I commend them for coming forward for the benefit of other victims and survivors. In that context, I particularly recognise the bravery of my hon. Friend the Member for Burton (Andrew Griffiths) in speaking up very movingly in this House on a number of occasions about his own experiences, and his commitment to doing everything he can to ensure no one else has to suffer in that way. I want to ensure that we do not lose momentum in this space, and that we build on recent achievements such as the victims' strategy.

Andrew Griffiths: While the Minister is being nice to me, let me just draw out one point in relation to compensation. I know that we are due to meet—I had to reschedule our meeting—but compensation for victims for child sexual abuse is simply not good enough. Of the 6,861 convictions for child sexual abuse in 2017, compensation orders were issued in only 26 cases. Will

the Minister keep that at the forefront of his mind, and make sure that victims of child sexual abuse get the compensation they deserve?

Edward Argar: I know that my hon. Friend has recently made this issue the subject of a ten-minute rule Bill. Although the imposition of those orders is a matter for the judiciary, he is quite right that I am due to meet him shortly, when we can discuss what more can be done to raise awareness of the ability to use them.

We know that these crimes can have lifelong, life-changing impacts on victims, as the hon. Lady has set out. It is therefore essential that high-quality support and information is available to those who need it, when they need it, to do what is possible after such a horrendous crime to help individuals rebuild their lives and come to terms with the trauma.

Nigel Huddleston (Mid Worcestershire) (Con): On a point of information, the Minister may be aware of the Beecholme children's home scandal of the 1960s. Victims of that scandal have told me that they have had difficulty with the co-operation of, and getting access to information from, local authorities. Does he believe that local authorities should have a responsibility to be as fulfilling and forward with information as possible?

Edward Argar: My hon. Friend makes his point well and powerfully. I hope he will forgive me for not commenting on the detail, as it is still subject to a live investigation, but he has placed on the record his views on that important subject.

I believe we are making good progress, but there is much more to do. Since becoming the victims Minister, as the hon. Member for Rotherham alluded to, I have made it my priority to provide more funding to rape and sexual abuse support services. I wished to do three things: the first was to increase the amount of funding available, which we did by 10%. The second was to address the sector's calls for a multi-year funding settlement, moving from one year to three years. The third, which we continue to work on, was to simplify the process for those organisations applying. The APPG's report quite rightly highlights the need to pay for counselling as a barrier to accessing support, and I am happy to say that this funding ensures that victims of rape and sexual abuse can access any of the centrally funded support services free of charge in any of the country's 42 police and crime commissioner areas, regardless of whether they report the crime. That is, of course, on top of £68 million of funding to police and crime commissioners to support victims of crime.

However, the hon. Lady has rightly highlighted a bigger picture. We must seek to replicate what we have achieved in that area more broadly across the funding space, with multi-year settlements, sustainable and appropriate funding levels, and simplification. When she talked about pegging funding to demand and cross-Government work, she highlighted that the most effective vehicle for that will, I suggest, be active engagement with the forthcoming spending review and with the Treasury. I will not pre-judge that spending review or the hon. Lady's conversations with the Chief Secretary, but I know it is something that the Treasury are very much alive to, and rightly so—in large part because of her work in this area.

The hon. Lady also highlighted the importance of cross-Government working. Departments have joined together across Government to offer additional funding to support victims identified as part of Operation Stovewood in her constituency. We are also working to update and improve the information for victims on gov.uk.

I am conscious of the clock ticking, but I will conclude with a number of points. The first is that, of course, I am always happy to meet the hon. Lady if she wishes to pick this issue up separately. I will also commit to raising the specific issues that she has touched on about the NHS, CCGs, and training and standards in my regular meetings with my opposite number at the Department of Health and Social Care. Once again, I thank the hon. Lady for securing the debate, and look forward to working with her, all hon. Members, Ministers across Government, the sector, and survivors themselves to ensure that victims receive the best care and support we can offer.

Motion lapsed (Standing Order No. 10(6)).

International Education Strategy

4.30 pm

Mr Adrian Bailey (West Bromwich West) (Lab/Co-op): I beg to move,

That this House has considered the International Education Strategy.

It is a pleasure to serve under your chairmanship, Mr Hollobone. I emphasise that I will try to keep my remarks brief, because I know other Members with a high degree of expertise on this subject wish to contribute to the debate. In a previous incarnation as the Chair of the then Business, Innovation and Skills Committee, my Committee conducted an inquiry into this matter, and the issues we found and the potential solutions that we came to are as relevant now as they were then.

Before I go into the details, let me say clearly that I welcome the publication of the strategy. Whatever subsequent criticisms I may make, it is a welcome recognition and a very effective portrayal of the fact that education is not just a public investment in future skills in this country; the quality of our educational offer is such that, over and above that, it is a major income earner for this country, sustaining hundreds of thousands of jobs, often in the most economically disadvantaged regions.

To repeat some of the statistics in the report, we have four universities in the world's top 10, and 18 in the top 100. That sector is only the peak of a globally recognised education system that provides for the early years foundation stage to A-levels. The net financial benefits to this country's economy are estimated to be £20 billion, and the sector supports 940,000 jobs. It is estimated that somewhere between 50 and 58 current world leaders were educated at British universities. I assume that the vagueness in the figure is something to do with the vicissitudes of public life, with which we are all familiar. The quality of their British education and British experience is a valuable source of good diplomatic relations for Britain, and in a post-Brexit world, it will be even more important to sustain that if we are to develop our international trade.

In short, we have a great product that brings us enormous benefits in hard cash and soft power. That is allied to a rapidly expanding world market. Precise statistics are difficult to get, but all available evidence shows that students, particularly in the emerging economic powerhouses such as China and India, are increasing in numbers and are highly selective and mobile in their choice of destination to continue their studies. Not surprisingly, as English is the global business language, it is English-speaking countries that start with an advantage in attracting those students, as they can develop their subject expertise while polishing their English language skills.

Given all the advantages this country has, we must ask why our performance has been so limp. The Minister will say—I acknowledge this—that there has been an increase in the absolute number of foreign students being educated in this country, but since 2012 international student enrolments here have grown by 5%, compared with 31%, 67%, and 32% in the USA, Australia, and New Zealand respectively. In 2013, the Government set a target to have international students contributing a net £30 billion a year to the UK economy.

Mr Jim Cunningham (Coventry South) (Lab): I congratulate my hon. Friend on securing this timely debate. International students can act as ambassadors for us in a funny sort of way, because they understand the culture of the country. More importantly, the two universities in my constituency, the University of Warwick and the University of Coventry, are involved in research and development in the motor car trade, medical facilities or medicines and other such things. Does my hon. Friend agree that when students go back to their own countries, their knowledge of what we can do and can produce may, in a roundabout way, help our trading relationship with those countries?

Mr Bailey: As a fellow west midlands MP, my hon. Friend will have shared the experience of the enormous investment that is coming to the region from Indian entrepreneurs who were educated in this country. That is a hard economic benefit that has accrued.

To get back to the point I was making, we have only achieved £23 billion of the benefit that was targeted way back in 2013.

Stephen Timms (East Ham) (Lab): My hon. Friend is making an important case. Has he seen the figures I have seen, which suggest that the number of students coming from India in the last year for which there is data—2017-18—is about half what it was in 2010-11?

Mr Bailey: I will touch on that when I talk about the impact the visa regime has had.

The revised target in the strategy is to have 600,000 students contributing a net £35 billion to the economy by 2030. That would require a growth rate of something like 4% per annum. Whatever the headline figures, that seems an unambitious target. It is lower than we achieved between 2013 and 2018, which in itself was a long way behind our major competitors. The target would perpetuate a system where we are lagging behind in building market share in the very important world market in education.

There is constant repetition within the strategy about the opportunities that we will have once we have left the EU. In all my dealings on this issue, I have never heard anyone say that we are losing our market share because of the EU. I have heard plenty of other explanations, but I do not want our discussion to become hostage to a more partisan debate on our membership of the EU. Whether we are in or out, it is vital that we take the right steps now to maximise the contribution of international students to our economy.

Alex Sobel (Leeds North West) (Lab/Co-op): One of the flagship programmes for our student exchange is the Erasmus programme. Non-EU countries can take part in that, but they must accept freedom of movement. Does my hon. Friend agree that it would be hugely detrimental for the UK to leave the Erasmus programme and that the Government must do everything they can to ensure we remain within it?

Mr Bailey: Absolutely. I do not intend to go into the detail of the issues with the EU and students, but obviously the Erasmus programme is enormously attractive. Notwithstanding the Government's good intentions to

perpetuate it, there is still a huge degree of uncertainty. Any future strategy must involve perpetuating that programme.

In 2013, the tier 1 post-study work visa was abolished and stringent requirements were placed on international graduates who wanted to work in the UK following their studies. As a result, the number of students remaining to work following their studies fell by 87% between 2011 and 2016, from nearly 47,000 to just over 6,000. When the BIS Committee visited China in 2012, that was a big issue raised by our Chinese hosts. Similarly, in India it is a highly contentious issue, which I know has been raised by the host Government with our Government and business deputations ever since. The perception is that Britain no longer welcomes foreign students. However often the Government repeat the mantra that we are open for business, while we have a restrictive visa regime, and reported difficulties in obtaining visas, potential applicants will be deterred and our ability to compete with rival countries will be inhibited.

It is understandable that the brightest and best from other countries will want to come here not only for their education, but to use and contribute to our top class research, either in the private sector or the field of academia. From the UK's perspective, it is ridiculous to invest money in developing talent only to then export it to other countries to use in their private sectors, sometimes in competition with companies in this country.

The fact is that far more generous post-study work offers are available in our competitor countries. That is why we are lagging. My disappointment with the strategy is that it does not identify the core problem, which explains what I consider to be our second rate performance, or provide evidence that the Home Office is willing to change it. The best the strategy offers are the so-called actions 3 and 4. Action 3 is:

“Government will strengthen the UK's visa offer for international higher education students”.

Action 4 is:

“The UK Government will keep the visa application process for international students under review”.

Those are warm words, but they are not strong or specific enough to motivate the brightest and best foreign students to choose the UK as opposed to other countries with a more generous and specific offer.

Why has this come about? The reason is the Government's flawed and failed target to reduce net migration to below 100,000. The compilation of statistics of student movements within the net migration figures is worthy of a debate in itself. I do not have time to go into it in depth, but I will make two observations. First, there is considerable polling evidence that the public are far more supportive of the right of students to study and to work for at least two years thereafter than they are tolerant of other forms of immigration. About 75% of people support that approach.

Secondly, the statistical basis of compiling student immigration statistics using the international passenger survey, which was the basis used to introduce the visa policy, was seriously flawed. It overstated the number of students overstaying—the proportion is now considered to be less than 3%. In short, we have a student visa regime that is based on flawed statistics, that runs contrary to public opinion, and that undermines both our ability to recruit the maximum number of students

and the economic benefits of our amazing institutions. That is one reason I will support the amendment tabled by the hon. Member for Orpington (Joseph Johnson), who I am glad is present, to the Immigration and Social Security Co-ordination (EU Withdrawal) Bill.

In chapter 1.7 of the strategy, titled “A whole-of-government approach”, different Departments are listed as supporting the strategy, including the Foreign Office, the Department for Education, the Department for International Trade, the Department for International Development, and the Department for Business, Energy and Industrial Strategy. The conspicuous absentee is the Home Office. Perhaps the Minister can explain why the Home Office is missing from the whole-of-Government approach, when its particular responsibilities are central to the policy’s success.

It is vital that the Home Office is signed up to both the policy and the processes if we are to meet, and hopefully exceed, our targets. The policy will be successful only if we have a visa regime that is competitive with rival providers. I ask the Minister what work the Department is doing with the Home Office to ensure that the visa offer, and the associated costs and processes, are at least as attractive—preferably more attractive—than other national providers?

I would like to discuss many other issues, but I will leave time for other Members to contribute. Unless the Minister can provide an adequate answer on the core issue, I suspect that in five years’ time our successors will debate it again, and we will be further behind in the vital race to secure the potential economic benefits from this market.

Several hon. Members *rose*—

Mr Philip Hollobone (in the Chair): Order. The debate can last until 5.30 pm. I am obliged to call the Front-Bench spokespeople at no later than 5.07 pm. The guideline limits are five minutes for the Scottish National party, five minutes for Her Majesty’s Opposition and 10 minutes for the Minister. If the Minister leaves two minutes at the end for Mr Bailey to wind up, that will be appreciated. Until 5.07 pm, a small but select number of Members, with considerable experience, seek to contribute. To ensure that everyone gets a say there will be a five-minute limit. I call John Howell.

4.46 pm

John Howell (Henley) (Con): Thank you, Mr Hollobone; it is a pleasure to serve under your chairmanship and to follow the hon. Member for West Bromwich West (Mr Bailey). I agree with his description of what we have to offer. The UK has a lot to offer in this area.

As the Prime Minister’s trade envoy to Nigeria—I will concentrate on Nigeria in my remarks—I am committed to raising education standards around the world. That is important to strengthen our soft power regime globally, and to strengthen the international partnerships on which many things are based, including international business and everyday relationships.

I am pleased that we are looking at the value of our education exports, and that DFID is helping to promote them. In Nigeria, for example, DFID has been doing brilliant work in key areas, such as helping headteachers to develop their skills and to become much more effective.

It has also helped to increase the competence of teachers within that country. Many schools are participating, and the number of those that want to do so has shot up enormously.

I gently take issue with the hon. Gentleman on market share, which I think should be seen not only in terms of bringing people to the UK, but in terms of what we can bring to the countries to which we are trying to export our education. I have been trying to encourage the sort of joint ventures with which I am familiar in the business world between educational establishments in the UK and in Nigeria. I will come to why I am doing that in a second, because I think it will be music to his ears. This debate is not just about straightforward education; it is also about skills, which is important to bear in mind.

In fact, there is a member of the Government who comes from Nigeria but was educated here, at Eton. That is to be applauded, but it is not the end of the story. We have the second largest diaspora in the world here, and we need to encourage them to participate in creating educational links. That is absolutely essential somewhere like Nigeria, because in parts of the country there is enormous resentment of foreign activity—particularly in the north-east, where Boko Haram will not accept British educational expertise for the sole reason that it is foreign. We are developing a two-tier system where the rich can come to the UK, but those who are not so rich have to stay in their home country. I am trying to establish these joint ventures because it is essential that we do something to help to break down that two-tier system and spread as much prosperity as possible in other countries—not just to provide people with a better education, although that is important, but because it is the only way to stop the terrorists in the north-east of Nigeria and elsewhere.

I am looking for British schools to go to Nigeria and set up in partnership with local schools. I hope that they will be able to deliver the prosperity on which we and so many Nigerians depend; I am quite encouraged by what I have seen so far. That ought to be taken into account in developing the market share idea, because it is an important part of developing their overseas strategy as well as ours.

4.51 pm

Stephen Timms (East Ham) (Lab): It is a pleasure to serve under your chairmanship, Mr Hollobone. I very much support the arguments that my hon. Friend the Member for West Bromwich West (Mr Bailey) made. I share his worry about our falling market share with respect to the overseas students we support in the UK. I want to speak about one problem that has particularly hit our performance.

In 2011, the Home Office gave a licence to the American firm ETS to deliver the TOEIC—test of English for international communication—in the UK. Over the following three years, more than 58,000 overseas students took that test to demonstrate that they spoke good enough English to study here. In February 2014, “Panorama” exposed the significant scale of cheating at TOEIC centres that took place with the connivance of their proprietors.

ETS responded by undertaking an analysis of its recordings of all 58,000 tests over the three years. It concluded that 33,725 candidates had definitely cheated

[Stephen Timms]

and 22,694 had probably cheated, which adds up to virtually all of them. As a result of the allegations, more than 35,000 of the students lost their visas and many were thrown off their courses midway through. Appeals were not permitted in the UK, and the students involved lost all the fees that they had paid.

Five years later, the plight of many is dire. Last night in the Attlee Suite, the film-maker Tim Langford premiered “Inquisition”, a deeply disturbing and compelling short film about the plight of five students who are still in the UK. There is a moving article in *The Guardian* today about the plight of three students who gave up and left the UK and who are now in a terrible situation in their home countries. Those who are still here are not allowed to study or work. Many of them depend on support from friends. Some had invested their family’s life savings in obtaining a British degree and are now destitute, have no qualifications, and have apparently been found guilty of cheating by the UK authorities.

It is now becoming clear that many—probably most—of those who lost their visas in that way did not cheat. The National Audit Office has recognised the problem and is due to report on the scandal on Friday. I welcome the Home Secretary’s recent announcement that after the report is published he will make an oral statement in the House about proposals to address what happened. However, although the 58,000 students who sat the test were from a great number of countries around the world, the largest numbers came from the Indian subcontinent: 6,000 from Bangladesh, 8,000 from India, 10,000 from Pakistan, 1,000 from Nepal and 1,000 from Sri Lanka. Unsurprisingly, in the light of how we have treated those students, there has been a very big fall in the number of people who have come from those countries since the TOEIC scandal: 48.5% fewer started their first year of tertiary education here in 2017-18 than in 2010-11.

One very disappointing aspect of what happened is that students who were thrown off their courses and plunged into crisis received very little support from their universities. At the film premiere last night, a UK university immigration adviser said that the university that he worked for at the time had forbidden him to assist the students affected. It will take a lot of work to repair the damage that the scandal has caused to the reputation of UK higher education.

Where students are able to regain their visas, perhaps following a statement from the Home Secretary in the next couple of weeks, does the Minister agree that their former universities need to help them? In particular, does he agree that it would be wholly unacceptable for the universities to require those students to start their courses and pay their fees all over again?

4.56 pm

Joseph Johnson (Orpington) (Con): I congratulate the hon. Member for West Bromwich West (Mr Bailey), the former Chair of the Select Committee on Business, Innovation and Skills, on giving us the opportunity to discuss this important issue.

As hon. Members have said, our world-class universities have been a great asset for our country for generations. They have attracted young, bright people from all over

the world, giving them an opportunity to receive a first-class higher education and giving us an opportunity to inculcate an understanding of our culture and worldview. That has ensured that we do not recede as a cultural reference point, which is more important than ever now that we are doing Brexit.

It is a huge asset for us that more world leaders have been educated in the UK than in any other country but the US. Frankly, I am concerned that the next generation of world leaders—the next Bill Clintons, the next Benazir Bhuttos—may not choose to study in the UK. All of us in Parliament have a duty to ensure that they put the UK at the very top of the list of countries around the world where they want to study.

Frankly, one would think that a Government committed to global Britain and to extolling the projection of our values around the world would do more to cultivate the important opportunity that international students offer us. As hon. Members have made clear, however, part of the problem is that since 2010 we have included students in our net migration target, so we are doing precisely the opposite: through a welter of restrictive Home Office policies, we are deterring people from choosing the UK over other countries. That explains our substantial underperformance in comparison with core competitors around the world.

Of course market share is not the be-all and end-all of any activity, but it is an important indicator of competitiveness and we are losing it very rapidly: our market share has fallen from approximately 12% in 2010 to just 8% in 2016. We must look seriously at why that significant rate of decline is happening. As hon. Members have said, we are seeing some growth in absolute terms, but there has been a dramatic fall in the proportion of students from some of the most important countries in the market for international higher education, including India, which the right hon. Member for East Ham (Stephen Timms) rightly mentioned.

Like other hon. Members, I welcome the publication of the international education strategy: it is good that we have an ambitious goal for higher education and other education exports. My hon. Friend the Member for Henley (John Howell) was right to say that exports can come in many forms—not just students coming here, but transnational education, for example.

We should not be phobic about international students coming to study in this country, but I am afraid that is the impression that we have all too often given because of the Home Office’s restrictive approach. That is why I and the hon. Member for Sheffield Central (Paul Blomfield) have tabled a new clause to the Immigration and Social Security Co-ordination (EU Withdrawal) Bill that would acknowledge the important contribution of international students in two key ways. First, it would insure universities against the risk that a Government will decide to reduce net migration swiftly by slashing international student numbers. Any future Government who intend to cap numbers will first have to secure parliamentary approval.

Secondly, the new clause will ensure that we take a much smarter approach to post-study work. As hon. Members have already said, it has been severely restricted in recent years on the back of shoddy evidence produced by the Home Office back in 2012-13. Students will invest their time, money and human capital elsewhere if a competitive post-study work regime is not available in a particular country. Our core competitors—the US,

Canada and New Zealand—offer international students the chance to work for up to three years after graduation, and Australia offers up to four years. Hacked back to just four months in 2012, our offer is simply not competitive. Although the international education strategy promises to increase that to six months, it is still not enough. Twelve months for some more advanced courses is also not enough.

While we wait for the Immigration and Social Security Co-ordination (EU Withdrawal) Bill to come back to the House on Report, I urge the Minister to look at the strong support the new clause has from MPs of all parties, and to assure me that the Government will take steps to welcome the clause and implement its recommendations.

5.1 pm

Dr Roberta Blackman-Woods (City of Durham) (Lab): It is a pleasure to serve under your chairmanship again, Mr Hollobone. I thank my hon. Friend the Member for West Bromwich West (Mr Bailey) for securing this extremely important debate and for his excellent opening speech, which reminded us all of the need to champion and support our higher education sector in the UK.

We know that almost 450,000 non-UK-domiciled students study in UK universities, which contributes about £19 billion to our economy—about £95,000 per student—and supports over 200,000 jobs. It is clearly a sector that we need to support. I welcome the Government's international education strategy and their ambition to increase education exports to £35 billion and grow the number of international students to 600,000 by 2030. I hope we see in the report a change in the mood music coming from the Government, because we need overseas students to know they will be welcomed and supported in the UK.

I acknowledge the widespread support in the sector for the strategy, but there are a number of questions, too. It would be really good to hear the Minister respond to some of the issues that hon. Members have already emphasised. First, the Government need to do something about the visa system. Students find it too complicated, too bureaucratic and too difficult to access in their own countries. As hon. Members said, there is also a huge issue with post-study work visas and how long they last, compared with what our competitors offer. We know that countries such as Australia, Canada and the US have recently seen high growth in international demand for study, while the total number of international students enrolled in the UK has stayed flat. I would say to the hon. Member for Orpington (Joseph Johnson) that this is a hugely important point and we need to address it.

The chief executive of Universities UK, Alistair Jarvis, said in October 2018:

“Despite the quality and popularity of our universities as destination for international students, in recent years we've seen a declining market share in relation to competitors.”

If the Government are to deliver on their strategy, that clearly needs to stop. We also need to do something to ensure that we have reciprocal arrangements with Europe. The strategy does not say much about European students, and I would like to hear how the Minister intends to ensure that we do not lose students coming from Europe. The reciprocal arrangements are very important, as is identifying new markets.

I was very excited to read the industrial education strategy. There was something on regional priorities and I thought, “Great! The Government are going to look at our regional universities being a priority.” When I read it, I thought, “Oh dear, no.” Our priority is regions of the world. The middle east and Latin America are important for new markets, but we need to protect the markets we have as well as targeting cold spots. We have to recognise the importance of diversity in the sector. Durham University in my constituency brings to the city huge diversity, which would just not be there without it. That is something we need to celebrate and expand.

Hon. Members have talked about the importance of soft power. I have just come back from a Commonwealth Parliamentary Association Education Foundation conference. Many leaders across the world were educated in the UK, and we need to ensure that our higher education sector can attract future leaders. We need to do that by recognising the importance of global mobility for our young people as well. We need to support the British Council more effectively and look at how scholars from overseas, including postgraduate students, contribute to our research base and innovation. We need to ensure that we recognise the importance of transnational education.

In my remaining time, I thank the hon. Member for Orpington for tabling his amendment to the Immigration and Social Security Co-ordination (EU Withdrawal) Bill. I totally support it and hope it is approved in due course.

5.6 pm

Marion Fellows (Motherwell and Wishaw) (SNP): It is a pleasure to serve under your chairmanship, Mr Hollobone, and I congratulate the hon. Member for West Bromwich West (Mr Bailey) on securing this important debate. It has been very interesting to listen to all the speeches. All those who contributed to the debate were very erudite, drawing on their experience, and passionate about the problems that the higher education sector is experiencing across the UK.

I am a member of the Education Committee, which in 2017 published “Exiting the EU: challenges and opportunities for higher education.” Many of the issues that have been raised today were also raised in that report—they were mainly challenges rather than opportunities. Looking down the years, I do not think much has changed in that respect. It saddens me to think that we will not be able to move forward. The report is good and expansive, and it would be wonderful if its recommendations were carried forward.

The biggest issue for Scottish universities is that we have four-year degrees, so three-year visas will just not cut it. The impact on our ability to attract students will be severe. We really need a separate immigration policy for Scotland, and Scottish National party MPs are fighting constantly for that.

The other issue is that the UK Government promised to replace overall EU funding with a shared prosperity fund. Despite repeated promises, there has not yet been any detail on how this will be equitably established and implemented. We have been promised new regulations that will affect the Higher Education and Research Act 2017. This is really important to Scotland, because since 2014 we have succeeded in drawing down £533 million of Horizon 2020 research funding.

[*Marion Fellows*]

We punch above our weight. Scotland has been particularly successful, attracting more than 11% of all funding that has been won competitively by UK organisations. Per head of population, we are outperforming Germany. All this is put at risk by the visa system and the reluctance of EU nationals and other prospective students from abroad to come to the UK because of the hostile environment that this Government have brought about through their immigration policies. I, too, welcome what the hon. Member for Orpington (Joseph Johnson) is trying to do.

I am very worried that Scotland will lose out. The hon. Member for City of Durham (Dr Blackman-Woods) mentioned regions. Now, Scotland is frequently referred to in this place as a region. I do not think it is a region; it is a country. We have differences that must be addressed, because Scottish education does indeed punch above its weight and has had a well-deserved reputation for hundreds of years. Scottish higher education rose out of Scots' outward European vision, going right back to just after the middle ages. Scots went to universities in Europe before there were any in Scotland, and brought back ideas and progress. Universities have been a major force in Scotland for 400 or 500 years. They are suffering because of the Government's reluctance to do something about visas. That cannot be allowed to continue.

5.10 pm

Judith Cummins (Bradford South) (Lab): It is a pleasure to serve under your chairmanship, Mr Hollobone. I congratulate my hon. Friend the Member for West Bromwich West (Mr Bailey) on securing this important debate. I thank all hon. Members who spoke, including my right hon. Friend the Member for East Ham (Stephen Timms) and my hon. Friend the Member for City of Durham (Dr Blackman-Woods).

International student numbers have increased year on year, and the Government have been quick to celebrate their success in growing education exports. However, we should note that the Department for Education has acknowledged that accurate data does not exist, so we cannot fully ascertain the export success of the sector. Although the figures may be rising, our performance relative to our peers, including Australia, Canada and the United States, leaves much to be desired. Given the time constraints in this debate, I will get straight to the point that hon. Members have made about international students and visas.

The all-party parliamentary group for international students noted last year that the Government's hostile environment has resulted in a marked drop in the UK's attractiveness as an education destination for international students. It notes that between 2012 and 2015, the UK recorded just 0.7% growth in international student numbers, compared with 22.5% in the US, 26.9% in Canada and 18% in Australia. Researchers at University College London found that the UK has already slipped behind Australia and the United States as the biggest destinations for international students, and warned that Canada is poised to overtake it. Universities UK data shows that the number of Indian students coming to the UK has approximately halved in the past five years.

The hostile environment policy vigorously pursued and rigorously applied by the Government has seen thousands of students denied the right to work after

graduation. Thousands who were in the UK legally have had their student visas revoked, as the Government unfairly attempted to clamp down on international students. Universities UK also found that 98% of overseas students complied with their visa requirements. What message does that send to prospective students? Many students come to the UK in good faith to undertake a course of study but find themselves the victims of unscrupulous fraudsters. Instead of tackling the fraudsters, the Government have criminalised the students, who now may be seen as criminals.

The recent TOEIC cases, which my right hon. Friend the Member for East Ham raised, highlight just how negligent and damaging the Government's handling of this matter has been. Some 7,000 students have been found to have had their visas wrongly revoked over accusations of cheating. Students are left in a legal limbo, with their visas revoked through no fault of their own. They are barred from accessing public services and prevented from obtaining work or renting housing. Many find themselves barred from entering the United Kingdom for 10 years. The damage that that has done to our international reputation as a preferred destination for international students is clearly substantial.

The Government's clumsy handling of trade talks with India will have done nothing to reverse that trend. The message is, "We want your business, but we don't want your people." The Government's obsession with arbitrary immigration targets has slowed progress in talks about visa arrangements for students and workers. That is hurting our capacity to market UK education as an overseas export and sell Britain as a destination for foreign direct investment. It is likely to be a recurring issue in trade talks with other nations, given that the relaxing of mobility and visa arrangements is a key feature of modern trade agreements. Perhaps the Minister will tell us what the Government's position on that matter will be, in respect of all the various trade agreements that they have promised, which have largely failed to materialise.

These issues have been compounded by the Government's handling of Brexit. Since the EU referendum result, universities have reported a fall in the number of EU students—in particular, postgraduates—enrolling in British universities. EU students are reported to contribute up to £2.75 billion per year to the British economy through tuition fees and related costs. Additionally, approximately £1 billion in research funding to British universities is provided through the European Union.

It is now understood that the Government intend to withdraw home fee status from EU nationals from 2020 onwards, which is likely further to drive the decline in the number of international students. That is already squeezing the finances of many of our universities and stifling their capacity to plan for the future. Will the Minister set out precisely what the Government's policy is in that respect? What impact will the proposed changes have on our education sector? That is in addition to the uncertainty about the future of Erasmus and Horizon 2020. How does the Minister intend to achieve the targets set out in the international educational strategy of boosting education exports to £35 billion a year and growing international student numbers by 600,000 by 2030?

5.16 pm

The Parliamentary Under-Secretary of State for International Trade (Graham Stuart): It is a pleasure to take part in this debate. We have had well-informed contributions from across the House. I thank the hon. Member for West Bromwich West (Mr Bailey) for raising this important topic. When he chaired the Business, Innovation and Skills Committee and dealt with higher education, I chaired the Education Committee, and we worked in tandem.

As everyone has said, the UK has a wonderful education system. Despite its size, four of the world's top 10 universities, and 18 out of the top 100, are here. We lead Europe in having the most highly rated universities. With early years, further education, our independent schools, our curriculum and syllabus providers, and so many assessment systems, we have a rich compost of educational provision in this country. It brings in £20 billion a year—significantly more than all sorts of large industries that we might think do a great deal more than education. It brings in real money, as has been said, and provides employment, often outside the areas we might expect. It provides well-paid jobs and opportunities in some of the more challenging parts of the UK, bringing expertise and people with certain skillsets to areas where they are most needed. It builds friendships around the world. As the investment Minister, I can say that it is extraordinary how often people choose to invest in this country because they or their family members have been educated here. That is an important part of our offer.

Ben Lake (Ceredigion) (PC): We have heard about the benefits that international students bring to the UK, and about the reputational risk of malign visa arrangements, but it is important to reflect, as the Minister just mentioned, on the fact that the economic impact of international students ripples out far beyond the locations of the particular universities. We know about the effect of universities such as Aberystwyth in my constituency, but a 2017 report showed that, in Wales, the impact of international students alone sustained more than 1,600 jobs in regions where there is not a university. That is an important point to bear in mind when we look at immigration policy.

Graham Stuart: I am grateful for that contribution.

Most countries on Earth—some 160—use UK international qualifications in their national secondary exams. Thousands of international schools use the UK's K12 curriculum, and almost 25,000 students attend more than 40 overseas UK schools. As I have said, the latest figures show that our exports are worth almost £20 billion. That includes transnational education, which has experienced the most meteoric rise in value, albeit from a lower base. Some 67% of the value of those exports comes from higher education, much of it in the form of international students—that has mostly dominated the debate this afternoon—of whom there were around 442,000 in 2016.

That is a great record. We punch above our weight, but I think that there is unanimity in the Chamber that we are not yet fulfilling our potential, considering the quality of what we have and the need around the world for that kind of quality and service. Frankly, that is why we have a refreshed international education strategy.

Perhaps because of my background, I find that education is one of the most interesting sectors that I deal with as a trade Minister. Education gives almost no negatives. It brings real money and builds links, and people who come here to study then form part of teams or found companies and innovate, when they might not otherwise have done so. We must be restless, forward looking and ambitious—as everyone in this Chamber has been—to ensure that the potential of emerging opportunities in the global economy are used to their fullest.

The rapid shifts in economic and demographic power across the global economy are creating opportunities in precisely the areas where the UK enjoys a competitive advantage. As my hon. Friend the Member for Henley (John Howell) knows well, last year the Prime Minister set out an ambition that we should seek to become the largest G7 investor in Africa. We need to work with countries, such as Nigeria, across Africa—I just met an economic Minister from Tunisia—to bring companies of all sorts into Africa, and what better than companies that work in education?

We look to deliver through the strategy in several ways. The strategy recognises that it is not Government who export, but our educational providers and institutions. That is why it is a sector-led strategy. I am grateful to all colleagues across the House, whatever their criticisms of elements of Government strategy, for supporting this strategy, which has been well supported and much crafted by the sector. The sector-led strategy was developed in co-operation with educators and looks to address the practical barriers that they face to exporting, and to find the right tools to overcome them.

Yesterday, I met Destination for Education, which is a coalition of pathway providers—people who help others come into our system—including INTO, Kaplan and Study Group. We discussed their future engagement with Government and, in particular, how we can co-operate on changes to the student visa process and respond effectively to competition from rival markets, which so many hon. Members have mentioned. That is about Government listening to the needs of providers and adapting our approach as we go. Several key organisations and individuals have been involved in achieving that new level of engagement and dialogue.

If I may—without being invidious to some—I highlight the work of Universities UK International, the UK skills partnership, English UK and, in particular, the British Council and its chief executive Sir Ciarán Devane, for their invaluable help in setting up engagement sessions to allow us to take on board the views of a broad range of education providers. Those providers have a wide range of skills and experience when it comes to exporting, and the strategy is about catering to these diverse needs.

Stephen Timms: Since the Minister has mentioned Universities UK, does he agree with my point that students who get their visas back after losing them because of a TOEIC cheating allegation should be helped by the universities to which they return, so they do not have to go back to square one and pay their fees all over again?

Graham Stuart: If a student finds themselves in that position, I hope and expect that the university would be supportive of their students. One of the strategy's central aims is to ensure that we have a more welcoming offer.

[*Graham Stuart*]

Sometimes there can be misconceptions and myths, but we need to recognise where we need to improve what we do, how we do it and the way that it is communicated. We recognise the need to do that in various markets if we are to meet the targets that we have set.

The strategy sets out to look at export data that we hold for education so that we have a more accurate basis on which to judge our success. At the strategy's heart is an ambitious goal of achieving an increase in the value of our education exports to £35 billion per year, and to increase the number of international higher education students to 600,000 per year.

A lot of the focus of the debate has been on the visa issue. Although that is a Home Office issue rather than a trade Minister's day job, at the heart of the strategy is a whole-of-Government approach, to put in place the practical, advisory and promotional support to strengthen the UK's position at the forefront of global education, connect international partners, open markets and unlock new opportunities in rapidly growing areas such as education technology.

When I found that we had an education strategy that dated back to 2013 and was not on target, one of the first things I did was go and see the Secretary of State for Education. He came absolutely on board and was super supportive. I also reached out to Home Office colleagues; I do not know where the misunderstanding about the Home Office involvement in this strategy has come from, but it has really come forward and is an important part of the team. We are working together.

Colleagues will be aware that the Migration Advisory Committee made its recommendations, and the Government chose to go further than what MAC had suggested in terms of post-study provision. That is an indication of the Government's commitment to getting that right. Matters are being kept under review, and if I were in Opposition, I might call that warm words, but it is much better than their not being under review.

We have our educational strategy; we are working as a team across Government; and we are committed to making sure that we get the whole package right so that we are as welcoming and competitive as we can be. The Home Office is fundamentally part of that, and is committed to keeping the immigration aspects of that package under review, in order to deliver in the appropriate way.

I probably have very little time left.

Mr Philip Hollobone (in the Chair): A minute and a half.

Graham Stuart: Thank you, Mr Hollobone. Just to nail the Home Office point, action 6 sets out clearly that the UK Government will enhance the education sector

advisory group, and that it will be supported with a representative from the Home Office. I hope it is embedded in there pretty clearly.

On the Indian visa front, during the year ending 18 December 2018, study-related visas issued to Indian students increased by 35%. Although colleagues were right to highlight the drop, there is a significant increase, and we are working hard to get that message out. Ninety-six per cent. of Indian students who apply for a visa get one. I appeal to everyone to challenge what is not right, but not to overemphasise the negative in a way that leads people to think that we are not open when we are.

The hon. Member for Motherwell and Wishaw (Marion Fellows), speaking for the Scottish National party, mentioned four-year courses at Scottish universities being matched with inappropriate three-year visas. That situation is only in the event of no deal. As with so many of the points made by colleagues across the Chamber today, the obvious way to avoid the downsides that they have highlighted is to support the deal. The failure to support the deal, after standing on manifestos that in most cases promised to get us out of Europe, has contributed, so there is no point in shedding crocodile tears over a result driven by Members' own voting decisions.

On ETS, there was clearly significant fraud. Twenty-five people involved in organising and facilitating language-test fraud have received criminal convictions, so there was a real issue.

5.28 pm

Mr Bailey: This debate merits a much longer time being spent on it, given the quality and expertise shown in the contributions. A whole range of issues was raised.

I accept what the hon. Member for Henley (John Howell) said about the importance of transnational education, but I do not think this is either/or. A better visa offer, generating more foreign students coming to this country, would of itself mean more capital and more experience for those higher education or other institutions to carry out work in other countries as well. Ultimately, there would be a more all-embracing educational offer from this country.

I accept that the Minister and his team are fully signed up to this particular approach. I welcome his comments about Home Office involvement, but the fact remains that in the actual strategy, under the whole-of-Government approach among the Departments listed, the Home Office is a significant absentee. However, we will judge the strategy by what comes out of it. I very much hope that subsequent involvement of the Home Office, the Minister's Department and other relevant Departments will demonstrate that they are addressing the issues raised today, as I am sure he will raise those issues with them.

5.30 pm

Motion lapsed, and sitting adjourned without Question put (Standing Order No. 10(14)).

Written Statements

Wednesday 22 May 2019

BUSINESS, ENERGY AND INDUSTRIAL STRATEGY

Contingency Fund

The Parliamentary Under-Secretary of State for Business, Energy and Industrial Strategy (Kelly Tolhurst): The Competition and Markets Authority (CMA) has sought a repayable cash advance from the contingencies fund of £14,700,000 to ensure the CMA's relocation to Canary Wharf remains on schedule.

The CMA will receive its voted funding for this project at the main estimate, and consequently may only draw the related cash from the consolidated fund after the Supply and Appropriation Act has received Royal Assent in July 2019. This requirement has arisen because the 2019-20 capital expenditure for the construction works at the CMA's new offices at Cabot Square exceeds the vote on account for capital expenditure prior to Royal Assent. The requirement to include the voted funding in the main estimate was agreed after the vote on account for 2019-20 was approved.

The cash advance will ensure the project stays on track and on budget and ensure that the CMA also meets its operational needs.

Parliamentary approval for additional capital of £14,700,000 will be sought in the main estimate for the CMA. Pending that approval, urgent expenditure estimated at £14,700,000 will be met by repayable cash advance from the contingencies fund.

[HCWS1576]

Competitiveness Council

The Minister for Universities, Science, Research and Innovation (Chris Skidmore): The Internal Market and Industry Day of the Competitiveness Council will take place on 27 May 2019. Katrina Williams, Deputy Permanent Representative of the United Kingdom to the European Union, will represent the UK.

The Research and Space Day of the Competitiveness Council will take place on 28 May 2019. 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”. Attendees will be asked to debate and agree the adoption of conclusions on “a new level of ambition for a competitive single market” and “an EU industrial policy strategy: a vision for 2030”. This will be followed by the adoption of “conclusions on the competitiveness of the tourism sector as a driver for sustainable growth, jobs and social cohesion in the EU for the next decade”.

Under any other business, there will be updates on the following current legislative proposals: (a) the directive on cross-border conversions, mergers and divisions; (b) the directive on the modernisation of the EU consumer protection rules; (c) the directive on representative actions for the protection of the collective interests of consumers; and (d) the regulation on the general safety of vehicles.

The presidency will also provide information on better regulation and the forum dedicated to the auto industry. Finally, the Finnish delegation will provide information on the work programme of the incoming Finnish presidency.

Day two—Research and Space

The Research and Space Day of the Competitiveness Council will begin with a session on space, during which the Council will hold a policy debate on “strengthening Europe's role as a global actor and promoting international co-operation, space diplomacy and contributing to building the global space governance”.

The Competitiveness Council will then break for the 280th European Space Agency (ESA) Council where the UK, as an ESA member state, will vote on the ESA resolution “space as an enabler”. The Council will then reconvene for the 9th EU-ESA Space Council where there will be an exchange of views and adoption of conclusions on “space as an enabler”.

The research session will start with a policy debate concerning “research and innovation as a driving force for a more competitive European Union”. Finally, the Finnish delegation will provide information on the work programme of the incoming Finnish presidency.

[HCWS1579]

Register of Beneficial Owners of Overseas Entities

The Parliamentary Under-Secretary of State for Business, Energy and Industrial Strategy (Kelly Tolhurst): Our modern industrial strategy seeks to maintain the UK's global reputation as a good place to do business. People come to Britain confident in our high corporate standards, including market transparency, which foster confidence and trust. Transactions are improved and the market has greater confidence when people know who they are doing business with, while lack of transparency can facilitate criminal behaviour.

The 2017 national risk assessment of money laundering and terrorist financing highlights the fact that property continues to be an attractive vehicle for criminal investment, in particular for high-end money laundering. The risks relating to abuse of property are most acute where property is owned anonymously through corporate structures or trusts.

This Government committed at the 2016 international anti-corruption summit to create a register showing the beneficial owners of overseas entities which own or buy property in the UK. The Government also committed in primary legislation, through section 50 of the Sanctions and Anti-Money Laundering Act 2018, to report to Parliament annually on the progress that has been made towards putting in place such a register.

Over the past year, significant progress has been made towards the introduction of the register.

The Government published a draft Registration of Overseas Entities Bill on 23 July 2018 and invited comment on it from interested parties. Some 29 responses were received from civil society groups, the property sector and others, which has informed the development of the register. The draft Bill and explanatory notes set out how the register will operate.

A Joint Committee was appointed to consider and report on the draft Bill. The Commons members of the Committee were appointed on 19 February 2019. The Lords members were appointed on 25 February 2019. The Committee held a number of evidence sessions, including one on 25 March 2019 at which I gave evidence. They also invited interested individuals and organisations to submit written evidence to their inquiry.

The Committee made recommendations in a report to both Houses, published on 20 May 2019. The Government welcome the Committee's thorough and helpful scrutiny of the Bill. We are considering their recommendations and will publish a response in due course.

The Government intend to introduce the Bill to Parliament as soon as parliamentary time allows. We will continue to work closely with interested parties, including our delivery partners, in developing secondary legislation and preparing for implementation. Following Royal Assent and the making of secondary legislation, the Government intend that the register will be operational in 2021.

The UK continues to lead the global fight against illicit finance. The Financial Action Task Force completed a landmark review of the UK's regime for tackling money laundering in December 2018, concluding that we have some of the strongest controls in the world.

[HCWS1580]

HOME DEPARTMENT

Modern Slavery

The Secretary of State for the Home Department (Sajid Javid): Today I am laying before the House the final report of the independent review of the Modern Slavery Act 2015 (CP 100). Copies of the report will be available from the Vote Office and it will also be published at: www.gov.uk.

Under the leadership of the Prime Minister, the right hon. Member for Maidenhead (Mrs May), the UK has transformed its response to modern slavery over the last five years. The Modern Slavery Act 2015 was the first legislation of its kind in the world. The Act provided law enforcement with new tools and powers to apprehend perpetrators, new duties on businesses to publish transparency in supply chains statements, enhanced protections for victims and created the Independent Anti-Slavery Commissioner role. The impact of the Act is evident: more victims than ever before are being identified and supported, more offenders are being prosecuted and convicted and thousands of companies have published transparency statements and are taking action to prevent slavery and trafficking in their supply chains.

Alongside the Act, this Government are delivering a comprehensive programme of policy measures to tackle modern slavery. We are reforming the national referral mechanism (NRM) to improve the support available to

victims and to streamline the decision-making process. We are continuing to hold businesses to account on their obligations to publish transparency statements and central Government Departments will publish a transparency in supply chains statement this year, to set out the steps we are taking through public procurement to prevent the risks of modern slavery in our supply chains. We are also working with international partners to drive action to address modern slavery risks in supply chains and public procurement.

We continue to play a leadership role internationally, pushing for co-ordinated action to deliver the sustainable development goals on modern slavery, supported by a commitment of £200 million of UK aid, as well as building partnerships with countries from where the UK receives high numbers of victims. To build on this work, the Government recently awarded a further £5 million in grants to seven organisations through the modern slavery innovation fund to trial new and innovative approaches to tackle this heinous crime.

However, this Government are not complacent, and we are determined to lead global efforts to eradicate modern slavery, particularly as the methods used by criminals to exploit vulnerable people and our understanding of the crime evolves. That is why in July 2018 I commissioned right hon. Member for Birkenhead (Frank Field), right hon. Member for Basingstoke (Mrs Miller) and the noble Baroness Butler-Sloss GBE to conduct an independent review of the Modern Slavery Act. The review considered four themes relating to provisions in the Act: the Independent Anti-Slavery Commissioner, transparency in supply chains, legal application and the Independent Anti-Slavery Commissioner. The final report has made a total of 80 recommendations.

I am grateful to the reviewers and all those who contributed to the review for their commitment and comprehensive analysis. The Government intend to consider all recommendations in depth, before making a formal response in summer 2019.

[HCWS1578]

INTERNATIONAL TRADE

Foreign Affairs Council (Trade)

The Minister for Trade Policy (George Hollingbery): The EU Trade Foreign Affairs Council will take place in Brussels on 27 May 2019.

The substantive items on 27 May will be: non-legislative items: the state of play of World Trade Organisation modernisation and negotiations, the state of play of EU-US trade relations, and an exchange of views on preparation for signature of the EU-Vietnam free trade agreement and investment protection agreement.

[HCWS1577]

JUSTICE

Sentencing Code

The Minister of State, Ministry of Justice (Robert Buckland): I am today announcing the Government's interim response to the Law Commission's report on the Sentencing Code, published on 22 November 2018. The interim response can be found at: <https://www.gov.uk/government/publications/government-response-to-law-commission-report-on-the-sentencing-code>. I am also announcing the Government's intention to introduce

the Sentencing (Pre-consolidation Amendments) Bill to Parliament, which will pave the way for the sentencing code.

The Law Commission's draft sentencing code is a consolidation of legislation governing sentencing procedure which aims to ensure that the law relating to sentencing procedure is readily comprehensible and operates within a clear framework as efficiently as possible. For the code to operate as intended, there are some amendments required to the existing law to facilitate the consolidation and to remove historic, and now redundant, layers of legislation. To enable this the Law Commission has also drafted a pre-consolidation amendment bill. Neither the code nor the pre-consolidation amendments make any changes to existing offences and penalties, nor do they introduce any new substantive law or sentencing disposals.

The key recommendation of the report is that the draft legislation be enacted. The Government welcome the Law Commission's report and draft legislation and consider the consolidation of sentencing procedure to be a major step forward in simplifying what is often a complex and technical area of law. It is absolutely vital that unnecessary errors made in our criminal justice system are minimised, and that the courts, offenders, and victims of crime and their families are not put through the time and expense of unnecessary appeals.

The Ministry of Justice is looking carefully at substantive sentencing reform. For example, there is persuasive evidence showing that community sentences, in certain circumstances, are more effective than short custodial sentences in reducing reoffending, and therefore keeping the public safe. At this stage, we are still considering options and have not ruled anything in or out.

However, questions of substantive reform are distinct from the important task of making sure that sentencing procedural law is clear and accessible to those that need

to use it. We believe the sentencing code provides that clarity and transparency. I will bring forward more detailed proposals in due course, but I emphasise that the opportunity for the consolidation of complex sentencing procedural law presented by the code is a separate matter, and should be brought forward separately.

The Law Commission has also made some further recommendations to the Government for the reform of sentencing law. These have not been given effect in the draft legislation and both Bills as drafted by the Law Commission can be enacted without taking these additional recommendations forward. The Government are grateful for the in-depth analysis that has gone into these complex issues during consultation, acknowledging that in some cases they were unsuitable for inclusion as part of the consolidation process or outside the terms of reference for the project. For those reasons, we do not propose that these recommendations be taken forward at this time, while noting that the benefit of the sentencing code is that it will be readily open to Parliament in future to make such changes. We will, however, provide a fuller response to these further recommendations raised by the Law Commission in due course.

The Government thank the Law Commission for the considerable effort that has gone into producing the report and draft legislation. While the sentencing code itself should be brought forward through the parliamentary procedure for Law Commission consolidation Bills, I am pleased to announce that the Government will be introducing the Sentencing (Pre-consolidation Amendments) Bill to Parliament, giving effect to the pre-consolidation amendments, through the special procedure which is available for Law Commission recommended Bills.

[HCWS1581]

Petition

Wednesday 22 May 2019

PRESENTED PETITION

Petition presented to the House but not read on the Floor

Non-stun slaughter

The petition of residents of the UK,

Declares that animals killed by having their throats cut while fully conscious is unacceptable; further that animals should not be made to suffer such profound trauma in the name of religion; further that this method

of slaughter runs counter to any belief in compassion and mercy; further that animals should be stunned before they are slaughtered; further that, Shechita slaughter does not allow animals to be stunned before they are slaughtered; further that, when the Holy Prophet was alive, modern stunning methods did not exist; further that the Food Research Institute states that killing an animal before it is bled out by high voltage electrical stunning does not affect the amount of blood from the carcass; and further that this petition relates to e-petition 131591.

The petitioners therefore request that the House of Commons to debate non-stun slaughter.

And the petitioners remain, etc.

[P002456]

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