

Thursday
11 July 2019

Volume 663
No. 329



**HOUSE OF COMMONS
OFFICIAL REPORT**

**PARLIAMENTARY
DEBATES**

(HANSARD)

Thursday 11 July 2019

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The House met at half-past Nine o'clock

PRAYERS

[MR SPEAKER *in the Chair*]

Oral Answers to Questions

International Trade

The Secretary of State was asked—

Free Trade and WTO Reform

1. **Andrew Lewer** (Northampton South) (Con): What steps he is taking to promote free trade and WTO reform. [911893]

2. **Robert Courts** (Witney) (Con): What steps he is taking to promote free trade and WTO reform. [911896]

The Secretary of State for International Trade and President of the Board of Trade (Dr Liam Fox): This weekend, it will be three years since my Department was formed, and in that time the UK has worked with partners to ensure that the World Trade Organisation is equipped with the tools needed to tackle present challenges and address 21st century trade issues at a time of significant global headwinds. I emphasised the urgent need for WTO reform in discussions with my counterparts at the G20 trade and digital economy ministerial meeting in Japan a few weeks ago.

Andrew Lewer: Can the Secretary of State please explain why some nations, such as Canada, are refusing to roll over their existing EU free trade agreements, while many others, such as Switzerland, have happily done so?

Dr Fox: Continuity of existing trade terms is in everybody's interests. I have to say that when the House of Commons gives mixed signals about the possibility of a no-deal exit, quit understandably some of our trading partners wonder whether it is worth investing in getting those continuity agreements. What I would say to those trading partners is that a no-deal exit is not entirely within the control of the United Kingdom; we might end up with a no-deal exit from the European Union. It is in everybody's interests to have those safety nets in place.

Robert Courts: Free trade has the ability to spread the blessings of prosperity and to bring nations closer together. What is my right hon. Friend doing to spread free trade, particularly with our friends in the Commonwealth and the Anglophone countries?

Dr Fox: I would go further than my hon. Friend and say that free trade is beneficial for prosperity, stability and security, in the United Kingdom and beyond. The creation of Her Majesty's trade commissioners is one of the most important elements of the Department for International Trade, and I am passionate about increasing the size of the DIT's overseas network, including in the Commonwealth. Therefore, this morning I am proud to announce the creation of a new HM trade commissioner for Australasia. The post will be a senior civil service 2 director role and will be externally advertised later this year, to attract the best and brightest talent.

Kerry McCarthy (Bristol East) (Lab): To return to the subjective continuity agreements, a number have been put in place but they do not apply to some of our biggest trading partners. Does the Secretary of State really think that by the end of October we will have a significant number of agreements in place with those countries with which we do the most trade?

Dr Fox: Well, 10.7% of our trade is done under EU trade agreements with third countries. In fact, the largest of those, with Switzerland, and some of the other largest—for example, with the European economic area and South Korea—have already been concluded or signed, and I expect further agreements to be reached.

Helen Goodman (Bishop Auckland) (Lab): I do not know whether the Secretary of State saw the alarming report in yesterday's *Financial Times* on the impact on the Amazonian rainforest of the EU-Mercosur trade deal. Of course free trade is a good thing, but not if the cost is climate change. Does he agree?

Dr Fox: This Government have been very consistent in our approach to this matter. In fact, next week I will be setting out, at a slightly lesser level, moves that the Department for International Trade intends to take to mitigate our own international travel. We all have a responsibility, at international, national and personal level, to take climate change absolutely seriously. In international agreements, the environmental impacts are very much looked at. Of course, that agreement has not yet been finally concluded.

Mr Nigel Evans (Ribble Valley) (Con): I congratulate the Secretary of State and his Department on the latest export figures, which have reached another new high, but there is clearly potential for further growth, particularly post Brexit. What plans does he have to ensure that we have sufficient staff and personnel in high commissions and embassies throughout the world looking for those opportunities and feeding them back to British firms?

Dr Fox: For Britain to be able to sell abroad, we need to be able to do two things simultaneously: understand what Britain has to sell abroad and understand the markets we are selling into. That is why my Department is bringing in a major change to rotate our staff from our international posts through our sectors in the UK, so that they can understand what the UK can do in terms of services and goods in a real-time way as well as understand the markets. It is not just about how many people we have in the market, but about how well they understand what is happening in the UK. I hope that

this innovation will lead to an increased capability for the UK and improve our competitiveness vis-à-vis other exporting countries.

Stewart Hosie (Dundee East) (SNP): We recognise the need to reform the WTO, not least in the area of speeding up dispute resolution. We also recognise the benefits of regional trade agreements and bilateral agreements that can be WTO-compliant. However, it remains essential that we have a fully functioning WTO implementing globally agreed trade rules, so may I ask the Secretary of State to take on board and to agree with me that in these negotiations on reform he should reject some of the approach of the United States, which is to suggest that it will walk away from the WTO if it does not get its own way?

Dr Fox: I absolutely agree that we need an international rules-based system based on the WTO. It does require reform, but the fact that it needs reform is not an excuse to leave—it is an excuse to be more engaged in those reforms. It is worth pointing out that the United States has done very well, winning around 90% of the cases it has taken to dispute at the WTO. I hope that we all understand that the alternative to a rules-based system is a deals-based system, and the biggest casualties of that will be developing countries.

Renewable Energy Exports

3. **Chris Elmore** (Ogmore) (Lab): What plans he has to increase exports by the renewable energy sector. [911897]

The Parliamentary Under-Secretary of State for International Trade (Graham Stuart): Promoting renewables is, of course, one more function of a dedicated trade Department, and we have export campaigns targeting renewable energy opportunities across Europe, Latin America and south-east Asia, along with support programmes. For example, the offshore wind sector deal commits the Department for International Trade and industry to increase offshore wind exports fivefold to £2.6 billion by 2030 and puts in place support mechanisms to help UK suppliers grow.

Chris Elmore: I thank the Minister for his answer. In Wales, the low- carbon and renewable energy economy employs nearly 10,000 people. However, as he has already said, this could be hugely expanded if there were more opportunities to explore and to export renewable energy, so what steps are the UK Government taking to boost the economy and export more to provide more jobs across Wales and the wider UK?

Graham Stuart: I congratulate the hon. Gentleman for championing those employers and, more importantly, employees in his constituency across the world. We are absolutely dedicated to doing that. As I said, the offshore wind sector deal puts a lot of that in place. UK Export Finance now has a dedicated team to support renewables. Colleagues from across the Department worked with Taiwan, and I was there last year at the signing of a memorandum of understanding that opens up its offshore wind opportunities for local companies.

Bill Esterson (Sefton Central) (Lab): The Society of Maritime Industries says that export finance support in the UK lags behind what is available in other countries. It is calling for a much-needed follow-up detailing the specifics of the export strategy. If the Government are serious about the UK being a zero-carbon economy, where is the detail, the coherent plan and the investment into exports of our world-leading renewables sector? Labour believes in the industry; when will the Government start to?

Graham Stuart: I shall try to give a straight answer to a not entirely straight question. As I said, we have the sector deal. We have the export strategy and we are putting enormous effort into that. I am pleased to say, Mr Speaker, that in this 100th centenary year of UK Export Finance, it has, under this dedicated trade Department, been rated the best export credit agency in the world.

Mr Speaker: It is good to know that a centenary year marks 100 years and that 100 years would be considered to constitute a centenary. I wonder whether a 100th centenary year might be in danger of being a tautology.

Leaving the EU: UK Trade Policy

5. **Trudy Harrison** (Copeland) (Con): What plans he has to use the Board of Trade to ensure that the constituent parts of the UK benefit from UK trade policy after the UK leaves the EU. [911899]

The Secretary of State for International Trade and President of the Board of Trade (Dr Liam Fox): Establishing the Board of Trade has been one of this Department's major achievements over the past three years, and it will continue to meet in all UK nations and regions. Included as advisers to the board are the Secretaries of State for Northern Ireland, for Scotland and for Wales, and it has representation from business advisers from across the UK. We will make sure that all parts of the UK benefit from the jobs and investment that come with an independent UK-wide trade policy.

Trudy Harrison: My right hon. Friend will know that Copeland is home to a thriving agriculture sector. Will he tell us more about what is being done in his Department to open up new markets?

Dr Fox: There are a number of ways in which we can do that. The traditional trade agreements are one of them, but market access is another. For example, countries such as China are huge markets for Northern Ireland dairy products and Scottish beef, and the Department is focusing increasingly on identifying regulations that, if removed, will automatically increase market access for UK exporters.

Chris Bryant (Rhondda) (Lab): When the Foreign Affairs Committee met businesses in Hirwaun, south Wales, they were very critical of the Board of Trade. They said that it simply did not listen to Welsh concerns and did not project Wales on the international market. Is there not a danger that the Welsh Assembly might take it into its head that it wants to do that work instead of—and, I would argue, less effectively than—the United Kingdom?

Dr Fox: The hon. Gentleman may be slightly confusing the Board of Trade with the Department for International Trade. They have slightly different functions. When the Board of Trade met in Wales recently, we presented a number of awards to Welsh exporters, but the Board of Trade is an augmentation of the DIT in that it is able to take its own trade missions abroad. The advantage of the DIT to Wales is that it provides access to a much bigger network than could ever be achieved by the Welsh Government, and thus gives Welsh business a far greater capability than it would otherwise have.

9. [911903] **Stephen Kerr** (Stirling) (Con): I was delighted to welcome my right hon. Friend to Stirling last year for the first ever meeting of the Board of Trade in Scotland. He has mentioned Scotch beef. The National Farmers Union of Scotland has launched a social media campaign, #BackScotchBeef. Will my right hon. Friend be beefing up his Department in Scotland, to provide more presence and resources to support the export of Scotch beef?

Dr Fox: I am delighted to say that the outcomes of the Department's efforts have already been pretty beefy. The important point is, however, that because Scotland is part of the United Kingdom and therefore has access to a Department of State with a very large international footprint, we are better able to tackle issues such as market access to Scottish beef than Scotland would ever be if it were an independent state.

Chi Onwurah (Newcastle upon Tyne Central) (Lab): The north-east is the one region that consistently exports more than it imports, but its voice in international trade policy and its representation on trade missions do not reflect that. What is the Board of Trade doing to support the voice of the north-east, rather than providing a platform for the Secretary of State so that he can tour the regions without delivering change?

Dr Fox: The point of the Board of Trade's visits to the regions is gathering information that the Department can use for the purpose of export policy and recognising the excellence of those who have already succeeded in exporting. I should have thought that the hon. Lady considered it a worthwhile exercise for the Government to recognise the excellent exporters in her own region.

Mr Philip Hollobone (Kettering) (Con): Will the Secretary of State hold a meeting of the Board of Trade in Kettering, so that we can meet the Northamptonshire chamber of commerce to discuss export opportunities?

Dr Fox: I am astonished that we have got this far with only one bid for a meeting place for the Board of Trade. As with all my hon. Friend's suggestions, I will take it seriously.

Judith Cummins (Bradford South) (Lab): If trade is to work for all parts of the UK, all parts of the UK—including Kettering—must be heard before, during and after trade negotiations. The Government have announced the creation of a ministerial forum for international trade, but they have provided no information about its membership, how often it will meet, or what its exact terms of reference will be. Will the Secretary of

State now give us some much-needed detail on how both the nations and the regions of the UK will be included in the entire trade negotiation process?

Dr Fox: As I have said, the Board of Trade's advisers—which is what they are technically called—are the Secretaries of State for Scotland, Wales and Northern Ireland. We have visited all the English regions, and I intend in future to be constantly moving around the regions and nations of the UK, to thank the businesses that have contributed to Britain's export performance, to consult those businesses and to create a network of business people who will act as champions and mentors for companies that want to export.

Export Strategy

6. **Peter Aldous** (Waveney) (Con): What recent progress the Government has made on implementing its Export Strategy. [911900]

8. **Sir Geoffrey Clifton-Brown** (The Cotswolds) (Con): What recent progress the Government has made on implementing its Export Strategy. [911902]

The Minister for Trade Policy (George Hollingbery): This summer marks three years since the DIT was established and one year since the publication of the Department's export strategy, which sets out how the Government will encourage, inform, connect and finance UK businesses to take advantage of the international demand for British goods and services. Last month, we announced a new package of financial support from UK Export Finance to help businesses, and small and medium-sized enterprises in particular, to do just that.

Peter Aldous: Does the Department's export strategy make provision for promoting the expertise of British business in the emerging markets of offshore wind and the late-life decarbonising management and decommissioning of oil and gas fields?

George Hollingbery: Yes, the offshore wind sector deal announced earlier this year will support UK companies to seize the export opportunities generated by the rapidly expanding market. The DIT is working with markets such as Taiwan, with which I recently hosted an offshore wind roundtable last month, to support their engagement with the UK supply chain. On oil and gas production, the DIT is engaging with the industry and stakeholders on export opportunities across the full industrial lifecycle.

Sir Geoffrey Clifton-Brown: We have already heard that our trade agreements with the EU amount to about 11% of our trade, which is significant. Will my hon. Friend update the House on where he expects to have got with rolling over all the existing trade agreements by the time we are able to make our own independent trade policy?

George Hollingbery: Since the Department's formation three years ago, the DIT has grown its trade negotiating capability from a standing start to a fully trained core of specialists. That has allowed us to negotiate the transition of EU free trade agreements, representing almost two thirds of trade covered by these agreements, and we continue to work intensively on the balance.

Mr Jim Cunningham (Coventry South) (Lab): What is the Secretary of State doing in relation to manufacturing in the west midlands, which has the Jaguar Land Rover and black cab companies, to increase their exports given the market has had a slight downturn as a result of Trump's sanctions on China?

George Hollingbery: Of course, Jaguar Land Rover remains an extraordinarily important company to the UK. It has faced some challenges recently, but the announcement of the new electrification programme in the west midlands is extremely welcome. As the hon. Gentleman might expect, the DIT has been very heavily involved in that process.

Kevin Brennan (Cardiff West) (Lab): But what has the DIT been doing through its export strategy about the automotive sector in Wales and in particular in Bridgend, with the announcement that Ford will close the engine plant? What can the Department do to try to persuade Ford to change its mind about this and to ensure that we have a thriving export sector?

George Hollingbery: The hon. Gentleman will know that the Department for Business, Energy and Industrial Strategy has been very heavily involved with Ford at Bridgend; in the end this is a matter for the company itself, but I have no doubt that BEIS has had productive conversations with it. The DIT is, along with BEIS, investing very large amounts of money across government in electrification and the automotive market of the future. That involves huge amounts put into research and development at universities, and we believe that will put the UK car industry in a very good position for the future.

UK-US Trade and Investment

7. **Michael Fabricant** (Lichfield) (Con): What recent discussions he has had with his counterpart in the US Administration on trade and investment between the UK and the US; and if he will make a statement. [911901]

The Secretary of State for International Trade and President of the Board of Trade (Dr Liam Fox): Over the past three years, the DIT has laid the groundwork for an ambitious free trade agreement with the US once we have left the EU, including through the UK-US trade and investment working group, which met for the sixth time in London yesterday. This week, I have been in Washington to discuss the progress of these preparations with my American counterparts and make sure we are ready to grasp this golden opportunity once we have left the EU.

Michael Fabricant: Is it not the case that, notwithstanding the little local difficulty—or even large local difficulty—in Washington DC at the moment, the underlying facts remain that the United Kingdom is the biggest investor in the United States and vice versa, that military and intelligence integration between the United Kingdom and the United States is bigger than any other in the rest of the world and that our strength remains with the United States?

Dr Fox: My hon. Friend is correct. The UK and the US have a deep long-standing relationship with a strong and enduring bond. We have a shared heritage, legal system and language, and we co-operate extensively in security, prosperity and defence, and at many levels of our society, culture and economy, our co-operation is closer than that of any other two countries—something that my hon. Friend contributed to in his time as shadow Trade Minister.

Mr Barry Sheerman (Huddersfield) (Lab/Co-op): Has the Secretary of State woken up to the fact that when we trade with America, and with other countries, we have to take manufacturing very seriously indeed? This also involves our universities. I have a good memory and I remember that, on his first outing, he refused to meet the all-party parliamentary group on manufacturing. He has still not met it. Why does he not take manufacturing seriously? It matters for our trade relationship with America, which is very close.

Dr Fox: When it comes to the manufacturing element, we take it very seriously. Our goods exports have actually exceeded the growth in our service exports in recent times, which is testament to the way in which the manufacturing sector has been encouraged and grown under this Government, in stark contrast to what happened under the previous Labour Government, when it shrank substantially.

Ian Murray (Edinburgh South) (Lab): The Secretary of State is obviously aware of the unprecedented way in which our ambassador in Washington was removed from his post yesterday by the former Foreign Secretary and the President of the United States. Does he think that that will harm or hinder our trade investment with the United States?

Dr Fox: I deeply regret the resignation of Sir Kim Darroch, whom I was with actually in the time before his resignation. He was a great, dedicated and professional public servant. I hugely decry the leak that led to that resignation. The leak was unprofessional, unethical and unpatriotic, and I hope that, if we are able to discover the culprit, we will throw the book at them.

Arms Sales: Saudi Arabia

10. **Patricia Gibson** (North Ayrshire and Arran) (SNP): What recent assessment he has made of the implications for his policies of the Court of Appeal's ruling on the process of granting licences for the sale of arms to Saudi Arabia. [911904]

The Secretary of State for International Trade and President of the Board of Trade (Dr Liam Fox): We disagree with the judgment and are seeking permission to appeal. Alongside this we are considering the implications of the judgment for decision making. While we do this, we will not issue any new licences for exports to Saudi Arabia or its coalition partners which might be used in Yemen.

Patricia Gibson: Given the evidence from organisations such as the Red Cross, and given what we know about the humanitarian violations in Yemen, does the Secretary of State not think it is time, once and for all and

regardless of any review, to look at the international evidence, and stop selling arms to Saudi Arabia to break international law?

Dr Fox: We take a rigorous and robust view in this country, as the court said, and we are very aware of any potential breaches of international humanitarian law. I think the hon. Lady will find that the United Kingdom has one of the most stringent sets of rules around arms exporting anywhere in the world.

Topical Questions

T1. [911910] **Anne-Marie Trevelyan** (Berwick-upon-Tweed) (Con): If he will make a statement on his departmental responsibilities.

The Secretary of State for International Trade and President of the Board of Trade (Dr Liam Fox): My Department is responsible for foreign and outward direct investment, establishing independent trade policy and export promotion. I am proud to announce that, on 17 July, my Department will be launching the MP Exporting toolkit. This will highlight the role that all MPs can play in helping to promote local businesses in their own constituencies. It says “Become a Trade Minister for your constituency”, and 650 Trade Ministers would be even more effective than the Department for International Trade.

Anne-Marie Trevelyan: My right hon. Friend is a brave man to let us all loose like that. He will be aware that the Royal Navy has done incredible work in the past couple of days to protect our British shipping as it moves through the Strait of Hormuz. Does he agree that, given that 95% of our goods travel by sea, it is imperative that our armed forces have the resources they need to keep all those exports and imports safe?

Dr Fox: Contrary to international law, three Iranian vessels attempted to impede the passage of a commercial vessel, British Heritage, through the Strait of Hormuz. HMS Montrose was forced to position herself between the Iranian vessels and British Heritage and to issue verbal warnings, which caused the vessels to turn away. Our thanks go to the crew of HMS Montrose and to all those who protect the safety of vital international maritime traffic. It is our duty as a Parliament to ensure that all those forces are adequately resourced.

Barry Gardiner (Brent North) (Lab): Last month, the Department released the worst foreign direct investment statistics in five years. New projects were down 14%, new jobs were down 24%, and investment to safeguard existing jobs was down 54%. I know that the Secretary of State will want to explain the reasons for this to the House, but will he also tell us whether he still thinks he was right to announce that, in the event of a no deal, he would unilaterally drop more than 80% of our tariffs to zero for a period? I ask this because Canada has said that it will not now conclude a roll-over agreement conceding preferences to the UK because the Secretary of State is offering market access for free. In June, he boasted to the Select Committee that the roll-over was 99% there. Now, it is 100% not there. Was he right, or is Canada?

Dr Fox: As ever, it is nice to know that the hon. Gentleman is consistently wrong. He talks about our investment figures, but investment into the United Kingdom was the third highest of any country in the world, and it was the highest in Europe. At a time when global foreign direct investment fell, it continued to rise in the UK. When it comes to tariffs, one reason the Government introduced the temporary tariff scheme was to stop a price shock in the UK, and one of the reasons for that is that those on lower incomes spend more on goods than services. Introducing liberalisation will help to protect consumers on lower incomes, and I would have thought even today’s Labour party might have supported that.

T2. [911911] **Sir Desmond Swayne** (New Forest West) (Con): Can market access agreements be even more important than free trade agreements?

The Minister for Trade Policy (George Hollingbery): My right hon. Friend is absolutely right. There are some huge opportunities in market access. Indeed, we have identified one potential change in China that, if negotiated, might be worth £10 billion of turnover over a considerable period through one regulation alone. Resources at the Department at the moment are necessarily skewed towards FTAs, because of the trade agreement continuity process, but they will in due course shift towards market access, which is terribly important.

T3. [911912] **David Linden** (Glasgow East) (SNP): Can the Secretary of State explain what his Department is doing to encourage the EU and US to resolve the Airbus and Boeing subsidies dispute without resorting to tariff retaliation in unrelated sectors, including UK agri-food products?

Dr Fox: I had a number of discussions in the United States about that issue this week, as the hon. Gentleman may have guessed. It is likely that tariffs will be applied following the WTO determination of the level of tariffs that the US is allowed by law to set following the judgment on Airbus. Of course, the judgment on Boeing, to which he alluded, is also coming. At some point, we must ensure that both European countries and the United States are able to give appropriate support to their aircraft industries, because the alternative will be market access for China, which will be in the interests of neither.

T4. [911913] **Jack Brereton** (Stoke-on-Trent South) (Con): As South Korea is the third largest export market for ceramics, does the Secretary of State agree that the recently signed outline free trade agreement with South Korea is a huge boost for the ceramics industry?

George Hollingbery: The transition agreement will replicate the effects of the preferential market access in the existing EU-South Korea FTA, providing certainty for businesses and allowing them to continue trading on preferential terms. It will provide a firm basis for the further strengthening of our ambitious trade and investment relationship as we work together in future.

T6. [911915] **Ian Murray** (Edinburgh South) (Lab): The Secretary of State promised this House that all bilateral trade deals between the EU and other countries would

be rolled over by 29 March, including a bilateral trade deal with the EU itself. How many will be done by 31 October?

George Hollingbery: I could just ask the hon. Gentleman to look up the answer that I gave a few moments ago. We have signed roughly two thirds of the deals already and we expect there to be more. As for the number, it is well over 50%, and a large number of the countries in there are agglomerated into blocs, but we are confident in terms of trade that we will have two thirds or thereabouts.

T5. [911914] **Andrew Lewer** (Northampton South) (Con): The Secretary of State rightly said that we will need an agreement with the EU to allow a GATT 24 basic deal to apply, but does he not accept that GATT 24 and a temporary FTA would save the EU £13 billion in tariffs and the UK just £5 billion, so the EU has every incentive to back it?

Dr Fox: My hon. Friend makes an important point, but an article 24 agreement would cover tariffs and quantitative restrictions; it would not cover services, standards and regulations. An agreement covering those latter elements would have to be negotiated separately and would probably take longer to strike. In the meantime, the UK would be subject to the full array of existing third-country checks and controls carried out as standard by the EU. In other words, even if we both did agree an article 24 continuation, it would not cover access to the single market—it would not be trading as usual.

Thangam Debbonaire (Bristol West) (Lab): Further to the question from the hon. Member for North Ayrshire and Arran (Patricia Gibson), is it not time that the Department for International Trade undertook a thorough review of all 29 or 30 countries identified as countries of concern for human rights by the Government's own Foreign Office?

Dr Fox: We do, and we act in line with the consolidated criteria of the EU. We look at all those elements. In fact, the Court of Appeal was clear that the Government were rigorous and robust in doing so.

WOMEN AND EQUALITIES

The Minister for Women and Equalities was asked—

Pension Inequality

1. **Mr Bob Seely** (Isle of Wight) (Con): What steps the Government are taking to support women facing pension inequality. [911870]

The Parliamentary Under-Secretary of State for Work and Pensions (Will Quince): Before I respond, may I say, on behalf of our Front-Bench team and, I hope, of the whole House, how proud we are of the Lionesses for their exceptionally inspirational performance in the women's World cup?

Recent state pension reforms have meant that by 2030 more than 3 million women will be £550 a year better off on average. Automatic enrolment has helped to equalise workplace pension participation, and the Government's gender inequality road map sets out our proposals to tackle financial instability in later life.

Mr Seely: Equalising the pension age has been very painful. We understand the reasons for it, but it is very painful for many of my constituents—females born in the 1950s. What has the Minister's Department done to mitigate against that? What more can be done to avoid hardship for that age group?

Will Quince: My hon. Friend is a strong advocate for his constituents. This Government have already introduced transitional arrangements costing £1.1 billion; this concession reduced the proposed increase in state pension age for more than 450,000 men and women, and means that no woman will see her pension age change by more than 18 months, relative to the original Pensions Act 1995 timetable. For those experiencing hardship, the welfare system continues to provide a safety net, with a range of benefits tailored to individual circumstances.

Chi Onwurah (Newcastle upon Tyne Central) (Lab): The Minister must recognise that, particularly for working-class women in the north-east who started work earlier, sometimes at the age of 14 or 15, and are in manual trades, which take a huge toll on the body, this pension inequality is really affecting lives. What is he doing to meet the just claims of the WASPI—Women Against State Pension Inequality Campaign—women and provide support for those women so disproportionately affected?

Will Quince: As I say, the Government have already introduced transitional arrangements costing £1.1 billion. We have considered the alternative options and found that there are substantial practical, financial and legal problems with all alternative options offered by stakeholders so far to mitigate the impact on those affected.

Alison Thewliss (Glasgow Central) (SNP): In addition to the Lionesses, will the Minister also congratulate the Scottish women's football team on their efforts and wish the Scottish Thistles netball team all the best in the netball world cup, which is coming up this week?

The WASPI women have already been cheated out of their pensions by this and previous Governments, but a further issue is emerging, with the Association of British Insurers talking of £20 billion of unclaimed pensions, in 1.6 million pension pots. That will disproportionately affect women, as they are more likely to have changed jobs multiple times during their careers. What is the Minister going to do to make sure that those women do not also lose out on pensions to which they should be entitled, in unclaimed pension pots?

Will Quince: I will certainly echo the comments made by the hon. Lady about those sporting teams in Scotland. Her question is better related to the Pensions Minister, so I will ensure that he responds fully to the points she raises. However, I would say, on WASPI women, that any amendment to the current legislation that creates a new inequality between men and women would be unquestionably highly dubious as a matter of law, and the Government's position on the changes to the state pension age remains clear and consistent.

British Sign Language Courses

2. **Justin Madders** (Ellesmere Port and Neston) (Lab): What recent assessment she has made of the adequacy of the availability of British Sign Language courses.

[911871]

The Minister for School Standards (Nick Gibb): A range of qualifications in BSL are available, but of course it is for schools and colleges to decide whether to offer these qualifications or other courses in BSL. The Department for Education is working to develop draft subject content for a potential GCSE in BSL.

Justin Madders: Cheshire College South and West, in my constituency, has had to cancel the BSL courses altogether, due to cuts in the adult education budget. That pattern is being repeated all over the country, so may I urge the Minister to look carefully at the impact of the cuts his Government are implementing?

Nick Gibb: I am happy to meet the hon. Gentleman to discuss the particular issue regarding that college. He will be aware that the exam board Signature has a number of BSL qualifications at different levels. He will also know that the DFE funds the I-Sign project, which has developed a family sign language programme course, which is available online, and post-16 funding is of course a priority in the upcoming spending review.

Thangam Debbonaire (Bristol West) (Lab): I pay tribute to the hon. Member for Waveney (Peter Aldous), as nobody in the Portcullis House atrium yesterday can have failed to have been moved by the signing choir, who performed to great acclaim. Will the Minister join me, the hon. Member for Waveney and the choir in calling for a GCSE in sign language?

Nick Gibb: I did enjoy meeting Daniel Jillings's mother, Ann, and I am only sorry that I could not go to the performance of the Lowestoft Signing Choir last night. The hon. Lady will know that in February the Department announced that it would begin the process of developing draft subject content for a GCSE in BSL, which will need to be considered against the requirements that apply to all GCSEs.

Equalities Hub

3. **Mrs Maria Miller (Basingstoke) (Con):** What steps she is taking to tackle inequalities through the new Equalities Hub. [911873]

The Minister for Women and Equalities (Penny Mordaunt): The new Equalities Hub includes the Government Equalities Office, the race disparity unit and the new disability unit. Not only does it bring together the parts of Government that lead on gender, race, disability and sexual orientation, but it will use the convening power of the Cabinet Office better to leverage work across Whitehall.

Mrs Miller: I thank my right hon. Friend for that reply and for putting together for the first time ever an Equalities Hub. How will she make sure that Government Departments still see it as their responsibility to work together to deliver better equalities policies in future? In our inquiries, the Women and Equalities Committee often highlights that as a real problem.

Penny Mordaunt: The hub will hold those Departments to account. It will have some new tools to do that: better data and the ability to look at the multiple disadvantages that individuals face. There are also single departmental plans and other methods that the Cabinet Office has.

We will make further announcements this week that will provide other means by which we can hold everyone across Government to account.

Mr Barry Sheerman (Huddersfield) (Lab/Co-op): I welcome the Equalities Hub, but I urge the Government to make hubs available throughout the country. Will the Minister pay particular attention to a group that lobbied me only last week? They were women who have been in prison, come out of prison, and had to return to the atmosphere of bullying and oppression in the home they were in before they served their prison sentence. These women need the full service in the Equalities Hub. They are a very special case, so will the Minister help them?

Penny Mordaunt: The hon. Gentleman raises a very good point. My hon. and learned Friend the Minister of State, Ministry of Justice recently visited some women's prisons and spoke to people there about further things we need to do. Part of the work of the Government Equalities Office is to create better networks across the whole of the UK in all these policy areas.

Gender Bias: Employment

4. **Mr Philip Hollobone (Kettering) (Con):** Which employment sectors are most gender-biased against (a) women and (b) men; and if she will take steps to tackle those biases. [911874]

The Minister for Women (Victoria Atkins): My hon. Friend has asked a deviously difficult question, in that there are many ways to interpret it. I have taken it to reflect the gender split in sectors. The worst sectors in terms of the gender split for women are construction; mining and quarrying; and water supply, sewerage and waste management. All those sectors have workforces that are more than 80% men. The worst sectors in terms of the gender split for men are education, human health and social work. We are working with all those sectors to drive action plans to address the specific problems that men and women face, whether in recruitment, retention, or progression to senior leadership roles, in those sectors.

Mr Speaker: Brilliant though the Minister is, she cannot be expected, any more than any of us can, to know the inner workings of the sophisticated mind of the hon. Member for Kettering (Mr Hollobone).

Mr Hollobone: There is a highly disproportionately low number of male primary school teachers. What can the Government do to address this?

Victoria Atkins: My hon. Friend asks a good question. There is interesting research on what and how gender stereotypes form at early ages. By the age of seven, girls tend to think that they should be in what we call very loosely the caring industries, and boys tend to think about the mechanical and engineering-type industries. So it starts at the very beginning. We have to work on, and we are working on, ensuring that the gender stereotypes for boys and girls are not allowed to continue. That is precisely why the gender equality road map that we published last week will help with those limiting and

limited stereotypes. We must very much encourage boys to grow, and to be great teachers in our schools and colleges.

Chris Elmore (Ogmore) (Lab): I am sure the Minister would agree that in the care sector—where my mother has worked for the past 30 years—the focus tends to be purely on women working in that sector, often because it is part-time and low-paid work. What more will the Minister do to make sure that the care sector is seen as a real profession, with good qualifications and a decent salary.

Victoria Atkins: The care sector is such an important sector in our economy—all the more so as we age and live for longer—so through the gender equality road map we are very much looking into how we can help to ensure that the part-time roles are paid properly, and also that there are career opportunities. A tiny step is, of course, the gender pay gap regulation reporting, which helps to set out the disparities between pay, not only within industries and sectors but across the economy. It is through that that we will start to get much better quality.

Eddie Hughes (Walsall North) (Con): Only 1% of the tradespeople who work in building maintenance in housing associations are female, so will my hon. Friend endorse the work of the Guinness Partnership and its ambassador tradeswomen who are trying to drive up that figure by going into schools and colleges, encouraging women to pursue a career in construction?

Victoria Atkins: I endorse not only the work of the Guinness Partnership, but the work of my hon. Friend, who is a powerhouse himself for trying to ensure that women and girls see construction as a really good industry and a really good employment opportunity for them.

Prison Officer Training: Women's Mental Health

5. **Liz Twist** (Blaydon) (Lab): What recent discussions she has had with Cabinet colleagues on trends in the level of training for prison officers working with women with mental health needs. [911875]

The Minister of State, Ministry of Justice (Robert Buckland): From April of this year, a new specialist training package known as Positive Outcomes for Women: Empowerment and Rehabilitation has been devised to support prison officers working with women in custody and the community. That will help staff to have the necessary skills and knowledge to deal with those with specific needs.

Liz Twist: Given that women in prison account for a disproportionate amount of self-harm incidents, it is increasingly important that they are given support in prison. When will the Minister commit to enhancing support for vulnerable women with a mental health need in prison?

Robert Buckland: The hon. Lady will have heard what I just said about the new training programme, but it is part of a wider policy framework. In particular, there is work on the Lord Farmer review to improve

family ties for female offenders and a further investment of £5 million for community provision. My experience last week at Her Majesty's Prison Eastwood Park taught me a lot about how women can help each other and support each other through the process, which can often be a very traumatic time for them.

Carolyn Harris (Swansea East) (Lab): This year's inspection of HMP Foston Hall identified that 74% of women had mental health problems, but only two thirds were receiving any help. At the same prison, only half of officers had received any mental health awareness training despite a general feeling that they would like more. What more can be done to improve mental health training across the estate to reduce self-harm and suicide and to improve on the current position?

Robert Buckland: I am grateful to the hon. Lady for raising that important point. As I have said, the roll out of the new POWER scheme is going to be very important in terms of giving prison officers the tools they need to help support women with mental health needs. I do think that our overall strategy is now translating into real change, with the key worker scheme allowing prison officers to work with individual prisoners to identify their needs, so there is progress, but I accept that much more needs to be done.

Windrush: Home Office Investigation

6. **Emma Dent Coad** (Kensington) (Lab): Whether her Department is supporting the Home Office internal investigation into the causes of the Windrush scandal; and if she will make a statement. [911876]

The Minister for Women (Victoria Atkins): The Home Secretary commissioned a lessons-learned review to consider the key policy and operational decisions that led to members of the Windrush generation becoming entangled in measures designed for illegal immigrants and appointed Wendy Williams as its independent adviser. We understand that Wendy Williams has been considering a great deal of material during the course of the review and has spoken with a wide range of people. We will publish her report following its receipt.

Emma Dent Coad: The Government seem obsessed with pushing through a damaging no-deal Brexit, and Windrush victims feel ignored, as they have to make do with an apology, or perhaps another review, then a report, and then a consultation on the report and the review. Words are cheap; actions count. Can the Minister please explain how the process of compensating Windrush victims is progressing?

Victoria Atkins: I am glad that the hon. Lady has asked this question, because it gives me the opportunity to inform her that more than 6,400 people have been granted some form of documentation by the Windrush taskforce and more than 4,200 people have successfully applied to become British nationals through the Windrush scheme. We have announced that the Windrush compensation scheme is open for claimants. The forms, rules and claimant guidance were published in April and the free phone helpline is available for those wishing to receive printed copies of the forms or for any other queries.

Dawn Butler (Brent Central) (Lab): The Government said that it would take two weeks to resolve the Windrush cases; it has been over 64 weeks thus far. I have a live petition, which garnered more than 800 signatures a day, which I plan to present to the Prime Minister next week. Will the Minister join me in fighting for justice and fairness for the Windrush generation, and support the call to get all cases resolved before we break for recess?

Victoria Atkins: I thank the hon. Lady for her question. As she knows from the work she has done, every case is complex. We want to ensure that they are being thoroughly considered. We will continue to update the Select Committee with work and progress on this, but I reference her back to the fact that more than 6,400 people have been given some form of documentation and more than 4,200 people have successfully applied to become British nationals through the scheme.

Abortion Clinic Buffer Zones

7. **Dr Rupa Huq** (Ealing Central and Acton) (Lab): When the Government plan to announce a decision on their review of proposals to introduce buffer zones around abortion clinics. [911877]

The Minister for Women (Victoria Atkins): It is a pleasure to answer this question from the hon. Lady. In September 2018, having considered the evidence of the review, the Home Secretary reached the conclusion that introducing national buffer zones would not be a proportionate response given the experience of the vast majority of hospitals and clinics, and considering that the majority of activities are passive in nature; but we of course watch with great interest the incidents that are happening in her constituency.

Dr Huq: Ealing's buffer zone is pioneering, but it is a local byelaw and its renewal process will have to start next year, notwithstanding its High Court challenge next week. Women up and down the country—clinic users and staff—need the certainties of protection from harassment by national, lasting legislation, and the evidence of the Minister's review does not bear out what all the pressure groups are saying. So when will the Government have the guts to act?

Victoria Atkins: It is not a question of having the guts or otherwise. We looked at this very carefully. We looked at the range of hospitals and clinics across the country that offer these services, and the overwhelming majority did not report the sorts of activities that the hon. Lady has described taking place outside the clinic in her constituency. However, we of course keep the matter under review, and I am always happy to discuss this with the hon. Lady, because I know she takes such an interest in it.

Workplace Gender Equality

8. **Peter Aldous** (Waveney) (Con): What steps the Government are taking to enable employers to increase gender equality in the workplace. [911879]

The Minister for Women and Equalities (Penny Mordaunt): The cross-Government gender equality road map sets out our plans to address the persistent gender barriers that people face at every stage of their life. It addresses the cumulative impact faced disproportionately by women as a result of gender barriers at every stage of their life.

Peter Aldous: Will my right hon. Friend join me in congratulating the Ogden Trust, participating businesses, higher and further education providers and John Best for their sterling work in promoting the coastal energy internship programme, which in three years has grown from providing five to 50 internships, and which is ensuring that female interns have every opportunity to work in an industry that has long been male-dominated?

Penny Mordaunt: I would be delighted to join my hon. Friend in highlighting that fantastic example and congratulating all involved on its success. In order to improve gender representation in STEM—science, technology, engineering and maths—industries, we are raising awareness of the opportunities that these career paths present, through the Government careers strategy.

Sexual Violence Support Services

9. **Wera Hobhouse** (Bath) (LD): What recent discussions she has had with the Secretary of State for Health and Social Care on the provision of support services for people who have experienced sexual violence. [911880]

The Minister of State, Ministry of Justice (Robert Buckland): The Minister for victims, my hon. Friend the Member for Charnwood (Edward Argar), and the Minister for mental health, my hon. Friend the Member for Thurrock (Jackie Doyle-Price), meet quarterly, and in their most recent meeting they discussed mental health support for victims of serious violence and sexual assault, as part of the Government's continued work to implement an integrated system of care for victims.

Wera Hobhouse: A recent public petition brought by campaigner Fern Champion on the issue of funding for rape crisis centres has attracted more than 150,000 signatures. Fern's experience, echoed by many, is that rape crisis centres are so oversubscribed that survivors are being turned away or are told to wait for up to two years before they can receive support. Will the Minister commit to meet me—preferably before the summer recess—to discuss how we ensure that all survivors of sexual violence can access support?

Robert Buckland: I am happy to commit the victims Minister, my hon. Friend the Member for Charnwood (Edward Argar), to that meeting; I am sure he will be very pleased with me. This is an important and serious issue, because rape crisis centres form an invaluable part of the service. I am glad to say that from April this year my Department has increased funding for specialised rape and sexual abuse support services by 10%—up by £8 million a year—and that, for the first time, we will have centrally funded services in all 42 police and crime commissioner areas. That is a sign of our deep commitment, but we will work further with the hon. Lady.

Flexible Working

10. **Helen Goodman** (Bishop Auckland) (Lab): What steps she is taking to ensure that businesses offer employees their legal right to request flexible working. [911881]

The Parliamentary Under-Secretary of State for Business, Energy and Industrial Strategy (Kelly Tolhurst): All employees with 26 weeks' continuous service have the right to request flexible working—that is over 90% of employees. Employers can only refuse a request for flexible working if they have sound business reasons, which are set out in statute. We have also established the flexible working taskforce to promote wider understanding of implementation of flexible working practices. Earlier this year, we launched a flexible working website specifically aimed at helping working mothers to find flexible jobs.

Helen Goodman: Women who work at Asda in Bishop Auckland and Spennymoor, and indeed across the whole country, are currently facing dismissal if they do not accept a new contract that would end the flexibility they currently have. In view of the helpful answer that the Minister has given, will she join me and the GMB union in calling on Asda to think again and have a proper negotiation?

Kelly Tolhurst: I thank the hon. Lady for raising the concerns among her constituents with regard to the change of contract. As she well knows, that is a debate and a negotiation between the employer and the employees and their representatives. I am sure that the unions involved will be making their feelings clear. I advise those of her constituents who have any concerns about the practices that are happening within Asda to ring ACAS, which will be able to give them good, sound advice.

Maternity Discrimination

11. **Kirstene Hair** (Angus) (Con): What steps the Government are taking to help ensure that women are protected from maternity discrimination. [911883]

12. **Diana Johnson** (Kingston upon Hull North) (Lab): What steps the Government are taking to tackle maternity discrimination. [911884]

The Parliamentary Under-Secretary of State for Business, Energy and Industrial Strategy (Kelly Tolhurst): The law is absolutely clear: pregnancy and maternity discrimination against women in the workplace is unlawful. The Government recognise the importance of tackling pregnancy and maternity discrimination more widely, and have consulted on extending redundancy protections. We have received over 600 responses, which we are currently reviewing, and we will set out the next steps very soon.

Kirstene Hair: Flexible working enables women to stay in work and develop their careers after they have children, and helps to prevent maternity discrimination. It could also help to close the gender pay gap. It has made a huge difference to a member of staff in my constituency office with regard to getting back into work after having a child. What steps can my hon. Friend outline to ensure that flexible working is offered

in employment contracts, and is also a priority when advertising the job so that people understand that it is a possibility?

Kelly Tolhurst: My hon. Friend is quite right. This Government recognise that we need to do as much as we can for working families, and particularly for women who may suffer from discrimination. She is right to talk about flexibility. She will know that the Government have committed to consult on a duty on employers to consider whether a job can be done flexibly and to make that very clear in the advertisement for the job.

Diana Johnson: Following the long overdue consultation on the rights of pregnant women and new mothers, does the Minister expect the Government to support the recommendation made by the Women and Equalities Committee that the German model offers the best solution for protecting women from the worst employers?

Kelly Tolhurst: The hon. Lady is right: we have had the consultation, on which we will hopefully make further announcements soon. It is absolutely right that we have consulted on the extension of the pregnancy and maternity protections for up to six months. The Government have looked at the German approach to enforcement, which uses a state body to grant permissions to make new mothers redundant. This would diverge from the UK system of enforcement of individuals' employment rights through employment tribunals.

Topical Questions

T1. [911885] **Mr Jim Cunningham** (Coventry South) (Lab): If she will make a statement on her departmental responsibilities.

The Minister for Women and Equalities (Penny Mordaunt): All workers should be safe and able to thrive at work. Workplace harassment reflects an unacceptable sense of power, entitlement and disrespect towards others. Today I have launched a consultation on sexual harassment in the workplace. I am seeking views on whether the law is fit for purpose and how we can ensure that we have the right processes in place to keep people safe at work. We want to hear from people affected by this issue and design solutions that work for them. I urge everyone with an interest to go on to gov.uk and help us in this exercise by filling out the consultation questionnaire.

Mr Cunningham: According to the Home Office, only 15 police forces have had training in relation to domestic abuse and violence. What discussions has the Minister had with the Home Office to ensure that all police forces receive that training?

Penny Mordaunt: I thank the hon. Gentleman for his question. There is work going on to build further capacity in police forces across the four nations. The UK is also making a major contribution to deliver that capacity in the police forces of other nations. I will get my hon. Friend the Minister for Women to write to him with the specifics.

T3. [911887] **Kirstene Hair** (Angus) (Con): Angus is proud to be home to one of only three guide dog training centres across the country. I want to do more to support those with sight loss. One measure is to introduce audio

passenger information on buses, which would allow those with sight loss to travel independently. There was a consultation on the Bus Services Act 2017, which finished in September last year. Could my right hon. Friend update the House on when those recommendations will be made public?

Penny Mordaunt: The consultation has finished, and some funding is ring-fenced as part of the inclusive transport strategy for ensuring that audio-visual equipment is installed on buses. The Department for Transport is in the process of bringing forward regulations and publishing guidance. That will be later this year. In the meantime, we are encouraging operators' efforts to ensure that there is accessible information on their services.

Dawn Butler (Brent Central) (Lab): The Prime Minister cites the race disparity audit and the gender pay gap regulations as some of her proudest achievements, seemingly not realising that they are symbolic of her failures. The report highlighted the systematic institutional racism of her Government's policies, and we now have the real possibility of a casual racist and misogynist entering No.10—*[Interruption.]* I am afraid it is true. I hope the Minister will give assurances that the women and equalities agenda—*[Interruption.]*

Mr Speaker: Order. Let me be absolutely clear: nothing disorderly has occurred. People have free speech within the rules of the House. I will adjudicate the enforcement of those rules. Nothing disorderly has taken place, and I certainly do not require any assistance from occupants of the Treasury Bench.

Dawn Butler: Thank you, Mr Speaker. I could go through the list of things that have been said, but we do not have time. I hope the Minister will give assurances that the women and equalities agenda will not go backwards under the new Prime Minister. To adapt Stormzy lyrics:

"We have to be honest

Rule number two, don't make the promise

If you can't make the deal, just be honest

Equalities will never die, it's like Chuck Norris

Rather, chuck this Government and chuck Boris."

Penny Mordaunt: Although I am sure that there will be a lot of column inches and debate about the Prime Minister's legacy, one of the things she can be proud of is setting up the Race Disparity Unit and the work she did to shine a spotlight on practices in particular parts of Government and public services. She has also supported me in setting up the equalities hub, which brings together that disparity team with disability, women and equalities and LGBT issues at the heart of Government. She should be very proud of that.

I gently point out to those on the Opposition Front Bench and all Members of the Labour party that they really should have come to the House today with a bit of humility, following the shocking and, quite frankly, chilling things we saw last night. There are Members of the Labour party—a once great political party—who are standing up for the Jewish community, and long may they continue to do that, but those on the Front Bench have to understand the graveness of what we saw. It is one thing to be incompetent and fail to grip a situation. It is quite another to be complicit in it.

T5. [911890] **Mrs Pauline Latham (Mid Derbyshire) (Con):** What steps is the Minister taking to protect people from sexual harassment at work, particularly in the charity sector?

Penny Mordaunt: I thank my hon. Friend, particularly for the work she has done in focusing both domestically and internationally on this issue. As I said in my opening statement, we are today issuing a consultation, which will apply across every sector, to protect workers against harassment, particularly sexual harassment. Of course, the Department for International Development has done a tremendous amount in the wake of the Oxfam scandal, ensuring that the victims' voices can be heard, but also that we are building the systems we need globally to protect people from predatory individuals.

T2. [911886] **Mrs Emma Lewell-Buck (South Shields) (Lab):** A constituent of mine was involved in several car accidents, leaving them disabled. After going through the difficult process of claiming disability benefits, they are now being denied legal aid in relation to these accidents. This constituent is a veteran. Is the Minister not ashamed that my constituent, after serving our country, does not have his years of service impacting on his wellbeing, but this Government's hostile environment towards disabled people, who, as confirmed by the UN, are disproportionately denied justice?

Penny Mordaunt: If the hon. Lady would give me the details of that case, I will be very happy to look at it.

T6. [911892] **Peter Aldous (Waveney) (Con):** As we have heard from the hon. Member for Bristol West (Thangam Debbonaire), the Lowestoft Signing Choir produced a moving and superb performance in Portcullis House last night. Its members Ann and Daniel Jillings have been passionately campaigning for a GCSE in British sign language. While preparatory work is under way, will my right hon. Friend the Minister for Women and Equalities work with the Department for Education and with the Minister for School Standards, who has been very supportive—he is in his place—to ensure that this exam, which will transform so many people's lives, is put in the curriculum as soon as practically possible?

The Minister for School Standards (Nick Gibb): I am delighted to confirm that we are committed to the development of a BSL GCSE. Daniel Jillings and his mother Ann have been formidable campaigners on this issue. Daniel in particular, despite his young age, has been very influential indeed with his campaign. We are pushing this work forward as soon as we can, while also ensuring that it can be completed to the highest standard. My hon. Friend will be aware that the development of a new GCSE is a complex and lengthy process, but, as I say, we are committed to it as a new GCSE.

T4. [911888] **Wes Streeting (Ilford North) (Lab):** In case it is her last Question Time, may I thank the Minister for Women and Equalities for the leadership she has shown on LGBT equality during her time in post to date, which I know will continue? However, may I press her and the Government on sex and relationships education guidance to schools? The message from headteachers is overwhelming: they desperately need clearer, simpler, straightforward guidance that they can hold up to parents,

governors and everyone else to make sure that no child in this country goes without inclusive relationships education.

Penny Mordaunt: First, I thank the hon. Gentleman for his kind words. It will not be my last Women and Equalities questions; I just may be sitting in a different

place. I agree, absolutely, that guidance is incredibly important. The work that the Department for Education has been doing has been making good progress on that. I think we need to have absolute clarity on these issues, and I am confident that the Department for Education is doing that.

Resignation of UK Ambassador to USA

10.38 am

Mr Pat McFadden (Wolverhampton South East) (Lab) (*Urgent Question*): To ask the Secretary of State for Foreign and Commonwealth Affairs if he will make a statement on the resignation of the United Kingdom's ambassador to the United States.

The Minister for Europe and the Americas (Sir Alan Duncan): It was with deep regret that, yesterday, the Government accepted the resignation of Her Majesty's ambassador to Washington, Sir Kim Darroch. Over a distinguished 42-year career, Sir Kim has served his country with the utmost dedication and distinction. He brought dispassionate insight and directness to his role. It is an outrage that a selection of his very professional reports back to London should have been leaked.

Quite rightly, Sir Kim received the full support of the Prime Minister and the entire Cabinet. In an act of selfless duty, Sir Kim made the decision to resign in order to relieve the pressure on his family and colleagues and to protect the UK-US relationship. The Government profoundly regret that this episode has led Sir Kim to decide to resign. The tributes that have been paid to him from across both Houses, which I would add to, and from so many other corners of this country and others, have been fitting and rightly deserved.

Mr Speaker: Before we open to general questioning, may I thank the Minister of State for that pithy but very gracious statement? Many people in the Chamber will have had personal interaction with Sir Kim. He is an outstanding public servant, a point that has been beautifully encapsulated by the Minister of State. I call Liz McInnes. [*Interruption.*] I do apologise—Mr McFadden.

Mr McFadden: I thank the Minister for his opening statement. The resignation of Sir Kim Darroch marks a dark moment for our democracy and for the standing of the United Kingdom. He is a hugely respected professional diplomat with an exemplary record of serving both Labour and Conservative Governments. In writing his dispatches, he did nothing wrong. He was doing his job. It is his job to tell it as he sees it. He carried out his duties in the finest traditions of the civil service. These traditions are not just rusty relics from the past; they are essential to the proper workings of our parliamentary democracy. His response has been characterised by dignity and professionalism, which is more than can be said for others in this affair.

Any other President would have brushed this off and seen the importance of the bigger picture, but the response that we got was the opposite of mature leadership. Thankfully, the relationship between the United Kingdom and the United States is bigger than this matter and bigger than this President. The response of the right hon. Member for Uxbridge and South Ruislip (Boris Johnson) was an appalling abandonment of someone in the firing line. Real leaders protect their people; they do not throw them to the wolves because they can sniff a prize for themselves. His actions were a chilling warning of what is to come if he becomes Prime Minister.

How can those in the civil service be expected to do their jobs properly now? How can they operate if they fear leaks, followed by abandonment by our political

leaders? What are our ambassadors supposed to write home, from whatever country they are in—"The President is perfect. The people are happy. They sing his name in the street"? What use would that be from our postings abroad? How can civil servants advise Ministers at home if they feel that candid advice will be taken as evidence of disloyalty and treachery?

Those who welcome Kim Darroch's departure believe that we need a civil service of true believers. They are profoundly wrong. We do not need a civil service of true believers; we need a civil service able to do its job without fear or favour, and that has become much harder this week. Does the Minister share the concern that this attack on the civil service is part of a broader attack on institutions essential to the functioning of our democracy—judges called enemies of the people; MPs called traitors to their country; broadcasters vilified as having hidden agendas?

Our democracy is under fire. Those who value and cherish it must speak up and defend it. Whipping up anger against one institution after another and dressing it up as an attack on the establishment is doing profound harm to the country. We must call it out for the insidious agenda that it is. I conclude by asking the Minister whether this is understood by at least some in Government, so that the damage done this week does not continue into the future.

Mr Speaker: My apologies to the right hon. Gentleman, whose question it was my privilege to select.

Sir Alan Duncan: The right hon. Gentleman has spoken with authority and wisdom. What he said should be pinned on every wall as an instruction to people on how to act, respectively, in public life and about public life. I commend him for what he has just said.

We have emphasised throughout the importance of ambassadors being able to provide honest, unvarnished assessments of the politics in their country, and to be able to report without fear or favour. We will continue to support civil servants in carrying out that duty. On Tuesday and again today, I have been very grateful to those on the Opposition Benches for the support and cross-party unity they have shown. Their decency, with all those across the whole country who support officials when they are under attack, is something for which I personally am very grateful. When I spoke to Sir Kim yesterday, he was too. He asked me to pass on to the entire House his gratitude.

The right hon. Gentleman is right about the decay in our institutions. We can have a ferocious contest across the Floor of the House, but we have to do that under certain rules and certain codes of conduct—being able to say hello in the bar afterwards, having expressed our differences. So many codes of conduct are in freefall. It is leading, as the right hon. Gentleman rightly says, to unacceptable attacks on judges, Members of Parliament and broadcasters. Attacks of that sort are a fundamental attack on all the basic freedoms within the democracy in which we operate.

Sir Roger Gale (North Thanet) (Con): While the failure of the former Foreign Secretary to leap to the defence of Sir Kim shows a lack of leadership that is lamentable, is not the priority now to restore the shattered confidence of our diplomatic corps? Is not the best way

[*Sir Roger Gale*]

to do that to identify the miserable perpetrator of this act and then to see them charged with a criminal offence?

Sir Alan Duncan: I hope the House will understand if I hold back today from making any further comment on my right hon. Friend the Member for Uxbridge and South Ruislip (Boris Johnson). I said enough yesterday to make my position entirely clear.

In terms of the confidence we need to have in our officials and their morale, the permanent under-secretary in the Foreign Office, Sir Simon McDonald, had an all-staff meeting yesterday, which included people who were able to come in on phones and by video conference. The mood was palpable. There is deep upset, but a fantastic united defence of Sir Kim Darroch. I think and I hope that the very, very deft manner in which the PUS handled that meeting will have absolutely reassured our diplomats and officials everywhere that they have our full support. My right hon. Friend is absolutely right about the leaking. I really hope that we find who did this, and that their name and the consequences of what they did become very, very clear indeed.

Liz McInnes (Heywood and Middleton) (Lab): Thank you, Mr Speaker, for granting this urgent question, and I congratulate my right hon. Friend the Member for Wolverhampton South East (Mr McFadden) on securing it. He spoke for almost the whole House, and certainly everyone in the country, as indeed did the Minister in his response, in expressing his dismay about the circumstances that have led to the resignation of Sir Kim Darroch—who has had to resign, let us remember, simply for doing his job and telling the truth about what is happening in Washington.

While Sir Kim is entirely innocent and can leave office with his head held high, there are many guilty parties in this affair who should be hanging their heads in shame. First, there is whoever is responsible for leaking the memos. Then there is Donald Trump, and his ridiculous temper tantrums. Then there is the outgoing Prime Minister, who has indulged Donald Trump so much but received nothing but disrespect in return.

For me, however, the biggest villain of all is the man who is about to become our Prime Minister. He had the chance on Tuesday night—not just once, but six times—to defend Sir Kim and oppose Donald Trump, but instead he made an active choice to throw our man in Washington under the bus. It was the most craven and despicable act of cowardice that I have seen from any candidate for public office, let alone someone running to be Prime Minister. It sends the worst possible signal to our diplomatic service abroad, and it should send warning signs to our whole country—if we thought that the current Prime Minister was bad when it came to her spineless attitude towards Donald Trump, then things are about to get a whole lot worse.

Will the Minister therefore ensure that a new ambassador to the US is appointed before the next Prime Minister takes office, so that we still have at least one UK representative willing to speak truth to power in Washington?

Sir Alan Duncan: I am grateful to the hon. Lady—at least for her kind words about me. I do feel obliged to defend my right hon. Friend the Prime Minister. I think

that in these difficult times the relationship between the Prime Minister and the President has obviously seen us disagreeing on some things, such as the Iran nuclear deal, so it is inevitable that that relationship has needed a lot of work. But I do not think that my right hon. Friend has been spineless; indeed, I think that she has been very skilful. She has done her utmost, with a high degree of success, to ensure that the relationship has been functioning in the best possible way. The next ambassador will be appointed in the usual way: by the Prime Minister, on the Foreign Secretary's recommendation, with the approval of Her Majesty the Queen.

Tom Tugendhat (Tonbridge and Malling) (Con): May I first welcome the comments of my friend the right hon. Member for Wolverhampton South East (Mr McFadden) and my right hon. Friend the Minister? This has been a very difficult moment for British diplomacy, and it is worth thinking about why that is so.

This is a direct challenge to a sovereign nation and its ability to nominate its own representative. If sovereignty does not allow a nation to choose its own representative, frankly, what is it but servitude? That is why Britain must stand up for our envoys. If we do not think that they are up to it, we must replace them, but we must not be bullied into seeing them kicked out or silenced. May I therefore ask my right hon. Friend to assure me, and everyone in this House, that Her Majesty's Government will always stand up for those we send abroad, military or civilian, and back them as necessary, in the interests of the British people and no one else?

Sir Alan Duncan: I thank my hon. Friend for what he has said consistently over the past few days. I thank him for his response and his support, and for that of the Foreign Affairs Committee, which he chairs. I am also grateful for his kind words about the permanent under-secretary when, at short notice, he appeared before his Committee yesterday as a witness about these leaks. The permanent under-secretary very much appreciated that the Committee was able to appreciate what he said to it in that session.

Yes—we appoint ambassadors. Nobody else does. They are Her Majesty's ambassadors and nobody else's. We will also stand up for them, and I can tell from what has been said by Members on the other side of the House that if ever there were a Government of a different colour, that Government—I hope—would too. It appears that they would.

Stephen Gethins (North East Fife) (SNP): I thank the right hon. Member for Wolverhampton South East (Mr McFadden) not only for securing the urgent question but for his remarks, which I think reflected the views of many of us in this House. I also thank the Minister for his strong remarks over the past few hours, and the Chairman of the Foreign Affairs Committee for his remarks. They have put some members of their own party to shame over these past few hours. I also want to thank Simon McDonald. The letters he exchanged with Kim Darroch show a dignity that is lacking in some members of the Conservative party.

It is so important that ambassadors and other officials know that they have our support and that of their colleagues. I hope—and I hope that the Minister will give us a fuller answer on this than he gave the Labour spokesperson—that we will have a speedy replacement,

because the role of ambassador to the United States is a key one. The civil service system has been damaged; they must be able to speak truth to power.

I think that it is a disgrace that a member of the Conservative party, who sits on the Minister's own Benches, said that we do not need to defend diplomats when they are doing their jobs. What is the Minister's message about that? Good governance relies on candour. People from all parties might not like that sometimes, and might hear things we do not like, but it goes to the heart of what makes good government for everyone.

The Minister was right to say that the former Foreign Secretary threw the former ambassador under the bus. President Trump cannot be held to account by this House for his actions and his words, unfortunately. Others can. Time and again the former Foreign Secretary has shown that he is unfit for office. Does the Minister agree with me that he should never be allowed to hold the role of Prime Minister?

Sir Alan Duncan: I thank the hon. Gentleman for bowling me such easy balls and I will endeavour to answer as frankly as I can. He will forgive me if I do not commit to a timescale, simply because I do not know: I am not in a position to inform the House with authority. I would merely observe that if one makes a speedy appointment, it is very likely that one would create a vacancy elsewhere, so what is solved in one corner of the world becomes a gap in another. It is very important that we appoint a new ambassador in the proper way so that we get the very best person appointed in the best possible way for the long-term interests of the UK and our relationship with the US.

Where I can totally agree with the hon. Gentleman is in saying that it is everyone's duty—and that of everyone in this House—to defend our ambassadors. They are our ambassadors doing their duty. If they do something terribly wrong and break all the rules, that is altogether different, but Sir Kim Darroch was, as the hon. Member for Heywood and Middleton (Liz McInnes) said from the Labour Front Bench, doing his job and appears to have been punished, as it were, for doing so. We must defend every ambassador who is properly doing their job. We will and we should. As for his final question, I hope that the hon. Member for North East Fife (Stephen Gethins) will allow me to defer that a little.

Sir Desmond Swayne (New Forest West) (Con): A leak is, by its very nature, a conspiracy. Who benefits?

Sir Alan Duncan: There are those who break all the rules of decency who think they can benefit from it themselves. Quite who is benefiting from this, I cannot see, but what is quite clear is that the interests of the country do not benefit. This is an absolutely unacceptable leak that has had a very significant consequence that is detrimental to our interest as a country and of course, in an utterly unfair way, to the personal life of a highly capable ambassador and his family.

Jo Swinson (East Dunbartonshire) (LD): I congratulate the right hon. Member for Wolverhampton South East (Mr McFadden) on securing this important urgent question and on the manner in which he put it, and I thank the Minister for his remarks. Sir Kim Darroch was and is a distinguished and principled man who has given huge service to our country, and we must all thank him.

Does the Minister understand the deep concern about the fact that the man who is about to be our Prime Minister repeatedly refused to back Sir Kim and the civil service? That concern is not only about the implications for this case and for our diplomatic service more generally, but about the implications of our potentially having a Prime Minister who will be pushed about on all sorts of issues by the bully that is President Trump. I agree with the Minister that that is the behaviour of an utter wimp

Sir Alan Duncan: I seem to recall that that was one of the kinder words that I used yesterday. [*Laughter.*]

There is one thing that I have omitted to say today, which I hope I can say now in response to the hon. Lady's comments. Sir Kim Darroch's career is not over. I hope the House will recognise that although this is a difficult moment, it does not mean that that is the end of his career, and I hope that the Foreign Office and the entire apparatus of government will look after him, appreciate his merits, and ensure that he can be redeployed somewhere else for the benefit of our United Kingdom.

As for the hon. Lady's somewhat more party political questions, again, I think I would prefer to concentrate on the specific details of the question put by the right hon. Member for Wolverhampton South East (Mr McFadden), and to concentrate on the merits of Sir Kim Darroch rather than the—merits of anyone else.

Victoria Prentis (Banbury) (Con): I thank my right hon. Friend for what he said earlier about the critical importance of the impartiality of the civil service. I do not feel that he needs to add those comments, so may I ask him instead to expand on how he sees the special relationship going in the next few weeks?

Sir Alan Duncan: Swimmingly.

I commend to Members Henry Kissinger's book "White House Years". Among the many thousands of pages of his memoirs is, as I recall, a remarkable description of the special relationship. In essence, he says that the relationship is not just that between two people who are Heads of State, or Heads of Government. It is really about how, on so many layers and in so many areas—security, culture, business—so much between our two countries works, from day to day, on an assumed foundation of trust. That will continue, and that is why the web of affection and activity between our two countries will never be destroyed by a difficult moment such as this.

I think that I can, in all honesty, answer my hon. Friend's question by saying that the relationship will remain special—that a relationship between two English-speaking nations with histories that are so entwined, and friendships and activities which will never be destroyed, will continue. I hope that it does continue, and I hope that both countries thrive and flourish.

Ian Murray (Edinburgh South) (Lab): I commend the Minister for the integrity with which he has conducted himself over the last 24 hours. He rightly drew the House's attention to the remarks of my right hon. Friend the Member for Wolverhampton South East (Mr McFadden), but may I draw the country's attention to Sir Kim Darroch's resignation letter and the response from the permanent under-secretary, which are two very good examples of why our Foreign Office is respected

[*Ian Murray*]

around the world? People's attention should be drawn to them, rather than to the comments of the right hon. Member for Uxbridge and South Ruislip (Boris Johnson).

The Minister said that the application process for a new ambassador in Washington would be undertaken in the "proper way". May I encourage him to ensure that the "proper way" means a proper application process through the Foreign Office, advertised externally, so that the Foreign Office can choose the most appropriate person for the job, rather than making a political appointment and choosing someone who would be a stooge of the next Prime Minister?

Sir Alan Duncan: Again, I am grateful to the hon. Gentleman and agree with him, and I thank him for his comments about Sir Kim Darroch and Sir Simon McDonald, who have both conducted themselves in such an exemplary way; we can be proud of both. In terms of the application, it would be normal to do exactly as the hon. Gentleman has said, and that is what I expect will happen. It will be a proper appointment process in the normal way, so that from the pool of talent that we have we can, I hope, find the very best person to go as Her Majesty's ambassador to Washington.

Kirstene Hair (Angus) (Con): As my right hon. Friend has outlined, it is absolutely fundamental that Foreign and Commonwealth Office employees remain candid, irrespective of the issues that they face in their host countries, but what further steps can he take to reinforce the imperative message that they can continue to do such an important job without threat?

Sir Alan Duncan: To a large extent, elsewhere it is business as usual. On a daily basis exactly that sort of process is happening: our ambassadors and consuls across the world will send in their perceptions, their advice and their views of what they think is happening in their host country. The key thing that I can assure my hon. Friend of is that we as Ministers will fully defend our officials in doing that to the high professional standard that they always have done.

Chi Onwurah (Newcastle upon Tyne Central) (Lab): The loss of Sir Kim Darroch in this way diminishes our standing in the world; it also diminishes our vision of ourselves, and there are further implications. The Minister, who has spoken eloquently, must acknowledge the concern about having a Prime Minister who is capable of such craven cowardice leading our negotiations with the US on a free trade agreement. What other national assets—our manufacturing, our NHS, our farming—can consider themselves safe?

Sir Alan Duncan: I take issue with the hon. Lady for saying that this has diminished us. We can hold our heads high in the world; we have behaved with integrity. This of course is an absolutely unprecedented course of events in our relationship with the US, or indeed with anybody else. I do not quite agree that it has diminished us in the way the hon. Lady implies. In negotiations on trade, the UK interests must be fully upheld, and trade talks are far more complicated and take far longer than

a lot of people have been pretending. In the meantime, though, I hope that in all other respects our bilateral relations with the United States can continue and that we can get over this and draw a line under this moment so that the interests of commerce, culture and everything else can continue as they have in the past.

Mr Bob Seely (Isle of Wight) (Con): I understand that this is a fast-moving situation, but can the Minister give any further details on the inquiry? Has it begun or will it begin soon? If this was a hack and not a leak, does the Minister have confidence in the Firecrest system and the system that will replace it that the FCO will use?

Sir Alan Duncan: Yes, I have confidence in the system; what has happened here is that somebody has abused it. The inquiry is under way, and I hope the House will understand that it is probably unhelpful to give a running commentary on what it might have found from one day to another, but it is going ahead very fully. As I and others have said in this House, if it turns out that we find the culprit and they have broken the law, the police may well become involved and there may well be criminal proceedings.

Chris Bryant (Rhondda) (Lab): This is a truly exceptional moment: not for 175 years has the Head of State of a nation friendly to the United Kingdom said that they would refuse to deal with a British envoy sent by the British state. This is behaving worse than Chavez's Venezuela, which would never have done such thing; it is behaving worse than Iran. And to be honest the concatenation of events has humiliated this country. I want to stand shoulder to shoulder with the United States of America, but I also want to stand shoulder to shoulder first with our Foreign Office diplomats, and for that matter with our Prime Minister, who has been humiliated directly by the United States President. When we are appointing a new ambassador to the United States of America in these truly exceptional moments, will the Minister make sure that the candidates for that post appear before the Foreign Affairs Committee so that this House can take a view?

Sir Alan Duncan: The hon. Gentleman is right to say that this is unprecedented. I do not think that this has ever happened before. As the right hon. Member for Wolverhampton South East said, a lot of these codes of conduct and assumed rules of the game are rather being turned on their head. This means that the normal process of diplomacy has become extraordinarily complicated by such trends in the world. The normal responses and expected reactions have to be crafted differently in circumstances such as this. In that sense, the hon. Gentleman is absolutely right. In terms of having approval hearings before his Committee, of course I cannot give that guarantee—

Chris Bryant: Go on!

Sir Alan Duncan: I see that he is trying to entice me to do so. I can but say that the appointment process will be of the sort that has taken place in the past.

Sir Geoffrey Clifton-Brown (The Cotswolds) (Con): While acknowledging Sir Kim's exemplary public service, may I ask my right hon. Friend whether he agrees that

we must now move on from this serious event and start to rebuild our relationship with our most important and closest ally?

Sir Alan Duncan: Of course we have to draw a line under this, because the world does not stop and diplomacy is needed to ensure that such an important relationship as this has a proper functioning diplomatic structure. My hon. Friend is absolutely right to say that we have to move on from this and draw a line, and I hope that having a new ambassador will enable us to do so at all the layers, once the new appointment is in place.

Bambos Charalambous (Enfield, Southgate) (Lab): I entirely agree with the sentiments expressed by the Minister earlier. Does he agree that in failing to support Sir Kim Darroch, the former Foreign Secretary was putting the American President first and the United Kingdom second? Surely this damages the United Kingdom's influence in the world.

Sir Alan Duncan: The House is certainly aware of my view that everybody should have been there in full support of Kim Darroch and should continue to extend that full support to him without any kind of criticism whatever or any stain on his character because, as the hon. Member for Heywood and Middleton (Liz McInnes) said, he was doing his job and doing it well.

Bob Stewart (Beckenham) (Con): Like everyone else in the House, I have nothing but the highest respect for Sir Kim Darroch. Does the House agree that he has acted in the highest tradition of the civil and diplomatic service in so far as he has laid down a job that he must have considered to be right at the top of his career in the interest of his country?

Sir Alan Duncan: My hon. and gallant Friend understands chivalry, decency, duty and honour, and that is precisely what we saw yesterday in the personal conduct of Sir Kim Darroch.

Thangam Debbonaire (Bristol West) (Lab): These attacks on, and the undermining of, the legislature, the judiciary, the civil service and the press are profoundly worrying. They have frightening historical echoes of dangerous political forces, and I applaud my right hon. Friend the Member for Wolverhampton South East for his wise and moving comments. His illustration of what happens when we have a cowed diplomatic service should haunt us. The Minister has responded with dignity and cross-party inclusivity, so what else does he think we in this House and the other place, and particularly the new Prime Minister and Cabinet, should do to reverse those damaging and worrying trends?

Sir Alan Duncan: We should stick together in defence of the standards that apply to us all. We should ensure that we all uphold those standards in everything we do, and try to keep our political attacks on a higher and non-personal plane than we so often see in this House, in our politics and, more deplorably, on social media.

Mr Peter Bone (Wellingborough) (Con): How right the Minister is to deplore personal attacks, especially those on senior colleagues in my party. The attacking of colleagues is completely wrong, and the people involved

should be ashamed of themselves. I congratulate the right hon. Member for Wolverhampton South East (Mr McFadden) on asking this urgent question, but there should have been a statement. The Government should not have been dragged here; they should have volunteered a statement. This is an unprecedented event. Confidential, sensitive cables have been leaked within the Foreign Office. The Minister has to tell us what he is doing to discover the culprit, because if we do not get the culprit, what ambassador will ever trust sending cables to the Foreign Office again?

Sir Alan Duncan: I am not sure where my hon. Friend has been over the past couple of days, but this is my second response to an urgent question on this topic, and the Prime Minister made her own comments yesterday in Prime Minister's Question Time. There have been several clear statements to this House on this issue and about the nature of the inquiry, so that should satisfy my hon. Friend for the time being.

Stewart Malcolm McDonald (Glasgow South) (SNP): One can only imagine what the American ambassador's cables say about governance in this country. Maybe we shall find out some time—but hopefully not, eh? How confident is the right hon. Gentleman that this is a leak, not a hack? Will he also please rule out any suggestion that Nigel Farage will be the new ambassador in Washington?

Sir Alan Duncan: Perhaps the only cheering moment in this unfortunate episode was when I learned that Nigel Farage had ruled himself out of becoming ambassador to Washington. Was the hon. Gentleman asking about the inquiry?

Stewart Malcolm McDonald: Leak or hack?

Sir Alan Duncan: We do not at the moment have any evidence that this was a hack, so our focus is on finding someone within the system who has illicitly released these communications, which cover periods both very recent and from two years ago. That is where the inquiry is primarily focused.

Peter Aldous (Waveney) (Con): Sir Kim Darroch is the epitome of all that is the very best about Britain and our institutions. Notwithstanding the enormous pressures of Brexit and all its consequences, does my right hon. Friend agree that our diplomatic and civil services are fundamental and vital cornerstones of British governance that none of us must ever undermine?

Sir Alan Duncan: I absolutely agree with my hon. Friend. In my years as a Minister, I have always seen ambassadors serve the interests of their country and the Government they serve. I have seen that in terms of diplomacy, and I have also seen that whatever their private views—by and large, one never knows their private views—on the issue of Brexit and preparation, they have gone full tilt in support of the requests and requirements of Ministers to take all the steps that may be necessary to cope with that process. They are the envy of the world. One of the great components of our soft power is the reputation of our diplomats for professionalism and integrity, and we must never see that undermined. I know perfectly well that if the

[*Sir Alan Duncan*]

Government were of a different colour—looking across the Chamber—our ambassadors would serve them just as well.

Ian C. Lucas (Wrexham) (Lab): The right hon. Gentleman, whose conduct this week has been exemplary, just said that there is no evidence that this was an attack rather than a leak. With respect, the Digital, Culture, Media and Sport Committee's investigation into disinformation has seen a whole web of connections, which include many of the characters involved in this very sad tale, so will he at least retain an open mind about the fact that this may well have been an attack, either from an enemy or even from an ally?

Sir Alan Duncan: I do not, in any way, dismiss what the hon. Gentleman says. I take it at face value as a perfectly legitimate observation about where we face risk and about what might have happened. I have absolutely no doubt that, under the terms of the inquiry, it will do everything to investigate the elements he describes. It is just that we have not seen it yet. Although I do not want to give a running commentary, I want to advise the House of as much as I know so that I do not hold anything back.

Mr Philip Hollobone (Kettering) (Con): Now that we no longer have an ambassador to the United States, who is in charge of the British embassy in Washington? Do they have the same level of ambassadorial access to the US Administration, or do we have to wait for a formal ambassadorial appointment?

Sir Alan Duncan: We have an enormous embassy in Washington. It is standard practice in the diplomatic world that when an ambassador is away or being replaced, a *chargé* takes over. We have a highly capable deputy ambassador called Michael Tatham, who is assuming the responsibilities that Kim Darroch had until yesterday. I can absolutely assure my hon. Friend that this will work seamlessly and that all the diplomatic functions we expect of an embassy will continue in very capable, professional hands.

Darren Jones (Bristol North West) (Lab): It is important for the House to pause and reflect on the fact that this is the first time in modern British history that a third country has been able to dictate who should be Her Majesty's ambassador, and this is not a hostile state but an ally. Is the Minister concerned that other countries might now seek to take a similar approach? What more could the British Government do to make it very clear that it is Her Majesty's appointment as to who should be our ambassador?

Sir Alan Duncan: I suppose, strictly speaking, it was who it should not be rather than who it should be, but let us not dance on that pin. This is unprecedented, and it is absolutely right that it is not for host countries to choose who can be sent to them by other countries. I am as confident as I possibly can be that this phenomenon

will not be replicated anywhere else in the world, and we are absolutely resolute in making it quite clear that appointments of Her Majesty's ambassadors are made by the United Kingdom, and not by anybody else. Once they are appointed, we will defend them to the hilt.

David Morris (Morecambe and Lunesdale) (Con): I went to Washington in November 2018, and I met Sir Kim Darroch. He had very warm words to say about Donald Trump on that occasion.

Does my right hon. Friend not feel it is incumbent on every Member of Parliament to back our excellent diplomats and civil servants and that my right hon. Friend the Member for Uxbridge and South Ruislip (Boris Johnson) should come to the House and apologise?

Sir Alan Duncan: I am grateful to my hon. Friend for his words. He points out what is evident to anybody who visited Washington when Sir Kim was ambassador. There was a very cheerful team and a great *esprit de corps*. He was very popular, and there were very good parties, which I hope will continue.

Chris Bryant: If you're invited.

Sir Alan Duncan: Yes, I hope I am allowed back. Sir Kim was absolutely excellent.

The other thing my hon. Friend the Member for Morecambe and Lunesdale (David Morris) allows me to point out is that one of the great tragedies of this is that the leaked communications were not at all representative of the tenor of the vast majority of those emanating from Washington. If the President were able to read them, I think he would have been perfectly happy.

Wes Streeting (Ilford North) (Lab): Attacks on the fundamental pillars of our democracy, whether it is Parliament, the judiciary, the civil service or the media, are coming not just from an organised alt-right but from the left. Silence in the face of that is complicity, so may I commend the Minister, the shadow Minister, my right hon. Friend the Member for Wolverhampton South East (Mr McFadden) and the Chair of the Foreign Affairs Committee for what they have said?

Would not the best way to send a message about the independence of this country and our ability to choose our own ambassadors and, frankly, to defend the Prime Minister and her office be for the Prime Minister to immediately nominate her ambassador to Washington, to represent the Queen, this Government and, indeed, the next Prime Minister?

Sir Alan Duncan: I absolutely understand what the hon. Gentleman says about the stamp of authority that would be secured by doing this very speedily, but I reiterate that we want to make sure that we get the very best person. It would be a pity if, in the interest of alacrity, we chose a No. 2 rather than a No. 1. It is not for me to make any further comment on that. I do not know whose name might be in the frame, but that is a matter for the Prime Minister to decide.

Business of the House

11.25 am

Valerie Vaz (Walsall South) (Lab): Will the Leader of the House please give us the forthcoming business?

The Leader of the House of Commons (Mel Stride): The business for the week commencing 15 July will include:

MONDAY 15 JULY—Remaining stages of the High Speed Rail (West Midlands - Crewe) Bill, followed by a motion to approve a statutory instrument relating to the draft Town and Country Planning (Fees for Applications, Deemed Applications, Requests and Site Visits) (England) (Amendment) Regulations 2019.

TUESDAY 16 JULY—Second Reading of the Courts and Tribunals (Online Procedure) Bill [*Lords*], followed by a debate on a motion relating to the inter-ministerial group on early years family support. The subject for this debate was determined by the Backbench Business Committee.

WEDNESDAY 17 JULY—Second Reading of the Census (Return Particulars and Removal of Penalties) Bill [*Lords*], followed by a general debate on the Gemma White report, followed by a debate on a motion relating to the changes to the independent complaints and grievance scheme.

THURSDAY 18 JULY—If necessary, consideration of Lords amendments, followed by a debate on a motion on the Bishop of Truro's review on persecution of Christians overseas, followed by a general debate on the spending of the Department of Health and Social Care on non-invasive precision therapies. The subjects for these debates were recommended by the Backbench Business Committee.

FRIDAY 19 JULY—The House will not be sitting.

Valerie Vaz: I thank the Leader of the House for giving us the business for next week. I note that the Government have found time for the debate on the Gemma White, QC, report and the amendment to the independent complaints and grievance procedure. The report came out at 10 am today. I have not had an opportunity to look at it in detail, but Labour Members wish to thank Gemma White, QC, for the time and effort she has put into her report. We will look seriously at the detail of the recommendations and work on a cross-party basis to make Parliament a modern workplace, and I encourage all Members to undertake the Valuing Everyone training, as it is a very good training session.

Just two weeks are left until this House rises for the summer recess, but we still do not have the conference recess dates. Can the Leader of the House give us any advance on returning on 3 September? Will he give an undertaking that when a new Cabinet is formed, on 24 July, a new list of ministerial responsibilities will be published as soon as possible? The last one was published in December 2018.

I am sure the Leader of the House would like to correct the record: last week, when I raised the Conservative candidates' spending spree, which totals £100 billion—these are uncosted policy changes—he claimed that the Labour Opposition are spending “£1 trillion”. As a former Financial Secretary, he can do better than just pulling figures out of thin air. He will know that Labour's 2017

manifesto was the only one that was costed. I would be happy to arrange a meeting for him with the shadow Chancellor to go through all the costings.

What chaos: a future Prime Minister refusing to support his own ambassador in the face of verbal abuse. It is disgraceful that there was a malicious leak of emails. Sir Kim Darroch was doing his job. The Secretary of State for International Trade vowed to apologise to the President's daughter, an unelected representative. What on earth is he doing meeting the President's daughter, and why is he apologising to her and not to Sir Kim Darroch? Was this an official visit, when he met the President's daughter, and was Sir Kim excluded from that meeting? Was the abuse of our ambassador about removing an obstacle because they would rather negotiate in a golden lift away from those who serve our country and want the best for our country? As the head of the diplomatic service has said, we stand in solidarity with Sir Kim Darroch.

On Monday, the Leader of the House said that he would “take on board” my request to find time for a debate on the message from the House of Lords on setting up a Joint Select Committee, and that he would give it “further thought.” Does he have any further thoughts? We are happy to debate it on an Opposition day, if he will give us one. I do not think that it is for the Opposition to go to the Backbench Business Committee to request time for a Backbench Business debate.

The Leader of the House will know that the Bank of England estimates that a worst-case Brexit will involve border delays and markets losing confidence in Britain, which could shock the economy into a 5% contraction within a year—nearly as much as during the global financial crisis. Simon Coveney, Ireland's Deputy Prime Minister and Foreign Minister, raised the “ugly prospect” of customs checks and political instability in Northern Ireland in a no-deal situation, which he said would

“put many businesses and many people under a great deal of strain”. Philip Rycroft, the former permanent secretary at the Department for Exiting the European Union, said this week that

“everybody should be worried about what happens in a no-deal situation. We would be taking a step into the unknown.”

Mr Rycroft said that leaving with no deal would be “fraught with difficulty”.

The economy is going backwards: we have now had a third quarter of falling productivity, which decreased by 0.2%, and manufacturing has hit a six-month low. Deutsche Bank is sending people home with boxes; the last time we saw that was in the global financial crisis of 2008. Before the Leader of the House says anything, let me remind him that it was not Labour brothers who did that; Lehman Brothers was responsible. The right hon. Member for Uxbridge and South Ruislip (Boris Johnson) has repeatedly refused to rule out no deal, so I ask again: please will the Leader of the House give us time to debate the Lords message?

Will the Government explicitly rule out proroguing Parliament to force a no-deal Brexit? The Opposition stand with Sir John Major, who said that he would seek a judicial review in the courts if the new Prime Minister tried to suspend Parliament to deliver a no-deal Brexit. The former Attorney General, the right hon. and learned Member for Beaconsfield (Mr Grieve), said that, were that to happen, it would be “the end of parliamentary democracy”.

[Valerie Vaz]

Yesterday, United Nations experts voiced their “deep concern” over Iran’s “consistent pattern” of denying life-saving medical treatment to detainees, and the UN said that the continued detention of Nazanin Zaghari-Ratcliffe is a mockery of justice. Will the Leader of the House update the House on what steps the Government have taken this week to free Nazanin?

Finally, the UK Parliament newsletter reminds us that on 11 July 1859, Big Ben rang out for the first time. We wish to hear him or her again.

Mel Stride: I echo the hon. Lady’s comments on Gemma White, whom I thank for that report. As the hon. Lady pointed out, we received it only at 10 o’clock this morning so, as you will appreciate, Mr Speaker, I have not had time fully to digest the full findings of the Gemma White report on the bullying and harassment of MPs’ parliamentary staff, but I am sure that Members from all parties will share my concern at the initial reports, at least. Let me be clear that there should be absolutely no place for bullying and harassment in this place. We all bear a responsibility to uphold the proper standards of dignity and respect in Parliament.

As you know, Mr Speaker, over the past year, we have made significant progress that will help to bring about meaningful culture change, but more remains to be done. Indeed, as I have announced today, we are bringing forward a motion that will implement the important recommendation in Dame Laura Cox’s report that historic cases should be in scope as part of the independent complaints and grievance scheme. Our Parliament must be a safe place, free of bullying and harassment, and I am determined to play my part in delivering that.

The hon. Lady raises a number of other points. First, I thank her for welcoming the three hours of protected time that we have set aside to debate the Gemma Wright report on Wednesday next week. That will be followed immediately by one hour of protected time to cover the motion that will be tabled on the Laura Cox 2 recommendation.

The hon. Lady rightly raises the importance of the Valuing Everyone training. I urge everybody in the House to go on that training course. It is relatively short, but extremely important. I have written to all my Conservative colleagues in this House to urge them to take on that training, and I raised the importance of it at—let me just say—a very senior level of government.

The hon. Lady asks about the recess. The answer is that we will come back in due course with an announcement on the recess arrangements post the recess when the House rises on 25 July. She raises—as I think she did with my predecessor, to be fair—the publication of ministerial responsibilities. I will look into that and undertake to come back to her very quickly with an answer on when we expect that to be updated online.

The hon. Lady raises the profligacy—although she did not term it in that way—of the Labour party’s spending commitments and my £1 trillion price tag. I think that I will decline the invitation to meet the shadow Chancellor of the Exchequer on this matter, because I have a volume of information that supports the assertions that I have made in this respect, not least,

I believe, the £175 billion price tag on the nationalisations of the various utilities that the Labour party has in its sights.

The hon. Lady raises the important matter of Sir Kim Darroch. The Minister of State has clearly just answered an urgent question very thoroughly on that matter and put forward the Government’s very firm and resolute view on what has happened. She raised specifically the conversations that the Secretary of State for International Trade has had with members of the White House, and I know that he will be aware of the comments that she has made.

The hon. Lady raises the Joint Select Committee and the message from the Lords that we have received and asks when we will be responding to that. I am keen that we do so this side of the recess, and I am in discussions currently with our end of the usual channels in that regard.

The hon. Lady raises the matter of Deutsche Bank. I think that some 18,000 job losses are anticipated there, although it should be pointed out that this is a global retrenchment, not just one that affects the City of London. The Government’s record on employment is, of course, exemplary. We have the highest employment in our history and the lowest unemployment since 1974.

Once again, the hon. Lady also raises the issue of proroguing Parliament. The main thrust of her point was that this should not be used as a device for us to go into a no-deal situation without Parliament expressing its opinion on the matter. As I have said from this Dispatch Box in the past, I do not believe that that would be a desirable situation. The Government do not believe that that would be a desirable situation, not least because it would put the monarch in the awkward position of being involved in what is essentially a political decision given that it is Prorogation based on the advice of the Prime Minister, but ultimately granted by the Queen. I will also say, as I think you have suggested, Mr Speaker, that it seems inconceivable that Parliament will not have its opportunity to ensure that it has appropriate time to debate at the appropriate time these very, very important matters for our country.

The hon. Lady returns to Nazanin Zaghari-Ratcliffe. I can assure her that the Foreign and Commonwealth Office remains very robustly engaged with the Iranian authorities, and I have now taken it upon myself to ensure that my office keeps closely in touch with the Foreign and Commonwealth Office in that regard, as indeed it has done very recently, particularly and not least because of the totally understandable concern that I share with the hon. Lady about her welfare and the desire that we all have in this House that she be released as quickly as possible.

Finally, Big Ben was mentioned. May I share the hon. Lady’s joy in referencing 11 July 1859? We do want to hear the bells again. An interesting fact that not many people may know is that this bell can actually be heard all around the world because the World Service has a live feed of it when it chimes, and that is the live bell that we hear when Big Ben is alive and whole.

Sir David Amess (Southend West) (Con): Will my right hon. Friend find time for a debate on the report issued by the Centre for Responsible Credit? It highlights

a consumer debt crisis and recommends that the Financial Conduct Authority put a cap on the credit card market, similar to the cap on payday loan costs.

Mel Stride: I thank my hon. Friend for that question. It is typical of him that he should go out to bat for those who are least able to afford the consequences of high interest rates. The FCA has—or we have, as a Government—already placed a limit on payday lending. The FCA has particularly expressed concerns about the volume of credit that is being taken on to credit cards. In February 2018 it announced a package of remedies related to giving customers more control over credit card limits, encouraging customers to repay more quickly and other measures.

Pete Wishart (Perth and North Perthshire) (SNP): I thank the Leader of the House for announcing the next episode in the not-so-thrilling franchise, “Business for next week”. Thank goodness there are only two weeks left to endure this purgatory. I have to say that the Leader of the House’s holiday bus gets more and more appealing and alluring, and I would even be prepared to endure all his rotten jokes if we could just escape this oblivion for the summer.

Thankfully, the Tories’ pointless leadership contest is at last coming to an end, as the right hon. Member for Uxbridge and South Ruislip (Boris Johnson) will soon secure his coronation. Last week both candidates were in Perth in my constituency telling me that they were going to put me on the run and take the run out of Runrig. The only thing running in Perthshire are the votes of soft Tory voters and Tory remainers, appalled at the prospect of this buffoon’s Brexit.

Mr Speaker, we are now at least on our way to stopping them proroguing Parliament and suspending democracy to get their no-deal Brexit through. The Government are now obliged to issue a bi-weekly report to Parliament from October, and that should just about be enough to see off these democracy-wreckers. We have Lords amendments scheduled for next Thursday, and I think we are all anticipating the Government to get up to their usual tricks and try and thwart that progress, but my plea to the Leader of the House is: just leave it alone. Let’s do what we can to stop the suspension of democracy and deny them the opportunity to suspend Parliament. Democracy must triumph, and if the Government do try to thwart that progress, we will find other ways to ensure that this Parliament is sovereign and retains its say.

Lastly, we do not have the business for the next two weeks any more, as was usual—a feature that I think should be returned—so we do not know whether in the last week the Prime Minister will be able to test whether he has the confidence of this House. I am just about to introduce a Bill that would mean that it was this House that would confirm the new Prime Minister and test whether he did indeed have the confidence of this House. Surely it should be this Parliament that decides the next Prime Minister, not 100,000 Tory members with all their curious and right-wing views. It is what we do in Scotland, and it should happen here.

Week by week, this House drifts further away from democracy. It is time that this House started to take back control.

Mel Stride: Well, it is the same old tune from the hon. Gentleman. When it comes to music he is highly accomplished, but once again he has blown his own trumpet and tried to bang the drum for independence, but ended up just dropping another clanger, not least by drawing attention to his slim majority—a very unwise thing to do in this place. I think his majority is 20 or thereabouts, but I suppose 20 is enough. I am pleased, though, that he offered to join me on the bus trip. It is more like a car trip at the moment—*[Interruption.]* I have been deserted by just about everybody I have offered that opportunity to, but if it is just the two of us, so be it; I will look forward to it.

The hon. Gentleman raised the issue of Prorogation. I refer him to my earlier comments, in which I was clear as to where the Government stand on that matter. However, I am intrigued to hear about the Bill that he is bringing forward for the appointment of the Prime Minister from this House, because it reveals, nakedly, the hon. Gentleman’s ambition. At one point he issued a manifesto to become Speaker, Mr Speaker, and now we find that he clearly has designs on being held aloft and marched to Downing Street, on a majority vote of this House. He might be slightly delusional but, were that to happen, the ultimate and rather beautiful irony would be that he would, of course, become Prime Minister of our wonderful United Kingdom.

Mr Speaker: You know, I must say to the Leader of the House, I always thought that the hon. Member for Perth and North Perthshire (Pete Wishart) was very content in his existing role as Scottish National party shadow Leader of the House and as a magnificent practitioner on the keyboards in that illustrious parliamentary rock band, MP4, which it has been my great privilege to host in Speaker’s House and which has performed with panache and aplomb in the Buckingham parliamentary constituency, but obviously his ambitions extend further.

Sir John Hayes (South Holland and The Deepings) (Con): Like Members across this Chamber, I hold regular surgeries at which I try to give advice and assistance to constituents on any number of sensitive, emotionally charged, and for them, very often, vital, life-changing issues. So it is with GPs. For all of our lifetimes, we have gone to see doctors, sometimes in very harrowing circumstances, sometimes for minor conditions—but no longer, it seems. We are now being told that rather than that kind of personal and very private interface with a real person, we are going to have a virtual doctor. We are being told to ask Alexa—whoever it, she or he might be. This is a breach of the personal relationship that everyone deserves to have with their local doctor, and it has been described by one critic as a “data protection disaster waiting to happen”.

Patients’ groups, doctors and privacy campaigners have said that this is a bad idea, and once the Secretary of State for Health thought so too—he said that we needed to preserve the “essential humanity” of that relationship. Now he says that we should embrace the technology of the information age. Well, T. S. Eliot said:

“Where is the wisdom...lost in information?”

He might say now, “Where is the wisdom lost in Government?”

Mel Stride: I know that the Secretary of State will have heard my right hon. Friend's comments about the importance of, as I might express it, the human touch in the interaction between patients and GPs, and the dangers of the use of technology. As a rejoinder to his poetic contribution, let me perhaps reach to paraphrase John Donne, the great metaphysical poet—

Chris Bryant (Rhondda) (Lab): And MP.

Mel Stride: Yes, and MP. He said, on this issue of us being connected to humanity: “No man is an island entire of itself; any man's death diminishes me for I am involved in mankind; therefore do not send to know for whom the bell tolls; it tolls for thee.”

Mr Speaker: Well, well, well—previously hidden talents of the Leader of the House. One wonders whether he will regard as the litmus test of his poetical arrival being able to quote poetry on the scale and with the eloquence of the late Denis Healey. That was an experience to behold, I can tell you.

Ian Mearns (Gateshead) (Lab): I thank the Leader of the House for announcing the business for next week—in particular, the Backbench business for Tuesday and Thursday. I also thank him for the very constructive meeting that we had on Monday to discuss how we can try to get some Backbench time if Government business in particular looks a little light. Can I be cheeky, though? The Backbench Business Committee has had a very good run of getting time, but we have already pre-allocated time for Thursday the 25th, should that come our way, when we would have debates on motions on women's mental health and on the role and sufficiency of youth work.

My constituency of Gateshead is a place where asylum seekers and refugees are sent by the Home Office for settlement and the National Asylum Support Service finds them somewhere to live, so I have an awful lot of immigration cases. Can we have a debate in Government time about those who are refused the right to remain but whose countries are regarded by the Foreign Office as too dangerous to send them back to, so they are left in places like Gateshead without any support whatsoever? They are not going to be deported but not going to be assisted. Can we have a debate about that, because it is of very grave concern and not right?

Mel Stride: Likewise, I thank the hon. Gentleman for the very constructive meeting we had recently. I reiterate what I said to him then: my door remains entirely open at any time that he wishes to raise any matter with me. I have noted his cheeky bid for a debate on 25 July, on the very important matter of women's mental health, and his suggestion of a debate on immigration, particularly the right to remain. I will consider those.

Fiona Bruce (Congleton) (Con): Will the Leader of the House note concerns about legislation that affects the lives of many people going through this House without adequate parliamentary time for scrutiny? We have seen examples this week. Will he comment on the progress of the Divorce, Dissolution and Separation Bill? The Bill's Second Reading took place in only a short time. Line-by-line consideration in Committee

took about 47 minutes. This is a piece of primary legislation potentially affecting the lives of millions. Will he ensure that there is proper parliamentary time for scrutiny in the Bill's remaining stages?

Mel Stride: I thank my hon. Friend for her question. She and I have discussed that Bill. She makes reference to the time in which it went through Committee. There was an evidence session as part of its Committee stage. Time is also available for the tabling of amendments and further debate on Report but, if she would like to make any further points to me outside of this questions session, I would be happy to discuss those.

Liz Saville Roberts (Dwyfor Meirionnydd) (PC): Will the Leader of the House join me in commending Zainab Gulamali, who last week won the accolade of “inspiring role model” at the House of Commons diversity and inclusion awards? Zainab is known to the former Leader of the House through her work on the independent complaints and grievance scheme. Sadly, Zainab is leaving Plaid Cymru's office after three extraordinary years, but she came to us through the excellent Speaker's internship scheme. Could we have time for a debate on how to continue to create opportunities to gain experience of working here for people who would not normally have either the access or the means?

Mel Stride: I congratulate Ms Gulamali on achieving that award and wish her all the best, and I recognise the importance of the Speaker's internship scheme, which is both popular and extremely helpful. I wonder whether the right hon. Lady might consider approaching the Speaker's Office about an Adjournment debate, where she can raise that issue with a particular Minister.

Mr Peter Bone (Wellingborough) (Con): I am afraid to tell the hon. Member for Perth and North Perthshire (Pete Wishart) that introducing his Bill today is a waste of time. Because we are in this exceptionally long Session of Parliament, there are no more private Members' Bills days. Will the Leader of the House tell us when this Session is going to end, so that we can get a Queen's Speech and, more importantly, get private Members' Bills back on the agenda?

Mel Stride: My hon. Friend raises the important matter of private Members' Bills. I should point out that in this Session—albeit it is a very long one—we have had the highest total of private Members' Bills receiving Royal Assent since 2003. He asked me when the Session will end. I think the answer to that will become clearer when we have a new Prime Minister in place.

Mr Barry Sheerman (Huddersfield) (Lab/Co-op): I know that the Leader of the House is a man who believes in innovation. It worries me that we are coming to a long recess, and over that time really important issues are not going to go away. Nazanin Zaghari-Ratcliffe is still in prison, and we will not have the ability to debate that over the summer. The other Sunday morning, I stood outside the Iranian embassy to protest about that, and shortly I will be standing outside the Japanese embassy to protest about the disgraceful decision to kill hundreds of whales, many of which are endangered species.

I have an idea: we could run Westminster Hall as a place for debate on special issues in recess. We already have the petitions system. If we kept that little part of Parliament running through the recess, we could keep the campaign going on issues like Nazanin Zaghari-Ratcliffe's imprisonment and the poor whales being exterminated.

Mel Stride: The first point I would make to the hon. Gentleman is that when the recess actually occurs is of course a matter for the House, and it was subject to a motion that the House has agreed to. He makes a specific point about Westminster Hall and the use of Westminster Hall facilities for the purposes of debate during the recess. I think it is fair to say that it is a fairly radical idea, but that does not necessarily mean that it should not be fully and carefully considered. If he would like to write to me, or indeed come to see me for a cup of tea, we can talk about it. The final point I would make is that of course the work of government never stops, whether there is a recess or otherwise.

Kirstene Hair (Angus) (Con): Over 800 bikes and thousands of visitors descended on my home town of Brechin for the Harley-Davidson in the City festival last weekend to celebrate the birthplace of this iconic bike. The Leader of the House would be very welcome to look out his leathers and join us for the festival next year. Ahead of that, may we have a debate in this place about support for the people who put on these very important festivals, such as Bill Sturrock, the chair of the committee, as well as Angus Council and local stakeholders, because without them we would not be able to celebrate these successes?

Mr Speaker: I call the Leader of the House.

Ian Mearns: Leader of the Pack!

Mel Stride: The Leader of the Pack, indeed. I think my hon. Friend's question is just a cunning attempt to see me in leathers, isn't it? That is probably what this is all about. However, I should declare a personal interest in that, well before I had my mid-life crisis, I used to own and cherish a Harley-Davidson motorcycle, which, sadly, I no longer have.

My hon. Friend raises an important point. I know that the Department for Digital, Culture, Media and Sport has taken a number of steps in recent years to support festivals of various kinds, particularly through the national Heritage Lottery Fund—specifically, for example, celebrating Shakespeare in Birmingham and Alfred Hitchcock in Walthamstow.

Gill Furniss (Sheffield, Brightside and Hillsborough) (Lab): The conflict in Kashmir is now in its 72nd year. This is a great concern to many of my constituents. Will the Leader of the House make time for a debate on this important subject, so that we can try to stop this senseless loss of life?

Mel Stride: The hon. Lady raises a very important issue. She is right that, for very many decades now, there has in effect been a frozen conflict in that particular part of the world. As to a debate, this may be something that would lend itself to an Adjournment debate to which a Foreign and Commonwealth Office Minister can reply.

Stephen Kerr (Stirling) (Con): My right hon. Friend the Leader of the House will be aware that I am very grateful to have secured a debate next Wednesday in Westminster on the value of aquaculture to the UK economy. In advance of that debate, will he join me in celebrating the launch of the world's first sustainable, land-based, clean water prawn farm in Balfron in my Stirling constituency? From this summer, Great British Prawns in Balfron will be delivering prawns in the UK, saving them a 6,000 mile frozen journey from the far east and central America, and thereby slashing their carbon footprint.

Mel Stride: I congratulate my hon. Friend on securing his Westminster Hall debate, and I look forward with great interest to reading it in *Hansard*. He raises the specific achievement of the work of the first land-based, clean water prawn farm. I wish it success, and it is good to know that prawn food miles are being kept to a minimum, as he has outlined.

Colleen Fletcher (Coventry North East) (Lab): We had a Westminster Hall debate on Monday on the Government's proposal to increase the maximum sentence for causing death by dangerous driving from 14 years' imprisonment to life. The debate highlighted a clear cross-party consensus for the change in the law, with an unambiguous message: introduce this much-needed legislation immediately and it will be straightforward to implement, with a clear, unimpeded passage through the House. Unfortunately, the Minister of State, Ministry of Justice, ignored that message in the debate and failed to set out a timetable for introducing the Bill. Will the Leader of the House speak with colleagues in the Ministry of Justice and urge them to bring forward a short Bill simply to raise the maximum sentence without further delay and assure them that parliamentary time will be made available?

Mel Stride: The hon. Lady raises an extremely important matter. It was good to see the debate, as well as the cross-party support for the measures that she is keen to see introduced. I am not familiar with the intricacies of her dealings with the Ministry of Justice, but if she would like me to assist in facilitating contact and further discussions with the Department, I would be happy to do so.

Gavin Newlands (Paisley and Renfrewshire North) (SNP): It is a pleasure to see you in the Chair, Madam Deputy Speaker. I have raised the issue of HELMS—Home Energy and Lifestyle Management Systems—and green deal mis-selling time and time again in this place. Business, Energy and Industrial Strategy Ministers have promised me that they would intervene to ensure that investigations into victims' cases would be expedited. As my constituent Lynne McLellan and many others can testify, that simply is not happening. May we have a statement on this issue to allow us to interrogate Ministers about why that is the case?

Mel Stride: The hon. Gentleman raises a specific point, relevant to one of his constituents. I would say two things. If he would like to write to me or discuss it with me, I would be happy to see what I can do to assist him with his endeavour. I would also point him to BEIS questions, which is next week, on Tuesday 16 July.

Liz McInnes (Heywood and Middleton) (Lab): Yesterday it was my pleasure to meet Gary, the head porter at the Foreign and Commonwealth Office, and to congratulate him on his imminent visit to Buckingham Palace to collect his MBE, which was awarded for services to the Foreign Office. Yet Gary was forced to take strike action yesterday, fighting for proper pay, terms and conditions, and recognition of his trade union, the Public and Commercial Services Union. May we have an urgent statement from the Foreign Secretary setting out what action he will take to force Interserve, to which portering, estates and cleaning services in his Department are outsourced, to treat these valuable and loyal staff in a proper manner?

Mel Stride: I join the hon. Lady in congratulating Gary on his award of an MBE and wish him all the very best for that special day and special moment when he goes to Buckingham Palace to receive that award. As to the employment issues that she raises, I know that Foreign and Commonwealth Office Ministers will have heard her comments.

John Cryer (Leyton and Wanstead) (Lab): London City airport plans to massively increase the number of flights going in and out of east London over the next few months. This will profoundly affect a great arc of east London, going across the river, particularly in my constituency, yet London City airport is refusing to hold a consultation, which it is bound to carry out, in Redbridge and Waltham Forest, about which there is a great deal of anger. May we have a statement from a Transport Minister?

Mel Stride: The hon. Gentleman raises the issue of the frequency and volume of flights from London City airport. I would point him to Transport questions, which will be held on Thursday.

Chris Bryant (Rhondda) (Lab): Six months ago today, I visited my GP with a small mole on the back of my head. I was very fortunate that the GP passed me straight on to the dermatologist and everything happened quickly, but since then I have met dozens and dozens of people for whom the most galling thing about their cancer diagnosis is being told that is quite late—stage 3 or 4. I have met young women who have lost their mother, including one last week who was still in tears, because she felt that if only the diagnosis had been faster, they would have been able to save her life. Yet 97% of pathology units in England say that they are understaffed, we have about 600 too few dermatologists in the country, and in Wales we have 22 consultant pathologist posts empty. How can we make sure that we save people's lives if we do not have enough staff? Can we have a debate on this?

Mel Stride: I join the whole House in saying how pleased we are that the hon. Gentleman received prompt and appropriate treatment, and that he has had a full recovery. The Government's record on cancer survival rates generally is good, but there is always room for improvement. What is really important is the additional funds being put into the national health service: £84 billion over the next five years, the largest single cash investment in its history. Cancer features prominently in the NHS 10-year plan, both in terms of getting survival rates up

still further and ensuring we prevent cancers in the first place, and, as he rightly points out, in early diagnosis of cancer in all its forms.

Jessica Morden (Newport East) (Lab): Today, the Government announced that they will be reviewing the benefits system for terminally ill people. My hon. Friend the Member for Bridgend (Mrs Moon) has worked tirelessly on this issue for many years. Instead of taking more time, why do the Government not simply adopt her Access to Welfare (Terminal Illness Definition) Bill and the comprehensive research already conducted by the all-party group for terminal illness, which is supported by Marie Curie and the Motor Neurone Disease Association?

Mel Stride: The hon. Lady raises a very important matter. The Secretary of State for Work and Pensions has written movingly about this particular issue and the availability of benefits for those who have little time remaining. I know the review will be thorough. I think the hon. Lady can take comfort from the fact that the Secretary of State has personal and powerful feelings about the importance of these matters. We should allow the review to take place and see what the conclusions are.

Stewart Malcolm McDonald (Glasgow South) (SNP): Earlier this week, the Secretary of State for Defence confirmed that her Department's policy on intelligence-sharing that has derived from torture or could lead to torture has changed after it was revealed six weeks ago that the Ministry of Defence internal guidance was potentially illegal. She also announced to the media new troop deployments to Syria. May we have a statement on both those matters at the earliest convenience?

Mel Stride: The hon. Gentleman raises a very important point. As he will know, the Prime Minister requested that the Investigatory Powers Commissioner, Sir Adrian Fulford, review Government policy in this area. That review has now concluded and there will be an announcement to the House in due course. The Ministry of Defence will continue to be fully aligned with that, and any future, guidance.

Ian Murray (Edinburgh South) (Lab): Will the Leader of the House join me in congratulating Dr Jennifer Garden, who won the L'Oréal-UNESCO Women in Science Fellowship for her work on finding alternative sustainable uses for polymers and plastics? May we have an urgent debate or statement from the Government on how better we can support innovative research and development that will help our climate?

Mel Stride: I join the hon. Gentleman in congratulating Dr Jennifer Garden on her achievement and her important work, and on serving as an exemplar for other women. We wish to encourage more women to work in science, not least in the area of the environment. He will know that we are leading the pack in the world on getting to net zero carbon emissions by 2050, which we have legislated for in this House. This would be an excellent matter for debate, perhaps in Westminster Hall.

Judith Cummins (Bradford South) (Lab): This August bank holiday weekend, the north of England plays host to the Ashes at Headingley, the Ebor festival at York

racecourse and the Leeds festival. Meanwhile, rugby league fans will be heading to Wembley for the Challenge cup final. On the same weekend, Network Rail has chosen to shut the east coast main line for engineering works. This baffling decision, with such short notice, will cause misery to thousands of northerners. Will the Leader of the House arrange for a Minister to make a statement on this decision as a matter of urgency?

Mel Stride: May I first say how delighted I am that so many of our important sporting events are held in the north of our country, where there is a huge and enduring tradition of exactly that? On the rugby and the matter of trains, I point the hon. Lady to Department for Transport questions on Thursday 18 July.

Alison Thewliss (Glasgow Central) (SNP): The Leader of the House might be aware that there have been a number of deaths on the Clyde in recent weeks. It is to the frustration of many people—the council, campaigners and the Glasgow Humane Society, which has spent 229 years campaigning to save lives on the Clyde—that signs recently installed to discourage people from tampering with and damaging water safety equipment have themselves been damaged. Will he agree to a debate on tampering with water safety equipment? Does he agree with the campaign that “Taking a lifebelt is taking a life”?

Mel Stride: The hon. Lady makes an important point: nobody wants to see anyone behaving dangerously or recklessly around water. I commend all the efforts that have been made, particularly on the Clyde, to ensure that such instances are minimised. Perhaps an Adjournment debate would be appropriate.

Mr Paul Sweeney (Glasgow North East) (Lab/Co-op): The St Rollox railway works in my constituency are due to close permanently on 26 July, ending 163 years of continuous railway engineering excellence in Springburn. Time is of the essence to find a solution and save hundreds of jobs at the site. I urge the Leader of the House to communicate with his Scotland Office colleagues to see what opportunities might be available to the UK Government, in collaboration with the Scottish Government. In particular, there is a proposal to bring a heritage steam locomotive back to the site so that the workforce could be temporarily engaged in a project to restore it, which would get around the impediment of state aid restrictions under EU rules. Will he please do everything in his power?

Mel Stride: Clearly, this is a matter for the Scotland Office and perhaps other Departments. The most useful thing I can do is extend an invitation to the hon. Gentleman to meet me and talk about this in a little more detail. I will see what I can do to ensure that doors are opened for him to have the discussions across Government that are needed to maximise the opportunities and move forward in a positive way.

Daniel Zeichner (Cambridge) (Lab): Next Tuesday, the Cambridgeshire and Peterborough clinical commissioning group will hold an emergency meeting to discuss how to meet its current deficit of £33 million a year. It will consider cuts to early intervention, the Alzheimer’s Society, carers organisations and the Stroke Association. May we have a debate in Government time on how it is that

when the Government claim there is more money for the national health service, there seems to be less money for Cambridgeshire and Peterborough?

Mel Stride: In the first instance, I direct the hon. Gentleman to Health and Social Care questions, which are next Tuesday. On the general issue of funding, as I have already said in answer to a previous question, we are the Government who have now put more money, in cash terms, into the national health service than at any point in its history, and certainly more than was suggested in the Labour party’s last manifesto.

Paula Sherriff (Dewsbury) (Lab): Dewsbury Memories, a group that helps older sports fans who are suffering with dementia, was established by Allison Simpson after her beloved dad, Tony Boothroyd, was diagnosed with Alzheimer’s. Although Tony could barely remember current events, he was in his element when recalling the great sporting events of his past. Sadly, Tony has since passed away, but Allison is absolutely determined to keep growing the group. Will the Leader of the House allow Government time for a debate so that we could encourage others to take up these opportunities and discuss how such volunteer organisations provide so much for our society?

Mel Stride: I welcome the hon. Lady’s contribution, because I totally recognise that dementia is an increasing issue for the health of our nation and—although she did not express this—the cruel nature of the condition. I know that a huge amount of work is being done, particularly by volunteers: through memory cafés, for example—like me, she probably has some in her constituency. They do such wonderful work to find those areas where people with dementia can remember, enjoy and reflect. It might be a rather good subject for a Westminster Hall debate.

Justin Madders (Ellesmere Port and Neston) (Lab): May we please have a debate on the responsibility of the Post Office to engage with the communities it is supposed to serve? Hope Farm Road post office in my constituency has been shut at random times without explanation, and the other day I heard on the grapevine that the post office in Willaston, which is an isolated, rural community, is being shut next month, with no consultation or forewarning. How are communities expected to access these vital services if there is no dialogue?

Mel Stride: Post offices are absolutely vital. I think that, in terms of national affection, they rank second only to the national health service in the passion that people feel about what is almost an institution. That is for good reason, particularly in rural areas, because post offices often provide services, including banking services, to local traders and residents that would otherwise have been hollowed out and become unavailable due to the absence of banks.

I take the issue extremely seriously. The Government have generally protected the size of the post office network; there are nearly 13,000 branches across the country, and the vast majority of people live within 1 mile of a branch. How the Post Office is handling that network might be a rather good subject for a Westminster Hall debate.

Darren Jones (Bristol North West) (Lab): A number of my constituents transferred from AstraZeneca to Avara Pharmaceuticals when the Avalon Pharmaceuticals site north of Bristol was sold. They did so because they were promised that if the business failed, they would still be entitled to their full AstraZeneca redundancy package. That has not happened and those workers are now being made redundant on statutory pay only, although AstraZeneca still has a legal contract with Avara to enforce that right, which expires in October. I have written to the Department for Business, Energy and Industrial Strategy and received a wholly unsatisfactory answer, and I have applied for an Adjournment debate four weeks in a row without success. Does the Leader of the House agree that the matter deserves ministerial attention, and that that should be given before the summer recess?

Mel Stride: Clearly I am not in a position to comment on the specifics of the hon. Gentleman's experience with BEIS Ministers, but I accept that it is very important that he has appropriate contact with them and a proper opportunity to explain the situation fully and see whether something can be done to help. I have two points to make. First, BEIS questions are on Tuesday 16 July, and I think that would be an excellent matter to raise then—I recommend that he give the Department advance notice of his question, if he intends to raise it in topical questions. Secondly, if he would like to meet me to have a quick discussion about the matter, I would be happy to do so, to see how I could otherwise assist.

Patricia Gibson (North Ayrshire and Arran) (SNP): I am sure that the Leader of the House will agree that, despite the chaos and paralysis of Brexit, there are new opportunities ahead of us. In that spirit, will he make a statement setting out the need for whoever is our next Prime Minister to take the opportunity to put in place very much needed transitional arrangement payments for women born in the 1950s who have been robbed of their pensions and, as a result, thrown into unexpected hardship and poverty?

Mel Stride: With regard to the pension arrangements to which the hon. Lady alludes, the Government have already provided £1.1 billion for the introduction of transitional arrangements, but I know that the Department for Work and Pensions and other Departments will have heard her comments.

Chris Elmore (Ogmore) (Lab): Last Friday, at my advice surgery, Polly Davies and five of her friends from Nantymoel Primary School in the Ogmore valley in my constituency came to lobby me on the reduction, and hopefully the removal, of single-use plastics from society, and on their particular concerns about plastic in our

rivers and oceans. They are also working on a scheme to try to get rid of single-use milk bottles from their school. I promised Polly and her friends that I would ask the Leader of the House for a debate on getting rid of single-use plastics from society, so will he oblige and guarantee us a debate before the recess?

Mel Stride: I join the hon. Gentleman in congratulating Polly and all those at her school for all the work they are doing to try to see an end to single-use plastics. I point to our own record in this respect: the use of single-use plastic carrier bags has fallen by 86% as a consequence of the charges we have levied. As he will know, we are now looking to go further still by ensuring that we rid our country of single-use plastics as quickly as possible. An Adjournment debate might be a useful avenue for him to pursue.

Madam Deputy Speaker (Dame Eleanor Laing): And the prize for patience and perseverance goes to Hugh Gaffney.

Hugh Gaffney (Coatbridge, Chryston and Bellshill) (Lab): Thank you, Madam Deputy Speaker. The Leader of the House will be aware that PCS members who work in the Foreign Office took another round of action this week. These are dedicated, hard-working staff who face financial hardship because of the actions of the contractor, Interserve. Cleaners who work at the Foreign Office have seen their guaranteed overtime removed with no warnings or consultation. Will the Leader of the House urge the Foreign Secretary to intervene and support the work of his own Department, and to come back here with a statement?

Mel Stride: I think the hon. Gentleman has shown his tenacity by waiting to be the last Member to be called and by raising this issue over time in the way that he has. I know that his words will have been heard by the Foreign and Commonwealth Office and other Departments.

BILL PRESENTED

PRIME MINISTER (NOMINATION) AND CABINET (APPOINTMENT) BILL

Presentation and First Reading (Standing Order No. 57)

Pete Wishart, supported by Deidre Brock, Tommy Sheppard, Gavin Newlands and Patrick Grady, presented a Bill to make provision for the House of Commons to nominate the Prime Minister and approve appointments to the Cabinet; to establish the office of Acting Prime Minister; and for connected purposes.

Bill read the First time; to be read a Second time tomorrow, and to be printed (Bill 420).

Points of Order

12.21 pm

Hywel Williams (Arfon) (PC): On a point of order, Madam Deputy Speaker. From documents lodged in a Barcelona tribunal by the Spanish Government, it appears that Members of this House from the Conservative party, the Scottish National party and Plaid Cymru have been the subject of covert surveillance by agents of that Government in respect of their activities as members of the all-party parliamentary group on Catalonia.

Reference is made to meetings of the APPG, including one addressed by Josep Costa, the Deputy Speaker of the Catalan Parliament, who on that occasion also met the Chairman of Ways and Means. The APPG meeting was a public event and there was no need for participants, even those from the Spanish Government, to hide their identities. Reference is also made to Elin Jones, Llywydd of the Welsh Assembly, to the First Minister of Scotland, and to many others, including our own Speaker, who, in responding to my point of order on 13 February about the imprisonment of Carme Forcadal, the Speaker of the Catalan Parliament, gave me a very favourable response.

The reference in the document is summed up by the headline this morning, “El speaker no es imparcial”. That was the Spanish Government’s opinion of our Speaker. For today, however, I seek your support, Madam Deputy Speaker, in confirming that the principles of openness and free debate are the bedrock of the workings of our House and its APPGs, and that “spying” by a supposedly friendly country—for that is what this is—has no place here.

Madam Deputy Speaker (Dame Eleanor Laing): I thank the hon. Gentleman for his very serious point of order. Of course, I confirm that the principles of openness, honesty etc. are the bedrock of how our democracy works and must be respected at all times. I cannot take responsibility from the Chair here in the Chamber this morning for matters that occur in Catalonia, but I take very seriously the points the hon. Gentleman has made. I would suggest perhaps that he ought to make his points in writing to Mr Speaker, so that Mr Speaker can give this matter his proper, full consideration, rather than just momentary consideration here in the Chamber. That is what it deserves.

David T. C. Davies (Monmouth) (Con): Further to that point of order, Madam Deputy Speaker. That point was very important. Do you agree that Mr Speaker could perhaps make the point to the European Union that it is banning elected Members of the European Parliament from Catalonia, as reported in *The Guardian*? I am sure that the SNP and Plaid Cymru will want Mr Speaker to raise that issue with the European Union.

Madam Deputy Speaker: I understand that the hon. Gentleman makes a further and important point of order, but when allegations are made I cannot comment on them from the Chair. I do not know whether they are true or not, but if these allegations have any substance, I am quite sure that Mr Speaker will want to know about them. I suggest that the hon. Gentleman brings them to his attention. It is a matter of great importance that any elected representative from anywhere in the United Kingdom should be heard, wherever they are elected to.

Stewart Malcolm McDonald (Glasgow South) (SNP): On a point of order, Madam Deputy Speaker. You will have heard in business questions that I asked the Leader of the House to urgently facilitate a statement from the Ministry of Defence about its policy on intelligence sharing when that intelligence is derived from or could lead to torture. The reason for that was that the policy was found to be almost certainly illegal. This week, the Defence Secretary told us that the policy has been reviewed and changed. Members of the House do not know what it has been changed to.

The issue was the subject of an urgent question some weeks ago from the right hon. Member for Haltemprice and Howden (Mr Davis), and rightly so. Given that the rules and laws surrounding torture, both domestic and international, underpin the rules of engagement of the British armed forces and that such an important change in Government has occurred without Parliament even being told, would you expect, Madam Deputy Speaker, that a Minister should make a statement and should do so urgently?

Madam Deputy Speaker: I thank the hon. Gentleman for his point of order, which again is an important point. I recall the urgent question brought to the House by the right hon. Member for Haltemprice and Howden (Mr Davis) and how seriously the matter was taken by the House and by Ministers. The hon. Member for Glasgow South (Stewart Malcolm McDonald) will know, of course, that if there is a significant change in Government policy, there is a duty on Her Majesty’s Ministers to come to the House and inform it of that change.

I am sure that the hon. Gentleman will also know that if a Minister has not volunteered to come to the Dispatch Box, the mechanism by which he can require them to is to submit to Mr Speaker an application for an urgent question. I am quite sure that he will do so and that Mr Speaker will consider it with gravity.

We come now to the Backbench Business debate on 20 years of devolution—goodness me, is it really that long?

Backbench Business

20 Years of Devolution

[Relevant Documents: Eighth Report from the Scottish Affairs Committee, The Relationship Between the UK and Scottish Governments, HC 1586; Fifth Report from the Welsh Affairs Committee, Devolution of Air Passenger Duty to Wales, HC 1575; and Eighth Report of the Public Administration and Constitutional Affairs Committee, Devolution and Exiting the EU: reconciling differences and building strong relationships, HC 1485.]

12.28 pm

Pete Wishart (Perth and North Perthshire) (SNP): I beg to move,

That this House has considered 20 years of devolution.

It is with great pleasure that I open this debate on 20 years of devolution on behalf of the Select Committee on Scottish Affairs and the Select Committee on Welsh Affairs. Twenty years of devolution—it is hard to believe, Madam Deputy Speaker. It has been 20 years since our Parliaments opened their doors, transforming our nations and redefining the political culture of our countries. Our nations are better because of devolution. Our national life has been transformed, and we now have a distinctive voice because we have Parliaments within our nations.

Devolution has come of age and there will be no going back to before our Parliaments opened their doors to the world. I remember that day 20 years ago: I was going to be a candidate for the Scottish Parliament, and it was only the finishing of a Runrig album that got in the way and delayed my parliamentary career by two years. I sometimes wonder what would have happened if had I managed to secure a place in the Scottish Parliament—*[Interruption.]* I am hearing that there is still time yet, but as someone approaching the autumn of their career I will maybe just think about that one.

I remember the expectation in the air that day—the sense of anticipation and excitement that at last we could get down to the business of designing our own future because we had our Parliaments. I will never forget the look on Donald Dewar's face when he said, "There will be a Scottish Parliament," and he just had to add, "I like that." And I will never forget Winnie Ewing taking the chair for the first time—Winnie Ewing, whose 90th birthday was yesterday, a celebrated figure in Scotland to whom we owe a great debt—and saying "the Scottish Parliament, which adjourned on 25 March 1707, is hereby reconvened." —*[Scottish Parliament Official Report, 12 May 1999; c. 5.]*

We have had our disagreements like any other normal Parliament or Assembly, and we have scrutinised Governments just as they do everywhere else, but we have worked with a great deal of consensus. There have been fantastic examples of cross-party work, pioneering and innovation in the Scottish Parliament, and it is worth looking at some of the things that we have achieved in the course of those 20 years.

There has, for example, been pioneering health work. We were the first country in the United Kingdom to introduce a ban on smoking in public places, and we know about the health dividend that has resulted from that piece of legislation. We recently introduced minimum

unit pricing for alcohol, and there is already reasonable evidence that that is starting to have an impact on health outcomes. We have also made democratic reforms: 16 and 17-year-olds in Scotland now have votes, and we have proportional representation in local government elections, just as we do in the election of the Parliament itself. Then there is the social agenda: free personal care for our elderly in Scotland, free higher education, and free prescription charges. All those initiatives, and many more, are helping to make ours a better and fairer country.

This is often credited to Donald Dewar, but it was in fact a Welshman, Ron Davies, who said:

"Devolution is a process...not an event".

What a process it has been, and what a journey we have been on! As a legislative body, the Scottish Parliament is an entirely different creature from the one that opened its doors back in June 1999. Two further Scotland Acts—the 2012 and 2016 Acts—followed the 1998 Act, which established the Scottish Parliament, and have significantly increased its powers. It now controls large swathes of welfare legislation, and its taxation powers mean that we can set our own income tax rates in Scotland. The Welsh Assembly is about to become the Senedd, and Scotland now has a Government. We in Scotland have had coalition government, majority government—although the rules are supposed to forbid such a thing—and two episodes of minority government, and still we move forward.

Hywel Williams (Arfon) (PC): Does my hon. Friend agree that the Welsh Assembly has advanced even further, given that we were somewhat behind our Scottish friends at the start of the process? It has travelled from being essentially a glorified county council to being a law-making body, which will hopefully proceed very quickly to take on many more law-making and tax-raising powers, leading eventually to independence.

Pete Wishart: I am more than happy to agree with my hon. Friend. As we observe what has happened in Wales, we see that the pace of the change has been quite dramatic. My hon. Friend is right to point out that Wales now has a law-making Assembly. There was some discussion yesterday about its being renamed the Senedd, which I think will prove very worthwhile and valuable. We are on a journey, and it is not finished yet.

Stephen Kerr (Stirling) (Con): The hon. Gentleman is making a strong case for what has been achieved in the last 20 years, and I welcome that. Does he agree that, by virtue of the make-up of the Scottish Parliament and the system by which we elect our MSPs, it is right for parties to work together—that there should be no demarcation lines marking who will work with whom, but we should always be working together for the benefit of Scotland?

Pete Wishart: There is nothing in what the hon. Gentleman has said with which I could possibly disagree. We have seen examples of coalition government in the Scottish Parliament, and, indeed, it was designed on that basis. When Labour and the Liberals, in the main, put together the Scottish constitutional convention, that was what was anticipated. The fact that we have been on a particular journey and have had a variety of different arrangements for government demonstrates our resilience.

Stephen Kerr: Will the hon. Gentleman give way?

Pete Wishart: I will not, if the hon. Gentleman does not mind. I want to make sure that the hon. Member for Monmouth (David T. C. Davies), who chairs the Welsh Affairs Committee, has a chance to speak.

There has been a flurry of devolutionary activity recently. A review initiated by the UK Government is to be conducted by Lord Dunlop, and there is an ongoing debate about completing the powers of the Scottish Parliament with independence for Scotland. That continues to be the most debated and defining issue in Scotland's political and public life. One thing that can be said about devolution is that it is never boring. Our Parliament has brought Scotland to the attention of the world. Our international footprint has increased because of devolution, and as a consequence more people know about our beautiful country and what it does.

Stewart Malcolm McDonald (Glasgow South) (SNP): I think it is still the case, and it was certainly the case at the time, that when the Scottish Parliament passed the Bill that became the Marriage and Civil Partnership (Scotland) Act 2014, there was a larger majority in favour of equal marriage in that Parliament than in any other legislature in the world. In fact, the Scottish Parliament is the only legislature in the world which, whenever it has been presented with legislation to extend equality to its citizens, has voted in favour of it. Is that not a good thing, and does it not constitute progress that should always be protected in future?

Pete Wishart: My hon. Friend has made a valid and strong point. He is absolutely right about equal marriage, and about the way the Scottish Parliament responded. There have been other progressive developments on social issues, and I am particularly proud that our Parliament has taken up such causes so dramatically and consistently. I look forward to seeing further examples of progress in the future.

It is right for us to keep devolution under review, and I am proud of the work that my Committee has done over the past few months in assessing it after 20 years. We focused particularly on intergovernmental relations, and suggested a number of far-reaching reforms. We believe that, if implemented, our conclusions will make a significant difference in the quality of the intergovernmental relations that currently exist throughout these islands.

I think we can all agree that, institutionally, the Scottish Parliament has functioned well and is now an immovable feature, secure in the fabric of our democracy. It is there to stay. However, the relationship between the two Governments has not kept pace with developments, and the machinery for dialogue and engagement has not kept up with the evolving dynamics of devolution. What we have found is that intergovernmental relations are under pressure as never before. It seems that, having emerged from the experience of the independence referendum, they have been challenged to within an inch of their lives by Brexit.

Before I go into that further, I will give the House the good news. The relationship between the two institutions seems to be functioning well at a sub-political level: the work between civil servants, for example, continues unabated. Our Committee heard solid evidence from

senior civil servants that everything was being conducted perfectly well, and that work was being done behind the scenes. However, we were concerned about the quality of the relationships across these islands, and we made a number of recommendations in that regard.

Christine Jardine (Edinburgh West) (LD): The hon. Gentleman is making a very strong case, but does he agree that responsibility for the relationship between the two Governments is not something that we should dictate through paperwork, or something for which we should have to resort to legislation? Is it not up to the two parties in government to be grown up, to sit round the table and to take part in constructive discussions, rather than engaging in what we often witness here—petty bickering about just about everything when an excuse can be found for it?

Pete Wishart: The hon. Lady is an assiduous member of the Scottish Affairs Committee, and as I look around the Chamber I see other assiduous members. I agree with what she has said, but I think it is incumbent on us to have the mechanism, the infrastructure and the machinery to ensure that when Governments disagree—as they will when they have particularly different policy objectives—we can accommodate that disagreement, shape it up, and resolve some of the tensions and difficulties that are encountered.

Let me now go back to the beginning, because, as the hon. Lady knows, the Committee looked into this in great detail and heard a great deal of evidence. In the early days of devolution, everything was straightforward and easy. The Labour party was in government in Cardiff, Edinburgh and London, and intergovernmental relations were conducted among comrades, friends and colleagues who would just pick up the phone and get in touch with each other to resolve any difficulties. They were generally resolved very easily; I am sure that you remember those days, Madam Deputy Speaker.

Only one issue was not resolved, and it remains in the name of the bar in the Scottish Parliament. In a dramatic rebuke to Scottish colleagues who dared to suggest that they should become a Government, Big Brother down here—in the form of Labour Members—said, “They can call themselves the White Heather Club, but they will never be a Government.” To this day, the bar in Holyrood is called the White Heather Club as testimony to that fantastic rebuke from our Big Brother Westminster Labour colleagues.

It took the UK Government three years to keep up with developments and acknowledge the change when Alex Salmond rebranded the then—it has to be said—pathetically named Scottish Executive the Scottish Government.

I think it is fair to say that the cosy relationship that existed in the early days of devolution was pretty much shattered with the arrival of the SNP minority Government in 2007. This was an SNP Government who were prepared to push the boundaries of the devolution settlement and who tried to define a new means and method for us to assert ourselves as a nation, and they were not content being restricted to what was available in the then devolution settlement.

Then of course came the independence referendum, and who will ever forget that? Curiously, inter-Government relationships survived the referendum relatively intact,

[*Pete Wishart*]

and that was because there was a need for engagement between the two Governments and we had the Edinburgh agreement and rules were set up for that. That taught us the lesson that things can be done if there is structure, rules and a means to come together for agreed objectives, and the agreed objective during the independence referendum was that it would be done properly and constitutionally.

Brexit has broken that, however. What we have with Brexit is two Governments, one in Scotland and one in London, with totally different objectives on the issue of leaving the European Union. Scotland wants nothing whatsoever to do with Brexit; it returned one MP with a mandate for an EU referendum, and we have consistently said we find this counter to our national interests. But of course we have a UK Government determined to deliver Brexit. We should have in place, however, a means to be able to accommodate that—to be able to ensure that these types of differences can be dealt with and negotiated smoothly.

That brings us to the machinery of all this. At the very top is the Joint Ministerial Committee. We looked at a number of options for transforming or even replacing it, but came to the conclusion that replacing it would not serve any great purpose. So we suggested a number of things that we could do to improve the functioning of the JMC, because it is not working properly; it does not have the confidence of the Scottish Government and it does not particularly have the confidence of the Welsh Government. The UK Government set the agenda, and they are responsible for all the dispute resolutions, and they seem to be the arbiter of what happens and how things are conducted.

We said that things have to change dramatically, and there is one phrase that runs through almost every chapter of our report: “parity of esteem”. We therefore propose that the JMC be a body where all four of the Governments are treated as equals, and as such we recommended that JMC meetings should be hosted and chaired by each of the UK Administrations on a rotating basis, and that meetings should be held frequently and have a set schedule with agendas agreed in advance between all parties.

We also asked the Government to explore third-party mediation, because again we received a number of pieces of evidence that suggested that this was not working. We also said that the JMC should look at dispute resolution and made a number of recommendations about Whitehall Departments becoming devolution-proof.

Hywel Williams: Further to that point, the JMC has been described as not fit for purpose in its current form. Its fitness for purpose would be greatly aided if it had its own secretariat, and if it had a statutory basis as well.

Pete Wishart: We have recommended that the Government look at the JMC having its own secretariat, and the UK Government have now said they are prepared to explore that. However, I want to come back to the Government’s response to our report, and I think that what the Government are prepared to do will delight the hon. Gentleman.

David T. C. Davies (Monmouth) (Con): Will the hon. Gentleman give way?

Pete Wishart: Yes, of course; I give way to the Chair of the Welsh Affairs Committee.

David T. C. Davies: Under the suggestion the hon. Gentleman is making about everyone having an equal say, presumably the First Minister of Northern Ireland, when that Assembly is set up again, would have a veto over what was happening in the rest of the United Kingdom.

Pete Wishart: With all great respect, I think that the hon. Gentleman misunderstands and possibly does not really appreciate what we are saying. We suggest in our report that parity of esteem be established. It is not right that the UK Government should chair all proceedings and set the agenda; that should be the responsibility of all Governments and the chairing should be rotated—just the chairing, so not having a veto but just ensuring that that sense of equality exists between the four Governments in a setting and a forum that is supposed to be able to accommodate that.

What we said about the Scotland Office and the Secretary of State’s role probably got most of the headlines and caught most of the attention when our report came out just a few short weeks ago. When we looked at the Scotland Office and the Secretary of State’s role, we found a Department that has more or less been bypassed in two very important functions. One of them is at the highest level of inter-Government relations such as the bilateral meetings between First Minister and Prime Minister. That now seems to be conducted by the de facto Deputy Prime Minister; he does all that and there does not seem to be much of a role for the Scotland Office in those proceedings. The second thing we found, which is probably more important, is that bilateral arrangements between Ministers from Scotland and Whitehall were being conducted by themselves and they were not going through the Scotland Office. If a Minister in Scotland wanted to deal with an issue that was of importance to the UK so it was something that needed to be done together, that would go straight to the relevant Whitehall Department down here with no role for the Scotland Office. So we asked what the Scotland Office therefore really does, and why it is in place, with all the paraphernalia of a civil service and so on.

Liz Saville Roberts (Dwyfor Meirionnydd) (PC): An additional point is that there needs to be formal consideration of the interplay between legislation that is created here and that now being created in the Welsh Assembly. There is a recent example with the Joint Committee on the draft Domestic Abuse Bill: there is a piece of legislation in Wales concerning violence against women. There is no formal mechanism to examine how legislation created here and legislation being created in other places intermeshes and to ensure they do not contradict one another.

Pete Wishart: That points to some of the evidence we took in the Committee. It is an important point, and I know that it will be looked at when these matters are being progressed.

We found, however, that the Scotland Office did do the following. It is its right and prerogative to do this, so of course it can, but it wanted to make sure that the role of the UK and the workings of its Government are

asserted in Scotland. That seems to be the basis of the Dunlop review: how we can make Scotland better love what the UK does. This seems to involve a relatively large resource and budget, and it seems as though we will have to expect a lot of new UK branding with all the associated flagging paraphernalia that goes with it. It seems like some sort of bold attempt to make us love that just that little bit more by visibility.

We asked the Secretary of State about this yesterday, and I got the sense that the UK Government are trying to do a rebranding exercise. *[Interruption.]* Scottish Conservative Members do not like that and are saying that is not the case. We shall hear their opinions about what the Dunlop review will do, but we are very encouraged by the Secretary of State's response to our report. I think they have agreed to look at almost every recommendation we made; we are excited that they have said they will look at most of the things around the JMC and that that will form part of the review. They are even prepared to look properly at a review of the Scotland Office and tell us what it will be doing, so we remain encouraged. *[Interruption.]* I did not want to sound bitter or unhappy with things, but that was what I was hearing yesterday, and the hon. Member for Banff and Buchan (David Duguid) was at the same meeting. We have to be positive where we can be and thankful for the fact that most of that response seems to have been quite good so far, so we will just keep things going, and I say to colleagues on the Scottish Affairs Committee that we have a role in this, so we will make sure that that happens.

Stephen Kerr: Just to be absolutely clear to the Chairman of the Scottish Affairs Committee, he knows that I welcome and support his Committee's report, but the Dunlop review is about how the United Kingdom Government work better to bring the benefits of the Union to all parts of the Union; it is quite clearly mischievous on his part to suggest something different.

Pete Wishart: I think that I am actually repeating what the hon. Gentleman said: the review will show us what the UK Government do in Scotland. *[Interruption.]* The hon. Gentleman can tell us what he thinks they are doing; I am just saying what I think, but there we go. *[Interruption.]* Will the hon. Gentleman just calm down a little? He does not need to get over-excited; this is a consensual debate. We will see what happens, but I congratulate the UK Government on their positive response. It is right that we continue to look out for devolution and continue to ensure that it is properly assessed and continues to work in the best interests of all our nations across the United Kingdom.

Patrick Grady (Glasgow North) (SNP): My hon. Friend is making an important speech marking 20 years of devolution and where we go next. Right at the start, he spoke about Winnie Ewing reconvening the Scottish Parliament and that historical continuity is very important for the next steps. The Scottish Parliament was never abolished; it was adjourned and then it was reconvened, and where it goes next will be a matter for the people of Scotland. And this House of Commons should recognise that now as well and endorse the claim of right and the fact that the sovereignty will lie with the people of Scotland.

Pete Wishart: It is almost as though my hon. Friend has read my mind, because he anticipates that that is exactly what I was going to come on to, in closing this short introduction to the debate. He is right: this is a matter for the people of Scotland to determine.

We have to agree that the Scottish people should always get what the Scottish people want. We have now said that we agree on the sovereignty of the people of Scotland through the claim of right, and I am delighted that this House passed that. However, there is an ongoing debate just now, and what I do not like hearing is people saying that democracy will be denied in Scotland and the Scottish people will not get their way if that is what they decide. We have to end that sort of talk. We have to say in the House that the Scottish people should always get what they want, and that it is right that the future of Scotland remains in Scotland's hands. We have had 20 years of a Scottish Parliament. It has been thoroughly good, and we all agree that it is a transformed Scotland and made such a difference to our national life. We now look forward to the next 20 years and whatever future awaits.

Several hon. Members *rose*—

Madam Deputy Speaker (Dame Eleanor Laing): The House will appreciate that a great many people wish to speak this afternoon and we have limited time, so we will have to start with a time limit of six minutes. I apologise to the hon. Member for Monmouth (David T. C. Davies) for not having been able to give him notice of this.

12.50 pm

David T. C. Davies (Monmouth) (Con): I thank the hon. Member for Perth and North Perthshire (Pete Wishart) for bringing forward this important debate, although I cannot see the past 20 years in quite the same positive light that he has set out. Slightly more than 20 years ago, I was part of the anti-Welsh Assembly no campaign. That was one of my first entrées into politics. We lost, but I felt as a democrat that it was important to respect the will of the people of Wales, so there was no suggestion afterwards that we should try to challenge the result in the courts or say that people had been tricked by Welsh Labour—although I think to some extent that they were; I will come back to that in a minute—or say that people had changed their minds the next day.

We simply respected the fact that the people of Wales had spoken, and I want to put on record right now as a Conservative and as somebody who opposed the Welsh Assembly 20 years ago that it would be absolutely wrong to try to undermine the Welsh Assembly, take away its powers or get rid of it in any way at all. I say that as somebody who was very strongly opposed to it 20 years ago. It would be wrong to do that because the people of Wales voted not once but twice to have a Welsh Assembly and it behoves us all as democrats to respect the voice of the people of Wales, to work with the National Assembly for Wales and to make sure the whole thing is a success. Similarly, had Scotland voted for independence in its referendum, we would have been expected, quite rightly, to respect the voice of the people of Scotland.

It is a bit of a disappointment to me that, having made this clear over the past 20 years, the Welsh Assembly Members who owe their jobs to a referendum that took

[David T. C. Davies]

place 20 years ago are now doing their utmost to try to ignore the will of the people of Wales in the subsequent referendum on Brexit, where a much larger number of people turned out and voted by a much clearer majority in favour of Brexit. I hope that the hon. Member for Perth and North Perthshire, who believes that we should to listen to the will of the people, will agree that Wales spoke clearly for Brexit, that Britain spoke clearly for Brexit and that Members of Parliament have an obligation to honour the result and bring it in in some way.

One could build an argument—one would be wrong to do so—against the Welsh Assembly on the basis that it has failed to deliver on the promises that were made 20 years ago. We were told that we would have a better health service, better education, a better economy, better transport and so on. The reality in Wales at least has been that we now have longer hospital waiting lists, longer responses and waits for ambulances, longer waits in accident and emergency units and less access to cancer drugs.

Hywel Williams: Will the hon. Gentleman clear up some confusion? He is referring to the Welsh Assembly as achieving or not achieving those aims, but clearly they are matters for the Welsh Government, who have been Labour since the inception of the Assembly.

David T. C. Davies: Absolutely; that is a very fair comment. I consider myself told off, and rightly so. The hon. Gentleman is correct to say that it is the Welsh Government who have failed on the health service. They have also failed on education—

Patricia Gibson (North Ayrshire and Arran) (SNP): Will the hon. Gentleman give way?

David T. C. Davies: I will in a moment, but let me just make this point because it may be relevant to Scotland as well.

We were promised that we would have better standard of education, but in reality, the independent programme for international student assessment—PISA—tests have shown that Welsh pupils are less likely now to get GCSEs and A-levels, or to go to the best universities, than their counterparts in England.

Patricia Gibson: The hon. Gentleman has expressed disappointment in the health service in Wales. Does he have any disappointment with the English health service?

David T. C. Davies: I would be very happy if I had to wait only 18 weeks instead of 26 weeks for an operation, and I would be very happy if I could get access to the cancer drugs that are available in England but not in Wales. As the hon. Lady should know, many people in Wales come to our surgeries to ask to be treated in England. As far as I am aware—I have tabled a question about this—nobody from England has ever asked to have their health service treatment delivered in Wales. The reality is that the people of Wales are voting with their feet because they know that a Conservative Government are delivering a better health service than Welsh Labour—

Hywel Williams: Will the hon. Gentleman give way?

David T. C. Davies: I will not, as I have apparently got only one minute left, and I am still on my first page.

There has been a failure on transport in Wales. There has also been a failure on the economy. Even the Economy Minister in the Welsh Government has said that we do not know what we are doing with it. There has also been a significant failure on value for money and an inability sometimes to see through the boasts and exaggerated claims that are made by people who are seeking grants. That is a matter of some disappointment to me, but of course it is actually Welsh Labour that is responsible for this, not the National Assembly for Wales. That is why I am looking forward to seeing Conservatives being elected into government at the next Welsh Assembly elections and, yes, if necessary, to working with members of Plaid Cymru and the Liberal Democrats to ensure that we get a change from the one-party rule that has dominated Wales for far too long.

By a strange irony, here I am 20 years later making an argument for more powers for the Welsh Assembly, because where there is a case to be made for it, I am happy to see the Assembly getting powers over issues such as air passenger duty, which is something that we recommended strongly in our report. It is a pity that I have not got time to get on to Brexit and to point out the obvious contradiction in the fact that, while the Scottish National party and Plaid Cymru rightly make points about Catalonia, it is the European Union that is opposed to regional entities such as Catalonia becoming nation states. The real supporter of devolution is the Conservative and Unionist party. Not only are we handing powers over to the Parliaments of Scotland and Wales, but we want to hand more powers over to them, because the biggest exercise in devolution is going on right now. We are taking powers away from Brussels and bringing them back to London, whereupon we will start to distribute them out to Edinburgh, to Cardiff, to Belfast and, of course, to the regions of England. So all those who support devolution and believe that power should be brought back closer to the people should also be supporting Brexit and democracy.

12.57 pm

Ian Murray (Edinburgh South) (Lab): I pay tribute to the hon. Member for Perth and North Perthshire (Pete Wishart), the Chair of the Scottish Affairs Committee, for bringing forward this debate. It is right for us to celebrate 20 years of devolution. Back in 1997, the Scotland Bill was the first Bill that the new Labour Government brought forward from their manifesto. They promised to bring it in early, and it was the very first Bill to be presented to this House. Then we had the referendum in 1999, which gave a yes vote. That is the only time I have ever voted yes in a Scottish referendum, and it is the only time I am ever likely to do so. That referendum brought us the Scottish Parliament. Donald Dewar, who has always been known as the Father of the House in the Scottish Parliament, said at that time this was not about politics and legislation but about what kind of country we were, how we looked upon ourselves and how we were shown to the rest of the world. I think we should carry that through in this debate and in everything we do when talking about the Scottish Parliament.

I was eight when the Scottish Parliament reconvened in 1999—I am glad that nobody in the House can do maths—but the big question 20 years later has to be whether we now have home rule within the United Kingdom. That is the big question, because for all of us who are devolutionists and not nationalists or Unionists, devolution is a journey. The Calman commission and the Scotland Act 1998 were always a journey and the question has always been about whether the Scottish Parliament should progress and where devolution should go on that journey.

There was lots to celebrate in the first part of the Scottish Parliament in terms of the laws it was able to pass. About 280 laws have been passed since the Parliament came into being, and we should look on that as progress, because there was never any ability in this place to pass anywhere near 280 laws for Scotland in a 20-year period. It is probably accurate to say that 10% of that number could have been passed under the previous arrangements. We have had land reform, feudal law reform, the smoking ban and free personal care for the elderly, as well as proportional representation for local government, which was huge. We have also had world-leading legislation on homelessness as well as more schools, teachers, teaching assistants, nurses and doctors, and the abolition of tuition fees in Scotland. All those things have been better for Scottish life and have cemented the Scottish Parliament as the centre of Scottish politics and the centre of Scottish civic life. Anybody who argues that Westminster is the centre of Scottish politics and civic life has not moved on over the past 20 years, because that can be seen in the way the Scottish Parliament operates.

Now is a good opportunity to reflect on what the Scottish Parliament is delivering. I always thought that the Scottish Parliament should be part of a devolution journey that would provide subsidiarity, and everyone would have a grown-up conversation about the powers that lay at the Westminster Parliament, the EU level, the Scottish Parliament, our local authorities, or even local communities—I firmly believe in the idea of subsidiarity—and about where powers are best placed to lie. I am slightly disappointed that that is not being portrayed by the Scottish Parliament, because all our arguments about powers are never about powers for a purpose, but about powers for where power should lie.

I firmly believe that, since the formation of the Scottish Parliament, Scottish local authorities, which used to be the vanguard of local service provision, have turned into administrative arms of the Scottish Government. That may be by design, or it may be by accident, but we should reflect on that. Councils no longer have the ability to shape the lives of their local services, not only because of significant financial constraints that have been placed on them, both by this place and by the Scottish Parliament, but because they do not have the ability to shape new policies in the way they once did. The Scottish Parliament, certainly in the past 10 years, has sucked up power into Holyrood, rather than being a devolutionist Parliament that moves things back down to local government. Whether a nationalist who believes in independence, a right-wing Conservative who believes in scrapping the Scottish Parliament, or anywhere in between, we should have a discussion about the best place for powers to lie.

Powers are not being used, and it frustrates me that we have not had an honest argument about that. If somebody stands up and says, “We are not using power

A because we do not believe that it should be used for the reasons of sorting problem B,” I will argue all day about the principle of that and whether it is the right thing to do, and then the voters can decide. To say that the Scottish Parliament does not have the powers to do something when it does is disingenuous and undermines not just the Scottish Parliament, but the whole Scottish political system and, indeed, our entire civic system.

For example, the Leader of the House was asked a question earlier about the WASPI women, and the Scottish Parliament has the power to do something about that issue. It could look at a whole range of issues. If it so wished, it could set up a commission to look at how to deal with pensioners in Scotland, but it chooses not to use that power. Let us argue about why the Parliament may decide not to choose that or why it wants to choose it, but let us not say that there is no power to do anything about it. Sections 25, 26, 27 and 28 of the Scotland Act 2016 say that the Scottish Parliament has the power to introduce any top-up benefit to any reserved benefit, and pensions are a reserved benefit under section 28.

I turn to the questions about what we should do next. Intergovernmental relations is a big one. I fundamentally agree with the hon. Member for Perth and North Perthshire that intergovernmental relations are used as a cover for people to hide behind, rather as a way of having constructive discussions across Governments. Let us look at whether the Scottish Parliament needs a second Chamber. Let us look at whether the Committee system provides proper scrutiny. Let us take an audit of the powers that are being used and the powers that have not been used. Let us look at whether we should examine the subsidiarity and reflect on what other powers should be considered. Let us look at reform of the UK. Let us look at a federal structure or at the House of Lords or at a senate of the nations and regions that could help deal with some of the big issues. Twenty years on, we should sit and reflect honestly and on a cross-party basis.

Stephen Kerr: Is that not the whole point of the Dunlop review? We have an opportunity to look at how we are working at this end of the country and make the necessary adjustments, so that our Union can work better in this devolved arrangement.

Ian Murray: The hon. Gentleman is right, because where devolution goes next is not really a problem for Scotland; it is a problem for England. That is why when we are looking at devolution and where it goes next, we have to look at what England does. We cannot look at this in the context of the United Kingdom without dealing with England. That is why we need a senate of the nations and regions and a proper constitutional convention. What we do not need is a citizens’ assembly that is just a talking shop for how to get to independence. We need a proper, sober assessment 20 years on. Let us celebrate the 20th anniversary of the Scottish Parliament, but let us look to the next 20 years.

Andrew Griffiths (Burton) (Con): On a point of order, Madam Deputy Speaker. Just across the road, parents whose children are dying from cystic fibrosis are lying in Parliament Square to bring this House’s attention to the urgent need for their children to have access to drugs that could save their lives. The campaign has been supported by the *Daily Express* and thousands of our

[Andrew Griffiths]

constituents. Could you advise me on what I can do to raise this issue, so that all parliamentarians are aware of the vital need to support the parents and the children suffering with cystic fibrosis?

Madam Deputy Speaker (Dame Eleanor Laing): I thank the hon. Gentleman for his point of order, and I am sure the House will agree that he has just achieved what he set out to achieve. I do not think he needs my advice on how to bring this matter to the attention of Parliament, because he has just done so most eloquently and effectively. I am sure he will consult the Table Office about questions and the possibility of an Adjournment debate or, indeed, an urgent question to a Minister, but we all heard what the hon. Gentleman said, and I am sure that his remarks will be noted widely.

1.5 pm

Guto Bebb (Aberconwy) (Con): May I first associate myself with the comments of my hon. Friend the Member for Burton (Andrew Griffiths) about cystic fibrosis?

It is a pleasure to follow the hon. Member for Edinburgh South (Ian Murray), and I join him in saying that this is a celebration. Unlike my good friend the Chairman of the Welsh Affairs Committee, my hon. Friend the Member for Monmouth (David T. C. Davies), I was in favour of establishing the Welsh Assembly. While it has not been perfect, I would place the blame for its failures primarily on the Welsh Government, not on the institution *per se*. However, some of the failures highlighted by my hon. Friend are issues that we should be worried about. In education, for example, we genuinely need to look carefully at ourselves in Wales and ask whether we are delivering the educational standards to which we actually aspire.

However, I took one exception with my hon. Friend's comments about the health service. It is fair to have a political debate about the health service in Wales, and it is fair to say that people can be genuinely disappointed with the health service in Wales. However, we must be honest enough as politicians to recognise that some of the challenges facing the health service in Wales are unique. The age profile of my constituency and many others in north Wales brings particular problems, and I speak as somebody who is represented from a health perspective by a health board that is both the largest in Wales and probably the most problematic in Wales. Although many of those problems are blamed, rightly, on decisions made by the Welsh Government, it would be naive and wrong to blame all those problems on the Welsh Government. Some of the problems we face in north Wales are unique.

David T. C. Davies: In fairness, the Assembly Government are doing some good things in that regard. For example, they are using the Rutherford group to offer cancer care in parts of south Wales, which is an excellent example of using the private sector within the NHS. Of course, that is completely different from nationalising the NHS. The Conservatives are often accused by Labour in England of nationalising the NHS, when Labour is doing exactly that, and quite rightly so, in Wales.

Guto Bebb: I agree with my hon. Friend.

Turning to how the Welsh Assembly has worked over the past 20 years, I will first touch upon some of the successes. More and more powers have been offered to

the Assembly and the Welsh Government. That has happened in a piecemeal fashion, and it has been frustrating in many ways, because it has taken time, but I am proud of the fact that this Government and previous Governments since 2010 have actually delivered more powers to the Welsh Government, and rightly so.

I was pleased to be one of the Ministers who took the Wales Act 2017 through this place, and I am particularly proud of the fact that the way we worked in tandem with the Welsh Government resulted in that legislation being the first piece of constitutional law to pass through both Houses without amendment. That was testament to the fact that we worked in a co-operative fashion, which is important. Co-operation between the two Governments needs to develop quite significantly, and there is no doubt that the challenges of Brexit mean that that is becoming more and more important. We want services to be delivered to the people of Wales effectively, and the way to do that is to acknowledge that both Governments actually have an impact.

When I was at the Wales Office, I kept on making the point that Wales has two Governments and that we should take advantage of that, not see it as a problem. I will provide an example from when I was the Minister for Defence Procurement, because I saw how contracts awarded to Welsh companies by the Ministry of Defence led to those companies being supported by the Welsh Government through their economic development remit. We saw seamless working between the Government in Westminster and the Government in Cardiff Bay for the benefit of communities in Wales, which is exactly how we should aspire to work. We should aspire to acknowledge where the devolution boundary lies, and obviously we can have political arguments on where we need to change that devolution boundary, but we should see the potential of working together and how having two Governments serving the people of Wales is an advantage, not a disadvantage.

I welcome the work of the Welsh Affairs Committee on the growth deals and city deals, and so on. This is a fantastic opportunity to make a difference for the Welsh economy, and that difference is being made by the two Governments working together. The funding coming into those growth deals is coming from Westminster and from Cardiff Bay. More importantly, it is proper devolution, because the ideas and the initiatives are coming from the regions.

If there is one thing I would like to say, and I concur with the hon. Member for Edinburgh South on this, it is that the first 10 years of the Welsh Assembly probably saw powers being sucked into Cardiff Bay to make up for the original settlement in Wales being very weak. Every new institution has this need to feel it can make a difference, and in Wales we often saw powers being taken into the Assembly from local government, and I still believe that far too many decisions are demanded of the Government in Cardiff by local authorities, such as my own local authority in Conwy, rather than their being allowed to be made by the people on the ground.

Yes, we need co-operation between the two Governments, but I strongly argue that we need a more mature attitude in the Welsh Assembly and the Welsh Government, which should trust their partners in local government. That is entirely the right thing to do. The growth deals are seeing the three partners—Westminster, the Welsh Government and local authorities—working constructively together, and we should try to build on that.

On the powers of the Wales Office and how it works for Wales within Westminster, I remember listening to a speech by Lord Elystan-Morgan back in 2013. He highlighted that the creation of the Wales Office in the 1960s was, in fact, the first step towards devolution.

The powers of the Wales Office have changed quite dramatically, and it was advantageous for me to be a Wales Office Minister and a Government Whip, because the Wales Office, in effect, has a cross-Government remit. That cross-Government remit is challenging, because Wales Office Ministers often find themselves being the nuisance who turns up in another Department to say to a spending Minister, “Do not forget that this issue has an impact on Wales as well.”

The Dunlop report is extremely important because, if we are to govern well for Wales from Westminster and from Cardiff, it is imperative that we understand the role of the Wales Office. We genuinely need to ensure that the understanding of Welsh, Scottish and Northern Irish issues in Westminster is enhanced, and the way to do that is either by accepting the need to strengthen the Wales Office and the Scotland Office or by acknowledging that we need to change how we do things. I look forward to that report, which is important for Scotland, Wales and Northern Ireland.

1.13 pm

Susan Elan Jones (Clwyd South) (Lab): It is a great pleasure to follow the hon. Member for Aberconwy (Guto Bebb), my hon. Friend the Member for Edinburgh South (Ian Murray) and other right hon. and hon. Members.

This is the 20th anniversary of devolution, but it is a bit more than that really, because I refuse to believe that devolution started 20 years ago. There is a real history to it, and one thing I praise Plaid Cymru colleagues for is how they have often acknowledged the work of their predecessors Gwynfor Evans, Lord Dafydd Wigley and Lord Dafydd Elis-Thomas, who kindly supported my 2017 election campaign in Clwyd South. Lord Elis-Thomas is now serving in the Welsh Government, and he is a good man.

The Labour party does not always do that quite enough. I read the book by my hon. Friend the Member for Caerphilly (Wayne David) about his predecessor, “Morgan Jones: Man of Conscience,” and I was struck that, in his 1922 general election address, Morgan Jones supported self-government—not separatism, but self-government—to address Welsh needs in an appropriate and distinctive way. In June 1938, he was part of a cross-party delegation that met Prime Minister Neville Chamberlain to put the case for a Secretary of State for Wales. Neville Chamberlain did not accept the proposal, but perhaps his judgment was not too good anyway.

Of course, it was not until the reforming Harold Wilson Government of the 1960s that there was a Secretary of State for Wales and a Wales Office. Jim Griffiths was the first Secretary of State. It came from that Keir Hardie tradition of Home Rule all round.

I want to be partisan, not as a Labour Member of Parliament but as a north Walian, in paying tribute today to those great devolutionists: Cledwyn Hughes of Ynys Môn; Goronwy Roberts of Caernarvon; Eirene White of Flintshire; Robert Richards, James Idwal Jones and Tom Ellis, representatives of Wrexham, although the latter two came from Rhosllanerchrugog; Thomas

William Jones and William Edwards, representatives of Merioneth, with T.W. also coming from Rhosllanerchrugog. All Labour and all north Walians.

I also pay tribute to Wales’s first female MP—Liberal, and later Labour—Megan Lloyd George, who once recorded a party political broadcast for the Liberal party that ended

“hunan lywodraeth i Gymru. Nos da.”

Or, “self-government to Wales. Good night.” I shared that story when I did occasional Welsh-language voiceovers for Welsh Labour, and people were very interested in my observations.

There are three things we need to consider. Six minutes is not very long, and two minutes and fifty seconds is even shorter. First, devolution offers a real chance for distinctive policies—not distinctive for their own sake but distinctive because they can be innovative and they can work. We have seen it with the minimum pricing of plastic bags, which was an innovative policy introduced in 2011, and the Well-being of Future Generations (Wales) Act 2015. We have to look to the future, considering all the factors.

The Human Transplantation (Wales) Act 2013 introduced the principle of presumed consent, and it saved lives in doing so. There was the Regulation and Inspection of Social Care (Wales) Act 2016 and now, with our excellent First Minister, there are proposals for social partnerships. Those policies are distinctive, and they are good.

Secondly, let us not fall into the trap of seeing devolution through the prism of the home nations. It is fine for the rugby, but we miss out when we just look at England, Scotland, Wales and Northern Ireland. Our late, great colleague Paul Flynn was a passionate devolutionist, and he once told me he felt there was no problem in Wales that could not be solved by an east coast. I think he was joking but, whether he was or not, we do not have one.

Some 50% of Wales’s population live within 30 miles of the border, so devolution has to interconnect between the nations and regions of our country. We see connections between north-east Wales and north-west England in the economy, health and so much more. We also have to see the debate in terms of London, and we have seen greater moves towards devolution. It may not help us, but we have to look to London and the home counties, which want to keep more of their tax take.

Guto Bebb: The hon. Lady is making some important points. Does she agree that, on social care, Wales has much to learn from the Greater Manchester devolution debate? We can learn from them, rather than just thinking that we are ahead of the game.

Susan Elan Jones: It is an intelligent contribution to the debate that we consider good policies, wherever they come from, on both sides of the border, in Scotland and, indeed, elsewhere in the world. We must not become insular.

Thirdly, and this is especially true for those of us who fall in the social democratic or democratic socialist traditions, structural and constitutional devices are never an end in themselves. It is about empowerment, wellbeing, connectedness, education and culture. I pay great tribute to all those who are fighting the campaign to reach

[Susan Elan Jones]

1 million Welsh speakers—it is not a maximum, and we can go above it—in Wales, which is very important. It is also about the ability to reach out globally, across continental Europe, the UK, NATO, the Commonwealth and so much more. What was important about the initial devolution settlement was the sense that we had to work consensually. Sometimes the electoral system was devised for that and sometimes, to be honest, that consensual working could be a pain in the neck, but I do believe that without it we would not have had that breadth of support for devolution.

If I am quick, I will be able to end—stereotypically, being Welsh—with a quote from a poem: a not-very-good translation of a Welsh poem. It reads:

“Old Welsh customs need must change
As years progress from age to age.
The generations each arrange
Their own brief patterns on the page.”

That is not how Ceiriog said it, but that is the English translation. Most of us will not be here in this place in 20 years’ time, but what is important is that we work together, we get the best for our country and we do it through that devolved settlement.

1.20 pm

David Duguid (Banff and Buchan) (Con): It is an honour to follow the hon. Member for Clwyd South (Susan Elan Jones) and, in particular, to hear the translation of some Welsh poetry at least. I am pleased that the Scottish Affairs Committee, of which I am a member, and the Welsh Affairs Committee have secured this debate to mark 20 years of devolution. It is an important landmark in the history of the United Kingdom and an appropriate time to reflect on the progress we have made towards more representative and more effective government in Scotland and Wales—and Northern Ireland, when we get its Assembly back.

Over the past 20 years, Scotland has seen multiple rounds of devolution. It was a Conservative-led Government who oversaw the Scotland Act 2012 and the Scotland Act 2016, which devolved additional powers to the Scottish Parliament, making it one of the most powerful devolved legislatures in the world today. The Scottish Affairs Committee’s recent report on inter-governmental relations highlighted the many other upheavals that have influenced the devolution settlement during that time, including the change of Government in 2007 and the independence referendum in 2014. It is clear that the devolution settlement that Scotland enjoys today is very different from the one created back in 1999. With 111 additional powers due to be devolved from Brussels to Holyrood as we leave the European Union—87 immediately and another 24 to follow—it will soon be changing further.

As the Member of Parliament for Banff and Buchan, the heartland of Scottish fishing, I know that my constituents will be glad to see overall fisheries policy being determined closer to home, rather than by distant bureaucrats on the continent. I also know that many of my constituents have been frustrated by the SNP’s apparent desire to keep all those powers in Brussels, by keeping us in the EU and, by association, in the common fisheries policy.

Brexit or no Brexit, however, it is right that the UK and Scottish Governments should be investigating how intergovernmental relations can be improved, but this is not the time for talk of radically rewriting the devolution settlement. While we are celebrating the 20th anniversary of devolution as a whole, it is worth recognising that the last Scotland Act came into force just three years ago. In fact, we are still implementing that last rewrite of the devolution settlement, and earlier this year it emerged that the SNP-run Scottish Government will not be ready for the full devolution of welfare powers until 2024. This from the same party that told voters in 2014 that it could set up a whole new country in just 18 months.

Instead of plotting a rematch against the voters on independence or devising increasingly left-field proposals to overhaul the devolution settlement yet again, the focus of this review should be on ensuring that the devolution settlement we have got is implemented smoothly and effectively.

Jamie Stone (Caithness, Sutherland and Easter Ross) (LD): The hon. Gentleman is making an interesting point about the devolution settlement. We in the highlands and islands have identified something of a democratic deficit: we feel our voice is not being heard by those in power in Edinburgh and that power is being dragged out of the highlands to Edinburgh. That does not suit highland people, and what we get is elected Members turning around and blaming the Highland Council, but it gets its money from the Scottish Government. I believe there should be a Minister for the highlands and islands, in whatever Government, of whatever colour, who would speak up for the highlands and islands and would actually exercise some power to the good of the highlands and islands. We do not have one at the moment and we should.

David Duguid: I thank the hon. Gentleman for his point. I am going to raise a similar one about the north-east of Scotland, where I come from—that will come as no surprise.

The work involved in this review is vital if the Scottish people are to enjoy the good governance they deserve, from both the Westminster and Holyrood Governments. I was pleased, therefore, with the UK Government’s response to the Committee’s report on intergovernmental affairs, which showed their commitment to such a review. It remains to be seen whether the Scottish Government will put the interests of the Scottish people first and work constructively with the UK Government. We may see more of the same from the SNP: this is the party that is delaying the implementation of the Scotland Act 2016—particularly on welfare, as I have mentioned—and is desperately trying to keep agricultural and fisheries policy under Brussels’ control. This is the party whose own Brexit Minister has said he does not like the devolved settlement. This is the party that ran roughshod over the procedures of the Scottish Parliament and the advice of its Presiding Officer to ram through its continuity Bill, only for swathes of it to be struck down by the Supreme Court.

The choice is the SNP’s, and I hope for the sake of the Scottish people that the SNP chooses a more constructive path. If it fails to do so, I suspect that come 2021, when we have the next Holyrood elections, the Scottish people will bring that nationalist era to an end and elect a new Government who will take that constructive approach—

Pete Wishart: You guys?

David Duguid: With Ruth Davidson as First Minister, yes. Like the majority of people in Scotland, the Scottish Conservative and Unionist party supports the Union. We are invested in the devolution settlement and we want it to succeed. That is because localism is a core Conservative principle.

It is a source of endless disappointment to me and to my constituents in the north-east that the spirit of devolution, of decisions being taken closer to home, has not taken root entirely within the Scottish Government. Successive Labour and SNP Scottish Governments have hoarded power in Holyrood and, it has been suggested, governed primarily for the central belt. While English city regions are getting more control of their own affairs, to accompany growth deals, Nicola Sturgeon is ensuring that Scotland remains rigidly centralised.

Scotland's diversity, from region to region, across the whole of Scotland, is one of the many things that makes Scotland a nation that I and my immigrant wife are proud to call home. It is tragic that the political structures that the SNP has imposed on our nation do not reflect that. When the revenue grant for local authorities in the north-east is falling by £40 million this year, even when the SNP have made Scotland the highest taxed part of the UK, with the north-east taxed more than most areas in Scotland, it is clear to see that the north-east is missing out.

My message for the Scottish Government on this anniversary is simple: it is time to work constructively with the UK Government to make the most of the existing devolution settlement, and ensure that the new powers coming to Holyrood from both Westminster and Brussels are transferred.

Deidre Brock (Edinburgh North and Leith) (SNP): My colleague on the Scottish Affairs Committee talks a lot about constructive working of the two Governments together. The SNP tabled more than 100 amendments in the debates on the Bill that became the 2016 Act and they were completely ignored by the Government. Would the hon. Gentleman describe that as constructive working?

David Duguid: I thank my fellow Committee member for her intervention but I would not necessarily recognise voting against those amendments as ignoring them. We just voted against them because we did not agree with them, and that is how democracy works.

In summary, it is time for a fair deal for the north-east, and more powers for local and regional communities across Scotland. It is time to respect the fact that although the Scottish people voted for devolution 20 years ago, at no point—either in 2014 or in any election since—have the people of Scotland expressed a desire to break up the United Kingdom.

1.27 pm

Liz Saville Roberts (Dwyfor Meirionnydd) (PC): It is an honour to follow the hon. Member for Banff and Buchan (David Duguid), and I congratulate the hon. Member for Perth and North Perthshire (Pete Wishart) on securing this debate.

Twenty years ago, our Parliament, Y Senedd, opened its doors for the very first time, and with it a new door was opened in Wales—to possibility, to hope and to a

new radical kind of politics. We had decided that, yes, we wanted Wales to be out there as a country in its own right on the world stage and that, yes, we could govern ourselves. Devolution has created so many opportunities: space for greater policy experimentation, and potential for different Governments to learn from each other. The devolved legislatures tend to be more representative and politically balanced, which was of course the designed intention; there was the opportunity to put that into effect.

However, devolution has evolved in a piecemeal manner, with separate devolution processes in the separate nations. There is an absence of guiding principles, and an over-dependency on convention, which has led to disagreement about the nature of the post-devolution constitution. The 2016 referendum and its aftermath have made it more urgent that these big questions be considered by the Governments, by political parties and, potentially, through a deliberative exercise involving citizens from across the UK. I have made the case before, and I will make it again, that it is time for a formal written UK constitution and of course a new Wales Bill.

Yesterday, Plaid Cymru Assembly Members held a debate on strengthening our Senedd. We called for clear, positive and urgent reform. We also called for an increase in the number of Assembly Members, so that the Senedd can properly hold the Welsh Government—we have seen the problem of the dividing line between the Welsh Government and the Welsh Assembly—to account, to improve policy development and fulfil the Senedd's potential as a Parliament for all the people of Wales. Policy and its implementation depends very much on the quality of scrutiny. If the scrutiny is not there, we can guarantee that the policies formed and the way they are carried out will not be up to scratch. Increasing the number of Assembly Members has been recommended by every commission that has examined devolution since 1979.

Plaid Cymru Assembly Members also called for an immediate move towards a fully proportional electoral system. Implementing a single transferable vote system by 2021 will ensure that we have a strong Senedd that is able to operate as an effective Parliament by reflecting the diversity of the population it represents.

Stephen Crabb (Preseli Pembrokeshire) (Con): The hon. Lady makes an important point about accountability. Is she not dismayed, as I sometimes am, that in Wales the true test of accountability, which is the ability to remove a party of government, has not been exercised under devolution? Throughout the past 20 years and all the turbulence of British politics, during which we have seen big changes in Scotland and in Westminster, we have not seen any major changes in Welsh politics. We still have, basically, one-party rule, so accountability is not ever fully exercised.

Liz Saville Roberts: The dynamic of change is a critical aspect of how we have accountability, quality of policy and innovation of ideas. We have yet to see that—it can be interpreted in many ways—in Wales. I believe we can very much strengthen democracy in Wales in that respect.

Guto Bebb (Aberconwy) (Con): Let us be honest: a change of Government in Wales would demand a coalition between parties other than Labour. Is the hon. Lady of

[Guto Bebb]

the view that the right way forward should be a coalition, and that that coalition should not exclude the Conservative party?

Liz Saville Roberts: From Westminster to every Parliament of the United Kingdom, the adversarial way in which we operate is not serving any of the nations of the United Kingdom effectively. I urge us all to find new ways of working, rather than this duality of adversarialness, which frankly does nothing but score points.

The reforms that Plaid Cymru put to the Senedd yesterday are evidently—it was interesting to hear agreement from Conservative Members—in the interests of our country and of Wales, yet Labour refused to support our motion. Instead, Labour put in place obstacles to avoid achieving immediate reform. Many of us present feel that the need is urgent for Wales. Wales deserves a world-class Parliament and a Senedd that makes decisions in the best interests of the country, not in the best interests of the Labour party.

With the impending threat of a no-deal Brexit and the right hon. Member for Uxbridge and South Ruislip (Boris Johnson) as Prime Minister, change is more vital than ever. Brexit has shone a pitiless light on the inadequacies of the UK constitution. The European Union (Withdrawal) Act will, with the aiding and abetting of the Labour Welsh Government, weaken the devolution settlements that the people of Wales, Scotland and Northern Ireland have enjoyed for the past two decades. Not only did the Labour Welsh Government capitulate on the withdrawal Bill; they withdrew the only means of protection that the Senedd had against the Tory Government: they repealed the Welsh continuity Act.

First Minister Mark Drakeford's whole argument for repealing the Act was premised on his belief that the Scottish Government would lose the Supreme Court case over their equivalent legislation. He said that if Scotland lost it would have nothing, while Wales would still have its paltry agreement with the UK Tory Government. It is sad to recount that his wager backfired in spectacular fashion. Scotland won the case, meaning its powers are legally protected. It is Wales that is left with nothing, defenceless. We have nothing left but a bad deal that gives away Welsh powers to Tory Ministers, with no guarantee that we will ever get them back.

My party's position for Wales's future is clear: we want the people of Wales to run our own affairs. In all honesty, whoever aspires to come into politics and into government but would not aspire to that? In truth, who would not aspire to that? Sometimes, when we spell this out, we are told that to call for independence is somehow irrational and unreasonable—something to which we should not aspire—but in all honesty, who among us would ever have come into politics unless the people we represent had the chance to represent themselves? Why would we ever tell people that they do not have the means, the means to aspire or the potential—that they do not have it in them to manage their own affairs? That is what motivates many of us here on the Opposition Benches.

I acknowledge that, in the interim, we need a collaborative procedure for the creation of UK-wide frameworks, given that the Government are so determined to press ahead and remove us from the already functioning

EU frameworks in which we know where we stand. Such UK-wide frameworks would have a significant impact on the existing evolved devolution settlements and therefore must be created jointly by all the sitting Governments, not dictated from this place by Ministers of the Crown. This is only the first step to ensuring that devolution is not just respected, but upheld in the upheaval that the Government are creating and forcing on us by leaving the European Union.

In future, there must be no first among alleged equals, but equality of respect, means and potential. Welsh democracy is facing its biggest existential threat of its 20-year anniversary. We face a stark choice of two futures: will Wales be a peripheral geographic unit, crumbling under the pressure of an increasingly London-centric Unionist Government, or will we be an independent European nation, with a fit-for-purpose and dynamic Parliament? I know which future I would choose for the people of Wales and the people I represent.

1.36 pm

Stephen Kerr (Stirling) (Con): The first thing I wish to say is that devolution has been a very good thing for Scotland. The Scottish Parliament has matured over the past 20 years, and so has also grown in the affections of the Scots. I am proud of the fact that the Conservative and Unionist Government have given more powers—and yet more powers to come—to the Scottish Parliament. I am also proud that so much has been achieved in the Scottish Parliament on a cross-party basis. I am certain that the best legislation in any Parliament is legislation that commands the broadest possible support.

On the subject of supporting the principle of devolved power, I was proud earlier this week to stand and be counted for the devolution settlement in the votes on the amendments that were hung on the Northern Ireland (Executive Formation) Bill like adornments on a Christmas tree. I understood then and understand now that my votes would be wilfully misinterpreted and misrepresented, but I do not regret for one moment defending the devolution settlement. Those who did not defend the devolution settlement may have reason at some future point to regret that. This place is driven by precedent: to drive a coach and horses through the devolved settlement was a big mistake for every Scottish Member of Parliament.

Mr Jim Cunningham (Coventry South) (Lab): Mr Speaker, you and I are probably among the few current Members who put the devolution Bill through around 20 years ago. Since then, I have served on the Scottish Affairs Committee and got to know some of the difficulties that Scotland faces. Does the hon. Gentleman agree that one of the biggest problems is that we somehow have to stop people leaving Scotland, because Scotland's population is falling? Something has got to happen to change that, but does he agree that, by and large, the devolution settlement is working quite well, regardless of political parties?

Stephen Kerr: It is important that we make Scotland the best place to live in the United Kingdom, and that people aspire to live in Scotland, to build a business in Scotland and to have their family grow up in Scotland.

I am certainly very proud of Scotland and I feel keenly my responsibility and duty to speak for my constituents in Stirling and to speak up for Scotland's

place at the heart of the United Kingdom. That is why I was delighted last week to welcome my right hon. Friend the Prime Minister to Stirling, where she gave an important speech on the Union. Among other things, she outlined the nature of the Dunlop review—I recommend that text to the House.

Jamie Stone: I am proud to be the only person present in the Chamber who was elected to the Scottish Parliament in 1999. I served there for 12 years. I suggest to the hon. Gentleman that the best years under Governments of whatever colour were the first three terms. When in the fourth term one party had absolute power in Holyrood, that was when we got almost a dictatorship, which was very much to the detriment of the highlands and islands.

Stephen Kerr: The hon. Gentleman makes a very good point. I think specifically of the first SNP minority Government who were sustained in power on many occasions by the Scottish Conservative MSPs when they were passing their legislative business through Holyrood.

I mentioned the Prime Minister's speech. I also wish to mention the significant address that was delivered by my right hon. Friend the Chancellor of the Duchy of Lancaster in Edinburgh the week before the Prime Minister's visit. Both addressed the matter of the strength of the Union in the 20th anniversary year of devolution, and both concluded, on the basis of their assessment, that the Union must be strengthened, and they are both right. The Union has been too much neglected.

Talking about the Union is good. I recommend it to colleagues from all parts of the House, because there is an understanding gap in certain quarters of the parties on both sides of this House about what the Union is and its importance. However, talking about it is simply not good enough; we must now do something about it.

I say to my friends on the Conservative Benches that what concerns me the most is that we have this important debate about devolution brought to this Chamber by these two Select Committees, but there are no Members of Parliament representing English constituencies here to make a contribution to this important constitutional issue, other than the Minister whom I welcome to his place.

The Conservative and Unionist party must continuously rediscover its Unionist soul. We should affirm now, more than ever before, that we have the word "Unionist" in our party's name, because strengthening the Union is core to what we stand for. We need to put strengthening the Union at the very heart of our Government. Setting up a unit of one sort or another for the Union in No.10 or putting titles on the end of other job titles is lip service only; we need the very structure of Government to be changed to put the Union at its heart. I have said this in the past, and I want to say it again here and now: there are missing pieces of the devolution settlement, and those missing pieces are at this end of the country.

I will make a very short list of the things that I believe we need to attend to, or at least consider and debate, because I very much welcome the Select Committee report of the hon. Member for Perth and North Perthshire (Pete Wishart) and the recommendations contained therein. My first suggestion is to look very carefully at the case for a powerful Department of the United Kingdom,

led by a First Secretary of State for the Union, the primary purpose of which would be to test every action of the UK Government based on its impact on the Union. The Department would be further tasked to ensure greater cohesion and communication across Government on issues affecting the devolved Administrations to ensure that better understanding and knowledge of devolution and the Union.

Secondly, we need to put in place those missing pieces of the constitutional machinery that will establish stronger intergovernmental and inter-parliamentary working relationships to move from confrontation to close collaboration on crossover areas of public policy. These changes must be done on a cross-party basis, and they are essential for the post-Brexit operation of the Union.

Thirdly, the Departments of the UK Government with a Union-wide remit must engage with stakeholders and other bodies on the ground in Scotland, Wales and Northern Ireland, as they already do in England. It is simply not good enough that that does not happen today.

David Duguid: My hon. Friend is making a typically impassioned speech. Does he recognise that the Oil and Gas Authority in Aberdeen is a perfect example of what he is talking about?

Stephen Kerr: Yes, I do.

The Government should bring forward primary legislation to enable direct UK Government spending in devolved areas on a partnering basis with the devolved Administrations. The Scottish Government already spend money from the block grant in reserved areas.

Fifthly, the Government should bring forward detailed proposals on how the replacement fund for the EU regional funding will be administered. It should be administered at a UK level in partnership with the devolved Governments including councils.

Sixthly, and finally, there must be an urgent review of English votes for English laws, because, in my opinion, it was a badly advised and an unnecessary circumvention of the work of the United Kingdom Parliament from its very inception, and the sooner that it is gone, the better for the Union.

I celebrate 20 years of devolution; now let us invest in the Union consistent with the principle of devolution. The United Kingdom works best when we have shared endeavour, when we have co-operation and collaboration between our different nations and regions, and when we realise that our similarities and shared experiences bring us together far more than they divide us.

1.44 pm

Anna McMorrin (Cardiff North) (Lab): This debate today feels deeply personal to me. I have campaigned all my life for devolution and was part of the cross-party campaign back in 1997 to secure that yes vote in the referendum. I remember that night in Cardiff. I had made my way up from Carmarthenshire that day, exhausted after a long, hard-fought campaign there and across Wales. It was looking bad for us, but when the last result came in from Carmarthenshire not only had it voted yes, but it had voted yes with a big enough majority to ensure that we secured devolution and the beginning of that exciting journey for the people of Wales, and that

[Anna McMorris]

journey continues. For 20 years, the Welsh Assembly has grown, and it has grown also in the hearts and minds of the people of Wales.

Today's Senedd is a very different Parliament from the one that was established in 1999, and as its powers grow, so too does the case for increasing its capacity to create an institution that is worthy of representing the people of Wales. It is worth reminding ourselves of the journey so far; how that institution, that legislature, has affirmed itself—asserted itself—in the hearts and minds of the people of Wales, far beyond its geographic boundaries. I am immensely proud to have played a part in that journey, too.

In 2008, I was lucky enough to be brought in to work with Welsh Ministers and with the father of Welsh devolution, Rhodri Morgan. His approach to devolution was far-reaching and forward-thinking. After a close-run referendum, he saw it as his responsibility to reach out to those who did not vote in favour of devolution and to persuade them that this institution in Cardiff belonged to them. Beyond anything else, he wanted to give confidence that that institution would matter to them. And he did that. It was the winning of the second referendum a decade after the Assembly was formed, when full law-making powers were transferred, that showed his ability to build that trust and confidence in an institution that brought those powers closer to the people.

Wales has trodden its own course and continues to tread its own course, challenging anti-trade union laws, tackling zero-hours contracts, increasing and improving the rights of tenants, introducing sprinklers to new build and public buildings, protecting people from the worst of austerity and genuinely leading the world in legislation on the environment, with the second best recycling rates in the world.

I am proud to have helped to bring forward the internationally progressive Well-being of Future Generations (Wales) Act 2015, which has enshrined a framework for public decision making, linking wellbeing factors, including equality, community, climate change and culture to the laws and decisions that are being made for the people of Wales by the people of Wales. This legislation shows what the best of Wales has become: a confident, modern democracy that innovates and is good for its citizens, confident and proud.

The future promises more powers to Wales, with powers taken closer to the communities on which they have an impact. I am really proud that, yesterday, Members in the Assembly voted to change the name to Senedd—to Parliament—and that they will lower the voting age for the next election to 16 and 17.

Ahead of us lie some very, very dangerous times. With the risk of Brexit on the horizon and the challenge that that poses to us as a devolved nation within the Union, we must tread very carefully. For me, what is paramount is to have a Government in Wales who are fit for purpose and to have a Senedd—a Welsh Parliament—that delivers effectively for the people of Wales, ensuring that the framework of our democracy is fit for purpose and that it is rooted not just in its legislature but in the hearts and minds of the people of Wales.

We need the political courage to take that argument out to the people. We must increase the size of the legislature, to ensure that it is fit for purpose, and to

ensure that it works effectively—and to ensure that, it needs more Members. Three major independent inquiries have all reached the same conclusion, and as it stands, without counting Ministers or other office holders, there are only 44 Members in the Welsh Parliament who are able to hold the Government to account. That compares with 113 in the Scottish Parliament and 522 here, in the English Parliament. [HON. MEMBERS: “It is not an English Parliament.”] To finish, let me say this—[*Interruption.*] Let me say this. Labour delivered on the process of devolution, and it continues to be a fiercely devolutionist party. I am proud to have played my part, and I hope that it will continue on that path.

1.50 pm

Ross Thomson (Aberdeen South) (Con): It is a pleasure to follow the hon. Member for Cardiff North (Anna McMorris), and I want to add my thanks to the hon. Member for Perth and North Perthshire (Pete Wishart) for securing today's really important debate, in which we can celebrate 20 years of devolution. In 2016, I was elected to the Scottish Parliament. It was a privilege to serve in Holyrood, and it is also a huge privilege to serve here in Westminster and to take an active part in the devolution story of this country.

Devolution takes decision making closer to people, offering a greater voice for and more accountability to communities across these islands, while ensuring that those communities enjoy the huge benefits of being part of our wider United Kingdom. Devolution has marked the next chapter in our Union's successful story—that of an increasingly vibrant and diverse country, in which devolution not only lets the unique nature of our four nations shine but celebrates the shared values that bring us together.

Devolution means that we can have distinctive Scottish policies taken forward to address distinctive Scottish problems. The hon. Member for Perth and North Perthshire listed some of those achievements. However, I feel that the full potential for that has not been realised, sometimes due to a lack of ambition on the part of successive Administrations but also to a real paralysis that has been caused by such an obsession with the constitution. Although there are substantial powers to make positive change, it is disappointing that on important areas such as health and education, time is squeezed out by the constant prioritisation of the constitution. Even the First Minister says that independence “transcends” all these important bread and butter issues.

I believe that devolution and a strong Scottish Parliament is good for Scotland. Sadly, however, there are Members on the SNP Benches in this Chamber who do not believe in devolution. They have no vision for the good that it can do, or trust in the strength that it brings to all four nations in our United Kingdom, because they want to ensure that devolution does not succeed. They want to see the devolution settlement ripped up, the constitution upended and our Union torn apart. But devolution is the evidence of an inherent strength to our Union that allows debate to prosper with a diversity of views from all corners of the country. Devolution also allows resources to be directed to those who most need them, often in areas that are hard to reach.

Stephen Kerr: My hon. Friend is making a very good point about the opportunity that devolution provides to fit public policies to policy objectives that are particular

to Scotland, or parts of Scotland. Are there not, though, many similarities between the different parts of the United Kingdom when it comes to some of the difficulties that we face, so would it not be a good idea if we shared more of what we are doing, so that there was a strengthening together?

Ross Thomson: I thank my hon. Friend for his intervention, and there is not much more that I can say, because I wholeheartedly agree with him that there is far more scope for us to work together, to collaborate and share—for example, by sharing best practice and sharing policy that has been a success. Just because it has happened elsewhere in the United Kingdom does not mean that we should not do the same thing in Scotland.

When we leave the EU, the Scottish Parliament will gain new powers in a vast array of areas—forestry and carbon capture, crucial in tackling climate change; ports and harbours, which will be vital in supporting our fishing industry and offshore industries; and voting and employment rights, which will be key to securing a sound civil society. So I am proud that a Conservative Government are ensuring, once again, that the Scottish Government have the tools to deliver for the people of Scotland. However, it is up to the SNP Scottish Government to make sure that they live up to their duty to deliver.

Devolution unambiguously shows the strength of our United Kingdom. It has given us the security we need to share the risks and the rewards as a family of nations. It is important to remember that the devolution settlement continues to have the support of the people. We saw that in 2014, when the people of Scotland voted, clearly and decisively, to stay in the United Kingdom. We have seen that in Wales, where the people have backed devolution in successive polls to afford their elected representatives more powers. What we have seen over the past few years—indeed, over the past few weeks—is that devolution can work only when those elected to represent people across these four nations do so in good faith and live up to their commitments to uphold devolution.

Intergovernmental relations have come under strain at the political level—that is reflected in the Scottish Affairs Committee report, which I commend to colleagues—but it is not surprising that there is friction when different political Administrations hold unreconcilable positions. We need to look at what more we can do to ease that friction and to ensure that, where there is dispute, we can get resolution.

Christine Jardine (Edinburgh West) (LD): The hon. Gentleman is making an important point. Would he accept my party's position that perhaps what we need to resolve the issues is an independent dispute resolution mechanism, so that when the two Governments of Scotland are in different positions, there is an independent process for finding a way forward?

Ross Thomson: I thank the hon. Lady. There is a lot of merit in what she has suggested; it would be a constructive way to resolve disputes.

As has been said, devolution is not the end of the road; it is a process, not just an event. I wish to say as part of my contribution today that we often, even in this place, view devolved issues in a very binary way—either

a matter is entirely reserved, so it is just to do with Whitehall, or we see it as devolved, so it is only to do with Edinburgh. But some policy areas fall into reserved competence that do have an impact on devolved matters, so perhaps we should start to look at things slightly differently. Perhaps we should take a more shared, joined-up approach. An example would be to have representatives from the devolved Administrations on UK-wide regulatory bodies, such as the Trade Remedies Authority. That would be helpful and constructive.

I echo the points raised by my colleague, my hon. Friend the Member for Stirling (Stephen Kerr), that we need to see some more Union in Scotland, too. I do not think there is anyone from the Treasury in the Chamber, but I would like to see the Treasury supporting more projects in Scotland directly. Just because an issue is devolved does not mean that we cannot spend money on it—not at all—and if there is a great project that merits it, which will provide benefits, then absolutely the Treasury should support it.

I believe that devolution can strengthen the bonds between our communities right across the United Kingdom. I do look forward with optimism to the future of devolution and to the enduring strength of our Union. With a passionate belief in devolution and in our Union at the heart of this Government, I am sure that the best days of devolution are ahead of us and, if I may say so in closing, more so when Scotland has its first Scottish Conservative Government in 2021.

1.58 pm

Ronnie Cowan (Inverclyde) (SNP): George Robertson, Labour's shadow Scottish Secretary in 1997, told Brian Taylor of the BBC that devolution would

“kill the SNP stone dead”,

and it was imagined that the consequences would surely be that Labour would continue to return a substantial number of MPs from Scotland to Westminster. Labour accepted that the new Parliament should be elected by proportional representation, and with that Labour might not be able to win an overall majority, and that would involve sharing power with the Liberal Democrats. However, the attraction was that Labour thought it would be impossible for the SNP to win an overall majority. Devolution was meant to kill the SNP. But as we know—as every Scottish schoolchild knows—

“The best-laid schemes o' mice an' men

Gang aft agley”.

Instead, we have now had 12 years of SNP-led government, and we have shown that even with limited powers, we do not just talk the talk, we can and we do walk the walk.

What has happened during 20 years of devolution? As the trust and understanding has grown, the Scottish electorate have come to the decision that the Scottish Government have more influence over them than Westminster does. As a result, turnouts at Holyrood elections are higher than Westminster elections. When asked how Scotland should be governed, the response over a 20-year period has shown that independence is now favoured over devolution. This does not happen by accident: it is the result of considerate and compassionate governance.

Most recently, Holyrood has not been paralysed by the Brexit process. It has continued to legislate, passing nine Bills in the past two months. These include Bills to

[Ronnie Cowan]

tackle fuel poverty; to create a new social security system with dignity and respect at its heart; to reform our justice system, raising the age of criminal responsibility and extending the presumption against short sentences; to extend social care to under-65s who need it, through Frank's law; and to enshrine safe NHS staffing in law. All this has happened while Westminster has ground to a halt and the SNP Government at Holyrood have been getting on with the day job.

Now that the United Kingdom is, against Scotland's wishes, leaving the European Union, the UK will have to change its constitutional arrangements. As the UK Government have made clear,

"the current devolution settlements were created in the context of the UK's membership of the EU".

This is what has prompted the power grab. While the UK Government continue to distrust the devolved Parliaments, a constructive relationship is extremely difficult to maintain. The Public Administration and Constitutional Affairs Committee's report, "Devolution and Exiting the EU: reconciling differences and building strong relationships", states that

"the shifting of Wales from a conferred to a reserved powers model indicates that the reserved powers model is now the constitutionally preferred model for devolution within the UK. Powers are not conferred by the UK Parliament onto the devolved legislatures, rather particular matters are reserved to the UK Parliament and all other areas devolved."

It is time for the UK Government to recognise that.

As my hon. Friend the Member for Perth and North Perthshire (Pete Wishart) mentioned, Winnie Ewing celebrated her 90th birthday yesterday. She said at the opening of the Scottish Parliament:

"The Scottish Parliament adjourned on the 25th day of March in the year 1707 is hereby reconvened."

If you are Scottish and a democrat, that should make the hairs on the back of your neck stand up, because those are far more than just words. They are words dripping with purposeful intentions, because devolution is not just about a building or the Government within it: it is a spirit, a belief, a self-belief. It is about power. It is about who has the power to define the present and the future of a nation. What we are really asking is, who gets to decide what is best for Scotland, and why should the people of Scotland settle for a supporting role in that when we are big enough, rich enough and smart enough to play the lead? The intention of devolution may have been to satisfy the hunger, but instead it has fed the beast—and across Scotland, that glorious beast is roaring once again.

Stephen Kerr: On a point of order, Mr Speaker. I seek your guidance on how I might correct something that may have been said during the speech by the hon. Member for Inverclyde (Ronnie Cowan) that factually does not hold up. He said—

Mr Speaker: Order. [Interruption.] Order. The hon. Gentleman should resume his seat. I am not responsible for adjudicating between one Member and another on the veracity of what is said in the Chamber. Every Member is responsible for what he or she says in the Chamber. I say in a very gentle and understated fashion to the hon. Gentleman, who detained the House with

considerable eloquence for a significant period earlier, that others have not yet spoken, and I know that he would not be so selfish as to interrupt the debate for any length of time, because that would be wrong and he would not do it—I know him too well to think anything of the sort.

2.3 pm

Christine Jardine (Edinburgh West) (LD): It is a pleasure to be able to speak in this debate. I thank the hon. Member for Perth and North Perthshire (Pete Wishart) for securing it.

I would like to return to a point made by the hon. Member for Inverclyde (Ronnie Cowan), who said that the Scottish Parliament had not been paralysed by Brexit in the way that this one had. That may be the case, but it was certainly paralysed by the independence debate. There was an entire year of the 20 that we celebrate today in which the Scottish Parliament had no legislation before it—not a single law was passed. That, for many of us, perhaps goes down as one of the most disappointing aspects of devolution—that for a whole year our Parliament was paralysed by an argument over independence, which the majority of people of Scotland then rejected.

Those 20 years have indeed been an achievement. The hon. Member for Edinburgh North and Leith (Deidre Brock) recently commented from a sedentary position, "How long did devolution take?" Well, Liberal Democrats know that it took a century because it is a century since we first proposed home rule. It is great to see that, 120 years later, each of the parties in this Parliament is backing devolution, supporting the principle that was originally put forward by the Liberals. We worked on that with the Labour party in the constitutional convention, before eventually being joined by the Scottish nationalists and then, after the fact, by the Conservatives. It is perhaps the biggest single achievement of devolution that it has won over both the Scottish National party and the Conservatives to the position that we had all held before.

Jamie Stone: I was myself one of the original members of the Scottish constitutional convention and I have to point out for the record that, during the time we worked together, the Scottish National party was not in the room.

Christine Jardine: I thank my hon. Friend for that reminder that the SNP did not, in fact, take part at all.

During those 20 years, it has been important to differentiate between devolution and the work of the Scottish Parliament and of the various Scottish Governments. Yes, there have been achievements—they have been mentioned already—including free personal care, the Borders railway, and the growth in our economic, perhaps, independence. There have been huge achievements, but there have also been significant failures. Our education system is suffering. Our NHS, despite what we regularly hear, is suffering. Independence is constantly put forward as the answer to everything, with Westminster always being at fault. However, perhaps those who advocate independence would do better to spend more time on the day job, working for the people of Scotland to improve the areas that are falling down—most significantly, as the hon. Member for Edinburgh South (Ian Murray)

said, in the sucking in of power to Holyrood at the expense of many different areas of life in Scotland. As my hon. Friend the Member for Caithness, Sutherland and Easter Ross (Jamie Stone) mentioned, the highlands and the north-east of Scotland have suffered greatly from this centralisation and the whittling away of the powers of local government in order to aggrandise the Scottish Government at their expense.

For those of us who worked hard for independence—[HON. MEMBERS: “Hoofay!”] I mean devolution. [Interruption.] I can honestly tell you that will never happen. Those of us who worked hard for devolution for more than 20 years, who campaigned between 1979 and 1997, and for whom devolution is the most significant achievement of Scottish politics of the last 300 years, will defend it, will work to improve it, and will always support those who put their effort into the good governance of Scotland.

2.8 pm

Martin Whitfield (East Lothian) (Lab): It is a pleasure to follow the hon. Member for Edinburgh West (Christine Jardine) and, indeed, the many contributions in this debate. I compliment the Chairs of both Committees for securing it.

Devolution, in its modern context, started with the Tony Blair Government’s confirmation of their first act in bringing together the referendum and the creation in 1999 of the Scottish Parliament. It is worth remembering that, in that first period, between 1999 and 2007, under Donald Dewar, Henry McLeish, and, of course, Jack McConnell, we saw the introduction of the smoking ban and of proportional representation in local elections. Schools were built, teachers were recruited, and there were smaller class sizes. Nursery places were secured for every three and four-year-old. Free personal care was brought in. Radical land reforms were introduced, which ensured that we conserved and enhanced our national parks and wild camping.

Crucially, devolution has ensured that lawmaking reflects the traditions of Scotland’s distinct and separate legal system. We required a Parliament because the cultural norms within both our legal and education system differ from those in England and Wales. Pre-devolution, most laws—bar a handful each year that were Scotland-orientated—were created here in Westminster and applicable to Scotland but fashioned in the framework and legal spirit of England and Wales.

I am extremely fortunate that one of my predecessors was John P. Mackintosh, the former MP for Berwick and East Lothian. With the greatest respect to my hon. Friend the Member for Edinburgh South (Ian Murray), I feel that J.P. Mackintosh is the true father of devolution in Scotland. From the outset, he recognised the imperative to form institutions that met Scotland’s demands. Mackintosh was one of the finest politicians never to hold public office, but his writings and ideas were arguably far more transformative than those of many of his peers who served in Government.

Mackintosh’s central argument was that devolution is about empowerment, not the glorification of a nation state. In the 1970s, he spoke of a settlement that was remarkably similar to the one forged through the convention in 1999 and that was receptive to citizens’ concerns and empowered Scottish communities. When making the

case for a devolved Parliament, Mackintosh spoke of holding a “dual identity”—that of being Scottish and British. I stand here today proud to represent the seat of East Lothian in a UK Parliament, as a member of the European Union, embodying that tradition. I can argue without contradiction that I believe in a union of nations working together and staying together, whether that be the UK or the European Union. Neither the Conservatives nor the nationalists who sit in this place can make that commitment.

Recognising multifaceted identities has never been more important. We live in divisive times, with the unhealthy prospect of nationalist and nativist movements strangling UK and global politics. In that context, devolution is still crucial to the UK’s political landscape. We face international policy challenges such as climate change, surging global inequality and a changing face of work that will undoubtedly impact on jobs. Never before have we required more the forces of interdependence, collective action and solidarity among the nations of the UK.

The devolution settlement keeps the constitutional bond intact. As Gordon Brown said in 2016:

“If we are to meet and master the global challenges ahead, we need to get the balance right between the autonomy people desire and the co-operation we need... we should help the nations and regions realise it and give them the power to do so. The alternative is a Britain that looks in on itself without the means to bridge its divisions and to bring people together.”

Devolution was the greatest achievement of the last Labour Government. It is forged on confirming the identity of individuals, not as a step to independence, but so that a child born in my constituency can see themselves as being Lothian, Scottish, British and European. Long may that continue.

2.13 pm

Patricia Gibson (North Ayrshire and Arran) (SNP): I am delighted to speak in this debate on 20 years of devolution. We now have an entire generation in Scotland who have never known a Scotland without its own Parliament, and that is something of which we can be proud. The Scottish Parliament was born out of disappointment and frustration with the monolithic and remote set-up of Westminster, and that created a thirst, a desire and a burning need for Scotland to have its own democratic Parliament.

What a 20 years it has been! Many of the policies delivered by the Scottish Parliament have been creative, innovative, progressive and worked hard to create a more socially just Scotland. There has been legislation on areas such as land reform and the ban on smoking in public places—championed by Kenneth Gibson MSP, who was the very first politician in the entire United Kingdom to promote that innovative idea. We have had the most ambitious climate change legislation and minimum unit pricing. I could go on, but those examples show that Scotland’s Parliament sets a legislative agenda that others need to follow.

The more the Scottish Parliament does, the more we find it can do—and that is just as well. As Westminster lies paralysed by Brexit chaos and the Government eat themselves alive, with 30 Ministers resigning in the last year alone, the Scottish Parliament under the SNP has got on with the day job. Nine Bills have been passed in two months alone. As we heard from my hon. Friend the Member for Inverclyde (Ronnie Cowan), those Bills

[Patricia Gibson]

focused on issues such as tackling fuel poverty, enshrining safe NHS staffing in law, extending social care to under-65-year-olds who need it through Frank's law—which the Tories voted against, by the way—and a whole range of other measures to improve the lives of the people of Scotland. Of course, recently the Scottish Government have been forced to concentrate their mind on doing all they can to halt or prevent Scotland from the most damaging aspects of Brexit. All of this is in the context of a £2.5 billion cut to the Scottish Parliament's budget over the last 10 years under successive UK Governments.

Jamie Stone: Will the hon. Lady give way?

Patricia Gibson: I will not.

In Scotland, we think about politics differently. We do not consider this Parliament sovereign. We do not consider the Scottish Parliament sovereign. In Scotland, the people are sovereign. It is the duty of the Scottish Parliament and all who seek to serve Scotland in the political sphere to continue to work to improve the lives of the people of Scotland, and the voice of Scotland's people must be heard.

The hon. Member for Stirling (Stephen Kerr) lamented the lack of English MPs in the debate, but I put it to him that that might well be down to the fact that UK Governments of all colours have come to regard devolution as an inconvenient irritation. We know that not every political party in Scotland shares the SNP Government's view of Scottish independence, but the Scottish Government stand ready to work across the political spectrum to continue to deliver improvements to the lives of the people of Scotland, despite the fact that some Tories have never really reconciled themselves to the existence of the Scottish Parliament. All we have to do is remember the words of former Tory Prime Minister John Major, the right hon. Member for Surrey Heath (Michael Gove) and, of course, the former Tory leader and Member for Richmond (Yorks). I will not even talk about the behaviour of the elusive current leader of the Tories in Scotland. The Scottish Tories in this place love devolution so much that some of them could not wait to get out of the Scottish Parliament to come and sit in this Parliament.

The first 20 years of the Scottish Parliament has had a materially positive influence on the lives of the people of Scotland, and I am sure we will continue to see such improvements in the next 20 years. We were told by the once high-profile Labour MP Baron Robertson that devolution would kill nationalism stone dead. As he sits in the other place wrapped in ermine, he must surely at times reflect on his underestimating and misunderstanding of his fellow Scots. The fact is that Scotland is making more and more decisions for herself, and she likes it. There is no going back.

The process of devolution will one day, I am sure, lead Scots to demand their full independence, when we can complete our journey to a more prosperous, more just and more equal society. To complete that journey and to continue to improve the lives of the people of Scotland, we need all the levers of taxation and spending powers, and that day will come. The first 20 years have brought so much improvement, and as we embark on a new constitutional journey over the next 20 years, things

can be—and, I believe, will be—even better. I pray that I am alive to bear witness to that, and that I will live to be part of a flourishing, just, equal, independent Scotland.

David Linden (Glasgow East) (SNP) *rose*—

Hugh Gaffney (Coatbridge, Chryston and Bellshill) (Lab) *rose*—

Mr Speaker: Order. The two remaining Back-Bench speeches must be completed by 2.30 pm, whereupon I shall call the SNP spokesperson, who has not yet orated but will do so. This debate must conclude no later than 3 pm.

2.19 pm

David Linden (Glasgow East) (SNP): It is a genuine pleasure to follow my hon. Friend the Member for North Ayrshire and Arran (Patricia Gibson), who, in her inimitable style, delivered a passionate speech. I commend my hon. Friend the Member for Perth and North Perthshire (Pete Wishart) for opening the debate.

My hon. Friend the Member for North Ayrshire and Arran spoke about a whole generation of young people in Scotland who have never known anything other than devolution. I was just seven years old when the people of Scotland voted for a devolved Parliament, so it is on that basis that I want to make some reflections about where we are and where we are going. Quite deliberately, I have not written a speech today. I want to try to avoid some of the party point scoring. I do not intend my speech to be that this House has confidence in the Scottish Government, tempted though I am after some of the various remarks, but I think it is worth reflecting on the record not from 2007 until now, but all the way back to 1999.

When I came to this place I did so as a nationalist MP, and we have an understanding—I sometimes think that it is missing in other parts of the House—that our primary job is to come here to scrutinise reserved matters. There are Members of this House who may have served in the Scottish Parliament, but they seem to speak more about devolved issues in this Parliament than they do about reserved issues, and I think that they are doing an enormous disservice to their constituents. [*Interruption.*] If the Parliamentary Private Secretary, the hon. Member for Ochil and South Perthshire (Luke Graham), who is chuntering away, wants to stand up and intervene, I am happy to give way, but he appears not to be taking that opportunity.

The point I want to make is that one of the first things I put up on my office wall when I came here was the metrics of the Scottish index of multiple deprivation. It is no secret that there are a number of challenges in the constituency I represent. The metrics we have in the Scottish index of multiple deprivation cover employment, income, health, crime, housing, education and access, some of which are devolved. The argument I want to develop over the next four minutes is about how much progress we have made in the last 20 years, but how the reality is that our hands are tied behind our back, particularly on the first two—employment and income.

The reality is that legislation relating to the national minimum wage and all these things is still held at Westminster, and limited taxation powers have come to Scotland. The Conservative party would say, "Well, you've

got your taxation powers—use them”, but when we use our taxation powers to try to lift people out of poverty, we get accused of the nat tax and all these other things. That seems a bit of a joke when we reconsider the council tax comparison between Scotland and England.

As I go around my constituency, I reflect on what devolution has actually meant. Particularly over the past few months, I have found that pretty much every single week there is a sod-cutting in my constituency where we are going to open a housing development. That is because of the record investment that the Government in Scotland are putting into housing.

I want to turn to some comparisons between devolution and the Union. The first one I will look at is the right to buy. The Scottish Government have decided that we are abolishing the right to buy because we want to invest in social housing; yet, down south, there is a major problem with housing, so I think that there is an opportunity for the UK Government to look at.

There are other areas as well. My hon. Friend the Member for Glasgow Central (Alison Thewliss) has been campaigning very hard on the issue of drug consumption rooms. There is a recognition and a realisation that, on a public health issue, we have a problem there. Many politicians in Glasgow understand that drug-related diseases and all those things are a major challenge for us. We have a Scottish Government and local authority in Glasgow who realise this is a challenge—that it is a public health issue we want to try to sort out—but we have the Home Office standing in the way. That highlights some of the challenges we have as a result of still being tied to the United Kingdom.

My hon. Friend the Member for Argyll and Bute (Brendan O’Hara) has been campaigning for a very long time for recognition that immigration is not a problem in Scotland, but emigration is. He has been consistently asking the UK Government to look at a regional approach to immigration policy. Any Member who comes to this House and represents Scotland but does not recognise that we have a challenge when it comes to migration, and that the one-size-fits-all policy pursued by this Government is not helping, is doing a disservice to their constituents.

On defence policy, the vast majority of people in civic Scotland do not want to have nuclear weapons on the River Clyde—whether it is the Catholic Church, the Church of Scotland or the trade unions. Public polling consistently shows that in Scotland and it is the view of the majority of MSPs, yet the Government just say, “That’s fine—you’re just leaving it there”. That does not strike me as much of a respect agenda.

Jamie Stone: May I briefly add one to the hon. Gentleman’s list that is often forgotten—the Scottish Government’s decision to ameliorate the bedroom tax? I was very grateful for that when I was a councillor, as I was then. That actually made a very great difference to my constituents, and I give credit where it is due.

David Linden: I always think the hon. Gentleman is a very thoughtful Member of the House; when he has the opportunity, he fairly calls out when the Scottish Government have done something right. Again, that highlights the reality. What is the purpose of devolution? Is devolution just to be a sticking plaster for bad decisions that come out of Westminster? In that case,

the reality is that we have had to use money that would have been used for other areas of devolved policy to deal with the bedroom tax, so he is right to highlight it.

The final area I want to touch on is the European Union. Whenever we talk about the Union—or what has now become the precious Union—Members in this House say, “Well, you know in 2014 Scotland voted to remain a part of the Union”. They are right: Scotland did. But in 2016, there was a referendum on our position in the European Union, and people in Scotland voted by 62% to remain in it. That decision has been ignored.

Patrick Grady: I congratulate my hon. Friend on making a very powerful speech. In fact, is the situation not even more profound than that? As the First Minister of Scotland has said, the Union that people voted for in 2014 no longer exists. That is the fundamental constitutional change that has taken place. [*Interruption.*] That is the fundamental reality.

David Linden: My hon. Friend makes the point. In 2014, people were told, “Oh, you’ll have the triple A credit rating, and you’ll be a member of the European Union”, but the reality is that that has changed. When the facts change, we need to look again at the options. We are not saying that we will unilaterally declare independence from the United Kingdom, but the reality is that the facts have changed and that the Union people voted for in 2014 no longer exists.

If Conservative Members are so confident that people in Scotland would give a ringing endorsement of the Union, the first thing the Cabinet Office will do is to release the polling information that they are hiding. If they are still confident that people in Scotland wish to be a part of the United Kingdom, ask them. Put the question to the people.

2.26 pm

Hugh Gaffney (Coatbridge, Chryston and Bellshill) (Lab): Thank you, Mr Speaker, for calling me in this important debate.

We recently held a moving debate in this House to mark the 25th anniversary of John Smith’s death. Members who participated reflected on John’s unwavering support for Scottish devolution. In 1994, John referred to the creation of a Scottish Parliament as “the settled will of the Scottish people”.

In 1997, the referendum proved him right, with 74% of voters supporting the creation of a Scottish Parliament.

I would like to pay tribute to all those involved in the campaign for Scottish devolution, from Keir Hardie onwards and right throughout the 1980s and 1990s. Groups such as the Scottish Constitutional Convention brought together civil society, political parties, trade unions and others in support of devolution. Its tireless campaigning was in no small part responsible for ensuring that we now have a Scottish Parliament.

I also want to commend those individuals in the Labour party, such as John Smith and Donald Dewar, who championed the cause of Scottish devolution, and others such as Tom Clarke, who served this place for 33 years as the Member for Coatbridge, Chryston and Bellshill. Their efforts led Labour to adopt a firm commitment in favour of devolution to Scotland. I will always be proud of the fact that it was a Labour

[Hugh Gaffney]

Government who created the Scottish Parliament and delivered devolution to Scotland. Let us never forget that the Tories opposed the creation of the Scottish Parliament, and their reckless pursuit of a no-deal Brexit poses a real risk to such devolution today.

The Scottish Parliament has achieved significant changes, which have had a positive impact on the lives of all people across Scotland. We have heard about many of them. They include free personal care, land reform, the smoking ban, free bus travel, votes for 16 and 17-year-olds in Scottish Parliament and local government elections, and the passing of the equal marriage Act for same-sex couples. All these changes highlight the real potential of a Scottish Parliament to deliver positive change for Scotland.

However, the potential of a Scottish Parliament to deliver real change is not being met. We have entered a period of constitutional politics in Scotland that has seen the powers of the Scottish Parliament go unused in the pursuit of social justice. The SNP and the Scottish Government in Edinburgh are focused solely on pursuing independence, and their Tory opposition in the Scottish Parliament has just one policy: to oppose a second independence referendum. The people of Scotland are being badly let down by both the SNP and the Scottish Tories, who have chosen to put the constitution before the interests of their communities.

Nearly 500,000 workers in Scotland do not earn the living wage. [Interruption.] I will repeat that in case the House missed it: 500,000 workers in Scotland do not earn the real living wage.

David Linden: Will the hon. Gentleman give way?

Hugh Gaffney: I will not; the hon. Gentleman cost me two minutes earlier on.

Over 70,000 Scottish workers find themselves with exploitative zero-hours contracts. There is a housing crisis, and those in the private rented sector find themselves facing rip-off rents. Nearly a quarter of all children in Scotland are living in poverty, and one in 10 Scots is living in food poverty. That is the Scotland that we live in today.

It could not be clearer that we need to use the powers of the Scottish Parliament to deliver real change for the people of Scotland. We could be using the new tax powers to introduce a 50p top rate of tax to raise revenue for our public services. We could be using new welfare powers to end the two-child limit and top up child benefit by £5 a week. We could be using the Parliament's existing powers to extend free bus travel to those under 25, cap rents and end exploitative zero-hours contracts. That is what Scottish Labour would seek to do, because we recognise the potential of devolution to deliver for the many, not the few.

John Smith was right to say that the creation of a Scottish Parliament was

“the settled will of the Scottish people”.

Most Scots do not want independence, nor do they support a Tory Government attacking devolution. They want to see a powerful Scottish Parliament, but crucially they want a Scottish Government who are prepared to use those powers to tackle poverty, invest in public

services and deliver a fairer society. Twenty years on, it is clear that Labour is the only party to settle the will of the Scottish people.

Mr Speaker: The Minister must be re-seated by 2.58 pm, so I am looking for speeches of no more than eight or nine minutes from the Front-Bench spokespersons. People must not be precious about it—I am sure they will not be—but we have to deal with the realities of the situation.

2.31 pm

Tommy Sheppard (Edinburgh East) (SNP): It is a pleasure, as ever, to follow the hon. Member for Coatbridge, Chryston and Bellshill (Hugh Gaffney).

I want to look forward in this debate, but to do that I first have to look backwards. The Act of Union of 1707 gave protection to many aspects of Scottish life. In our churches, classrooms and courts, things were preserved. That aside, that Act of Union led to the creation of a single unitary state with a centralised government apparatus. It was not a federation or a partnership or even, in the proper sense, a union at all, but the creation of a single polity into which Scotland was subsumed. That represents a central weakness and fragility of the United Kingdom, which has been exposed in the time since. Everything that has transpired in this debate about devolution and decentralisation should be seen in the context of the United Kingdom's imperfections and the ability to compensate for them to enable the state to represent the aspirations and needs of the people in Scotland.

That did not matter so much in the early days, but government expanded rapidly throughout the 19th century, so that by the end of the century there was a demand for decentralisation. In 1885 we saw the creation of the Scottish Office and the position of Secretary of State for Scotland, but not until the 20th century did the demand arise for political decentralisation, devolution and constitutional change. The Home Rule movement at the beginning of the 20th century was widely reflected in Scotland, leading in 1913, more than 100 years ago, to the passing through this House of the Government of Scotland Bill, in which some elements of Home Rule for Scotland were embodied.

That legislation was not enacted because of the advent of the first world war, and economic disruption and a further world war meant that the debate was not re-joined until the 1950s. Then we were in a completely new world. The old order had changed utterly. Empires were disintegrating and almost every couple of months a new nation state was formed somewhere on the globe, such that the demands of Scottish nationalism—the demands for Scottish self-government—were not cast in terms of the past or romantic notions of pre-Union days, but were a contemporary proposition very much in touch with the modern world. That was typified in the 1967 Hamilton by-election, when Winnie Ewing said:

“Stop the world, Scotland wants to get on”.

The 50 years since have seen a series of reports, from Kilbrandon and Smith, and a series of Bills, which have all tried to dissipate and placate the demands for self-government from the people of Scotland. The central paradox is that despite all that has happened, that placation does not seem to have worked. I can understand why Unionists must be frustrated. The old dictum of Enoch Powell—that power devolved is power retained—

does not appear to hold. Unionists must be tearing their hair out, thinking, “What more do we have to do for these rebellious Scots to be satisfied?” The Scottish social attitudes survey shows that about 8% to 10% of people think that there should be no Scottish Parliament at all, yet once we discount that small minority, a clear majority of the remainder believe that the Scottish Parliament should be independent rather than part of the constitutional arrangements of the United Kingdom.

Why has that happened? I think it has happened for two reasons. The first is that devolution has been a resounding success. It has led to perceptible benefits for the people of Scotland and changes in how lives are lived that people really appreciate. Other Members from across the Chamber have talked about the achievements of the Scottish Parliament and Scottish Government, so I will not repeat them. However, I want to make it clear that I do not regard those achievements as the preserve of any one political party. I am proud of the last 12 years of the SNP Scottish Government, but I acknowledge fully the progress made by the Labour and Liberal Democrat coalition in the first two terms of the Scottish Parliament. However, many people are now open to the idea that if some devolution can make positive changes to their lives, why not just devolve everything and take all the powers that we need to run our affairs in Scotland?

The second reason why the demand for self-government has not been dissipated is that the exercise of power throws into sharp relief the powers that we do not have. This is now a raging argument in Scotland. People say that there are things that could be made better, but we do not have the competence and capacity to do it. To give a few brief examples, we want to reduce carbon emissions in Scotland. The Scottish Government are now committed to having an all-electric road system, with charging points throughout the entire country, but are powerless to shift the transition to electric vehicles because they have no control over vehicle excise duty. We might want to give incentives to small businesses in Scotland and start-ups in key sectors of the economy, but we have no power at all over corporate taxation. From drugs to broadcasting, food standards to employment law, there are many aspects of life that could be improved, but we do not have the powers to improve them.

Now, that adumbration is not by itself a compelling argument for independence, because we could respond to that lack of competence with further devolution. However, it is a mystery to me why many proponents of devolution, who in many ways brought us to this point, now seem to think that it is time to pull up the drawbridge—to say that devolution is complete, that the process is over and that nothing can possibly be added to it. They therefore vote against every amendment that we table to legislation to try to increase the powers of the Scottish Parliament and Scottish Government. That obstinacy and refusal to see devolution as a process that is still continuing is fuelling the appetite for independence, because people wonder whether that is the only way to take these powers to ourselves.

When we talk about the devolution of powers, there is another role for the state to play: to represent the character and intention of the people who live within its boundaries. In that respect, independence provides an answer that devolution cannot. There are many, many people in Scotland now—more every day—who question

whether the British state is able to articulate their views and their character, either in this country or abroad. That change has been turbo-charged by Brexit and the growth of right-wing English nationalism, so that many more people than before are now open to the prospect of Scottish independence.

There is much more that I want to say, Mr Speaker, but I appreciate that you want us to be brief. Let me finish with this point. It will be for history to judge whether devolution has succeeded in sustaining the British state and the United Kingdom as a constitutional set of arrangements by trying to remove its imperfections, or whether, in fact, it will be seen in history as a step along the way to full self-government. We have to wait and see what the outcome is. The important thing is that that decision is not a matter for me or for you, Mr Speaker. It is a decision for the people who live in Scotland to take. My party's pledge to the people of Scotland is that we will take on all comers and meet all resistance in order to allow the people of Scotland to make that decision. I believe they will get the opportunity to do that in a very short space of time.

Mr Speaker: Two years to the day since the delivery of his maiden speech and making his first appearance at the Dispatch Box, I call the hon. Member for Glasgow North East (Mr Sweeney).

2.40 pm

Mr Paul Sweeney (Glasgow North East) (Lab/Co-op): Thank you, Mr Speaker. I want to start by conveying the apologies of the shadow Secretary of State for Scotland, my hon. Friend the Member for Kirkcaldy and Cowdenbeath (Lesley Laird). She is not able to be here as she has a medical appointment that she was unable to move. However, it has enabled me to commemorate a memorable anniversary in this way.

I congratulate the hon. Member for Perth and North Perthshire (Pete Wishart), the Chair of the Scottish Affairs Committee, on securing the debate. He mentioned Donald Dewar, Scotland's first First Minister, in his opening remarks. I was struck by a quote from Donald:

“Cynicism, together with unrealistic expectation, are the two great bugbears of politics.”

That is certainly a quote that has stood the test of time, particularly when considering the pretenders to the office of Prime Minister at the moment.

It is certainly a privilege to close today's debate on behalf of the Labour Front Bench. I admit to being a child of devolution. It feels surreal to be standing here not just two years since I made my maiden speech, but after 20 years of devolution. I remember that year very well indeed, because I was very unwell in Yorkhill Hospital. I watched the opening ceremony of the Scottish Parliament in Holyrood from a hospital bed. Watching it as a young child, I was struck very deeply in particular by Sheena Wellington's fantastic singing of “A Man's s Man for a' That” by Robert Burns and the great words of Donald Dewar.

In my view and in the round, devolution has been a bit of a mixed bag, as has probably been reflected in the speeches today. When I reflect on the positive changes that have been made during the devolution era, there have certainly been some successes that show exactly why we need a Scottish Parliament and, indeed, a Welsh

[Mr Paul Sweeney]

Assembly. As my hon. Friend the Member for Cardiff North (Anna McMorrin) mentioned, that was hard fought for for many years. My hon. Friend the Member for Clwyd South (Susan Elan Jones) mentioned Keir Hardie. Labour has been fighting for home rule for well over a century. It has been at the heart of Labour and progressive politics throughout the party's existence.

The first great success of the Scottish Parliament that comes to mind is the smoking ban, through the Smoking, Health and Social Care (Scotland) Act 2005, which was introduced by the Scottish Labour Government in 2005. From what I can remember, I think it is fair to say that that was the first time that the Scottish Parliament truly led the way with reform that was then adopted by the UK Government and rolled out across the UK—a really progressive step. In the light of the decision by this place on Tuesday to legislate for same-sex marriage to be legalised in Northern Ireland, it is absolutely right to put on record the success of the Marriage and Civil Partnerships (Scotland) Act 2014, which was introduced by the SNP Government. It was the first legislation of its kind in the UK and a perfect example, mentioned by the hon. Member for Glasgow South (Stewart Malcolm McDonald), of the Scottish Government leading the way in an area of social policy.

The Scottish Parliament has had other great successes, such as free concessionary bus travel, free tuition for university students and free prescriptions. Those are policies that have changed the social landscape in Scotland for the better. I congratulate every politician of every party who played a part in ensuring that those policies were enacted. Indeed, a litany of achievements have been elucidated in speeches throughout the Chamber today. I think my hon. Friend the Member for Edinburgh South (Ian Murray) mentioned that 280 Acts have been passed in the 20 years of devolution.

We have seen innovation in the form of the post-study work visa in Scotland, which was championed by the then First Minister, now Lord, McConnell. He regards that as his greatest achievement in his time as First Minister and it led to the reversal of Scotland's historical population decline. There have been other transformative policies. The writing off, by Wendy Alexander, of Glasgow's £1 billion social housing debt transformed social housing for Glaswegians and enabled the mass reconstruction of the city's municipal housing stock, as the hon. Member for Glasgow East (David Linden) mentioned in his speech.

Sadly, I am not convinced that devolution has been the unequivocal success that many hoped it would be. It is probably fair to say that progress in many areas of domestic policy has stagnated. Education reforms have been a failure. The health and social care sectors have been mismanaged by health boards and Scottish Ministers. We have yet to see a Scottish Government implement what I believe are fundamentally sound policies, such as public ownership of our railways.

On that point, I like to highlight the case of the Cally rail works in Springburn. That is a particular case where devolution has not been a success. I understand the reason is that the Tories are opposed to public ownership. Their long-standing principle of laissez-faire capitalism and free market thinking means that that is not surprising. What is surprising is the fact that the Scottish Government have been completely unwilling to

countenance the prospect of public ownership of the Cally. For me, that is exactly the kind of policy that the Scottish Parliament should be focusing on. Indeed, it is in stark contrast to the robust interventionist policies of previous Secretaries of State for Scotland, such as Willie Ross and Tom Johnston. Indeed, one of the first acts of the Scottish Government and the Scottish Executive in 1999 was to ensure the safety and the continued operation of the Govan shipyard.

We have a dangerous level of pollution in Scotland, especially in cities. We have dangerous disparities in income and wealth, which are reflected in child poverty, homelessness, health inequalities and huge disparities in life expectancy between rich and poor, predominantly determined by the postcode in which they live. That has not significantly changed throughout the life of the Scottish Parliament. I remember Jimmy Reid in the early 1990s saying that, depending on which district in Glasgow people lived in, the difference in life-expectancy could be a life sentence. That is a terrible indictment of the failure of social policy.

Growth and productivity have been in decline since 2000 and are still 20% below Government targets. That is simply unacceptable. The Governments in both the UK and Scotland need to robustly address that issue. We have Scottish workers in insecure work earning poverty pay and lacking even the most basic protection against unscrupulous employers. Those who are on benefits have been subjected to vicious Tory austerity, but with little protection from the Scottish Government, typified by the timidity on using the social security powers and enacted in the Scotland Act 2016.

SNP Members do not like to hear that the Scottish Government have done next to nothing to protect people in Scotland from Tory austerity, but I draw attention to the fact that the Scottish Parliament's independent research body points out that the Scottish Government have cut the budget of local authorities by four times the amount that the Tories have cut the Scotland Scottish block grant. That is the independent parliamentary research body at the Scottish Parliament saying that, not just me. That is typified by the fact that the Scottish Government have cut addiction services by a quarter in Glasgow, despite record, epidemic levels of drug-related deaths in that city.

Rural towns and villages are losing shops and services, and even simple things such as access to cash. Manufacturing and service industries are increasingly owned outwith Scotland, and land ownership remains concentrated in the hands of a few ultra-rich individuals. The Scottish Government have the powers to ameliorate the worst of those impacts, but, sadly, they have failed to do so in the vast majority of cases. That is why my assessment, and that of the Labour Party, is that the existing powers of the Scottish Parliament must be used more effectively. New powers may well be needed to make a real difference in tackling the problems I have listed above, but not simply to supply more fuel to what Gordon Brown calls the constitutional Punch and Judy show, which we have seen enacted in this debate today and which typifies the attempts to distract from the records of both the Scottish and UK Governments.

I am a firm believer that we must be able to invest in our manufacturing base. To do that realistically, we need more borrowing powers for the Scottish Parliament. That investment must ensure that the Scottish people

have a stake in any future development and that we are not simply giving handouts to foreign investors who can up sticks and leave whenever they wish to do so, as typified by the Cally. That is why Scottish Labour leader, Richard Leonard, has outlined his desire to have employment rights devolved to the Scottish Parliament. I do not trust the Tories to legislate for a proper living wage, or to legislate to ensure that public contracts cannot be awarded to blacklisted companies. I am not sure that I trust the SNP Government to do that either.

I am a firm believer in the fact that, within reason, power should be as close to the people as possible, and that the principles of subsidiarity should reign, rather than those of separation, as J.P. Mackintosh rightly said, as was referred to by my hon. Friend the Member for East Lothian (Martin Whitfield). It is on that point that I want to acknowledge that although devolution has been a mixed bag, with regard to its success, I do not think that the current system of governance in the UK is working terribly well either. I agree that the Brexit process has highlighted the flaws in the devolution settlement, and I do not believe that the settlement currently works for people in Scotland. However, I am not entirely convinced that the SNP's answer of separation is a way forward either, and the main reason for that is the undeniable fact that the SNP Government are guilty of centralising power in Holyrood and undermining the ability of local government.

As has been mentioned, devolution is a process, not an event, and I believe that its destination lies in further constitutional reform and federation, rather than separation. As Donald Dewar said at the opening of the Scottish Parliament 20 years ago,

“This is about who we are, how we carry ourselves... today there is a new voice in the land, the voice of a democratic Parliament. A voice to shape Scotland, a voice for the future.”

That has been a mixed legacy. We have to remember, however, as we stand on the 20th anniversary of that opening day, that it is not an end but a means to a greater end. I wish the Parliament every success in its deliberations over the next 20 years.

2.49 pm

The Parliamentary Secretary, Cabinet Office (Kevin Foster): May I begin by congratulating the shadow Minister, the hon. Member for Glasgow North East (Mr Sweeney), on a very effective first appearance at the Dispatch Box? I did not agree with everything he said, as he will not be surprised to hear, but he certainly made a very good start and I am sure that we will hear many more such speeches in future. I also congratulate the hon. Member for Perth and North Perthshire (Pete Wishart) and my hon. Friend the Member for Monmouth (David T. C. Davies) on securing the debate. It has generally had a reflective tone, despite some obvious differences in where we believe the devolution journey should take us.

Devolution has allowed space for the four nations of the UK to pursue their own domestic policies, reflecting the distinct circumstances of Wales, Scotland and Northern Ireland. Equally importantly, it combines all those benefits within the wider strengths and advantages of the Union. Devolution means that the nations and regions of the UK can work together, with their voices and interests amplified by being part of something bigger. It means drawing from and contributing to the strength of the

Union and combining our resources to be the world's fifth-largest economy and a leading player on the international stage. Around the world, the voices of Scotland, Wales and Northern Ireland are amplified by being part of this United Kingdom as we participate in diplomacy, sport and international aid. When we come together as one people, we benefit from the security and stability that comes from being part of one of the largest economies in the world, pooling risks and sharing benefits. But devolution is not about the UK Government just forgetting an area.

In Wales, we are working with the Welsh Government, businesses and local councillors to support the Cardiff capital region deal, which will provide investment funds for the region and support electrification of the Valley Lines railways, and the Swansea Bay city region deal will deliver over £1 billion of investment to the region and support investment in digital infrastructure and next-generation technology. We have also committed £120 million towards the agreement of a north Wales growth deal and continue to support a mid-Wales growth deal—all three levels of government working together in the interests of those we represent.

The UK Government have also committed over £1.35 billion to support economic development in Scotland through city and growth deals. When it comes to research and development programmes and funding, the UK benefits from the talent and expertise in the devolved nations, and the devolved nations punch above their weight as part of this United Kingdom. Scotland benefits significantly from the UK life sciences industry, and the life sciences industrial strategy is a UK-wide strategy.

We continue to work towards the restoration of devolved government in Northern Ireland, and I am sure that all Members of the House look forward to the day when Stormont—

Ian Murray: Before the Minister moves on from Scotland, will he give way?

Kevin Foster: I will take one brief intervention.

Ian Murray: Some 63% of Conservative party members have said that they think leaving the EU is much more important than keeping the Union together. What does the Minister think?

Kevin Foster: I am clear that I am a Unionist and that I want to see the Union remain together, and that poll is absolute rubbish.

Employment in Northern Ireland is at near record levels, rising to a record high of 70% at the end of last year. Northern Ireland remains the most popular location for foreign direct investment outside London and the south-east, and exports are up 11% since 2011. We will continue to build opportunities for Northern Ireland's economy, even in the absence of the devolved tier of government. In March, we agreed the heads of terms for the Belfast city region deal, which will see the UK Government invest £350 million in the Belfast region over the next 15 years to boost investment and productivity, and we are making progress on a Derry/Londonderry and Strabane city region deal.

Devolution means that decisions can be made at the most appropriate level of government, and it should mean that. People and businesses expect those different levels to work together to deliver for them.

Stephen Kerr: The commitment of the people of Scotland to the Union is evidenced by the fact that in every election to the Westminster Parliament there is a greater turnout than there is for elections to the Scottish Parliament.

Kevin Foster: It is always welcome to see how people wish to participate in elections to this Union Parliament, and the fact that it has the higher turnout shows the importance that people attach to it.

Devolution allows for different approaches alongside one another, each the democratic choice of electors who hold their own politicians to account, yet we should not limit this to thinking about the UK Government and the devolved Governments. The Smith commission recognised that when it called for powers to be devolved, not taken away from, local communities in Scotland. We have championed this approach in England, devolving powers to new Mayors in Manchester, the west midlands, Liverpool city region, the west of England, Cambridge and Peterborough, Sheffield, North of Tyne and Tees valley. This enables decisions on services to be made closer to the people that are affected by them and gives a powerful voice to the communities the Mayors serve. This approach to local decision making could also benefit the great cities in other parts of the UK, but of course I respect that that would be a decision for the devolved Assemblies.

For devolution to continue to succeed, it must evolve with changing circumstances and respond to new challenges. The UK Government have adapted to meet this changing constitutional landscape, while maintaining our primary responsibility of being a Government serving the whole United Kingdom.

As the United Kingdom leaves the European Union, and given the changes to the devolution settlements in recent years, it is timely for us to consider whether the institutional structures we have used over the past 20 years remain fit for purpose in terms of intergovernmental relations. At the Joint Ministerial Committee plenary in March 2018, Ministers from the UK Government and devolved Administrations agreed to review the existing intergovernmental structures. On 3 July, the UK Government published the agreement on joint working comprising a set of principles developed jointly by a working group of representatives of all four Administrations. Their publication demonstrates that the UK Government and devolved Administrations are committed to working together to develop intergovernmental structures that will remain fit for purpose after the UK's exit from the EU. I was pleased to hear some reflection on that today.

The Government have been clear that EU exit will mean an increase in decision-making powers in Edinburgh, Cardiff and Belfast. As we prepare for the UK's departure from the EU, the UK Government are working with our counterparts in the devolved Administrations to establish common frameworks that uphold our UK internal market. On 3 July, the UK Government published a set of further updates on common frameworks. These detail how we are working together to put frameworks in place and how, across the UK Government, the Welsh and Scottish Governments and the Northern Ireland civil service, we plan to share this work with stakeholders, legislatures and interested parties.

It is also right that, while marking 20 years of devolution, the UK Government also consider whether we are working in the most effective way possible to realise fully all the benefits of devolution within a United Kingdom. The Prime Minister has established an independent review of how the UK Government works with the devolved level of government, which will report to the new Prime Minister in the autumn. It will consider and make recommendations on whether UK government structures are configured in such a way as to strengthen the working of the Union. Let me be clear that this is not a review of the devolution settlements.

As a Government, we are committed to ensuring that devolution continues to serve this Union well. My right hon. Friend the Chancellor of the Duchy of Lancaster recently gave a speech to the Law Society of Scotland on the importance of devolution, emphasising that the UK Government's vision for the UK is one of strong devolved Parliaments within a strong United Kingdom. Just a few days ago, the Prime Minister restated the paramount importance and value of the Union in Stirling. Devolution is not an alternative to the Union. It is not either/or. It is an integral part of a modern Union that will last for generations and serve all parts of our United Kingdom well.

2.57 pm

Pete Wishart: I thank everybody for contributing to the debate. We know it will be a good debate when it is contrived between the Scottish Affairs Committee and the Welsh Affairs Committee. It was good to see so many members of both Committees taking part.

I have just a couple of reflections on what I have heard today. First, it is really encouraging that no one now talks about abolishing or doing away with the Scottish Parliament or the Welsh Assembly. They are such a feature in our democratic tapestry that no one even suggests that anymore. Secondly—I think that the hon. Member for Stirling (Stephen Kerr) mentioned this—not one contribution was made by an English Member of Parliament, and that sort of says a little about the interest that there is across the United Kingdom—*[Interruption.]* Well, the Minister has to make a speech, of course, but I think that says something about the interests in devolution across the rest of the United Kingdom, which was reflected in the poll disputed by the Scottish Conservatives that found that members of the Conservative party are probably more interested in Brexit than the Union.

We all look forward to what will come in terms of devolution, but can I say ever so gently to the hon. Member for Glasgow North East (Mr Sweeney)—I also congratulate him on his first outing at the Dispatch Box—that we have spent £500 million mitigating Tory austerity in the Scottish Parliament? We cannot be a mitigation Parliament; the money has to come from other budgets, so let us look positively at how we go forward. I am glad that we have now agreed and that this is now a firm feature in our democracy, but let us look forward to the next 20 years, too.

Question put and agreed to.

Resolved,

That this House has considered 20 years of devolution.

Leasehold Reform

2.59 pm

Mr Clive Betts (Sheffield South East) (Lab): I beg to move,

That this House takes note of the Twelfth Report of the Housing, Communities and Local Government Committee, HC 1468, on Leasehold Reform and the Government's response, CP 99; welcomes the Competition and Markets Authority investigation into the extent of any mis-selling and onerous leasehold terms; believes there is no reason why the majority of multi-occupancy residential buildings could not be held in commonhold; calls on the Government to remove the incentives for developers to build new leasehold properties; and further calls on the Government to bring forward legislative proposals to amend onerous permission fees and ground rents in existing leases.

In March, the Housing, Communities and Local Government Committee published its 12th report following a six-month inquiry into leasehold reform. We received more than 700 submissions in initial evidence, and during our evidence sessions many leaseholders got in touch with us saying "Me too! I am in exactly the position that is being explained to you by the witnesses." We have now received the Government's response. While we are pleased by their support for some of our recommendations, we feel that more could be done for existing leaseholders, and I shall say more about that in due course.

Might I intrude on the previous debate, Mr Speaker, and refer to the issue of devolution? Yes, in England we are interested in it. Indeed, the Select Committee announced today its intention of holding an inquiry into devolution in England, which I think is a positive development. *[Interruption.]* I am sure that the hon. Member for Perth and North Perthshire (Pete Wishart) will read about this tomorrow in *Hansard*.

The Committee uncovered a scandalous situation—or, rather, scandalous situations, because they varied in many respects. Developers often sell their properties, funded by the Help to Buy scheme, and give purchasers inducements to use a solicitor of the developer's choice who does not explain to the purchaser the full impact of the purchase, does not give the full information about ground rents or permission fees, and sometimes does not even make clear the difference between leasehold and freehold. Purchasers are promised that "it will be all right, because you can buy your freehold following a given period and for a given sum", only to find when they try to do it that the freehold has been sold on to a third party. We heard about some other really bad examples: for instance, people in flats were being faced with unexplainable and unjustifiable service charges, and, of course, excessive commission fees as well. In the worst cases, people have been left trapped in unsellable and unmortgageable homes.

The Committee concluded that

"too often leaseholders... have been treated by developers, freeholders and managing agents, not as homeowners or customers, but as a source of steady profit."

That is simply unacceptable. We also concluded that there was no link at all between the ground rents that were paid and the service that was delivered to the leaseholders. We were completely unconvinced that, in most circumstances,

"professional freeholders provide a significantly higher level of service than that which could be provided by leaseholders themselves".

Ours is a comprehensive report with a great many recommendations. I shall list some but not all of them, because there are so many. I pay tribute to the work of the all-party parliamentary group on leasehold and commonhold reform, many of whose members are present today and who did an awful lot of work, to all my colleagues on the Committee—this is a unanimous report, although it contains controversial and far-reaching recommendations—and to the Leasehold Knowledge Partnership and the National Leasehold Campaign, which have done a great deal of work to put this issue into the public domain.

In their response, the Government are generally positive about new properties, but probably less committed to certain recommendations for existing leaseholders. They have agreed to a ban on leasehold on new houses, which is certainly needed. In the case of future leaseholds, there should be a peppercorn rent; the Government's original proposal was a £10 charge. We have asked for clear standardisation for leaseholders when they buy their properties. The Government have accepted the recommendation in respect of new purchases, but not for resales. We may need to return to that issue, because it is important.

We have not made as much progress on commonhold. We were positive about its future, suggesting that it should become the primary form of tenure; the Government called for it to be a "viable alternative". We know that there is work to be done on the legal position relating to commonhold and the availability of mortgages, but the Government ought to be a bit more enthusiastic than perhaps they have been so far. We also called for a ban on inducements for purchasers to use particular solicitors. The Government have not gone that far; they have talked about better redress, greater transparency and asking the regulators to be more proactive. We do not think that goes far enough.

We also called for any permission fees that are in the original lease to be no higher than the administrative costs of those fees. The Government have said that that is a matter for Lord Best's review of the regulation of property agents. We hoped that the Government would say that they were looking forward to implementing recommendations from the review, but they have not gone that far either.

On existing leaseholders, we still have more progress to make. We recognise the complications of this. Nevertheless, we also recognise the suffering of leaseholders at present that does need to be addressed. On the positive side, we called for the Competition and Markets Authority to conduct an inquiry into mis-selling. I met Lord Andrew Tyrie. He is committed to the inquiry that he has announced. He wants to do something. He recognises the problem and we look forward to that. I hoped the Government would have said, "Yes, we want the inquiry and we want to implement what it finds." Instead we are in a, "We look forward to the inquiry, but are not quite sure what we are going to do with it when we get it" situation.

We have also called—these are important issues—for onerous ground rents and onerous permission charges to be dealt with retrospectively. They both need addressing. We could do it in the human rights legislation. We took detailed advice and evidence on this. Again, the Government's response seems to be, "Well, voluntary deals are being done with various developers about this."

[Mr Clive Betts]

Frankly, we are concerned about the level of trust the Government are placing in the same industry that created the onerous leases in the first place. The Government do not go far enough. Often the links to the retail prices index can lead to high figures. Often deals do not apply to the resale of property and of course they do not cover permission charges or any of the arrangements that have been arrived at. So we certainly want to go a lot further than that.

On permission fees and retrospective action, the Government said, “Look for the CMA report.” We understand that that report will be about not just mis-selling, but whether the conditions so far imposed are unfair in consumer law. We will want to have a look at that when it comes out. We hope the Government will act quickly on that report and the report being done in parallel by Lord Best, the review of property agents, which will look at permission fees as well.

Some of those fees are scandalous: £3,500 to put a conservatory in, before starting with the cost of the conservatory; £68 for a doorbell; £100 to answer an inquiry. These are outrageous fees. They are not justifiable. They are unfair and scandalous, and action needs to be taken on them.

We have clearer statements from the Government on some areas and we should recognise that. The Government want to see standardised forms for service charges. We received lots of evidence that service charges just came out of the blue; it was not possible to explain what they were or justify the amounts—in some cases it was not even possible to find the service being charged for. So that needs to be addressed. Lord Best’s review is looking at that and we hope that the Government act quickly when it is published.

We said that, where a freehold was bought, some of the freehold agreements themselves kept service charges and permission fees embedded in them. We could see no justification for that and the Government agreed with our position. We called for greater clarity on communal areas on freehold estates in terms of who was responsible when the council and the developer did the initial planning agreement, and the Government supported action there.

Enfranchisement is a big issue. We know that the Government agree with our recommendation for a clearer and simpler system. Again, the Government are waiting for the Law Commission, but we hope that their commitment in principle will soon produce action. We also recognise the Government’s commitment to change the current system: there is only first refusal for flat owners in terms of the sale of freehold; in future that will apply to houses as well, which is a step in the right direction.

We also recognise the Government’s commitment in most cases to ban the freeholder collecting from leaseholders the costs of going to a tribunal when the freeholder loses. That is an important step. It is frankly outrageous that someone can win a case in a tribunal and then find that they are paying the price of winning through extra lease and service charges.

The Government are being a bit mealy mouthed on forfeiture, even though it is completely wrong and unjustifiable. It might not happen very often, but the

threat of forfeiture forces many leaseholders not to challenge and to back off, so we need action there as well. An important issue that is often forgotten about is sinking funds. They can be very large, and they are currently unregulated. The Government have suggested that Lord Best’s review should look at the issue. We look forward to that review because there are a lot of things it will have to look at.

There are many other issues. I cannot go into them all in detail, but there is a very long list of recommendations and responses from the Government. The Government are positively trying to look at the issues around redress, but I ask them please to get on with the housing court. Having a housing court would mean that people who had problems with their housing, whether as tenants, leaseholders or in other circumstances, knew where to go for a simple and effective form of redress. We welcome the Government’s commitment to this in principle, but that principle has been sitting there for a long time and we need some action on it.

In the end, the Government are right to say that this is a really complicated area of law. There are lots of Acts of Parliament and lots of regulations, so what we in the Committee have suggested is very simple. Let us recognise the changes that need to happen, but let us also recognise that there will be enormous long-term benefit for everyone if we have a wider review of all the legislation on leaseholds. We should give the Law Commission the funds to do that, but again the Government have really backed off the proposal. I ask the Minister at least to agree to that today, because it is a very simple suggestion that could have enormous long-term benefits.

Several hon. Members *rose*—

Mr Speaker: Order. A five-minute limit on Back-Bench speeches will need to apply with immediate effect.

3.11 pm

Sir Geoffrey Clifton-Brown (The Cotswolds) (Con): Thank you for allowing me to catch your eye, Mr Speaker. I am really pleased to follow the hon. Member for Sheffield South East (Mr Betts). As Chairman of the Select Committee, he is one of the most knowledgeable people in this House, and I pay tribute to him for the excellent work that his Committee has done in this field. I am one of the few chartered surveyors in the House, and I draw hon. Members’ attention to my entry in the Register of Members’ Financial Interests. I have managed properties of all sorts for more than 40 years and I therefore have a degree of knowledge in this area.

The basic property law in this country dates back to the time of William the Conqueror, and in particular to 1086, when the Domesday property book listed every property in England. The law has progressed since then. In particular, the law on leasehold arose because landowners wanted to come to an agreement with one or more persons to occupy their land for a variety of functions. Sometimes it was to farm it, sometimes it was to build buildings and sometimes it was to run a business, and the leasehold law arose. It has been amended many times since then, as the hon. Gentleman has said.

In recent years, there have been a number of scams in my constituency relating to the leasehold law and, in particular, to the freehold law, and I want to go into one

or two of those. As the hon. Gentleman said, the two areas in which these leasehold scams arise are ground rents and service charges. The ground rents in older leases tended to be a fairly small proportion of the total cost, but in recent years modern developers have hiked the ground rents, often doubling them every 10 years. The so-called proposals to modify this with reference to the retail prices index could lead to an even greater scam, because if inflation started to rise, ground rents could double not every 10 years but every five years. We need to look very carefully at that proposal. There are other proposals to make ground rents more moderate.

The other area, which is perhaps a bigger concern, is that of service charges. They can often be completely unknown, and they can include elements that are not immediately apparent to the person buying a leasehold. Those elements include administration fees, accountancy fees, commissions, insurance—the list goes on forever. The problem with all that is that a purchaser's solicitors often assume that their client has a greater knowledge than they really have and are not explicit about what the obligations amount to.

I will move on quickly, because time is running out. I have constituents in the Gallery who have had equal and similar problems with scams relating to freeholds. Freeholders buy their properties with a covenant—many covenants in some cases—that contain unquantified and unspecified obligations relating particularly to the common parts of their estate. When pressed, the smart salespeople in the smart furnished flat or house on the estate often say, “Well, it's only a small amount. It will amount to a few hundred pounds.” However, when the buyer gets their first bill, they suddenly realise what they are locked into. In some cases, the charges are so high, as they can be with leaseholds, that the properties are effectively made unsaleable.

We need to look carefully at the purchasing system in this country, and the Government need to work with the Law Society to ensure that all solicitors make it explicitly clear to their prospective purchasing clients what they are letting themselves in for. In my experience—I do not wish to knock either my own profession or the legal profession—they tend to be fairly blasé about inquiring into what the arrangements are for managing these common parts, which can be very expensive. The Government need to examine the arrangements to make it much easier for groups of people representing their estate to take over its management. What actually happens is that the management tends to be vested in a company that is owned by the estate's original developer, and then people who cannot get out of dealing with that company are locked into whatever said company chooses to charge them.

I pay great tribute to Amanda Davies from Burton Chase and Mike South in Victory Fields for bringing some of these anomalies to me. Like the hon. Member for Sheffield South East, I have written to the Competition and Markets Authority with a draft of how my constituents think the current system is being mis-sold. I hope that the CMA will take close notice of that.

3.16 pm

Rosie Cooper (West Lancashire) (Lab): I thank my hon. Friend the Member for Sheffield South East (Mr Betts) for presenting the report on leasehold for debate. Before I make my observations, I must declare my interest as I

am one of the many thousands to have been caught in the leasehold trap. It appears that we have 18th-century practices operating at 21st-century prices and, more fundamentally, that a person's home is not really their own, with the freedom to do within it as they please. In West Lancashire, nearly a quarter of homes sold in 2016-17 were leasehold, and the figure was still over 15% in 2018. The issue seems to be that leasehold has strayed into being an extortionate money-making racket at the expense of house owners.

Owners are forced to pay extortionate ground rents and locked into rip-off service charges, with nearly 60% of them lacking an understanding of their contractual obligations. My hon. Friend talked about inducements to use the preferred solicitor of the developer and the lack of information that follows. I can tell the House for a fact that Redrow in the north-west simply passes all its clients' details to Bannister Preston Solicitors LLP, and it is assumed that that firm will act for them. It is time for the Solicitors Regulation Authority to wake up and act.

Perhaps leasehold would not be talked about so negatively if leaseholders did not find themselves obliged to Dick Turpin-like companies that require them to stand and deliver—in this case, it is “your money and your home” that they are after. The Government also need to look at councils that, in concert with developers, contractually agree to sell the freehold to the developer, but only when all the houses are completed. That allows salespeople to say, “We don't own the freehold,” knowing full well that they will. They then get a huge ransom from selling the freehold on before anyone knows, and they can say that that has nothing to do with them. In Liverpool, for example, the council sold the freehold of one site to Redrow for £1, which then sold it on for £175,000, saying that that was the best price for Liverpool's taxpayers. Where was the district auditor? My colleagues tell me that this practice is not unusual and is happening all over the country. Liverpool has banned Countryside Properties, and the Mayor has rightly said:

“We will not be making any deals...with any developers that put people at risk.”

Is it now time to ban Redrow? We need to find a way to ensure that thousands who are already caught are given an exit option on fair terms.

Everyone knows that people are being charged to receive emails. It takes four weeks for someone to come. There are no phone numbers. People pay extortionate prices to carry out work on their own property. People are being misled, being told they can buy the freehold in a couple of years' time for a few thousand pounds, only to find the freehold has been sold on, with no first refusal being given to the leaseholder. Some do not even offer direct debit, so those who forget to pay their twice yearly charge are slapped with further charges for late payment. People are sent threatening and heavy-handed letters.

But it does not end there, because those who do engage and who manage to buy can find that they are buying not the freehold but a virtual freehold, whereby they have simply bought out the ground rent. Many of the conditions remain, with owners still being charged for work to be done, except now they have fewer legal rights to contest any excessive amounts because they entered into the freehold contract willingly and the amounts were unspecified.

[Rosie Cooper]

Sadly, owners are being led to the slaughter, let down by conveyancing solicitors who, despite their best efforts, cannot deal with these sharks. I firmly believe that, unless strong and immediate action is taken, people will have great difficulty when they come to sell their virtual freehold homes, with the covenants and conditions still remaining, in a few years' time. I forecast to the Government that the freehold scandal will erupt again.

We need leasehold reform now. It is in the Government's power to do it now, and households right across the country demand that they do it now.

3.21 pm

Bob Blackman (Harrow East) (Con): It is a pleasure to follow the hon. Member for West Lancashire (Rosie Cooper).

When the Housing, Communities and Local Government Committee started looking at this area, one thing the user groups that came before us wanted was the outright abolition of leasehold. In fact, they regard it as "fleecehold." I am concerned about the Government's responses to our detailed report, which makes excellent recommendations—I would say that, because I was party to the report and agree with every one of its recommendations. The Government have just said that they note what the Select Committee has said. There has been no commitment to action, and my request this afternoon is for the Government to take action to implement our report.

I draw an immediate distinction between the sale of houses and the sale of flats. There is clearly no justification whatsoever for a house to be sold on a leasehold basis, but there is a justification for flats. There needs to be more promotion of commonhold to encourage people to participate and use it, but we must always remember that some elderly and vulnerable people do not want to exercise more control and may be happy to have a leasehold property, with someone else managing it for them. We have to be cautious on that subject.

The Government are leaning on the fact that the Law Commission and the CMA are doing reports but, in their response to our report, they have made no commitment to implement whatever recommendations they make, and I hope we will get to that position.

The Select Committee's report draws attention to the role of lenders and the fact that relatively few will lend on commonhold properties. That was true, but more lenders will now lend on commonhold properties. On mis-selling, most people who buy a leasehold property are first-time buyers. They are often naive and do not understand all the detail, and they learn by their mistakes. The introduction of transparency is therefore vital, as it is not good enough for developers to mislead potential purchasers. It is vital that we legislate for mandatory information, rather than relying on a voluntary code.

On the imposition of freehold purchases, a leaseholder should have the absolute right to purchase the freehold from the developer, either at the point of sale or at some future stage. During our inquiry, we had the scandal of the chief executive of Bellway Homes telling our Committee that after six months it sells all the freeholds to a finance company and washes its hands of them. I said at the time that that is a scandal and I retain that view, and Bellway Homes should stop that practice right now. Given that it does not want to do so, we should legislate.

Sir Peter Bottomley (Worthing West) (Con): Not only do we think it is a scandal, but the buyers—the finance company—must have known it was a scandal. If the Government, Law Commission or Parliament come forward and say that those houses can be enfranchised on the basis of a formula that means that those buyers do not get their expected bounce of bonus or excessive profits, it will be their fault because they knew.

Bob Blackman: I thank my hon. Friend for that. He is absolutely right, and I compliment him on the measures he has taken on behalf of leaseholders over many years.

The issue of legal advice for individuals who are purchasing, particularly for the first time, is crucial. We found when we took evidence that developers give incentives, discounts and all sorts of other encouragement to first-time buyers to use the same solicitors as they are using. Of course, these solicitors are then acting on behalf of both sides and are not acting independently. That must be bad and this must be made clear in legislation.

On our recommendations on ground rents and onerous terms, the Government have said they have taken note but they have taken no action. The key here is that the Government seem to be driving the view that voluntary action is sufficient. After looking through all the evidence and hearing everyone who has come before us, my view is that voluntary action is not acceptable: we have to legislate and force developers to do the right thing, otherwise they will not.

I also think we have to draw a distinction. We need to legislate to protect people going forward and then consider retrospective legislation to right the wrongs that have been done to leaseholders over many, many years. I also believe that we should legislate to intervene on existing ground rents that are onerous—not only should we do this for future cases, but we should intervene to correct the position on existing leases, because we now have a position where first-time buyers have entered into a lease and cannot sell their property. It is outrageous that we have allowed them to get into that position.

The Chair of the Select Committee has mentioned the position on permission fees. It is outrageous that someone can put a conservatory on a property that they have bought and suddenly the developer is saying, "I want thousands of pounds because you put something on the back of your property." That should be outlawed.

On service charges, sinking funds, estate management, enfranchisement and forfeiture, it is not good enough for the Government just to lean back and say, "We note what you've said and we will consider what needs to be done." We need legal action. I suggest that when the Law Commission and the CMA report, we come forward with a substantial piece of primary legislation to correct this market, as that is what will be needed. Unless we commit to doing that right now, these developers will carry on fleecing their customers.

3.28 pm

Sir George Howarth (Knowsley) (Lab): Given that it is Wimbledon week, it is nice to see you in the umpire's chair, Mr Speaker. It is a great pleasure to follow the hon. Member for Harrow East (Bob Blackman), who made a good case that I fully support. I should also compliment my hon. Friend the Member for Sheffield

South East (Mr Betts), the Chair of the Select Committee, who, as ever, displayed a detailed and thorough knowledge of the subject.

According to the House of Commons Library, 27% of all new house sales in the north-west in 2018 were on a leasehold basis. In my constituency, about 1,320 have been sold on that basis in the recent past—261 in the past year alone. As we have heard, the current arrangements allow landowners to retain a level of ongoing management and the ability to secure income. For leaseholders, there is a range of problems, most of which we have already heard about, including with transparency on what they are charged for, disproportionate service charges and freeholds being sold on to a third-party.

Let me give a couple of examples from my constituency to show how the current situation has affected real people. Helen Spree is the owner of a Redrow property in my constituency for which she pays a ground rent. She is limited by a restrictive contract that dictates what she can and cannot do with her home. She is concerned that the freehold will be moved to a third party which, as we have already heard, happens frequently, without any notice or consultation. To purchase the freehold, it will cost her 26 times the current annual leasehold payment. That amounts to around £7,000. In addition, she would be required to pay Redrow's legal fees, as well as her own, if she wanted to purchase it. By any standard, that is outrageous.

Another constituent of mine, from Earle Avenue, does not want to be named. He bought his property as the second owner—he was not the first person to buy it—in 2014, and planned, not unreasonably, to install a conservatory. He was told by a neighbour that Bellway would charge £350 for the privilege. When he approached the freeholder's representative, he was informed that that £350 had gone up to £2,600. All he wants to do is build a conservatory, and he has to pay the freeholder £2,600 to do so. In addition to that, he would have to pay administration charges. Four months after he moved in, Bellway sold the freehold on his house to an investor; he found out only when we received a letter telling him so. He is restricted in respect of retaining his mortgage with his existing mortgage company, because under the terms of his lease he is required to inform the freeholder if he wants to change providers, and pay an additional £108 charge to the freeholder for doing so.

I have one further example that I will not go into at any length. A constituent of mine called Mr Eric Barry lives in a flat in Briton Court in my constituency. He is currently being charged £1,692 a year in service charges. There is a long list of things that the company, Moreland Estate Management, is supposed to do for that money, but Mr Barry contests whether it bothers to do it, or does it with the required frequency. It is an outrage. The worst thing about it is that he took the matter up with me a year ago, and I wrote to the estate management company, Moreland Estate Management, but I have still to receive a reply from them to a letter that I wrote on behalf of a constituent.

We have heard in great detail what a scandal all this is; it is about time it was sorted out.

3.33 pm

Fiona Bruce (Congleton) (Con): More than two years ago, I asked Ministers what they were going to do to help existing leaseholders in my constituency who are

trapped in their homes. I am still waiting for a satisfactory answer. I support the comments from colleagues: the only way we can see these people satisfactorily helped is if the Government bring forward legislation to deal with issues such as the doubling of ground rents, high permission fees and exorbitant charges to pay for the freehold.

The Government have talked about supporting those who buy in future, but we need help now for our constituents who have already bought and who are trapped. In fact, as one of them said to me, the fact that buyers are now being offered much better terms by developers, often on the same developments, has exacerbated their problems and left them in difficulties. They simply will not be able to sell their homes.

I have been given permission by Alison and David Rowlands of Sandbach to cite their experience. It is just one of many examples in my constituency, where there is a high level of house building. They say that their situation has been truly damaging to health, family life and finances. They bought their home from Taylor Wimpey in July 2011. In December 2013, they received a letter from Taylor Wimpey informing them that the freehold had been transferred. Never at the point of purchase were they told that this was something that would happen. The house is on a leasehold agreement. The terms state that the ground rent doubles every 10 years, starting at £289. That was explained to them by their solicitor, but as they expected to buy the freehold within the first couple of years or so of their ownership, they were not too concerned. However, the solicitor presumably did not know, and certainly failed to inform them, that the freehold would be sold on to a third-party investment company, which would then completely alter the estimated purchase price of the freehold that they were told about when they bought in 2011. When they bought in 2011, they were advised that it would be in the region of £5,000. After purchase by the third-party private investment company, they were told that it would be in excess of £30,000.

The alternative for the couple—they have calculated this—is to continue paying ground rent charges throughout their lifetime. We must remember that they are in a property in which they are now trapped; they cannot move out because the terms on which other similar properties nearby are being sold are so much more preferential. They have calculated that, during their lifetime, they will pay £185,850 in ground rent charges—almost the price that they had to pay for their house. Indeed, the total sum of ground rent on the property that they bought for £229,995 on a 250-year lease will be £1,837,850—the equivalent of buying their house eight times over. They say that they feel victimised and vulnerable, and, of course, they are not alone in this situation. Government need to act as a matter of justice to help these people.

Government have acted effectively retrospectively with regard to a number of individuals in my constituency who have bought properties to rent out. They bought on the basis that the mortgage interest that they would be paying would have tax relief. The Government are effectively changing that, and, as far as they are concerned, changing it retrospectively. How much more the Government need to look to help these people who are not investors—this is their home and this is the situation in which they are now trapped. As I have said, I have

[*Fiona Bruce*]

met Mr and Mrs Rowlands on a number of occasions. They are very genuine people—a young family seeking to settle their situation in life and become secure—and yet there they are living in their home and, as they say, feeling victimised and vulnerable. As far as Mrs Rowlands is concerned, this has had a very serious detrimental effect on her health.

3.37 pm

Maria Eagle (Garston and Halewood) (Lab): I congratulate my hon. Friend the Member for Sheffield South East (Mr Betts) and his Committee on the excellent work that they have done on this issue.

Homeowners who have bought newly built houses in my constituency—and there are many hundreds of them—thought that they were buying their own homes. Technically and legally, they were buying a lease, a type of tenancy, often a long one of up to 999 years, which has left them with a landlord, the freeholder. Many property development companies and finance companies are treating the freehold reversionary interest on houses on these estates as a financial asset to be exploited to the full, with no regard whatever for the leaseholders and the families they are exploiting mercilessly. They see families in my constituency as nothing more or less than a long-term financial asset to be squeezed to the maximum for cash.

There is no reason at all to sell a leasehold house. There is only any point in selling a house as leasehold to make it into a financial asset to squeeze into the far future. Yet in the north-west, 69% of newly built houses in 2016 were sold as leasehold properties. There are already more than 1 million leasehold houses in England and Wales, so what is happening now to my constituents and other home buyers in the north-west is happening elsewhere—perhaps at a lower level, but it is happening.

There are four main areas of concern. People were mis-sold these properties—were not given the full information about what they were getting into. I have heard of many examples of conveyancers having potential conflicts of interest. I have constituents who paid deposits to secure plots in developments before they were even informed that they were in fact purchasing a lease. I have numerous examples of constituents using the conveyancers suggested by developers to guarantee the speed required to access Help to Buy, who were not even advised of how onerous some of the terms of their lease would be.

Escalating ground rents are a real problem for affordability, security of the lease and resale value. There is no reason for ground rent to go up in the way that it does—after all, the freeholder does not provide anything for these payments; it goes up because it can. It is feudalism of the worst kind. Purchasing the freehold is made very expensive and the price often seems arbitrarily high. I have had constituents whose freehold has been sold on without being offered to them. I have people on the same estate being quoted anything between £5,000 and £17,000 to purchase the freehold on identical properties. Leaseholders are being quoted 26 times the ground rent, plus freeholders' extortionate legal costs, when the formula in enfranchising legislation uses 10 years' ground rent as the norm.

Some of the restrictive covenants may be unfair contract terms in a legal sense, but no one has thousands of pounds to take the matter to the courts to check. I have

heard examples of extortionate fees—£1,600 being demanded for granting permission to have a driveway installed. No wonder people call these properties “fleeceholds”. It is a sorry tale.

But there is an additional common problem for leaseholders, and that is that they cannot sell their properties. I have been asking myself why escalating ground rent leads to mortgage companies not wanting to lend. I have constituents whose sales have fallen through, but why? Perhaps the answer lies in the landlord-tenant relationship that is the essence of the freeholder-leaseholder relationship. I saw a piece on the website of a legal firm, Mishcon de Reya, that addressed that issue. It said that long leases can sometimes count as assured shorthold tenancies. According to the piece, that cannot be the case where the ground rent is a peppercorn, but where the ground rent is over £250, or £1,000 in London, the lease is covered by the Housing Act 1988 and counts as an assured shorthold tenancy.

I find this shocking: where ground rents escalate, the leases are likely in time to come to fall into that category of assured shorthold tenancy, and such tenancies are designed to be the least well protected. Assured shorthold tenancies can be relatively easily terminated, and therefore the lease forfeit by the landlord or freeholder. In most leases there are provisions, which are quite draconian, for that to happen. Because assured shorthold tenancies allow relatively easy termination, the 1988 Act gave courts the right to grant relief, cancelling the forfeiture if the rent was paid. However, the power to grant relief does not apply to assured shorthold tenancies if at least three months' rent is more than three months overdue. In such circumstances, forfeiture must be ordered by the court. That raises a terrible prospect of home owners losing their homes simply because they did not realise this had happened.

The Government must do something about this, and they must do it now.

3.42 pm

Dr Matthew Offord (Hendon) (Con): The Ministry of Housing, Communities and Local Government estimates that there are 4 million leasehold homes in England, of which 70% are flats. Because almost all flats are leasehold, leasehold transactions are more common in London. In my constituency, in the Colindale ward, there are almost 10,000 new properties—predominantly flats—on 10 hectares of land. That figure does not include the additional developments in Millbrook Park in Mill Hill, Stonegrove in Edgware and the additional properties proposed by the Mayor of London.

When I owned a flat in the Hendon area, there would always be a problem with the service charge. I had a neighbour, Les Miller, who would always challenge the service charge and speak to the managing agents, and he would always resolve the problems. Not everyone is fortunate enough to have someone like Les, but he was the perfect candidate because he was retired and could devote his time to that. However, some residents' groups have appeared in places like Colindale. At the Colindale Village residents association at the Pulse in Colindale, Joey Sky acts on behalf of many people who have problems—especially parking problems—on the estate. That situation has arisen because there are three different managing agents for the same development, and there are just 48 parking spaces for 1,000 tenants of the

properties. With the introduction of a controlled parking zone in Colindale, residents are going through hell as they simply cannot park on or off the street.

Up the road, at the development in Beaufort Park, residents are paying around £800 to park their cars. For that, they do not receive a designated parking space but are simply allowed to park in a vacant space in a parking zone. The Beaufort Park residents association is not recognised by the developers, who say that they will recognise any such group only if a percentage of the owner-occupiers come together and form it. Unfortunately, because there are so many overseas investors in the development, the residents' concerns are ignored. That is a great mistake, as these are very sensible people who are seeking solutions to the problems that many experience.

Other parts of my constituency are having problems with leaseholds. The residents of the Edgware Green development in Edgware have been trying to buy the freehold of their properties from Barrett Evolution. The issue is complicated by the discovery that some freeholds have already been sold on to another company. Many residents were not aware of this and were not given the opportunity to purchase. The new freeholder has increased the annual ground rent by almost 32%, and the residents have had to engage a solicitor collectively to assist with their purchase, as the matter is really not very straightforward.

Alex Chalk (Cheltenham) (Con): There is a similar situation in Cheltenham where a freehold has been passed on. The freeholder then completely goes to ground, so when my constituents try to make contact with the company, they cannot get hold of it and are unable to sell their properties. It is an appalling situation. Does my hon. Friend not agree?

Dr Offord: I certainly do agree. It is such a frustrating scenario when it is not even possible to find out who is responsible. I think that the managing agents in that scenario will be particularly keen on sending their bills to my hon. Friend's constituents and will not be very slow in forwarding those invoices.

Three years ago, residents at Kennyland Court in Hendon were asked by their managing agents to pay for roof repairs despite a 20-year guarantee being in place since 2003. The managing agents said in their defence that the guarantee was for 15 years and was on a reduced basis, but even my maths shows me that 2016, when the bills were issued, was still two years before the end of the guarantee. However, residents were just given two repair options and no real response to the matter of the guarantee. They felt that they were being bullied by the managing agents into accepting the repair bill without any answers to their legitimate questions.

A constituent at the Brinsdale Park development in Hendon is having difficulty with a managing agent over vague bills and a lack of invoices. She says that the managing agent has consistently sent coercive demands for what she believes to be incorrect service charges. She has now invoked sections 21 and 22 of the Landlord and Tenant Act 1985. Section 21 relates to service charge information and section 22 relates to a request to inspect supporting accounts. This all seems very reasonable: someone receives an invoice, invokes sections 21 and 22, and sees the information. However, the managing agent has responded by sending emails accusing my constituent of harassing him in seeking such information.

It appears, judging from this debate, that there is widespread dissatisfaction about the way that many of our constituents are being treated. Indeed, that dissatisfaction has been expressed by leaseholders themselves regarding service charges. Of 1,244 leaseholders surveyed by the Leasehold Advisory Service in 2016, 40% strongly disagreed that service charges represented value for money and 62% agreed that the services provided had not improved in the past two years.

The problems are quite simple. There is difficulty buying freeholds. There is a lack of transparency around the additional medium-term and long-term cost of a leasehold compared with buying a freehold. There are significant legal and surveying costs when leaseholders want to purchase part of the freehold, or, indeed, part of the land itself. There is an excessive increase in ground rents, a lack of transparency around service charges and freeholds not being offered to leaseholders before being sold off to a third party. This situation really is intolerable for so many people, particularly in my own constituency. I understand that the Government have sought a consultation. I hope that they act on it, because the way that residents are being treated is not only unfair but, in many ways, morally corrupt, and we must act sooner rather than later.

3.48 pm

Jonathan Reynolds (Stalybridge and Hyde) (Lab/Co-op): I thank my hon. Friend the Member for Sheffield South East (Mr Betts) for giving us another chance to debate this issue. I have spoken before on this issue many times, and I intend to keep doing so until we have some action, because I cannot stress enough just how big a problem it is in my area.

The hon. Member for Hendon (Dr Offord) rightly pointed out the impact on London because of the high proportion of flats sold here, but the figures helpfully provided by the Library show that in 2018, 16 of the top 20 constituencies for leasehold house sales were in the north-west, and staggeringly, 14 of those were in Greater Manchester. I know how bad this is in my constituency, and my constituency is not even on that list—what must that mean for those other places? The argument that there is some sort of price differential between freehold and leasehold, when the market is so concentrated in certain parts of the country, has nothing going for it whatsoever.

In a previous debate on this issue in Westminster Hall, I said:

“I am genuinely shocked by the stories I hear in my constituency and that we have heard in this debate. I am not a man prone to hyperbole, but I would go so far as to say that the only fair description of some of the practices we have heard about in this debate is legalised extortion. There is simply no relationship between the services being rendered and the costs charged for them.”—[*Official Report*, 21 December 2017; Vol. 633, c. 471WH.]

I stand by every word of that statement.

The problem in my constituency is with ground rents and service charges, and we need serious action on both. For example, residents of a block of flats in the Hattersley area of my constituency were quoted £32,000 just to paint the hallways—not to paint the flats, but just the communal hallways. Frankly, they could be painted with gold, and it should not come to £32,000. Another constituent was charged £180 just to ask what it would cost to buy the freehold—just for the inquiry

[Jonathan Reynolds]

and the quote that came back. Frequently, worse than that, people simply do not get a response or the information when they make an inquiry about buying the freehold. Often service charge bills are received with no information and no breakdown, sometimes even charging for works that predate a managing agent taking over. Those are just a fraction of the stories I could tell. I could use more than my five-minute allocation simply reading out examples.

Like colleagues who are present, I have made many of these points before. These are always good debates. There is a great deal of expertise, good will and consensus, but frankly, I have seen everyone in this Chamber today in previous debates. This is a group of people who really know the problems, but we need some action, because we are sick of making these points.

Sir Peter Bottomley: Does the hon. Gentleman agree that the best thing to do in England or England and Wales, with, I hope, the Law Commission's support, is to pass a simple statutory instrument that provides for a table of information, so that instead of people having to ask and argue with surveyors, they can look at the table and see the number of years, the ground rent and so on?

Jonathan Reynolds: I have huge respect for the work that the hon. Gentleman has done on this issue, and I could not agree more.

There are five things that I would like to see happen. First, the sale of leasehold houses should be ended—that is obvious, and I think there is no disagreement about it. Ground rents should be capped at a percentage of the property value or an overall financial sum. The sum of £250 a year has been raised, and I would be more than happy with that. As the hon. Gentleman said, there should be a simple right-to-buy formula that is not bureaucratic, with additional administration or legal costs, but that can be used in every case to let people purchase their freehold. There should definitely be a crackdown on unfair terms and opaque service charges. Ultimately, we need to make it as simple as possible to let residents take over if they are in that flat situation. Some people will not want that, and there are some reputable people in the marketplace providing services in that situation, but the power should be with the residents to make those decisions.

I will conclude, because I know how many Members want to speak. I cannot stress enough how much people want to know when they will have a simple and straightforward way out of this. I want to make a point that was touched on earlier about the impact on investors. It is true to say that there is another side to this. We have heard about the bad deal that our constituents get, and those on the investor side who have bought the leasehold and freehold rights are clearly getting a very good deal out of it. I want to make two points on that. Colleagues will be aware that when I am not speaking from the Back Benches, I speak from the Dispatch Box for the Labour party's shadow Treasury team as the shadow City Minister.

First, institutional investors—particularly those based in this country—have some of the best research and analytical functions of any businesses going. They assess all kinds of risk, including political risk, and I cannot

understand how anyone would invest substantially in this area without knowing the political risk that has been raised frequently about the will of Parliament and our desire to see change in this area. Secondly, there are many precedents of this House legislating to limit unfair contract terms and conditions because the power balance and the relationship between both parties is not right. I simply cannot emphasise enough how much that applies in this case.

This is symptomatic of how our housing market does not work anywhere near how it should. I do not think that our land allocation system works. I do not think that the design of new homes works particularly well. I do not think that the power of developers is right in our system. I do not think that the affordability of homes is anywhere near correct, and I do not think that this leasehold system is fit for purpose at all. We can influence some of those things at a local level, and in my constituency we are trying to do that, but some things require parliamentary legislative action. This is one of them, as I think we all agree, so let us get on and do it.

3.54 pm

Mr Marcus Jones (Nuneaton) (Con): Buying a home is the biggest single commitment that anybody will take on. In this country, 85% of people want to own their own home. We encourage people to own their own home and to make it an investment. We encourage them so that, in later life, people have security and are not reliant on the state. If we are to encourage that, we need to make sure that we are giving those people every confidence in their investment and every protection we can.

I welcome the Select Committee report. I will not go into the detail of the whole report, which would be very difficult to do in the time we have this afternoon, but I want to touch on a couple of things. Commonhold features heavily in the report. This has been available since 2002 and the take-up of it has been very small. There are lots of legal practicalities and challenges for mortgage lenders and so on. But the basic fact is that developers, particularly those developing blocks of flats, want to retain some sort of value after they have completed the development and they want to be able to profit from the value they have retained. I can understand that in certain situations, such as retirement accommodation and so on, but if we are to encourage people to go to commonhold, we will have to legislate to take away from the developer the option to retain that financial interest in the property.

I would rather go for a simpler mechanism that would basically prevent developers from continuing to hold that interest in the property so that, as soon as all the flats are developed, the freehold interest reverts to the leaseholders who buy the long lease at the outset, and that can then be managed by the leaseholders. Those would be far better arrangements and, for me, that is where most people who own leasehold property fare best.

I also want to mention the conveyancing process. I say this as somebody who acted for thousands of people buying and selling residential property over a long period. Clearly, it is the job of the conveyancer—a licensed conveyancer, a registered conveyancer or a solicitor—to protect their client and they have a duty of care to their client. In the arrangements for new developments, new developers generally have two or three solicitors on a

panel of solicitors that they will recommend and, by hook or by crook, they put virtually every single person who is buying to those people. The reality is that there is a lot of pressure on those firms of solicitors to exchange contracts, to complete and to expedite matters and, within that, they are therefore not necessarily providing the best impartial service for their clients. The link between these referrals and the solicitors in the advice given to clients needs to be broken. We cannot continue with the status quo in that regard.

We need to do far more about assignment fees, notice of mortgage fees and dealing with covenants. Things must be based far more on what it costs for a freeholder or managing agent to undertake a particular process, rather than adding exorbitant fees. It is absolutely disgraceful when exorbitant fees are charged, and they always come into play right at the end of a conveyancing transaction when the managing agent has the person who is selling absolutely over a barrel.

I will quickly mention dispute resolution. I welcome the announcements that have been made about the fees on leasehold tribunals, but there needs to be a far simpler process before people get to the tribunal for leaseholders. Onerous terms of leases are also a massive problem. I am aware of several constituency cases where that has caused families a major problem.

We also need to make sure that we do not have leasehold houses; there is no necessity for leasehold houses. I know there is a cost involved, but we should move to a system where very little is provided by a managing agent and a tenant. People should get value for the council tax and we should go back to more of an estate being adopted and paid for by the local authority. People can then hold their local council to account if they are not getting what they are looking for.

Mr Speaker: Order.

4 pm

Chi Onwurah (Newcastle upon Tyne Central) (Lab): I congratulate the Select Committee on its report. The fact that in 2019 so many British people owe their homes to a feudal property relationship is absolutely astonishing. I am proud that the Labour party has announced that it will end this ancient and anachronistic practice and ensure justice for leaseholders.

I want to use the brief time that I have to highlight the ongoing misery of constituents whose case I raised in my Adjournment debate of 1 November 2017; one is watching here today. As you know, Mr Speaker, the St Thomas area of Newcastle is one of the most beautiful parts of what is a very beautiful city. It has a large number of fine houses that anyone would be proud to call home, but for some they have become a prison—the families with children uncertain whether they can afford to pay mortgages that they cannot change; a refugee whose family have outgrown their home but who cannot sell it; a pensioner who wants to move to be near her grandchildren but cannot do so; and a couple in their 70s faced with six flights of stairs and rising maintenance costs. The charity that owns the freehold, the St Mary Magdalene and Holy Jesus Trust, refuses to extend their leases or sell the freehold. The trust was formed to support the Freemen of Newcastle, who also date from feudal times and the ancient guilds of our city. Today they are not generally considered to be among the poorer members of our society.

Section 172 of the Housing Act 1985 restricts the 1967 legislation to exempt charities from selling or extending the lease of houses on their land. The National Trust is in a similar position and, in response to the Committee's consultation, offered to buy back properties whose freehold it did not want to sell. In the past, the Mary Magdalene Trust has offered to sell the freehold, but more recently it has changed its position, apparently to maximise its land assets. In so doing, it is causing misery.

The Minister is familiar with the situation and in the past has reassured me that a solution was in the works. My constituents had their hopes raised when it was reported that the trust was willing to sell the freehold, but in fact it was willing to charge residents thousands of pounds just to consider the option of perhaps allowing them to extend their leases for tens of thousands of pounds more. I hope the Minister will condemn that behaviour by the trust.

I also hope that the Minister will condemn the Charity Commission, which, in some disgraceful correspondence with me, said that it would be wrong for the trust to forgo the income that it could receive—presumably when the leases expire and my constituents are dead or on the streets. This is an organisation whose chair, Baroness Stowell, recently said:

“Charitable aims cannot justify uncharitable means”,
and:

“All charities, not just the big ones, have to recognise that they have to demonstrate charitable behaviour and charitable attitude.”

Does the Minister view what I have described as charitable behaviour? Will she ensure that the trust follows the example of the National Trust and offers to buy back leases at market value? Will she press the charity to allow the option of enfranchisement, as committed to the Minister previously? Or will she leave the residents with no option but to await a Labour Government and justice for leaseholders?

4.4 pm

Jo Platt (Leigh) (Lab/Co-op): First, I should declare an interest as I, too, am currently the owner of a leasehold property. As 66% of property transactions in Leigh now come with a leasehold, you would be hard-pushed to find someone in Leigh who is not affected.

I thank my hon. Friend the Member for Sheffield South East (Mr Betts) for securing this important debate. I also thank my hon. Friend the Member for Feltham and Heston (Seema Malhotra) for her work on this issue. I know that she has constituents here in the Public Gallery. I thank the all-party group on leasehold and commonhold reform and the campaigners of the National Leasehold Campaign, in particular Katie Kendrick, for their work in highlighting the scandal and for providing support to constituents all over the country. Their work has brought together the real injustices facing people who own their own home.

I represent a constituency in the north-west and the leasehold scandal is hitting our residents in particular. In 2017, 31% of house transactions in the north-west were leasehold properties, compared with a national average of 3%. In Leigh alone, more than half of all property transactions came with a leasehold. To understand the anger and sense of injustice that the residents of our towns feel, we must look at the history of how we have got to this situation today.

[Jo Platt]

In our proud post-industrial towns, such as the ones that I represent, properties were often utilised by the once-dominant landowners and manufacturing industries as accommodation for workers with peppercorn rents. As our industries declined and our factories closed, those leaseholds were bought up by companies that now dominate the local property market—a feudal system of old transferred into a feudal system of the modern age. As we have heard, those freeholders set into contracts new clauses that double ground rents every few years. A peppercorn payment has turned into a sizeable rent that is hitting families across our constituencies.

This real and growing crisis has led to desperate families getting in touch with me to say that they are struggling to afford those payments, on top of their mortgage and bills. This is the important aspect of this situation: there is a real human cost. A recent survey carried out by the NLC and SOS Silence of Suicide found that spiralling bills and charges are taking their toll on people's health and wellbeing. And why? It is all down to the fact that a loophole has been exploited and innocent families have been caught up in it based purely on where they have been brought up or where they choose to live. The scandal is also having an understandable impact on our property prices and restricting the prosperity of our towns.

Earlier this week, the shadow Housing Minister, my hon. Friend the Member for Croydon Central (Sarah Jones), pointed out that the Government have made 60 leasehold announcements since they came to power nine years ago, but have taken no action to clamp down on this injustice. I am glad that the Government recognise the crisis we in the north-west in particular are facing, but their proposals simply do not go far enough. Their proposals offer nothing to help the hundreds of families in Leigh who are already stuck in these contracts, they do nothing to help with their spiralling ground rents and they do nothing to enable homeowners to escape their leasehold trap.

That is why I fully welcome and support Labour's announcement this week that we will not only ban new leaseholds, but cap existing ground rents at £140 per year in Leigh and enable homeowners to buy their freehold at no more than 1% of their house cost. Those are the type of bold interventions that we need if we are ever going to be serious about fixing our broken housing market. From my weekly surgeries, I know how urgently we need leasehold reform. We need a radical shake-up to get our housing market working again.

4.8 pm

Jim Fitzpatrick (Poplar and Limehouse) (Lab): I am grateful for the opportunity to speak briefly in yet another leasehold debate and I am pleased to follow my hon. Friend the Member for Leigh (Jo Platt) in this very well-informed discussion. I thank the Housing, Communities and Local Government Committee for its excellent report. I thank the Leasehold Knowledge Partnership, Martin Boyd and Sebastian O'Kelly for their analysis of the Government's response, their ongoing expertise and their unstinting support for the all-party group on leasehold and commonhold reform. It is due to their efforts, and those of the National Leasehold Campaign and others, that this issue has risen up the political agenda steadily in recent years.

The plight of leaseholders is not new. Governments of both colours have tried in recent decades to improve the position of leaseholders and to offer them more regulatory protection. That vulnerability has increased because of the explosion of tenure as the demand for new housing has grown and the profits to be made have been understood. Some of those profits have been entirely unearned and border on profiteering and ongoing criminal exploitation.

Poplar and Limehouse has the second-highest proportion of leasehold properties of any constituency. The tragedy at Grenfell only highlighted some of the problems that leaseholders have faced from some freeholders, developers and property management companies. That is only one example of the lack of protection that the law affords leaseholders, which led this Government to set aside £400 million for the public sector and £200 million for private sector blocks for fire safety work and repairs.

As my hon. Friend the Member for Leigh has just mentioned, there has been a lot of noise from the Government on other aspects: the 2017 housing White Paper; the 2017 consultation on ground rents; the 2018 consultation on leasehold sector reform; the report on the regulation of management agents and permission fees; the Government's engagement with the Law Commission on commonhold; their commitment to consult on enfranchisement to help leaseholders buy freehold; and the Competition and Markets Authority's announcement of an inquiry, having been written to by the Secretary of State.

The Chair of the Select Committee did an excellent job of introducing the debate. I want to make only a few points. First, the Government have repeatedly used the defence

“as soon as Parliamentary time allows.”

That appears in paragraphs 11, 36, 89 and 96 of their response to the Committee's report, to mention just a few, and it has been used regularly at the Dispatch Box in recent years. If not now, in this Parliament, then when?

Secondly, I would be grateful if the Minister could reassure us that Lord Best's inquiry into the regulation of property agents, permission fees and so on is still on track for the end of this month. Thirdly, the Government have announced for a third time that leasehold house sales, with exceptions, will be banned. Can the Minister confirm that Help to Buy has shut this down in the meantime? Fourthly, lease forfeiture is a source of major abuse, as we have heard, and many well documented cases have been supplied, yet the Government still seem hesitant. Perhaps the Minister could explain why.

On a separate matter, the Minister will know that the APPG's officers, the LKP and others have been critical of the Leasehold Advisory Service—LEASE—especially following a recent meeting. Can the Minister advise when the APPG's officers might receive a response to our request for an apology to our secretariat?

The Labour party has published its policy platform on leasehold. Its five strong pledges are very welcome, and I commend our shadow housing team for their excellent work—I look forward to hearing my hon. Friend the Member for Croydon Central (Sarah Jones) respond to the debate.

In conclusion, the Government have an impressive list of promises—I have mentioned some, but there are also ground rents on new leases at zero, and a new housing ombudsman. I commend the hard work of the

many civil servants in the Department who have worked on the programme. However, most of the Government's programme, if not all of it, is subject to that great "Get out of jail free" card:

"as soon as Parliamentary time allows."

Leaseholders have been waiting long enough. Surely it is now time to deliver.

4.13 pm

Sir Peter Bottomley (Worthing West) (Con): We owe progress to a number of people. I want to mention Lynn Boyd first, as she is the one who encourages Martin Boyd, who, along with Sebastian O'Kelly, has created the Leasehold Knowledge Partnership. They have also got better retirement solutions to deal with exploitation in the retirement market. Without them, I do not think that those MPs who have been trying to organise would have got even halfway as far as we did.

I also pay tribute to the National Leasehold Campaign, and to Jo, Katie and Cath, who provided that spark and allowed the north-west MPs to understand the strength of the issue. Together they and the north-west MPs have got both practical progress and media interest, which matters. If anyone at the BBC is listening to this debate, could they please nominate one or two housing experts with whom we could interact? Often when things come up in this part of the housing field, we do not know who to talk to. We do in health, finance and politics, but we also need it in housing.

I should also mention Gavin Barwell, who, both as Housing Minister and as chief of staff to the Prime Minister, got the Departments to start moving and told LEASE at its conference that it was to be unequivocally on the side of leaseholders. Martin Boyd has given a direct list of the number of times when LEASE, through its conferences and in its publications, allowed—and, I would say, encouraged—expertise in how to exploit residential leaseholders.

I declare an interest, as I constantly do: if I ever forget, please correct me. I own a lease—actually, I have paid for a lease in my constituency. As it happens, the other five leaseholders and I have bought the freehold. We had a good freeholder and a good managing agent, and we are happy. I have contracted to buy a leasehold flat that is being built and may be completed in three years' time. If there is a restriction on ground rents, I might benefit from that as well. That is not the reason why I support the Labour party's policy in this area. In a different debate, I could have a knockabout with Labour on some of their failures on housing, but on leasehold I think the interaction between the Government, the Opposition and Back-Bench MPs will lead to significant progress, unmatched since George Thomas, Lord Tonypany—one of your predecessors, Mr Speaker—campaigning on leasehold abuse in his first 20 or 30 years in Parliament.

There is not time in this debate to deal with all the issues, but I hope that the Chair of the Select Committee will accept praise from the whole House for the way that they, with their witnesses and advisers, have produced a report that exceeded expectations and pretty well met the needs of the situation. I encourage everyone to read that report, including the reasons for its recommendations, and say, "Let's get on with it."

I want to add to the list of the goodies Bob Bessell of Retirement Security. He has developed well over 1,000 homes for people in retirement with security and

without ground rents. I give notice to my hon. Friend the Minister on the Front Bench that perhaps in another parliamentary Session we should return to the issue of ground rents, which the Government seem to have been persuaded are necessary by Churchill and other retirement developers. If Bob Bessell can do it for well over 1,500 homes, so can Churchill, McCarthy & Stone and the others.

I do not know how much money the firms have spent on lobbying, and I know that one of them may indirectly have given what appears to be a rather large donation to LKP—we will come to that on another occasion—but they have spent an absolute fortune trying to trip up the people who are the goodies in this campaign. I am glad to speak after my friend the hon. Member for Poplar and Limehouse (Jim Fitzpatrick) and to say that he is one of the goodies, together with the hon. Member for Ellesmere Port and Neston (Justin Madders) and the right hon. Member for Kingston and Surbiton (Sir Edward Davey), a candidate for the Liberal Democrat leadership who was a Minister under the coalition Government. They have helped as well.

We have to realise that until we can get LKP to be respected by the present chair of LEASE we will only get half as far as we can, because while that sore is still there the Government cannot expect to get the full benefit that LEASE should give and that LKP is trying to give. I make this suggestion, which is not for the Minister to answer today. Invite—and if she will not do it, instruct—the chair of LEASE to invite the chair of the Leasehold Knowledge Partnership to come to the LEASE office, and meet the LEASE staff. If there are problems, they can then be resolved quietly, and we will know that we can go on co-operating. That seems the simplest way of dealing with that problem.

4.18 pm

Liz McInnes (Heywood and Middleton) (Lab): I am grateful for the opportunity to take part in this important debate and I thank my hon. Friend the Member for Sheffield South East (Mr Betts) for his excellent speech and for all the work done by the Select Committee.

I took part in a similar debate in December 2017, just after the Government had announced for the first time an end to leaseholds for new-build houses, but there is still a huge amount of work to be done to help those caught in the leasehold trap, like many of my constituents. I first became aware of the issue in 2016, when I was contacted by a constituent, Linda Barnes. She told me that her house, which she had bought from Taylor Wimpey in 2011 for £147,000, had a ground rent that doubled every 10 years and that had been sold on by Taylor Wimpey to E&J Estates. Linda had been quoted a price of £35,000 to buy the lease before it doubled—that is a quarter of the value of her house.

I heard from another constituent, Jonathan, who bought a house from Countryside Properties using the Government's Help to Buy scheme. Jonathan said that he had been made aware that the development was to be leasehold and that an annual ground rent of £200 was payable to Countryside Properties. Six months after he moved in, Jonathan received a letter informing him that the freehold had been sold on to a company called Tuscola Ltd, based in the British Virgin Islands. He was quoted a price of more than £6,000 for the freehold. He also discovered a doubling clause in his lease which

[Liz McInnes]

meant that by 2055, the ground rent would be £1,600 a year. That is naturally causing him a great deal of concern, because by the time he reaches retirement age, his ground rent will be unaffordable and will make his home unsellable. As Jonathan said,

“Considering the significant cost of new homes one would have thought that the last thing one should worry about is the land the house sits on and that it can seemingly be sold on from underneath you.”

I have been contacted by many of Linda’s and Jonathan’s neighbours, and they all tell the same story: that they were encouraged to use the developer’s choice of solicitor when they bought their homes, that they were not informed of the doubling clause, and that the prices that they are being quoted for the purchase of the freehold are simply unaffordable.

Many residents are rightly angry that the developer sold off the freehold to a property investment company without first consulting the homeowners and offering them the first chance of purchase. Many pointed out that the leases on their homes are for 250 years; if the ground rent doubles every 15 years, it will be £13 million by the end of the lease. If the Government do just one thing, they must ban this exponential growth in ground rents. I heard from Lee, who told me:

“We are unable to sell our house...as the true nature of this mis-selling has now been revealed. We have a 10 year doubling ground rent on our house that is now known to be toxic. The only option currently offered by Taylor Wimpey is to convert us to an RPI lease and somehow this is supposed to remedy their wrongs.”

William, who contacted me, has also been offered an RPI ground rent. He took advice from a barrister who said that although it was not a good deal, it was better than a doubling ground rent. He advised William to accept the RPI deal and take out a professional negligence claim against the solicitors, who had been recommended by Taylor Wimpey. So my constituent is now embroiled in a professional negligence claim and an unsatisfactory ground rent deal, when all he wanted and aspired to was a home of his own. He points out that he is paying, in addition to his mortgage, estate management fees, service charges and ground rent in what was supposed to be an affordable home—but it is not all about money. William said:

“This is causing so much mental stress and is affecting the quality of my life with worry.”

Sir Geoffrey Clifton-Brown: One of the worst scandals of all has not yet come out in this debate. When people buy their houses, part of the contract states that they must obtain a compliance certificate before they will be allowed to sell them. If they are in arrears with any of the charges that the landlord has imposed on them, if they are in dispute or if they have not paid the interest, they will not be able to obtain the certificate, and they will not be able to sell their houses.

Liz McInnes: The hon. Gentleman speaks from a position of knowledge, and I am grateful to him for introducing an issue that does not feature in my speech.

I have been contacted by many other constituents with very similar stories. Sarah said:

“The Leasehold itself makes me feel like the property isn’t ours, having to pay fees for the most simple changes to your house, like painting the door and changing its colour...The leasehold is simply a joke and should never be allowed in law to happen to New Homeowners...or anyone.”

The north-west has one of the highest percentages of leasehold new-build homes, so sadly it comes as no surprise that so many of my constituents are struggling. We in the Labour party have said that we will abolish ground rents for new leases, will cap ground rents for existing leases at 0.1% of the property value up to a maximum of £250, and will introduce a simple formula for leaseholders to buy their freehold or commonhold, capped at 1% of the property value. We will crack down on unfair fees and contract terms, and will introduce new rights for residents to take over the management of their homes themselves.

Will the current Government do the same, and end the misery of the leasehold trap? Will they also launch an inquiry into how this was allowed to happen, similar to their inquiry into the mis-selling of payment protection insurance?

4.24 pm

Justin Madders (Ellesmere Port and Neston) (Lab): I am delighted to take part in today’s debate on an issue close to my heart, having first been contacted by constituents back in March 2016 and having campaigned with the APPG of which I am proud to be the vice-chair under the wise stewardship of the hon. Member for Worthing West (Sir Peter Bottomley) and my hon. Friend the Member for Poplar and Limehouse (Jim Fitzpatrick). With the Leasehold Knowledge Partnership and the National Leasehold Campaign we have shone a light on these issues over the last three years. It has been a long journey. We have had some successes, but the further we have travelled the more deceptions, scams and greed we have uncovered, and the more it has become crystal clear that this has been nothing short of a national scandal.

As my hon. Friend the Member for Leigh (Jo Platt) mentioned, first there is the serious impact on mental health. A survey carried out by the National Leasehold Campaign found that 90% of leaseholders thought about their leasehold problems every single day and about a fifth thought of self-harm. We must never forget the human cost of all this.

It saddens me to say that while the Select Committee inquiry brought a sense of vindication and indeed hope among all those who campaigned on this issue, the Government response feels tepid in comparison. An example of that is the response to the Committee’s conclusion that leaseholders were treated as a source of steady profit, because it is not good enough just to say that the Government have noted the conclusions of the Committee. One campaigner said to me, “How do they think that makes us feel?” Having waited four months for a response, I agree.

We have had voluntary codes, which are doing some good, but that is not enough, and an example that has come to light recently in a new Redrow development just down the road from where I live shows why we need to do more to enforce these changes. The first phase of the development was sold on a leasehold basis—goodness knows why—but following some pressure locally, Redrow agreed that subsequent phases would be freehold and all those who had purchased leasehold properties would be able to purchase the freehold at 26 times the ground rent after two years; that was still too high, but at least Redrow was prepared to sell it back rather than send it to an offshore investor.

Several constituents have now contacted me because after the offer was made they inquired of Redrow whether they would still need to pay the ground rent during that two-year period and were told they would not need to, but now Redrow is sending out bills and denying ever having said that. That is rubbing salt into the wounds, because it has also asked for a legal contribution to its costs, and is refusing to disclose any information about other covenants that might go with the land should it purchase. That, along with the fact that Taylor Wimpey has got rid of doubling ground rents but has still left itself in control of advantageous leases, shows me why we need legislation. We cannot have confidence that the developers, who, after all, are the authors of this racket, can put right the wrongs they have created.

I look forward to hearing the outcome of the Competition and Markets Authority investigation. There is plenty of evidence out there for it to conclude that this was a deliberately constructed income-stream effort. I have seen many documents talking about leases being optimised. It does seem to me that there was a deliberate strategy here.

Jim Fitzpatrick: Does my hon. Friend agree that one of the difficulties now is that though the CMA intervention is very welcome, it is going to take time, and its consultations and engagement just put everything back? It kicks the can down the road in a Parliament where we are not doing an awful lot of legislating.

Justin Madders: My hon. Friend is absolutely right. I do not see that we need to wait for the Competition and Markets Authority investigation to conclude before we come up with tangible legislation to help leaseholders now. It is important that that investigation is carried out, however, because I think it will shine a light on wholesale practices. I have seen evidence such as the CBRE market review of 2013 saying that “leases had been optimised” in terms of rent review clauses, notice fees and other provisions to maximise freehold sale receipts for developers. It talked about soft income being generated from insurance premiums, commission, service charges and enfranchisement premiums. There is clearly an industrial-scale racket going on, and it is important for the future of the industry that we get to the bottom of it and find out who is responsible and make sure that they never get the chance to do it again.

Perhaps what is most concerning in this respect is that evidence has emerged of what are described as forward purchase agreements. These are contracts between an investor and a house builder to acquire a scheme before the individual units have been sold off on long leases. These agreements can often be in place as construction is ongoing, or even before commencement. It would be interesting to know which developers had forward purchase agreements in place before completion of their developments, because if they did they surely had a responsibility to inform the prospective leaseholder prior to their making their purchase that such an agreement was in place.

Instead, what we have heard from constituents is that they were told the exact opposite: they were told freeholds would be available to purchase after two years. Was this a deliberate deception? What did the sales staff know? Just how deep does this scandal run? For those reasons and more, we need a fully independent inquiry into the

whole scandal so that those responsible are held to account for their actions and we get a house building sector that works for everyone, not just itself.

Bob Blackman: I thank the hon. Gentleman for his contribution thus far. One aspect that has not come out during this debate, however, is the excuse used by developers about the use of common areas that need to be built on or utilised for the common purposes of all the houses in the development. Does the hon. Gentleman agree that that scandal needs to be exposed as well?

Justin Madders: The hon. Gentleman is absolutely right to say that that is used as an excuse. When I was growing up, the common areas were usually run by a body called the local council, and rates or council tax would be paid to cover the costs. We need to look at the way that has been developed in recent years. Now, it is all about maximising profit.

I appreciate that we are pressed for time, so I will conclude by making a direct plea to the Minister. If the Government are serious about ending the abuses in the leasehold sector, they should adopt my party’s proposals to allow leaseholders individually or collectively to buy their freeholds under a fixed formula paid to the landlord. This is similar but not identical to my 2017 private Member’s Bill. The Government could also cap existing ground rents at £250 a year or 0.1% of capital value, whichever is lower, and cap the cost of buying the freehold at 1% of the capital value. Alternatively, they could just do a multiple of the ground rent. I am not precious about my private Member’s Bill; I just want to see something done—anything that gets us to a place where existing leaseholders can find a way out of this.

There are many things that can be done—there are many things that need to be done—and there is no reason why we cannot get on with them now. Parliament has been stuck in a rut for months because the Government have lost control of the Chamber, but if they came forward with a proposal along the lines we have been talking about today, there is no doubt that they would find more than enough support on both sides of the House for getting real tangible laws on the statute book as soon as possible to offer help and hope to the many thousands of people still stuck with toxic leases. I say to those on the Government Front Bench: work with us now; let us end this scandal once and for all.

4.31 pm

Lyn Brown (West Ham) (Lab): The issues that colleagues have been raising across the Chamber today are very familiar to my inbox. My constituents have been affected by exactly the same issues, and I want to tell a couple of stories to illustrate them.

Mary told me that she was really lucky to be able to buy and move into her flat in 2013. Since then, her joy has been marred by the failings of the freeholder year after year. Service charges have increased by 33% in five years, with no change in the frankly dire service that is provided. Mary and other residents pay £4,500 a year but must deal with broken lifts that are not fixed for months at a time. Disabled residents have had to move out of the block. The doors to common areas have been left broken, allowing access to anyone and leaving residents vulnerable to antisocial behaviour in common areas and in stairwells. Rough sleepers understandably see

[Lyn Brown]

this as an opportunity for shelter. We all know just how much rough sleeping has escalated over the past nine years due to austerity, but people sleeping in stairwells is an obvious fire risk, with sleeping people and belongings blocking the stairs.

Mary and her neighbours have no effective way of communicating with the management. She has not been allowed to ask about items on bills that double or triple in cost for no apparent reason. She has not been allowed to hold service providers to account—companies to which the residents pay thousands of pounds a year simply do not do their job. There is a pattern. Mary sees maintenance problems deliberately being left unfixed, because that means that residents pay a second and third time for call-out fees. As leaseholders, she and her neighbours have little power to stop people ripping them off. Three others from Mary's block have written to me with exactly the same concerns, and one has been dealing with them for 15 years.

Another local leasehold block has cracked and faulty pipework for water and heating. Some flats completely lose water pressure, leaving residents unable to wash, clean or even fill a kettle. Others are roasting in hot weather because the heating is constantly left on in the walls—an appalling waste of energy and residents' money, and a health risk. The average temperature in one corridor is 30°, and residents can ventilate it only by keeping a fire door open. We all know how dangerous that is. The block goes uncleaned for weeks at a time. Flawed waste disposal means that that rubbish piles up, and the block has not been decorated in years. It is dire.

The management company has a clear responsibility to provide the service, but it ain't happening. Residents complained more than a year ago, but nothing was done and now we are back in summer when the heating and ventilation problems will again be at their worst. They come to me, but what powers do I have to make the management company behave? I do not have any, because the law is not there. The management company has a clear responsibility to provide these services. These are homes, and flawed laws should not prevent people from working together to keep their blocks clean and safe. Their only option is to write begging letters to a distant hands-off freeholder to ask them to intervene.

Rahima tells me that she feels like a prisoner in her own home because of an extortionate and, frankly, disgusting clause in her leasehold contract that doubles the ground rent. It started at £200 a year, and she was deceived into believing that it would stay that way, but actually it will keep doubling and doubling, eventually reaching £6,400 a year—completely and utterly unaffordable. It could make it impossible for her to remortgage or sell. I could go on and on because, frankly, I have got the case load. All the constituents who have contacted me have seen paltry commitments from this Government, but they are not enough to free residents from the injustice of the leasehold system.

However, I am really proud of Labour's new proposals. When we get into government, Rahima will not be facing that doubling of ground rent, because we will cap existing ground rents at never more than £250 a year. Mary and her neighbours and many others will gain power over the management of their blocks—no more extortionate opaque service charges, but a clear right to challenge poor services, and a right to come together to

buy out the freeholder and establish commonhold ownerships. My constituents need radical solutions, and if this Government will not provide them, our Labour Government will.

4.36 pm

Sarah Jones (Croydon Central) (Lab): I congratulate my hon. Friend the Member for Sheffield South East (Mr Betts) and all the other members of the Housing, Communities and Local Government Committee on such a powerful report, and I thank the 700 or 800 people who got in touch with the Committee to give their views. We have heard this afternoon how powerful the feelings are across the country. I thank the APPG, of course, the Leasehold Knowledge Partnership, of course, and the National Leasehold Campaign, of course, all of which have done extraordinary work in this area. I also pay tribute to all the Members who have spoken today, but I give particular thanks to the Conservative Members on the opposite side of the House. It is not necessarily comfortable for an MP to stand up and call for action from their own Government, but they have done that well and with dignity and great conviction.

We have all heard some of the stories many times, and the time has come to act. One in four homes in this country are leasehold homes, which means that up to 6 million people have basically bought homes that they think they own when they do not. We have heard horrific cases of people trapped in homes they cannot sell, people being ripped off with extortionate service charges, and people being threatened with eviction for absolutely no good reason.

No other major economy has this feudal-style system. Every other major economy has moved away from leasehold and towards fairer, more transparent systems of ownership. Scotland has abolished leasehold, transferring all properties held on long leases to outright ownership, and action has been taken in Northern Ireland. Other countries have demonstrated that alternative models of ownership can work. There are co-op models, and the Australian system has spread to other countries—Canada, New Zealand and Singapore. This is being done everywhere else, but not in the UK.

This week, the Labour party announced a policy that will bring leasehold into line with every other major economy, and I brought a copy of the document with me today. We do not have many printed copies, but I have one here for the Minister, because she will hopefully appreciate reading it. We talked to the Law Commission. We spent a lot of time listening to the debates, reading the Select Committee's report, and listening to the APPG and the campaigners, and we talked to property lawyers. Our policies are comprehensive and sensible, and worth being looked at by the Government. There are two parts, and the first is what we do with new leasehold properties going forward.

Of course, there is no argument at all for new leasehold houses. We should be looking to abolish new leasehold flats, too. The second part of the package, of course, is to help the up to 6 million people living in leasehold homes by giving them new rights and saving them thousands of pounds.

The Government have paid lip service to this. They know the system is broken and they have acknowledged the problem, but they have failed to act. As my hon. Friend

the Member for Leigh (Jo Platt) said, they have made over 60 announcements on leasehold since 2010, but none of their proposals is aimed at helping the 6 million people trapped in leasehold homes right now and none of their proposals has led to any legislation.

Going beyond that, as has already been mentioned, the Government are actually propping up the system. The number of leasehold homes is increasing and £1 billion of Help to Buy money has gone directly to new leasehold homes, which is nothing less than a scandal.

As my hon. Friend the Member for Heywood and Middleton (Liz McInnes) said, Labour proposes to end the sale of new leasehold houses, with direct effect, and to legislate to end the sale of new leasehold flats. We want existing leaseholders to be able to buy the full freehold ownership of their home for no more than 1% of the property's value. Where does the 1% figure come from? It was suggested by the Law Commission; it is well evidenced; and we think it could work.

Labour would end ground rents for new leasehold homes, and as has been said, we would cap them for existing leaseholders at 0.1% of the property's value, up to a maximum of £250 a year. Again, where does that come from? It comes from the Select Committee, and the hon. Member for Walsall North (Eddie Hughes) has tabled the Ground Rents (Leasehold Properties) Bill, too. Again, the proposal is well evidenced and sensible.

Labour would give new rights to empower leaseholders to hire and fire their managing agent, or to take over the management of their home themselves. Importantly, we would crack down on unfair fees and contract terms by publishing a reference list of reasonable charges, not dissimilar to that which the Government introduced in the Tenant Fees Act 2019. We could have a similar system. We want to see transparency, which we would introduce on service charges, and we want to give leaseholders a right to challenge rip-off fees. As we have heard, such fees are complex, difficult and expensive.

We think the formulation of acting “whenever parliamentary time allows,” after nearly 10 years of Conservative government, is unacceptable. As the hon. Member for The Cotswolds (Sir Geoffrey Clifton-Brown) said at the start of the debate, this feudal system has been in place for around a thousand years. After a problem has existed for a thousand years, parliamentary time should allow for us to act. As my hon. Friend the Member for Ellesmere Port and Neston (Justin Madders) said, Labour Members and Conservative Back Benchers would support such legislation if it were introduced by the Government.

I end with a series of questions, which I would be grateful if the Minister answered. Does she recognise that we are the only developed country in the world that has failed to move away from the feudal leasehold model? Does she accept that the number of leasehold homes has gone up, and is still going up? Does she accept that 100,000 people are trapped in unsellable homes because of the leasehold scandal?

Chi Onwurah: Some of them of my constituents.

Sarah Jones: Exactly. If the Minister does not accept that 100,000 figure, what work is her Department doing to understand what the number is? What possible reason can she give, after the 60 announcements and the body of evidence we have heard of today, for legislation not

having been introduced? When will the legislation be introduced? Can she confirm that none of the Government's proposals will help the up to 6 million people who are currently leaseholders, and what will she do about it? England is the only place in the world that has failed to move away from this system, and it is time we caught up.

4.44 pm

The Parliamentary Under-Secretary of State for Housing, Communities and Local Government (Mrs Heather Wheeler): First, I wish to thank all the hon. Members for their detailed contributions on an issue that affects so much of England; nobody can fail to be moved by the stories we have heard today. Obviously, I wish to thank the hon. Member for Sheffield South East (Mr Betts) for raising this issue and for his work as Chair of the Select Committee on the recent inquiry and the 18 contributors today.

There are more than 4 million leasehold properties in the UK, and leasehold tenure allows people to complete the journey towards ownership. As many Members will know, the Committee's report contained a number of recommendations concerning both existing and future leaseholders. The Government have welcomed, considered and responded to the recommendations, and we will now press ahead with our programme of reform.

When we first announced our plans to reform the leasehold sector in December 2017, we said that we wanted to get the detail right. That is why we consulted last year on the implementation of our proposals, including the leasehold house ban and ground rent reduction. We received nearly 1,300 responses, many of which were from leaseholders hungry for change. The responses have also allowed us to fine tune our proposals, which will remove many of the current injustices from the future leasehold market.

We will go ahead with our original plan to reduce ground rents on future leases to a peppercorn, as opposed to £10. Through the Committee's inquiry and our own consultation process, it has become clear that a peppercorn is clearly understood and is best for the consumer—this is a peppercorn of zero. In practice, this will mean that leaseholders will no longer be charged a financial sum for which they receive no material benefit. It will also remove the current financial incentive for developers to build leasehold properties, as ground rent income will no longer present a lucrative profit stream.

Maria Eagle *rose*—

Mrs Wheeler: I will not give way, as I have a lot to get through and I believe I have some answers for people.

On the leasehold house ban, I am pleased with the profound impact our original announcement and the work of campaigners have had on the market. When we made the announcement in 2017, 11% of new build houses in England were sold as leasehold, whereas today the figure stands at 2%—I repeat that it has reduced to that level. Despite that progress, we will still legislate to ensure that in the future—save for in the most exceptional circumstances—all new houses will be sold on a freehold basis. Developers will no longer be able to use leases on houses for their own financial gain, a practice that had become the norm in some regions of the country and, as we appreciate, particularly in the

[Mrs Wheeler]

north-west. These reforms will remove the incentives for developers and freeholders to use leasehold to make unjustified profits at the expense of leaseholders, and we will be pressing ahead as soon as parliamentary time allows.

On the matter of where ground rents are so high that it—

Sir George Howarth: On a point of order, Mr Speaker. The Minister has just said that she would want to press ahead as soon as parliamentary time allows. I wonder whether you could confirm that the one thing this Parliament is not short of is time.

Mr Speaker: If it were for the Chair to decide, I would happily allocate time to all sorts of worthy purposes, but, sadly, the powers of the Speaker do not extend that far. If the right hon. Gentleman is bidding to increase my power, far be it for me to say no.

Mrs Wheeler: Thank you, Mr Speaker. Time is rocking on, so I will rush. We have been talking today about a situation where the ground rent is so high that it becomes an assured shorthold tenancy and so people can be evicted. The Government have committed to changing legislation to close that loophole, so that a leaseholder cannot be evicted on that basis. I am glad to answer that one.

We will not stop there. As our recent publications show, these reforms are only one part of the plans we have for the leasehold sector. This is why we were able to accept, in full or in part, most of the recommendations made by the Select Committee. Let us consider the work Lord Best is doing on the regulation of property agents. His working group is looking at a number of things, including having an independent regulator with a legally enforceable code of practice, which will require all property agents to register; and nationally recognised qualifications for property agents to practise.

We have also asked Lord Best's group to look at the transparency of service charges, as well as the use of administration and permission fees, and consider in what circumstances they are justified and whether they should be capped or banned altogether. This work will allow us to raise standards of property management and give leaseholders the confidence that they are being charged fairly—both things that were called for by the Select Committee. We look forward to receiving Lord Best's report, which will also be published for all to see very shortly.

On charges, it is unacceptable that some residential freeholders are unable to challenge excessive fees for the maintenance of their estates. I am happy to confirm that under the new legislation, freeholders will be given the right to challenge the reasonableness of such fees. They will also be able to apply to tribunal for the appointment of a new manager. This will help to increase the transparency, accountability and reasonableness of fees, which is something else the Select Committee wanted to see.

I understand that many existing leaseholders want the Government to legislate to amend onerous ground rent terms. As I pointed out previously, the inclusion of legislation to amend existing contracts presents problematic human rights implications, as has been made clear in

the information put out recently by the Law Commission. Despite that, I firmly believe that doubling ground rents are unacceptable and should be varied, which is why we are encouraging the sector to voluntarily vary leases and show that it is willing to solve the problems of its own creation. I have been encouraged by the response we have received. More than 60 leading developers, freeholders and managing agents have signed a public pledge that will free leaseholders from the shackles of doubling ground rents.

Sir Geoffrey Clifton-Brown: Will my hon. Friend give way?

Mrs Wheeler: I really do not have time. Unfortunately, there is other business that needs to be done tonight.

I am aware that many leaseholders believe they were mis-sold their properties. Many people write to me to say that the leasehold tenure was not properly explained and that onerous terms were not made it clear to them. Others were promised that they would be able to buy the freehold for a certain price after two years, only to find that had been sold on buy an investor in that time. I am delighted that we have a commitment of action from the Competition and Markets Authority, which will look into the issue. It will use its consumer protection powers to determine whether leasehold terms, including onerous ground rents and permission fees, can be classed as unfair. If the evidence warrants it, the CMA will consider bringing forward enforcement proceedings. I look forward to hearing about the CMA's progress and hope that its work complements the reforms we already have in train.

The issues I have just outlined show us that better information and advice is needed for potential and existing leaseholders, which is why we recently updated our "How to lease" guide, which now gives clear information on what leasehold tenure is, the costs associated with being a leaseholder and the rights and responsibilities that leaseholders have. This will give people a better understanding of what it means to be a leaseholder. If things go wrong, though, I want them to receive quality, free and independent advice, if they want it. I am pleased that many campaign groups have played an active role in this subject area, supporting leaseholders who have found themselves in difficult circumstances.

I specifically thank my hon. Friend the Member for Worthing West (Sir Peter Bottomley) and the hon. Member for Poplar and Limehouse (Jim Fitzpatrick) for their work as co-chairs of the all-party group on leasehold and commonhold reform, and I am grateful for their comments. We value the work of the Leasehold Knowledge Partnership and how it works with the Department. I am clear that LEASE is absolutely on the side of leaseholders. Its advice has helped many leaseholders to understand what is in their lease.

We have heard a lot today about the work of the Law Commission. The House should be confident that the Government are committed to improving the leasehold sector. Although leasehold as a tenure will continue to be used for flats, we have committed to reinvigorate commonhold, as mentioned by my hon. Friend the Member for Harrow East (Bob Blackman). The Government support the wider use of commonhold, which allows homeowners collectively to own and manage the common parts of a residential building.

Although commonhold works well in other countries, there are currently fewer than 20 commonhold developments in Wales. That is because of deficiencies in our legislation; it is clear that reform is needed. For that reason, the Government are working with the Law Commission to make the legal changes needed to see more commonhold developments emerge. The Law Commission is currently analysing the responses to a consultation on that very subject, and I look forward to receiving its report. We continue to work with the Law Commission and to fund it, and we look forward to its conclusions.

As the House can see, we are pushing ahead with our plans to improve the system for leaseholders today and tomorrow. We will create a market that really works for consumers—one that is fair, simple and transparent. We are taking action now to ban the sale of leasehold houses through Help to Buy programmes. Homes England will negotiate contracts with all Help to Buy developers to rule out explicitly the building and selling of leasehold houses, except in the very limited circumstances when it is justified. On 2 July 2018, the Secretary of State announced that no new Government funding schemes would be used to support the unjustified use of leasehold for new houses, and that includes the new Help to Buy scheme from 2021. That announcement alone has brought down sales from 11% to 2%.

The hon. Member for Newcastle upon Tyne Central (Chi Onwurah) talked about her issues with the St Mary Magdalene and Holy Jesus Trust. I am very sorry that, obviously, my letter to her had not arrived by the time that she had written her speech. I have written to her in the past three days, so I am very sorry that she has not got it. It does clarify the position.

The Chairman of the Select Committee needs a couple of minutes in which to speak, so I will conclude. We will create a market that really works for consumers: one that is fair, simple and transparent. In that spirit, I thank hon. Members for their speeches and questions today. I thank my brilliant civil servants for all their hard work. I thank LEASE and all the committed people involved in this area, and I look forward to driving ahead with our programme of leasehold reform.

Mr Speaker: To wind up, I call Mr Clive Betts, the Chairman of the Housing, Communities and Local Government Committee, an august figure in the House.

4.55 pm

Mr Betts: I am not sure about that, Mr Speaker.

Certainly, I thank all Members who have made their contributions today and particularly those—I think it was all of them—who have expressed support for the Select Committee's report. I will pass those kind words back to all members of the Committee, particularly to our excellent Committee specialist, Nick Taylor, who has done so much work for the Committee on this issue.

The Minister said that we would get answers. I do not think that any of the answers went beyond what the Government have already said. I think that the clear message to the Government today is that what commitments they have made so far do not go far enough. There needs to be further action. Although we look forward to the reports from the Competition and Markets Authority, the Law Commission and Lord Best's review, a number of very key matters need addressing. It would be helpful if, eventually, the Government got round to saying, "Yes, we are going to do them."

There is a need to end onerous ground rents not just by voluntary agreement but legally. There is a need to end onerous permission fees not just on new properties, but on existing properties. We want the introduction of a clearer and simpler enforcement enfranchisement regime; action to achieve clarity and transparency in service charges and the process of buying leasehold properties; improvements and promotion of commonhold as the primary means of tenure for flats; and, finally, for heaven's sake, an end of forfeiture. If anything goes back to the feudal age, that is it, and ending it would be a clear symbol that we will have real action in this area.

Question put and agreed to.

Resolved,

That this House takes note of the Twelfth Report of the Housing, Communities and Local Government Committee, HC 1468, on Leasehold Reform and the Government's response, CP 99; welcomes the Competition and Markets Authority investigation into the extent of any mis-selling and onerous leasehold terms; believes there is no reason why the majority of multi-occupancy residential buildings could not be held in commonhold; calls on the Government to remove the incentives for developers to build new leasehold properties; and further calls on the Government to bring forward legislative proposals to amend onerous permission fees and ground rents in existing leases.

GCHQ Centenary

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

4.57 pm

Alex Chalk (Cheltenham) (Con): I secured this debate this evening because I wanted this House to have the opportunity to pay tribute to GCHQ in this its centenary year and, most importantly, to the staff who work there. They are some of the finest public servants anywhere in our country—people who work night and day, often at considerable cost to themselves and their families, to keep this nation safe. It is worth reflecting on what is meant by that expression. It means bluntly that there are people alive today able to return to their families who would not be able to, but for the skill and professionalism of those working at GCHQ. Some are British soldiers on operations abroad. Others are ordinary citizens who may never have had the faintest idea that they were ever in harm's way. There are others who have been protected from the devastation wrought by serious violating crime that shatters lives and robs innocence, and there are those who have been spared the anguish of seeing their jobs, livelihoods and futures destroyed by the actions of cyber gangsters and hostile state actors. That is what is meant by keeping our country safe.

Many of those professionals who have provided that blanket protection and security are my constituents. They work necessarily in the shadows, with discretion and professionalism. They are committed to the mission, but they do not chase recognition or plaudits. They do, however, deserve them. And I wanted us to send out the message, at this time and from this place, that they are admired and appreciated here in the democratic epicentre of the country they serve.

Sir Nicholas Soames (Mid Sussex) (Con): I agree entirely with everything that my hon. Friend has said, endorse it and give my profound thanks to those people. They do us honour all over the world; many countries depend on the work of GCHQ, for which they are eternally grateful, and we should be eternally grateful to those people for what they do in our name.

Alex Chalk: I am extremely grateful to my right hon. Friend, who makes an excellent point with his customary eloquence and force.

Dr Julian Lewis (New Forest East) (Con): I congratulate my hon. Friend on bringing this debate forward. Will he also pay tribute to the people who did so much in the predecessor organisation GCHQ during the second world war, and lived out their lives afterwards in complete secrecy, claiming no credit for their great achievements? I can remember the year 1974—two years before he was born—when the book “The Ultra Secret” revealed what had happened, by which time it was far too late for many of the people who had done those deeds to claim the credit they deserved.

Alex Chalk: I am very grateful to my right hon. Friend. Selflessness and discretion are the watchwords that so many of these dedicated public servants live by, and he has explained the point extremely well.

John Howell (Henley) (Con) *rose—*

5 pm

Motion lapsed (Standing Order No. 9(3)).

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

Alex Chalk: I give way.

John Howell: My hon. Friend mentioned cyber. Would he pay tribute, with me, to all those people who work in cyber, because that is the most incredibly difficult area to deal with, and they are doing us a great service?

Alex Chalk: I am very happy to do so, and I will come on to that in a moment. Let me make some progress now.

As the title of the debate suggests, GCHQ has been at the frontline of our nation's security for 100 years and, although based in Cheltenham, it is truly a UK-wide institution. Three of GCHQ's directors have come from Scotland. Scots were behind the founding of signals intelligence. The Director of Operations for the National Cyber Security Centre is Welsh. Today, GCHQ has sites across our nation.

The organisation was formed in 1919 under the original name of the Government Code and Cypher School, specialising in cyphers and encryption—securing our own codes and cracking those of our adversaries. As the engaging GCHQ Instagram stories have reminded us, cryptography and military intelligence are as old as war itself. The Spartans used cyphers. Julius Caesar did too. Elizabeth I's famous spymaster, Sir Francis Walsingham, used the methods of a 9th-century Arabian scholar, Abu Yusuf al-Kindi, to crack enemy codes. Shakespeare wrote in the play “Henry V”:

“The king hath note of all that they intend,

By interception which they dream not of.”

Those words are engraved on a plaque at Bletchley Park.

Back in 1919, the Government Code and Cypher School was the result of the merger of Room 40 in the Admiralty, responsible for naval intelligence, and MI1(b) in the War Office, responsible for military intelligence. It was said in one of the books that I have read on this subject to be,

“an eccentric mix of art historians, schoolmasters, Cambridge dons and Presbyterian ministers”.

In those days, being able to solve the *Daily Telegraph* crossword in under 12 minutes was, it appears, routinely used as part of the recruitment test; but of course we know that GC&CS broke the German Navy's codes, and famously it intercepted the 1917 telegram for German Foreign Minister Arthur Zimmermann that revealed the German plan to begin unrestricted submarine warfare in the north Atlantic, in breach of the commitment to US President Woodrow Wilson. That contributed to the US joining the allied war effort.

In 1939, GC&CS was given the name GCHQ to better disguise its secret work. In that year, shortly after Munich, Neville Chamberlain was given an intelligence report that showed that Hitler habitually referred to him in private as “der alter Arschloch”. Parliamentary decorum prevents me translating that, Mr Speaker, but I can say that that revelation, in the words of one diplomat, was said to have

“had a profound effect on Chamberlain.”

By June 1944, Bletchley Park had accessed the communications between Gerd von Rundstedt, the Commander of the German Army in the west, and his superiors in Berlin. The importance of decrypted German communications—known as the “Ultra secret”—which my right hon. Friend the Member for New Forest East (Dr Lewis) has referred to, to the war effort is universally recognised. It gave the Allies an invaluable insight into the enemy’s capabilities and intentions.

Of course, the world has moved on a great deal since then. In 1984, Denis Healey said in this House of Commons:

“GCHQ has been by far the most valuable source of intelligence for the British Government ever since it began operating at Bletchley during the last war. British skills in interception and code-breaking are unique and highly valued by...our allies. GCHQ has been a key element in our relationship with the United States for more than forty years.”—[*Official Report*, 27 February 1984; Vol. 55, c. 35.]

As the director of GCHQ said at an event I attended in London only yesterday, GCHQ might be 100 years old, but its time is now.

Sir Geoffrey Clifton-Brown (The Cotswolds) (Con): Will my hon. Friend give way?

Alex Chalk: I will in a moment.

That is because it is a matter of public record that in recent months and years GCHQ has detected and disrupted numerous threats against our country—from nuclear proliferation to cyber-attacks that could cause immense harm. It supports British troops, providing the vital nugget of information that can make the difference between life and death. It is reported to have played its part in the arrest and conviction of Matthew Falder, a prolific paedophile later described by the judge as “warped and sadistic” and sentenced to 25 years’ imprisonment. Nowadays, of course, defending our nation in cyberspace means having the ability to strike back—not just deterring the threat but sometimes disabling or even destroying it. Only recently, the director of GCHQ has stated that this has been used to suppress Daesh propaganda, hindering its ability to co-ordinate attacks and brainwash vulnerable young people overseas, no doubt including in this country.

I want to say a little about the solemn responsibilities that any intelligence agency has in this, our nation of laws—but before I do, I give way to my hon. Friend the Member for The Cotswolds (Sir Geoffrey Clifton-Brown).

Sir Geoffrey Clifton-Brown: On the comment by the director of the GCHQ that its time is now, does my hon. Friend agree that the threat against this country and its citizens is becoming ever more multi-faceted and ever more universal, that therefore the task that GCHQ undertakes on our behalf is ever more needed, and that we should pay tribute, as he has done, to the people who work there? I would like to pay particular tribute to my constituents who work there.

Alex Chalk: I am grateful to my hon. Friend, who puts the point well. It is an extremely complex threat landscape, but I am pleased that there are people working there—my constituents and his—who are equal to the task.

As I had begun to indicate, successive Foreign Secretaries have made clear their respect for GCHQ and their deep appreciation of its responsibilities. William Hague

perhaps put it best when, referring to the surveillance and interception decisions made by GCHQ and others, he stated in this House:

“If the citizens of this country could see the time and care taken in making these decisions, the carefully targeted nature of all our interventions, and the strict controls in place to ensure that the law and our democratic values are upheld, and if they could witness, as I do, the integrity and professionalism of the men and women of our intelligence agencies, who are among our nation’s very finest public servants, I believe they would be reassured by how we go about this essential work.”—[*Official Report*, 10 June 2013; Vol. 564, c. 34.]

He cited the work of the Interception of Communications Commissioner, who had said:

“it is my belief...that GCHQ staff conduct themselves with the highest levels of integrity and legal compliance.”

I believe that the Investigatory Powers Act 2016, which I and other hon. Members grappled with on entering Parliament in 2015, creates probably the strongest system of checks and balances and democratic accountability for secret intelligence anywhere in the world. In particular, the stringent judicial double-lock safeguard that I and others argued for means that the most intrusive investigatory powers require the approval of a judge—and that is exactly as it should be. That is not to say, of course, that mistakes will not be made—I am afraid that is inevitable whenever human beings are involved—but professional integrity and respect for the law are institutionally ingrained at GCHQ.

I want to say a word or two about the National Cyber Security Centre, which is superintended by GCHQ. Since the introduction of the national cyber security strategy in 2015, the NCSC has the mission of making the UK the safest place in the world to live and work online. It supports British business, with its “Small Business Guide: Cyber Security” providing guidance on improving resilience. Its “10 Steps to Cyber Security” guidance is now used by two thirds of FTSE 350 companies. And it is having success. The UK’s global share of phishing attacks has dropped from 5.4% in 2016 to below 2% in March 2019. In 2016, Her Majesty’s Revenue and Customs was the 16th most phished brand globally; now, it is 146th. That suggests the UK is becoming a harder target, thanks in large part to the work of the NCSC and GCHQ.

What about the impact on Cheltenham, my constituency? After the end of world war two, GCHQ staff reduced from about 10,000 to fewer than 1,800 and left Bletchley Park. They moved to Gloucestershire in September 1949, and GCHQ has had a continuous presence in Cheltenham ever since. In 2004, the famous “Doughnut” building opened—the largest secret intelligence building outside the United States. It is that impact on Cheltenham that I want to take a few short moments to talk about.

In 2013, when I was first selected to stand for Cheltenham, I thought long and hard about how I could try to make my home town better for the people who live there. One of the issues that really troubled me was that, of the 18 wards that make up the constituency of Cheltenham, three were in the bottom decile of income per capita anywhere in our country and had been for many years. Wherever we sit in the political spectrum, every Member has to have a plan for how to try to address that issue. It always struck me that GCHQ could be better harnessed to galvanise the local economy and generate the invaluable opportunities that can break the cycle of deprivation and turn lives around.

[Alex Chalk]

I then read a Policy Exchange paper called “Silicon Cities”, and the penny dropped that GCHQ could support a local tech cluster to foster start-ups in the growing cyber-security industry. That was the main message of a speech I gave to Gloucestershire businesses at local IT firm Converge in 2014.

How far we have come since then. In November 2015, George Osborne, then Chancellor of the Exchequer announced at GCHQ that Cheltenham would receive a cyber-innovation centre and cyber accelerator, which he described as

“an ecosystem in which our best people move in and out of institutions like this one, bringing the best minds and deepest expertise into the private sector, and the latest innovation back into government.”

That accelerator is now up and running, and 21 companies have been through it so far. Between them, they have invested £30 million and created valuable tech jobs.

As was always hoped for, this is now starting to catalyse the local cyber-economy. Hub 8—a play on Bletchley Park’s Hut 8—in the centre of Cheltenham is a new co-working space where start-ups in this £5 billion a year sector can scale up. Meanwhile, Gloucestershire College is now offering cyber-degrees accredited by GCHQ in collaboration with the University of the West of England. There are exciting plans for a cyber-park adjacent to GCHQ, with a GCHQ-avowed building close to the Doughnut, to anchor a local cyber-ecosystem. The plans continue to be supported by Government and the local borough council and are progressing at pace. The new frontier is cyber, and Cheltenham is uniquely well placed—through the presence of GCHQ and its connectivity to the midlands, the south-west and the Thames valley—to benefit from it, securing a better future for people of all backgrounds.

I now want to say a word about the extraordinary community work that GCHQ staff do. GCHQ is truly Cheltenham’s charity superpower. It has raised more than £1.5 million for charities over the last 10 years. GCHQ staff use their three days’ special volunteering leave a year to regularly volunteer at local charities. That has included supporting projects such as the hamper scamper, a Christmas scheme run by Caring for Communities and People that provides gift hampers to vulnerable families; the James Hopkins Trust Easter Egg appeal; and GCHQ’s Poppyfall installation, which was hanging in Gloucestershire cathedral last year and was incredibly and unbearably poignant. On 19 May this year, a charity bike ride from Bletchley Park to Cheltenham raised around £30,000.

To secure its future, GCHQ continues to recruit new generations of people with the right skills, aptitude and mindset. It sponsors the young entrepreneurs competition, which aims to encourage young people to think creatively and innovatively, with the final held at GCHQ. Its CyberFirst Girls competition had 40 finalists from 40,000 participants. Meanwhile, the NCSC has supported its first ever cyber schools hubs in Gloucestershire. I have seen their work, and it is incredibly uplifting and exciting to see young people engaged in such a dynamic way.

The UK may not have faced a category 1 attack yet—one that causes sustained disruption to the UK’s essential services or affects our national security—but the director said on BBC Radio 4 earlier this year that he thought it was a question of when, not if. Those seeking

to act against our country in that way or perpetrate organised crime know that this is a nation with the capability, partnerships and resolve to protect its citizens in accordance with our laws and values.

Sarah Jones (Croydon Central) (Lab): I am grateful to the hon. Gentleman for giving way. He is making a powerful speech and I am privileged to be here. A dear friend of mine is a senior official in the NCSC, and I know the important work done there. The hon. Gentleman is talking about protecting the institution in the future. We have been talking about the ever more complex and universal threat against citizens. Does he agree with me and many other Members who have spoken in recent days that it is incumbent on all of us as Members of Parliament to back up our excellent civil servants, fight the politicisation, in any form, of the civil service and give them all the support they need?

Alex Chalk: The hon. Lady makes an excellent point extremely well. The strength of our civil servants is their scrupulous independence and preparedness to serve political masters of whatever hue. We see that across our civil service and we see it very clearly at GCHQ. That is its strength and that is what we must safeguard.

The point I really want to emphasise is that this is a nation that can defend itself because it has the capability, partnerships and resolve to do so in accordance with the law and with our values, and it is able to do so because of the skill and integrity of those working at GCHQ.

GCHQ’s centenary just so happens to coincide with the 175th anniversary of the first use of Morse code to send a message between cities. It is, therefore, perhaps fitting that I should conclude by playing a message to GCHQ in the form of Morse code, which will last for 13 seconds:

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[... .. - - - . - - - / - - - . . . - . - . . . . - . . . . - . . . . - . . . . / - . - - - / - . - - - / - . - . . . . - . . . . - . . . .]
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Happy birthday to GCHQ.

Mr Speaker: I think the whole House is grateful to the hon. Gentleman for bringing forward this debate and for the way in which he has conducted it. We look forward to the Minister’s reply.

5.16 pm

The Minister for Europe and the Americas (Sir Alan Duncan): I am truly grateful to my hon. Friend the Member for Cheltenham (Alex Chalk) for securing this debate, and indeed for concluding it in such a unique historical way. He has the added advantage of being one of the few Members of this House who can actually reach the microphone above him.

Somewhat inevitably, given the nature of its work, GCHQ—Government Communications Headquarters, to give it its full name—has clocked up many extraordinary achievements, but some of them of course have to go unrecognised. Its brilliant, dedicated and creative staff do not receive the public recognition they truly deserve. In this, its 100th year, I am grateful for the opportunity, on behalf of Her Majesty’s Government, to rectify that as far as I can.

Parts of the agency’s illustrious past are now known. The codebreakers of Bletchley Park were pivotal to the success of D-day and directly responsible for saving so many allied lives. Throughout the cold war, GCHQ

adapted quickly to changes in technology, and helped to build the extraordinary security partnership that the UK enjoys today with the United States. For a century, GCHQ's dedicated service and expertise have protected us from many serious threats. However, as my hon. Friend has said, the future brings with it new challenges—from terror attacks and conflicts to hostile state activity on UK soil—and GCHQ intelligence continues to play a vital role in maintaining our national security and protecting our people.

In the past two years alone, GCHQ has helped to foil 19 sophisticated terror attacks. When Daesh exploited the internet to export extreme ideologies, GCHQ used a whole range of capabilities and degraded its ability to radicalise and recruit. The agency continues to identify, analyse and disrupt terror threats on a daily basis. In addition to combating terrorism, GCHQ takes a leading role in countering new hybrid threats to UK interests, such as the WannaCry ransomware attack launched by North Korean actors in 2017, and the Novichok nerve agent attack in Salisbury. As these threats to national, regional and global security evolve, so GCHQ continually learns and adapts, just as it has always done since its early days following world war one.

One thing that many people will perhaps be unaware of is the contribution made by GCHQ officers deployed in support of British troops. Indeed, the insights given by GCHQ intelligence officers to our military personnel have made a positive impact in every overseas conflict of the past 100 years and continue to do so today—I am pleased to see my right hon. Friend the Secretary of State for Defence in her place. That contribution is the reason why more than 300 civilian staff have been quietly awarded campaign medals for their support of military operations.

GCHQ also combats serious and organised crime—something responsible for more deaths than all other national security threats combined. GCHQ collaborates with law enforcement agencies such as the National Crime Agency and Her Majesty's Revenue and Customs. Their co-operation has recently resulted in the identification and arrest of prolific child sex offenders. That is just one example of their many successes.

GCHQ remains at the forefront of technological development as we enter the fourth industrial revolution. Agency director Jeremy Fleming said at Mansion House last month that

“this technology revolution is providing extraordinary opportunity, innovation and progress—but it's also exposing us to increasing complexity, uncertainty and risk.”

To defend us against those risks, GCHQ established the National Cyber Security Centre in 2016, as a single authoritative body, to provide cyber-security advice to citizens, businesses and Government. In October last year, thanks to diligent NCSC staff, the Foreign Secretary was able to attribute a range of reckless cyber-attacks to Russian military intelligence. Those attacks disrupted targets as diverse as a small UK television station and parts of Ukraine's transport system. The NCSC's ability to attribute such attacks diminishes the Russian military intelligence service's sense of impunity and undermines its domestic credibility.

Cyber-security is about protecting Government and commercial interests, but also individuals' personal data. The Government firmly believe in the right to privacy,

and the NCSC's advice and guidance help with this protection. End-to-end encryption provides billions worldwide with privacy and protection online, but it is abused by a minority to conceal criminal, terrorist and paedophile activity. That impedes the ability of tech companies to tackle harmful content and limits our agencies' access to the information needed to keep our country safe. Last November, we published a set of principles that set out how the Government will approach encryption. This is part of our desire to have an informed and open public debate about these technical challenges.

As with all our security and intelligence agencies, GCHQ is subject to democratic accountability and rigorous oversight. The Investigatory Powers Act 2016, which my hon. Friend the Member for Cheltenham mentioned, strengthened GCHQ's legal framework, so that oversight by both the Foreign Secretary and an independent judicial panel provides one of the strongest legal assurances in intelligence. GCHQ is a powerful and skilled organisation. We can be confident that it uses those powers lawfully, in line with our values and for the national good.

Sir Nicholas Soames: My right hon. Friend is making an excellent speech. Does he agree that the diligence, thoroughness and level of detail with which GCHQ and the other agencies do this work greatly adds to the credibility and authority of what they produce?

Sir Alan Duncan: As always, my right hon. Friend absolutely nails it. He is absolutely right, and I agree with his judgment about the way in which GCHQ goes about its business.

Perhaps most importantly, I would like to return to the people of GCHQ. They are not only brilliant and dedicated, but increasingly diverse and representative of the nation for whom they work. GCHQ is known to champion diversity of thought, which is vital for innovation and problem solving, and it is creating an inclusive culture where everyone can thrive. Since the days of Bletchley Park, it has been a good employer for women and it is actively working to recruit more. It is also, very proudly, a Stonewall Top 100 Employer. Two years ago, the agency attained the highest level in the Government's Disability Confident scheme.

The Government hugely value the diligence and dedication of all those who work for GCHQ. They keep us safe from terrorism, they fight serious crime and they protect our troops. They have consistently stayed one step ahead of technological advances. They conscientiously protect our security and our democratic values. I thank my hon. Friend for initiating this centenary tribute debate. He is known in this House as the hon. Member for GCHQ as much as he is the hon. Member for Cheltenham.

On behalf of the Government, I thank GCHQ, and everybody who works or has worked there, for 100 years' dedicated service. I am confident that they will continue to play a vital role in tackling the challenges of the future, to the great credit of the United Kingdom.

Question put and agreed to.

5.26 pm

House adjourned.

Westminster Hall

Thursday 11 July 2019

[MR NIGEL EVANS *in the Chair*]

BACKBENCH BUSINESS

National Shipbuilding Strategy

1.30 pm

Mr Kevan Jones (North Durham) (Lab): I beg to move,

That this House has considered the National Shipbuilding Strategy.

It is a pleasure to serve under your chairmanship, Mr Evans. I declare an interest as a member of the GMB trade union, which I have been for the last 30 years.

I was trying to think when we last had a debate on shipbuilding in the House, and it is quite a while ago. Part of the reason for that is the impression people have that the UK no longer builds ships—that shipbuilding is a smokestack industry that is a ghost of the past. I hope to put that image to bed in my remarks and, along with right hon. and hon. Friends who will contribute to the debate, to show not only that shipbuilding is an important part of our industrial sector, but that it also has a good future if it is given the proper support.

I also have to declare another interest. I chair the all-party parliamentary group on shipbuilding and ship repair. We have just produced a report on the national shipbuilding strategy, and I thank my fellow members, the hon. Member for Berwick-upon-Tweed (Anne-Marie Trevelyan), who unfortunately has another commitment today and cannot be here, but who has been a strong supporter of the group; my hon. Friend the Member for Plymouth, Sutton and Devonport (Luke Pollard), who was important in framing the report; my hon. Friend the Member for Glasgow North East (Mr Sweeney), who will be here later; and the hon. Member for Glasgow South West (Chris Stephens), who I am sure will speak for himself, and who has been a key contributor to the work of the group.

We produced the report earlier this year, and I thank the Confederation of Shipbuilding & Engineering Unions, who supported the document and its launch. I also pay tribute to the industry, the trade union movement, academics and the Royal Navy, who gave evidence for our report. On a personal note, and on behalf of the group, I thank Richard Steadman, my former assistant, who helped draft the report, and who has now gone to pastures new as a civil servant in the Department for Transport—for his sins—and his replacement, Conor Bunning, who also helped draft the report.

The report was important, not just to review the national shipbuilding strategy, which the Government adopted more than a year ago, following the Parker review, but to advocate for the industry. As I said, people think we no longer build ships in this country. Is the industry a lot smaller than it was? Yes, it certainly is. Just after the second world war, we produced more than 50% of the world's shipping. That went into steady decline, but the industry's footprint is still there—in shipbuilding yards in places such as Glasgow and Birkenhead, or over at Harland and Wolff—and related

industries still exist. In the area I represent—the north-east—Newcastle, Sunderland and the surrounding areas still have a lot of companies that are connected to the shipbuilding industry.

I thank the right hon. Member for Birkenhead (Frank Field), who unfortunately cannot be here, for supporting the application for this debate to the Backbench Business Committee and for being a strong advocate for the shipbuilding sector and its importance to his area, Birkenhead, on Merseyside.

The industry is now smaller and mainly reliant on Government naval procurement for its future. That is important, and there is a basic issue that we need to address: if we want the sovereign capability to build complex warships in this country, we have to invest in it.

It is important to highlight that the industry also has spin-offs into other sectors. When people see a ship being built, they concentrate on the hull and superstructure—what they can see—but the real value and expertise in a complex warship today are in not only what it is made of, but the through-life support. That creates jobs in a whole range of sectors and ensures that those jobs are maintained over the life of the ship.

We must protect skills; the sector cannot be successful, and we cannot keep our sovereign capability, without investment in skills. That is not just about skills such as welding, which are completely different to what they were 20 or 30 years ago—they are highly qualified, highly technical jobs. There are also skills in marine engineering, and that also has a spin-off, because that whole industry supports ships in this country and around the world. There is also project management. The two aircraft carriers that were built were a huge undertaking and could not have been done without very complex project management. We do that very well in this country, and we export that skill around the world.

Our skill in naval architecture is equally important, and has come to the fore with BAE Systems' new Type 26 frigate. Because of the design, the company has now won export orders from both Australia and Canada. The actual vessels may not be being physically built in this country, but that does not really matter. What is important is that the skills that have gone into designing the vessels and the combat systems, and the research and development that lie behind that, are kept. We also have a leading edge in information technology, and a unique capability in this country, because of the nuclear deterrent, in nuclear marine engineering.

If we want an example of what happens when the pipeline of orders is turned off, we see it in Barrow in the 1990s, when the decision was taken not to continue investing in the skills needed for building submarines. When we tried to pick up those skills for the Astute class, there were problems. I often say—some people might have heard me say it before—that these are complex skills; they cannot just be turned on and off like a tap when we need them. They need constant investment.

The industry today employs 32,000 people directly, contributing more than £2 billion to the UK economy, and there are many knock-on jobs. Type 26 is a good example. I counted more than 65 companies in the BAE Systems supply chain, and a lot of those companies are not located anywhere near the sea. We have steel from Bradford, roller shutters from Bolton North East, fire

[*Mr Kevan Jones*]

and flood detection systems from Manchester Central, and plate from Wolverhampton South East. Although we traditionally consider communities such as Glasgow and, in the past, Tyneside and Merseyside as where the shipbuilding industry is, that is not the case. It is a national endeavour now.

The other important point is that programmes such as the Type 26—I give credit to BAE Systems for its work on this—are spreading work around the country, and also putting work into small and medium-sized businesses. That is not just giving them immediate work; in some cases, it is giving them work for a long time to come.

As I said, the industry now relies mainly on naval procurement. Following my involvement with Swan Hunter on Tyneside in my early days, I could write a book about the mistakes that were made as we down-sized the industry. We had competition rules that ensured that yards competed against each other, which ultimately led to yard closures and the consolidation, quite rightly, of complex warship building on the Clyde. That is one of the things in the naval shipbuilding strategy I have difficulty with: we have to ensure that we do not make the mistakes of the past by trying to reinvent those competition-type rules.

The Aircraft Carrier Alliance was a very good example of how we can have the final assembly at Rosyth, but spread that work around the country—to Tyneside, Falmouth and elsewhere—to ensure that those blocks are built. In terms of Sir John Parker's reference to the new Type 31e frigate, I am not sure how that ship will be built in a block form, because it is quite small. However, the alliance shows that we can have a success story if we bring together people in the industry. Although the carriers were criticised for their cost, not only was the engineering undertaken remarkable, but the carriers were delivered on time and with techniques—if we look, for example, at the US's new carriers—that are years ahead in terms of the innovation and technology. That was because we have the skills throughout the country needed by the industry.

As I say, the old shipyards might have gone from areas such as the north-east, but the skill levels are still there. One of the key messages I want to convey is that, if we are to keep the sovereign capability and, separately, ensure that we have the skill base, we must have that throughput of work through the yards. It is important not only for the companies on the Clyde, but for the SMEs in the supply chain, because they can ensure that there is long-term work and invest in the skills and innovation that are needed.

I have asked many parliamentary questions of the Minister, who has been very helpful in his replies, and I think he is sympathetic to the case. The throughput of work is important, not just for skills, but to ensure that we have follow-on and that we do not get the situation we had with the submarine-building programme, when we lost that capability. We need to give industry the certainty that it can invest. If it has work going on into the future, it can make the right investment decisions.

I turn now to the issue of the fleet solid support ship. I pay tribute to the trade unions and others that have been lobbying for these vessels, which will be used to support our carriers, to be built in the UK.

Sarah Newton (Truro and Falmouth) (Con): The right hon. Gentleman is making a really good speech, and I congratulate him on securing this debate. I am sorry that duty calls for me to return to Cornwall and that I can only make this intervention and not a speech. I thoroughly agree with him. I am very proud that the Royal Fleet Auxiliary is based in Falmouth. As he says, we have a valuable through-life contract. I wholeheartedly agree that the ships should be built in the UK, and we are proud to have the opportunity to service them. It is vital to have such high-skilled, well-paid jobs in a peripheral area such as Cornwall, which has low wages. Those jobs are vital to our local economy. When decisions are made about procurement, they should be about not just the price tag on the vessel, but the contribution that those industries make to the regional economy.

Mr Jones: I am envious of the hon. Lady for going back to Cornwall. I spent my summer holidays there last year, and it is a wonderful part of the world.

Dr Julian Lewis (New Forest East) (Con): So is Durham!

Mr Jones: But Cornwall is, equally, very nice.

The hon. Lady makes an important point. It is about not just the build, but the through-life support. For a lot of the systems that we procure for the armed forces—certainly in shipbuilding—we look at the initial procurement, but we should also be looking at the through-life support. That is where the jobs are, and where the value is for the original, prime companies. As she rightly says, there is also value for smaller companies and others. If we are to spread prosperity around, we should see the contract as an investment in Britain. As she rightly argues, it is an investment in skills going forward. When looking at whether we can afford to make that investment, we should ask the Treasury, “What is the prosperity agenda?” The right hon. Member for Ludlow (Mr Dunne) did a very good report that tried to explain that the prosperity agenda should be linked to procurement in the Ministry of Defence. One of the GMB trade union's reports argued that 20% of the value of the fleet solid support contract comes straight back to the Treasury anyway, through taxes and national insurance.

That has to be taken into account, but it is the throughput of work that will ensure that the shipyards and supply chain are maintained. We have a great opportunity to do that with the FSS contract. Unfortunately, for reasons that I am not sure even the Minister understands or privately supports, it has been put out to international competition. We will make the same mistakes that we made in the 1980s if we think this will somehow lower the price or get a better deal. I am sorry, but no other country in Europe does the same thing.

We can dance on the end of a pin over whether EU procurement rules apply to the FSS vessels—I have made it very clear that they do not. The French have just ordered four new Vulcan class support ships. Did they think about putting that out to international competition or asking British yards to tender? No, they did not; they ordered them directly. It is the same for Italian and Spanish ships. That is the difference.

The South Koreans and Daewoo have now pulled out of the competition for the FSS contract, but we are not dealing with a level playing field. Those companies have huge amounts of Government subsidy, which is not open to UK shipbuilders. If we are to procure the ships and build them abroad, it is quite clear that the Exchequer will not get back 20% straightaway in tax and national insurance. We will also lose the ability to support our shipbuilding and ship repair businesses.

Since 2010, the Government's industrial strategy on defence has been disappointing. When I was a Defence Minister, I had the privilege of working with Lord Drayson, who understood this issue. As part of his wider industrial strategy on defence—I think it ran until 2010—he rightly argued that if we want to build complex warships in this country, we need to put in the investment, get the drumbeat of work going, and ensure there is certainty for industry.

Since 2010, we have been promised various defence strategies, but what we really need is an overarching defence industrial strategy. I know the Minister will say that the Department for Business, Energy and Industrial Strategy or other Departments are dealing with these things, but I am sorry: a particular strategy needs to be developed for defence industries, including the maritime sector.

Sir John Parker's strategy was an attempt but, as I said, I think it misses the point. It tries to reinvent some of the wheels of competition that failed in the 1980s. There is a fixation in the Ministry of Defence—I cannot understand where it comes from—with the idea, "Isn't it terrible to give the work to BAE Systems?" BAE Systems is the only company in the UK capable of building complex warships. There are ways of incentivising it, but also ensuring that we get value for money and that we have the necessary systems. The hulls are important and the steel is important, but being able to invest in combat systems, engine technology and other things related to shipbuilding is vital, because they are exportable.

The carriers were a good example of Babcock, Thales and BAE Systems coming together in an alliance that worked. I do not understand why that alliance should be broken up on completion of HMS Prince of Wales, which will happen soon. That alliance seems an obvious way forward in terms of skills for the FSS. I understand that the new Secretary of State wants competition to be reviewed, which is welcome. I hope we can get understanding of the points that I and a lot of other Members have made about the importance of shipbuilding in the UK.

Let me conclude where I started. This is a vital sector if we are going to keep sovereign capability for complex warship building in this country. It needs to be invested in. It is not a smokestack industry; properly invested in, it is an industry for the future. Off the back of contracts such as that for the fleet solid support vessels, I would like to see investment in not only technologies but skills. We need urgently to ensure that companies such as BAE Systems, which do a fantastic job of recruiting apprentices, have the certainty to invest in skills. If we do not, we will fall behind: even with the political will to build complex warships in this country, we will not have the skills to do so. As I said, we have only to look at Barrow and the submarine programme to see the problems with trying to regenerate skills from scratch.

I am pleased that we are having this debate and putting shipbuilding on the agenda. I hope that that incentivises the Government to make an early decision to award the FSS contract to British yards or a British consortium.

1.53 pm

Dr Julian Lewis (New Forest East) (Con): As an old schoolmate of yours, Mr Evans, it is a particular pleasure for me to contribute to this debate under your able chairmanship. I pay tribute to the right hon. Member for North Durham (Mr Jones) for continuing his relentless and entirely justified campaign to ensure that the defence footprint, particularly as regards naval shipbuilding, is not shrunk still further in this country.

Mr Evans, you will know, having been in the House even longer than me, that one of the few benefits of having spent more than two decades here is that we get to see trends over decades. What has happened with our naval shipbuilding does not make for a pretty picture. I remember the 1998 strategic defence review undertaken by the then new Labour Government of Tony Blair. It set out a policy for the Royal Navy that seemed to leave it in quite a winning position. Although the Royal Navy was asked to sacrifice three of its frigates or destroyers, thus reducing its total from 35 to 32, the review put forward the concept of carrier strike and amphibious strike, which meant that the two large aircraft carriers would be built.

Had it remained in that formulation, the Royal Navy would have had every reason to be satisfied. We all know, however, that that was not the case. Successive Governments reduced the total from 32 frigates and destroyers, first to 31, on the basis that these were much more capable ships and therefore 31 would be able to do the work of 32. When that little stratagem succeeded, the 31 were reduced to 25, and the 25 were then reduced to our present pathetic total of 19 destroyers and frigates—six destroyers and 13 frigates, to be precise. Before anybody starts lecturing us about the change in the nature of warfare, it is worth reflecting on the fact that one of those 13 frigates, HMS Montrose, is in the news today, having performed the very important function of protecting British shipping from Iranian attempts to respond to the impounding of a large vessel of theirs that was believed to be carrying contraband oil to Syria.

It is rather hard to have a strategy when we are dealing with only a relatively limited number of vessels, even though those vessels may well be much more potent, powerful and versatile than their predecessors. However powerful, versatile and potent they are, each can be in only one place at any one time, and that means that each can be built in only one place over a particular period. That makes it harder to have a versatile and flexible strategy to match those qualities in the ships that are being built.

One of the encouraging results of the publication of the national shipbuilding strategy was that, in identifying the general purpose frigate, the Type 31e—the cheap and cheerful version of the next generation of frigates—as one that should be designed for export, Sir John Parker, to whom we should again pay tribute for everything he did, also specified that, as a result of those vessels being built in modular fashion, they would be very flexible and adaptable over time to what is sometimes called

[*Dr Julian Lewis*]

incremental acquisition. In other words, we get the ship hulls built and get them out to sea, and then, over time, because we have built compartments in the vessels that can be used for a variety of purposes over a period of years, we sow the seeds of their future adaptability and additional potency.

We should remember that this was the first time there was talk of an increase in the total number of vessels. Instead of just being told, “We will be replacing 13 Type 23 frigates on a like-for-like basis,” we were told that there would definitely be eight of the Type 26, specialising in anti-submarine warfare, and at least five—not a limit of five—of the Type 31e general purpose vessels. It will be interesting to hear from the Minister whether there are plans to exceed the figure of five for the Type 31e.

Slightly less than a week away on Tuesday 16 July there will be another debate in this Chamber about defence expenditure. Of course, all these issues, including the important one about the fleet solid support ships raised by the right hon. Gentleman, generally come back to defence expenditure and—it must be said—the inadequacy of defence expenditure.

I regard it as one of the achievements of the Select Committee on Defence that, with members representing no fewer than four different parties, it has consistently come to the view, irrespective of party allegiance, that too little is spent on defence in the United Kingdom—far too little. Our expectations were managed downwards to such an extent that it was believed to be some sort of triumph when we did not dip below NATO’s basic recommended minimum guideline of 2% of GDP. To coincide with next Tuesday’s debate, the Committee will bring out an updated report, following on from our 2016 report in which we laid out the decline in defence expenditure as a proportion of GDP compared with rises in health, education and, above all, pensions and benefits, and how defence had declined in our scale of national priorities to such an extent that the size of the armed forces was becoming unsustainable.

The national shipbuilding strategy gives us an opportunity to reverse that decline, and I would be grateful to hear from the Minister what plans there are to do that. It will be no easy task, given that we will remove the Type 23 frigates from the fleet at the rate of one a year between 2023 and 2035. It will be no small task to replace each of those frigates at that sort of rate with a new, modern, complex warship.

Mr Kevan Jones: The right hon. Gentleman is talking about the number of ships. Does he agree that the crisis point in the Navy is also about people and not just in number? I referred to skills in the shipbuilding industry, but there is also a need for particular skills in the Royal Navy.

Dr Lewis: That is true, because if we fall below what one might call critical mass, we will not be able to maintain the necessary footprint to support the construction and manning of vessels on a consistent basis. That is why the question of the fleet solid support ships is so important. Those vessels can be classified as warships or, if we choose not to, simply as auxiliaries. We have that choice, and it is a choice that we feel, on a cross-party basis, it is necessary to exercise.

The trouble that the Ministry of Defence runs into is that every time a long-term strategic view suggests to it that we ought to make an investment of this sort, it runs up against the short-term imperative that the defence budget is so small that cuts must be made at every opportunity, even where, as in this case, they are short-sighted and storing up problems for the future.

Chris Stephens (Glasgow South West) (SNP): I thank the Chair of the Defence Committee for giving way. Is there not another priority for the MOD—the increased submarine activity we are seeing from Russia? The lack of Navy surface vessels could contribute to that. The modernising defence programme really needs to address that issue.

Dr Lewis: I entirely endorse what the hon. Gentleman said, and I am glad that he mentioned the modernising defence programme. I will take a moment to talk about that exercise. It was felt at the time that the programme was not a very substantial document, but it did rescue the armed forces from what I can only describe as a bureaucratic ambush laid out for it by something called the national security capability review.

Right hon. and hon. Members will remember that that mini-strategic defence review was an exercise that I believe began in 2017 and was conducted not by the Ministry of Defence but by the National Security Adviser, who is currently also the Cabinet Secretary. It was designed to consider security, intelligence, cyber-warfare and defence all in the round. I even heard Sir Mark Sedwill in front of a Committee on which I sat refer to a £56 billion defence and security budget, thus taking all the budgets and putting them together, as it were, in a single basket. There was only one snag with that. If the review decided, as it was minded to do, that much more money needed to be spent on what was called “21st century threats” such as cyber-warfare and ambiguous or hybrid warfare, as there was to be no extra money for anything, the already depleted conventional armed forces would have to be cut further.

The hon. Gentleman’s point is therefore particularly pertinent. Although we live in a world where we face new hybrid warfare, cyber-warfare and other highly technological threats we have not faced before, that does not mean that the traditional threats on the sea, under the sea, in the air and on land have gone away. It is a profound mistake to say that, just because we need to spend more money to meet novel threats, we can afford to spend less money to keep up the strength of our conventional armed forces.

I referred briefly to the Defence Committee’s original report from April 2016, entitled “Shifting the Goalposts?” that set out charts showing the decline in defence expenditure to barely 2%—and that figure was achieved only by including certain categories in the total, such as war pensions, that NATO guidelines allow us to include but we never previously chose to. We just scraped over the 2% line by doing that. I will not spoil the effect by revealing in advance what the new figures show, but believe me, they are not cause for great comfort.

We are now at a stage when we are expecting a change of Prime Minister. Every Prime Minister has a honeymoon period. Even the present one did—sadly, it did not last all that long. In this case, the person most likely to become the next Prime Minister projects an optimism, a sunny personality and a robust world view.

I suggest that all of us, from whichever party we are, should remain united on one thought—there will be a brief window of opportunity. There will be a moment when we will have a new occupant of No. 10 Downing Street who will be full of the joys of spring. This will be our chance to say that the great naval traditions, all those matters of history and all the events in which his great hero, Sir Winston Churchill, participated as First Lord of the Admiralty and later as Prime Minister will be laying, as another Prime Minister once said, the hand of history on his shoulder. What better way to shake the hand of history than to restore defence spending to its rightful place in the scale of our national priorities?

Mr Nigel Evans (in the Chair): Hon. Members will be able to tell that the right hon. Gentleman and I are old school chums because I gave him a bit of latitude to ski off-piste. I call Douglas Chapman.

2.10 pm

Douglas Chapman (Dunfermline and West Fife) (SNP): Thank you very much, Mr Evans; it is a pleasure to serve under your chairmanship. I will try to maintain as best I can the level of optimism displayed by the right hon. Member for New Forest East (Dr Lewis). I congratulate the right hon. Member for North Durham (Mr Jones) on securing the debate. I welcome the opportunity to talk about the great importance of this issue not only to the industry but to those who work in it and—from the perspective of a Scottish MP—to the Scottish economy.

As hon. Members will know, shipbuilding has been part of the industrial fabric of Scotland for most of the last three centuries. The world's highest-quality ships were once built on the River Clyde, where around a fifth of the world's ships were constructed in the early 1900s. As we all know, the industry's decline has hit Scotland hard, but there is still a sense of pride among Scots about our shipbuilding heritage. There are plenty of reasons why shipbuilding can and should survive in Scotland today. We have the talent and the infrastructure to take on large shipbuilding contracts, as we have seen in the construction of both aircraft carriers, and it is imperative that we maintain that capability as part of a sensible industrial strategy and defence strategy for future years.

If the Government are serious about protecting the future of shipbuilding and about the delivery of the shipbuilding strategy, they must award the contract for the fleet solid support ships to the UK consortium's bid. My views on the issue have been clear from the start: it was a huge mistake for the Ministry of Defence to tender the contract internationally. I maintain that position.

Francis Tusa, an expert from Defence Analysis, prepared a compelling report on behalf of the Confederation of Shipbuilding and Engineering Unions last year, setting out the case for the fleet solid support ships to be built in domestic shipyards. The report notes that retaining the contract in the UK would result in serious returns to the Treasury of up to £415 million—even by Treasury standards, that is not small beer. The report also points out that a yard in Rosyth, which is in my constituency, is big enough to accommodate those ships. That yard is

crying out for work to secure its future after the contract for the HMS Prince of Wales aircraft carrier comes to an end.

Mr Kevan Jones: Does the hon. Gentleman agree that the fleet solid support vessels are big enough to be built in block form, as the carriers were, with the work spread around the UK?

Douglas Chapman: Absolutely; the right hon. Gentleman makes a valid and accurate point. The Minister has visited Rosyth and has seen for himself what we have to offer, but he is assiduous and visits areas across the UK, so I am sure that that point will not be lost on him when decisions have to be made in future. The GMB estimates that if the support ships order were placed in UK yards, it would create up to 6,500 jobs. Not only would that help to protect the future of Rosyth but the benefits would be shared across the UK. A Government who say that they have a prosperity agenda at their heart must show that it is real and not just something that trips off their Ministers' tongues. It must be made real and must have a real impact on our economy.

The Government continue to roll out their tired old party line: "These vessels are not warships and are therefore subject to international competition." How can they peddle that myth when the Minister's predecessor confirmed in an answer to a written question that he expects the support ships to be fitted with close-range guns, such as the Phalanx? The Phalanx is a 20mm Gatling gun designed to shoot down fast anti-ship missiles, aircraft and fast-attack craft. To argue that a vessel fitted with such weapons is not a warship is difficult for everybody to fathom.

Like many hon. Members, I have repeatedly raised this matter, whether at Defence questions, via written questions, during debates in the Commons Chamber and in Westminster Hall, and again today. The Government must look at this again to be absolutely sure that they are making the right decision, not just for the future of the shipbuilding industry but for the prosperity agenda that they say is so important. I have also raised the matter with the Prime Minister during Prime Minister's questions, and followed up with a written invitation to her to visit Rosyth dockyard in my constituency, to see for herself the skills, talent and infrastructure that we have there to fulfil such a contract. To echo the right hon. Member for New Forest East, the new Prime Minister will receive an invitation as soon as he is appointed, and I hope it will be met with more optimism and will provoke a better response than last time.

My message has received cross party support. I tabled an early-day motion calling on the Government to restrict the support ships tender to domestic competition, and it was signed by Labour, Conservative, DUP, Plaid Cymru and SNP Members. I would be grateful if the Minister gave some reassurance that our plea for those ships to be built on these islands was not falling on deaf ears.

Although it is an island, the UK's ability to protect its own coastline is severely lacking. Scottish maritime territory accounts for 60% of UK waters, yet the UK Government have failed to maintain any surface vessel presence in Scotland. All Royal Navy vessels are based on England's south coast, so it currently takes more than 24 hours for a ship to reach us. I visited Devonport

[*Douglas Chapman*]

on Tuesday, and it took me half a day to fly there by plane. A 24-hour delay by ship is too big a risk for us to take with our national security.

I am not privy to diplomatic cables—I know that some people are—but I have heard rumours that the US are looking at developing a naval base somewhere in Scotland. Imagine the US having a larger naval presence or footprint in Scotland than the Royal Navy. If there is any truth in that rumour, we live in very strange times indeed.

The RAF Nimrod maritime surveillance aircraft were scrapped in 2010, and we are told that we would need to wait until 2021 for the full P8 fleet to be delivered. That is outrageous when, in recent years, incursions into Scottish waters have increased to their highest level since the cold war. Incidents of Russian transgressions into Scottish waters were reported in 2011, 2014 and 2019. The previous Defence Secretary admitted to the Defence Committee that

“Russian submarine activity in the North Atlantic has increased tenfold in recent years.”

Despite that, the Tories have perpetuated a nosedive in the number of Royal Navy ships from 77 in 2010 to 66. Furthermore, during the Scottish independence referendum, we were promised that 13 Type 26 frigates would be built on the Clyde, but that figure has since been reduced to eight. The commitment to a frigate factory is another promise that was rolled back and has come to absolutely nothing.

When he was Defence Secretary, the right hon. Member for Runnymede and Weybridge (Mr Hammond) repeatedly told the people of Scotland that the only way to secure the future of Scottish shipbuilding was to remain part of the UK. Yet inside the UK, Scotland’s shipbuilding industry has been eroded. Shipbuilding in Scotland employed 15,700 workers in 1991. That figure has more than halved to just 7,000 in recent years. Compare that with independent Norway, a state of similar size to Scotland, where over 37,000 people were employed in that sector in 2008.

During the Scottish independence referendum, we were also promised 12,500 full-time military personnel in Scotland, yet levels are now well below 10,000. In Norway, again, 20,000 people are employed in the armed forces—double the proportion of the population in Scotland.

It is safe to say that the Tories have broken their promise to Scottish shipbuilding and on many other fronts. They clearly cannot be trusted with the future of the industry—although I will be happy to hear more positive sounds from the Minister today. Plenty of small states such as Denmark manage to maintain their sovereign naval defence capability very successfully. With independence, I am sure that Scotland could do exactly the same.

Last year, as a member of the Public Accounts Committee, I led an evidence session on the defence equipment plan, which highlighted a £15 billion black hole in the MOD budget. Sufficient funds have not been made available to dispose of any of the 20 submarines that the MOD has decommissioned since 1980, seven of which lie in the dockyard in my constituency. All the while, the nuclear arsenal continues to burn a huge hole

in the defence budget, to the tune of £2.2 billion per year. Continuing to spend such astronomical sums on nuclear weapons that will never be used while our coastal defences are compromised is simply unsustainable and unacceptable.

The Public Accounts Committee findings uncovered the fact that the Type 31 budget did not exist. It is a smaller frigate, but its exportable elements are important to the future surface ship business, in particular in yards such as Rosyth and others across the UK. All the skills and talents that we developed while building two of the largest ships that the Royal Navy has ever built—the QE class—will be lost unless we can maintain the shipbuilding industry through contracts for the support ships or, for example, the Type 31s. In terms of the numbers, the Type 31s could employ 2,000 people over the term of the contract, attracting 150 new apprentices into the industry. That is a price worth paying to ensure that we have a good industry into the future.

In conclusion, in the context of ever-tightening budgets, in the MOD in particular, the Government must reconsider their defence spending priorities and review their shipbuilding strategy. Shifting resources to shipbuilding would mean responding directly to 21st century security threats. The Government must also review their decision-making process for tendering shipbuilding contracts abroad to ensure that a vital industry is protected from further decline. We must also see fulfilment of the unmet promises that the Government made to the people of Scotland during the 2014 independence referendum.

There can be a bright future for shipbuilding in the UK and in Scotland, although the jury is still out on whether the Government can produce the prosperity agenda that we all look for. Agreeing to the contracts for the fleet solid support ships, the Type 31e frigates and the missing list of Type 26 frigates is paramount in the future of shipbuilding and in making the national shipbuilding strategy not just a document to lie on a shelf gathering dust in the main building but a real plan for action and prosperity.

2.23 pm

Chris Stephens (Glasgow South West) (SNP): It is, as always, a pleasure to see you in the Chair, Mr Evans. It is also a pleasure to represent the Clyde shipyards and the shipyard workers of Govan in the Westminster Parliament. On Friday morning, I had the opportunity to see the work being carried out on the Type 26 frigate HMS Glasgow, which is being made in Govan. In a few weeks’ time, I look forward to going to the steel-cutting for the second Type 26, HMS Cardiff.

I thank my good friend, the right hon. Member for North Durham (Mr Jones), for securing this debate and for his fantastic work as chair of the all-party parliamentary group on shipbuilding and ship repair. I am delighted to serve on that APPG, which reflects the public affection and support for the shipbuilding industry across the UK. That affection and support crosses political boundaries, as we have seen today. Whether someone is a supporter of the Union or independence for Scotland, or indeed of Brexit or remaining in the European Union, right across that range people care deeply about the shipbuilding industry in Scotland and the United Kingdom. As the right hon. Gentleman said—I was delighted that he

highlighted it—the export success of the Type 26 frigate shows the world-class design capability in the workforce on the Clyde.

I was not the only visitor to the Govan shipyards on Friday. I was there in the morning, but on Friday afternoon there was another curious visitor to the Clyde shipyards—but I will return to the right hon. Member for Uxbridge and South Ruislip (Boris Johnson) shortly. I will first say that I agree with the points made by all those who have spoken so far in paying tribute to the trade union movement. I am clear that were it not for the pressure that the movement has placed on all political parties, we would not have a shipyard industry at all and, indeed, the CSEU—the Confederation of Shipbuilding and Engineering Unions, which is having its conference today—has written to the two contenders to be the next Prime Minister. It did so because in a couple of weeks—I say this with great affection and respect to the Procurement Minister—he may not be the Procurement Minister; we do not know. There are rumours of shredders in the Departments working overtime in preparation for the new regime. It might even be you, Mr Evans, who is called to become the Defence Procurement Minister.

Mr Kevan Jones: Scraping the barrel!

Chris Stephens: The right hon. Gentleman says that, but I can assure you, Mr Evans, that I could name a lot worse—but I will not.

The CSEU wrote to the two contenders asking them about support for the shipbuilding industry and specifically on the issue of the Royal Fleet Auxiliary fleet support ships. It has yet to receive a response from either contender. It was curious that the right hon. Member for Uxbridge and South Ruislip should appear in a shipyard in Scotland but not mention his support or the importance of the shipbuilding industry to the United Kingdom—curious indeed. Not only those who work in the shipyards but the general public are entitled to know what the direction of travel will be under the person with the sunny disposition referred to by the Chair of the Defence Committee, the right hon. Member for New Forest East (Dr Lewis).

The public are entitled to know what both of the two individuals contending to become Prime Minister will do for the shipbuilding industry, and in particular whether they believe that the Royal Fleet Auxiliary support ships should be built in the United Kingdom. As the CSEU clearly stated in the foreword to the all-party parliamentary group report on the importance of the Aircraft Carrier Alliance, which other hon. Members have mentioned,

“that work is now coming to an end and the CSEU believes that up to 20,000 skilled jobs in shipyards and 20,000 jobs in supply chains are now at risk. There is an urgent need for work to fill these yards.”

I totally agree with that proposition.

The excuses about fleet support ships not being warships are curious. We might think that they were some sort of cruise liner—that the next time we watched an episode of “The Love Boat”, we would see this fleet support ship that has been built and is somehow not a warship. I understand from parliamentary answers that those ships will take part in, for example, counter-piracy. I have never seen “The Love Boat” involved in counter-piracy,

but I know that warships are involved in it. To suggest that ships that are armed with naval guns are not warships is curious.

Mr Jones: Does the hon. Gentleman agree that a ship that is equipped with Phalanx guns is a warship? They are not there to keep the pigeons off the deck.

Chris Stephens: That is an excellent analogy, perhaps better than the one I used. The right hon. Gentleman is absolutely correct: these are warships. If it looks like a warship and acts like a warship, it is reasonable to assume that it is, in fact, a warship and not a civilian ship.

The criterion should be changed to designate fleet solid support ships as warships. If I understood correctly the answers the Minister gave the right hon. Member for North Durham and others in Monday’s Defence questions, that will be the direction of travel. It is all very well saying that will be the future direction of travel, but it should be the immediate one for those contracts. The GMB trade union has said—a point emphasised by my hon. Friend the Member for Dunfermline and West Fife (Douglas Chapman)—that 6,500 jobs could be created by securing that; £285 million of the estimated cost of the order could be returned to taxpayers—money that would be lost should the order go overseas. That is an important criterion that the Ministry of Defence, and the Treasury, appear to overlook.

After four years in this place I am starting to believe that it is the Treasury that makes the defence decisions, not the Ministry of Defence.

Dr Julian Lewis: Definitely.

Chris Stephens: Apparently the Chair of the Defence Committee agrees. If the Treasury is making those calls, surely it has to take account of the fact that the workers who would build those ships would pay income tax and national insurance that would go back into the Treasury coffers, but that will not happen if the contracts are sent to other places. Unite has estimated that the Treasury would receive 36p in every pound from those defence projects. This is an excellent opportunity for the Minister—in the next two weeks, before his elevation—to demonstrate the Government’s commitment to taxpayer value by making sure that the ships are built in the UK. I have other constituency demands, which I have lobbied the Minister about, and I hope he will take my advice on those in the next couple of weeks, too.

There are plenty of examples of other countries—normal-sized nations or larger ones such as the UK—that better plan their sovereign naval defence capability, build their warships and keep their drumbeat going. As my hon. Friend the Member for Dunfermline and West Fife highlighted, and as shown in my exchange with the Chair of the Defence Committee, this issue is important in the context of current Russian activity. The excursions into Scottish waters are increasingly blatant but there are still no Navy surface vessels based in Scotland—they are all based on the southern coast of England. That seems a very curious way of organising defence when there is increased Russian submarine activity.

As others highlighted, promises have been made about the shipbuilding industry. We heard the classic one that there would be 13 Type 26 frigates; the Treasury then

[Chris Stephens]

interfered and they became eight Type 26 frigates, and then five Type 31 frigates. Despite that announcement more than three years ago, I still do not know exactly where the Type 31 frigate sits within the Royal Navy and what its purpose will be. It may have a general purpose, but where does it fit in? It is just a smaller and cheaper ship, and that seems to be the only reason it exists. That ship was supposed to be exportable—one that would be easier for BAE Systems and others to sell abroad, so perhaps we might think about going back to 13 Type 26 frigates. In relation to the Type 31 frigate, the Minister should look at the benefits of the prosperity agenda across the UK; I hope he will give a commitment to that.

Now, there is the frigate factory. A former Defence Secretary still insists that the frigate factory exists in the Clyde, and has found himself arguing that twice in the House of Commons Chamber. On one occasion, the GMB trade union and a BBC journalist with a television camera went around the site of the proposed frigate factory and found ash. There is an important point here, which is contained in the all-party parliamentary group's report, and I hope the Chair of the Defence Committee will pick it up: the Ministry of Defence needs to look at giving some support to shipyard investment. It is no use the Treasury and the Ministry of Defence insisting that they want the industry to build more efficiently and save costs if they do not help the industry to invest in its own shipyards. That shipyard investment can ensure that ships are built more efficiently and cheaper.

Mr Kevan Jones: It is about not just Government investment but private sector investment. Companies such as BAE Systems must make that private sector investment if there are long-term future orders for those yards. Does the hon. Gentleman agree that what we do in this country is in stark contrast to the Canadians' investment in new shipyards at Halifax, and the Australians' investment in Adelaide?

Chris Stephens: I absolutely agree. What Canada and Australia are doing seems light years ahead of what the current UK Government are doing. I am sure the hon. Gentleman will agree that, for far too long, the shipbuilding industry has been experiencing feast and famine—a stop-start period in which there is no continuous drumbeat to build. He is right that the Government have to make a continuous commitment, with the private sector, to look at shipyard investment.

The APPG report—the Minister has a copy—lists 10 reasonable and excellent recommendations. As a member of the APPG, I am very proud of the report, which is about ensuring that we have a thriving shipbuilding industry. One of my frustrations when shipyards are shown on television is that there is always a clip from the 1970s, with the welder wearing the welder's helmet. I have some sympathy for that because I have family members who were welders, but the industry is far more highly skilled than that. The design is far better. I recommend anyone to visit the visualisation suite of BAE Systems—I know the Minister has been there, as have I. It shows the highly skilled way in which warships are built.

I fully support the all-party parliamentary group's report, and it has been a pleasure, as always, to take part in this debate.

2.37 pm

Gerald Jones (Merthyr Tydfil and Rhymney) (Lab): It is a pleasure to serve under your chairmanship, Mr Evans, for the first time I believe. I thank my right hon. Friend the Member for North Durham (Mr Jones) for securing this debate. I declare my interest as a long-standing and proud member of the GMB trade union. As my hon. Friend outlined, despite decline into a smaller industry, shipbuilding is still a vibrant part of our economy and needs proper support. If we want to maintain sovereign capability, we need to invest. It is not just about the jobs linked to the ships but the spin-off industries and other parts of the UK economy. As he said, it is a national endeavour across the UK and supports small and medium-sized businesses.

We heard the Chair of the Defence Committee, the right hon. Member for New Forest East (Dr Lewis), support the shipbuilding industry and talk about the variety of purpose, versatility and future adaptability of the vessels. As he has done on many occasions, he talked about the inadequacy of defence expenditure. I am afraid I do not share his optimism about the prospect offered by a new Prime Minister, particularly if it is the candidate that I think he was talking about, but that may be another discussion.

We heard from the hon. Member for Dunfermline and West Fife (Douglas Chapman) about the need for the fleet solid support ships to be built in domestic shipyards. I will talk later about the expertise in the hon. Gentleman's constituency at the Rosyth shipyard. Unfortunately, I cannot share his optimism about the future of Scotland outside the UK—or indeed of Wales outside the UK—but that is something more appropriate for the debate currently taking place in the main Chamber.

Overall this debate has been consensual; I want to keep it in that spirit, but there are a few points I wish to raise. When the Secretary of State delivered one of her first public speeches in her new role, we were encouraged to hear her mention the prosperity agenda and talk up buying British. In recent weeks, as exemplified at Defence questions at the start of this week, we have seen little genuine change in that direction. The fleet solid support ships are still being tendered internationally. Ministers have consistently refused to reclassify them as warships, which would ensure that the contracts support the UK defence industry and allow us to retain crucial skills that lie at the heart of our sovereign capability. In the meantime, the shipyard at Appledore was closed; in December the Harland and Wolff shipyard was put up for sale by its parent company, which has since filed for bankruptcy; and Cammell Laird has been making redundancies.

We see this not as a matter of administrative hurdles or roadblocks, but simply a matter of political will. The Government want to save money, which is an honourable goal, but they are not considering the long-term benefits to our economy, as we have heard throughout the debate when contributors talked about the increased tax and insurance take, and the wider benefits and prosperity across the economy, as well as the benefits to our sovereign capability. In his summing up can the

Minister muster the political will and ensure that the contract is tendered to UK companies only? Can he confirm what assessment has been done on the potential costs of retrofitting a foreign-made ship with sensitive equipment in the UK?

We see the narrow obsession with cost cutting elsewhere, such as with the Type 31e programme. The average, similarly-sized European frigate costs £350 million, I understand. Reports have suggested that at the UK asking price of £250 million the ships will be unable to protect themselves. We in the Opposition believe that security cannot be done on the cheap. Can the Minister confirm whether the price for a Type 31e frigate is capped at £250 million? Is that a fixed price? If so, given such reports, does the Minister not think that this is a security risk?

Finally, Mr. Evans, the ships we build must be properly staffed. Last week, the RMT announced that 700 members of the Royal Fleet Auxiliary—the Navy's supply lifeline—had decided to take industrial action over their below-inflation pay offers. They have been offered 1.5% compared to the Royal Navy's 2.9%, despite the RFA carrying out 64% of the Navy's tasks, on top of its own. Can the Minister confirm that he will urgently consult the Defence Minister's people to ensure that our RFA staff are properly paid? Does he not realise that shoddy pay offers contribute to reducing the attractiveness of this important service?

2.43 pm

The Parliamentary Under-Secretary of State for Defence (Stuart Andrew): It is a pleasure to serve under your chairmanship, Mr Evans. I congratulate the right hon. Member for North Durham (Mr Jones) on securing the debate, and I thank all right hon. and hon. Members for their contributions. I echo the comments made by the hon. Member for Merthyr Tydfil and Rhymney (Gerald Jones) about the tone of the debate, which has been somewhat less fraught than some shipbuilding questions and debates that I have been involved with in my time in this role.

As the Minister for Defence Procurement, I am acutely aware that I have responsibility for ensuring that we procure the best capability for our armed forces, but also for keeping an eye on value for money because we have a huge responsibility to the taxpayer, as well as for making sure we protect our nation's interests, both here and abroad. I understand and appreciate that there is also a responsibility to ensure that our defence spending encourages and promotes prosperity throughout the United Kingdom, not just in the main industries but, crucially, throughout our vast supply chain.

I am pleased to speak in the debate, and I am grateful for the insights that others have contributed. The need for us to project our influence globally, while promoting UK exports and prosperity, was at the heart of the 2017 national shipbuilding strategy. Since its publication, work has been going on to deliver the vision of a productive and innovative UK shipbuilding industry, and that is at the heart of this subject.

I thank the right hon. Member for North Durham and the other members of the APPG on shipbuilding and ship repair. I appreciate the meeting we had, which was of great value. There was some serious food for thought in the document that he and his colleagues presented, and I will talk a little more about that later.

The strategy sets out the Government's procurement approaches for Royal Navy warships and other naval vessels. The strategy builds on our strengths, but also identifies where more must be done collectively, in both Government and industry, to address the structural challenges the sector faces in terms of access to innovation, maximising productivity, skills—a number of people mentioned those—and winning global business. Our ambition is for our shipyards, and the vast network that underpins them, to be catalysts for their local economies, driving growth and creating the highly skilled and well-paid jobs we all want to see.

Douglas Chapman: I hear everything the Minister is saying, but there are shipyards in the UK that will be hanging by a thread in terms of skills and future investment in infrastructure unless quick decisions are brought to the House and made by the Government. We cannot go on like this, going from feast to famine. One of the points of the national shipbuilding strategy was to get a steady drumbeat across all these sectors. I would like to hear what he has to say about that.

Stuart Andrew: If the hon. Gentleman will forgive me, I will come on to that point a little later, because I accept that it is an important element of where we need to get to to try to support our shipbuilding industries.

I was glad that the APPG's report recognised the contribution from the UK's shipbuilding and ship repair industry to the UK economy of over £2 billion; we should be mindful of that. I am fully cognisant of the need to obtain the right capability for our Royal Navy, at the same time as trying to ensure that we get good value for our taxpayers. That is why we are helping the industry to grow, compete and successfully win bids in the global market, as well as just in the UK market. That is part of our objective, and we will be looking at that more widely when we consider our approaches to a potential defence industrial strategy.

In my time in post, there has been a huge amount of focus on the fleet solid support ships, which I understand, but in terms of a successful UK shipbuilding industry, we should be looking much more widely, and the right hon. Member for North Durham made that point powerfully. All of our vision is for a shipbuilding sector that does not need a contract for a couple of non-complex warships; it could also work in the civil sector. It is a globally competitive sector that is looking at how it can export high-value designs, systems, sub-systems, and integration work, so it can win commercial and defence contracts on its own merits.

Mr Kevan Jones: I understand the point that the Minister is making, but it is important that investment in Ministry of Defence contracts for ships in this country has a spin-off into the civilian sector, in terms not just of producing complete ships, but supporting marine engineering, architects and everything else. If we are to keep that leading edge, which feeds into civilian work both in this country and abroad, including in ship repair and refurbishment, that steady drumbeat of work and investment is needed.

Stuart Andrew: I said that I would come on to those issues a little later, and I promise I will—I will not hide from them.

[*Stuart Andrew*]

The strategy is important for the Ministry of Defence, but I am keen that we look at this across Government too. For that reason, I have asked to meet the Minister for Business and Industry and the relevant Parliamentary Under-Secretary of State at the Department for Transport so that we can discuss how best to support UK shipyards, from the perspective of not only defence, but the opportunities that may exist for the commercial maritime sector and whether it is ready and prepared for them. I want this to be a cross-Government approach to securing the future of the industry.

The strategy sets out an ambitious plan to put the UK at the forefront of the technologies of the future. That is why investment in science, technology, and innovation is key, as they have the potential to drive improvements in productivity, to grow prosperity in the UK and to build an internationally competitive industry that is resilient to the peaks and troughs of both military and civil shipbuilding.

We have heard today about the success of the BAE Systems approach when it comes to the Australian and Canadian work; the company has also been successful in terms of the Royal Thai Navy's offshore patrol vessel requirements. My right hon. Friend the Secretary of State has had conversations with both the previous and the current Secretary of Defence in the United States about whether the Type 26 and Type 31 might be appropriate and suitable for their requirements. That is something that she will continue to pursue, as will we all.

Of course, there are all sorts of other investments happening, such as the Royal Navy's new autonomy and lethality accelerator. This £45 million programme will deliver rapid and ongoing transformational change across the maritime environment. The Royal Navy is also forging ahead with things such as the 3D printers that the right hon. Member for North Durham sent me a question about recently. There is a lot of work going on in that innovation area that will continue to support the wider supply chain to our industry.

A few hon. Members have mentioned the Type 31e programme, so I will give an update. It is, of course, a pathfinder for the delivery of the new shipbuilding and capability vision set out in the strategy. We announced the award of contracts for the competitive design phase in December. I am pleased to say that the competition is still on track, and it is our intention to announce the outcome of the competition for the design and build of the ships by the end of the year. It has been a vibrant and healthy competition.

I take the point that the hon. Member for Merthyr Tydfil and Rhymney (Gerald Jones) made regarding the value. I have been checking throughout the price we have, which is £250 million per ship. We made some initial adjustments to make it tie in with the way we have procured other warships in the past, so we have taken costs such as Government-furnished equipment out of that £250 million. The Royal Navy assures me—both I and the Secretary of State have been quite robust with it—that the capability we will receive will meet its requirements; it has given us that absolute reassurance, and it is looking forward to receiving the ships.

I will go over some of the other points that have been made. In opening the debate, the right hon. Member for North Durham rightly talked about the skills agenda—I

will come on in a minute to the points about the supply chain. He is absolutely right that we must ensure that we learn the lessons from the submarine programme. It has been blindingly obvious to me, as I have been learning this job, that ensuring that Barrow is right up there again and capable of delivering our submarine programme has been a major challenge.

Coming on to the drumbeat, it is our intention to ensure that the industry has that 30-year plan of what the Royal Navy's requirements will be, so that it can see where the opportunities will arise and where there may be potential gaps that it may need to fill. That said, we have of course provided 20 years' worth of work on the Clyde. I will comment in a minute on what my right hon. Friend the Secretary of State is doing in this area, because it will be incredibly important.

[*STEVE McCABE in the Chair*]

I have heard a number of people say that the FSS are warships, and that no other country in Europe buys its support ships or other ships from international orders. That is not quite true: for example, Germany had an international competition for its multi-purpose frigate, Norway has procured a support ship from South Korea and five frigates from Spain, Australia has had two support ships from Spain, and New Zealand has an auxiliary ship from South Korea. It is not true to say that all those countries always have their ships built in their home countries.

Dr Julian Lewis: What the Minister says is completely correct. The question is not so much whether countries choose to do this but whether they have to. In the case of Germany, its expenditure on defence is notoriously a much smaller proportion of its GDP than ours is of ours, so it is probably doing it for the same sort of reasons. That does not make it the right policy.

Stuart Andrew: I will come on to my right hon. Friend's comments. He talks about funding, which is absolutely the heart of the issue. With a very challenging budget, we must ensure that we get the maximum capability possible for our Armed Forces at the best value. I must say that in the past, international competition has proved very successful; on the MARS tankers, it saved a considerable amount of money. We want to go for two of the ships on the FSS with the option of a third.

Dr Lewis *rose*—

Mr Kevan Jones *rose*—

Stuart Andrew: I will give way to my right hon. Friend, but there will be a fixed budget, and we must get the best we can out of that money.

Dr Lewis: I fully understand the logic of the Minister's position, but it just goes to what I was trying to convey in my speech: it is a question of short-term savings that will show up in an annual budget, compared with medium to long-term costs when the time comes that we want to build other ships and we find that we have lost our industrial footprint to some extent and have to reconstruct it. I acknowledge that that is the dilemma that he faces.

Stuart Andrew: I am grateful for the point that my right hon. Friend makes. That is the balance we are struggling with at the moment; I will be completely up front about that. It will probably be helpful if I go on to talk about what my right hon. Friend the Secretary of State has said. In the speech that she gave to the Royal United Services Institute, she was quite right to say that we needed to look at where we could explore changing policy so that the UK could at least have the choice, if it so wished, to just build in the United Kingdom.

A tremendous amount of work is going in to reviewing the national shipbuilding strategy. We have Sir John Parker's comments and of course we are taking stock of those. My right hon. Friend asked for a review to learn the lessons from the MARS tankers, so that we can feed them into potentially changing the policy, but I assure hon. Members that all that, and all the debates, meetings and questions I have had, is followed through.

Dr Lewis: Will the Minister give way?

Stuart Andrew: I had better give way to the right hon. Member for North Durham first, and then I will come back to my right hon. Friend.

Mr Kevan Jones: On the MARS tankers, when the Minister is asking for the costings, could he ensure that the costs of the assessment phase, which I think were nearly £100 million, are included? I am also led to believe by industry that some of the costs were incurred because of the poor workmanship and other issues that surrounded it, so what was seen, on ticket price, to be very competitive was overall quite expensive.

Stuart Andrew: I assure the right hon. Gentleman that the report we commissioned will look at every single aspect of that, including the benefit to the supply chain in the United Kingdom. There is some evidence that a number of UK supply chain companies have seen their international work increase as a result of being part of that. We are formulating our response to the review of the strategy.

Dr Lewis: The Minister is being amazingly kind. I really appreciate it. Let me put this sunny scenario before him. Let us imagine that the wishes of the Defence Committee come true and the defence budget is restored to 3% of GDP, as it was right up until the middle of the 1990s, quite a few years after the end of the cold war. Will he at least acknowledge that if there were an uplift in the defence budget, spending some of that extra money on securing the shipyards and the defence-industrial footprint, even if that sometimes meant that we spent more than we might spend in the short term if we contracted with an overseas builder, would be a sensible strategic decision?

Stuart Andrew: Again, that is part of the work that the Secretary of State is looking at, so that the United Kingdom can make a choice on those options. Of course, that will require more money. We have to accept that. I look forward to right hon. and hon. Members securing similar debates, so that Treasury Ministers can answer those questions.

Dr Lewis: They never do. They always try to put it back to you.

Stuart Andrew: The next time it comes to me, I will push it back, so that hon. Members can challenge that. We can make strategic decisions, but we are governed by the rules of the Treasury Green Book, which we obviously have to follow. The debate on that is a wider debate that we need to have.

I want to put to bed some questions on the FSS. Frankly, we are at a point in the competition at which to delay it and start again would not be helpful for our plans for the carrier groups, so I cannot say to right hon. and hon. Members that that competition will change. It is still an international competition and will continue to be. That said, we still have a UK consortium in there, which should be welcomed. I sincerely hope that that consortium submits a competitive bid that not only features the skills we have been discussing, which are highly valued around the world and have certainly provided success in areas such as Australia and Canada, but help it to become more internationally competitive. Again, that is part of the strategy. We hope that it may well win some more of that work.

There were a couple of comments about the frigate factory. I feel like I am repeating myself somewhat, but BAE Systems took this decision that, for commercial reasons, the value for money was not there; the MOD agreed, but it was a commercial decision. The hon. Member for Glasgow South West (Chris Stephens) talked about the exportability of the Type 26 and the Type 31, and how the Canadian and Australian examples should mean that we should forget about the Type 31 and concentrate on the Type 26. However, the vessels are for different markets, which again is part of the offer that our shipyards might be able to promote to other parts of the world. The Type 31 follows a modular approach, as my right hon. Friend the Member for New Forest East (Dr Lewis) rightly says, so it can be adapted to suit varying countries' needs for whatever work they want the ship to do. We hope that the prosperity brought to the UK through exports of the Type 31 will be quite considerable.

Chris Stephens: The Minister is being very generous. Are he and the Ministry of Defence open to discussions on frigate factories and future shipyard investment with, for example, BAE Systems and other private sector organisations, to look at how we can improve shipyard construction?

Stuart Andrew: Yes, absolutely. Sir John Parker was commissioned to undertake a review, and he spoke to businesses, industry and all the stakeholders. He has written his recommendations, which we are considering. I have had extensive conversations and meetings with trade unions, industry and trade associations, and I assure right hon. and hon. Members that I have taken all their points on board. We are in the middle of assessing all that information, so it is quite difficult for me to say anything concrete at this point.

I assure the hon. Gentleman and other Members—I know that I speak on behalf of the Secretary of State—that, as long as I am in this role, which may only be for another 14 days or so, we will continue to ensure that all the points that have been made will be seriously considered. We will review and challenge, and we will make sure that all that helps us to formulate the Ministry of Defence's response to that review, so that we can do what I actually believe we are all trying to achieve: to make our shipbuilding industry successful here in the

[*Stuart Andrew*]

UK and abroad, so that the skills and jobs that so many people have come to rely on, including our country and our armed forces, can be relied on for years to come.

3.6 pm

Mr Kevan Jones: Welcome to the Chair, Mr McCabe. We have had a good debate, with contributions from my hon. Friend the Member for Merthyr Tydfil and Rhymney (Gerald Jones), the Chair of the Defence Committee, the right hon. Member for New Forest East (Dr Lewis) and the hon. Members for Glasgow South West (Chris Stephens), for Truro and Falmouth (Sarah Newton) and for Dunfermline and West Fife (Douglas Chapman). I agree that it has been a consensual debate, and it has been good to get this issue on the agenda and to make sure that we discuss shipbuilding in the House.

I was going to ask Mr Evans whether he would do me a favour. The hon. Member for Glasgow South West challenged the two Conservative leadership contenders on the letters they received from Mr Ian Waddell, general secretary of the CSEU, on their attitudes towards the fleet solid support vessels. I can hardly ask you to convey that to them, Mr McCabe, so I ask the Conservative Members here to tell those contenders that a reply to those letters would be helpful. It was especially remarkable

that the right hon. Member for Uxbridge and South Ruislip (Boris Johnson) visited a yard in Glasgow last week and was clearly not even briefed on the vessels.

It was a good debate, and we need to keep having these debates and talking about these issues because while shipbuilding in this country has a bright future, whether we like it or not that future depends on Government and private sector investment and on the throughput of work that those yards want. Without that, we will not retain skills and we will not have the bright future that the industry not only can have but rightly deserves.

I wish the Minister the best of luck in the next 14 days. To be fair to him, he is prepared to listen to different views and I give him credit for that. I am not sure that I have the same interest in the Department for Environment, Food and Rural Affairs, so if he goes off there, or somewhere like that—I do not know. I put on the record my thanks for the work he has done in this sector. If he could sign the contract for the FSS in the next 14 days, that would certainly make a lot of people very happy.

Question put and agreed to.

Resolved,

That this House has considered the National Shipbuilding Strategy.

3.9 pm

Sitting adjourned.

Written Statements

Thursday 11 July 2019

TREASURY

Finance Bill 2019-20

The Financial Secretary to the Treasury (Jesse Norman): The Government have consulted on a number of tax policies announced at Budget 2018. Today, the Government are publishing responses to these consultations alongside draft legislation to be included in the Finance Bill 2019-20. This is in line with the Government's commitment to publish the majority of tax legislation in draft before it is introduced to Parliament.

Policy decisions in response to consultation

In response to consultation, the Government have made a number of policy decisions which are reflected in the draft legislation, relating to:

Off-payroll working rules from April 2020—the Government have previously announced that they will improve compliance with the off-payroll working rules in all sectors by bringing them into line with the public sector from April 2020. The reform will make organisations responsible for determining whether the existing rules apply to the contractors they hire and ensuring the necessary employment taxes are paid. As announced at Budget 2018, outside the public sector, this change will only apply to medium and large-sized organisations. The draft legislation makes clear when non-public sector organisations, including unincorporated organisations, will be considered to be small and therefore not within the scope of the reform. The draft legislation also includes provisions to ensure that all parties in the labour supply chain are aware of the organisation's decision and the reasons for that decision, and will introduce a statutory, client-led status disagreement process to allow individuals and fee-payers to challenge the organisation's determinations.

Digital services tax—the Government have previously announced a tax on the UK-linked revenues of certain digital services to ensure that large multi-national businesses pay their fair share towards the public services we all rely on. Following consultation, the Government have made changes to the detailed design to better ensure the legislation delivers on its objectives. The treatment of cross-border marketplace transactions will be changed in cases where a transaction involves a non-UK user located in a country that levies a DST on similar transactions. There will be various changes to the administrative framework. The DST will now be payable annually rather than in quarterly instalments, and it will be assessed on a group-wide basis. An exemption for financial and payment services from the definition of an online marketplace will also be included.

Corporate capital loss restriction—the Government are introducing a new corporate capital loss restriction that will restrict the use of carried-forward capital losses to 50% of the amount of annual capital gains from April 2020. The draft legislation maintains the fundamental design features that were set out at consultation such as the commencement date and the amount of annual deductions allowance. The exemption for the policyholder share of basic life assurance and general annuity business (BLAGAB) gains and losses has been extended to cover all BLAGAB losses that offset BLAGAB gains, and some clarifications have been made to ensure that the regime operates as intended. The Government will also provide exemptions for gains within the oil and gas ring-fence and the REIT property rental business ring-fence.

Further provisions have been made in respect of one day accounting periods, connected party losses and loss streaming rules.

Stamp taxes on shares consideration rules—The Finance Act 2019 introduced a targeted market value rule to prevent contrived arrangements involving transfers of listed securities to connected companies to minimise stamp taxes on shares liability. Following consultation, the Government are extending the market value rule to the transfer of unlisted shares to a connected company. The draft legislation also removes an anomaly where a double-charge can arise on certain company re-organisations.

Technical tax changes

In addition, the Government are publishing a small number of technical tax changes that need to be made to ensure legislation works as intended. These include measures relating to:

Capital gains tax: Relief for loans to traders—extending the scope of the capital gains tax relief in respect of loans to traders, so that it applies to loans made to traders located anywhere in the world and not just the United Kingdom.

Share loss relief—extending the scope of the income tax and corporation tax share loss relief, so that it applies to shares in companies carrying on a business anywhere in the world, and not just the United Kingdom.

Legislation with immediate or retrospective effect

The Government have published legislation for the following measures that will have immediate or retrospective effect:

Deferred corporation tax payments on cross border transfers—this legislation will allow companies to defer payment of tax that arises on certain transactions with group companies in the European economic area. This is intended to provide certainty for UK business following a recent first-tier tax tribunal decision. The legislation will apply to corporation tax that becomes payable for accounting periods that end on or after 10 October 2018.

Scope clarification: lease accounting standards—minor amendments to clarify the scope of legislation on changes to lease accounting standards introduced in Finance Act 2019.

Previously announced policy changes

The Government are also publishing legislation for the following policy changes announced earlier this year:

Windrush compensation scheme—payments will not be subject to income tax, capital gains tax or inheritance tax when made under the Windrush compensation scheme.

Future responses

The Government previously consulted on proposals and subsequently draft legislation last year to reform penalty regimes for late filing and late payment across taxes. The Government remain committed to these reforms. The timing and details of implementation will be announced at a future fiscal event.

As announced at Budget 2018, to tackle the hidden economy, the Government are considering a tax registration check linked to renewal processes for some public sector licences. This is known as “conditionality”. The timing of any change will be announced at a future fiscal event.

For other consultations, the Government are continuing to consider the responses and will respond in due course.

Draft legislation is accompanied by a tax information and impact note (TIIN), an explanatory note (EN) and, where applicable, a summary of responses to consultation document. All publications can be found on the gov.uk website. The Government's tax consultation tracker has also been updated.

ENVIRONMENT, FOOD AND RURAL AFFAIRS**Agriculture and Fisheries Council**

The Minister for Agriculture, Fisheries and Food (Mr Robert Goodwill): Agriculture and Fisheries Council takes place in Brussels on 15 July.

As the provisional agenda stands, the Finnish presidency will start with a presentation of their work programme for the coming six months.

The main item for agriculture will be on the post-2020 common agricultural policy (CAP) reform package, which covers three regulations: the regulation on CAP strategic plans; the regulation on financing, management and monitoring of the CAP and the regulation on the common market organisation (CMO) of agricultural products. Member states will exchange views on the environmental and climate-related aspects of the reform package.

The Commission will also present the report from the high-level group on the sugar market.

There are currently four items scheduled under “any other business” where the Commission will update the Council about;

- the state of play on African swine fever;
- animal welfare during transport in high temperatures during summer months;
- the progress report on the implementation plan to increase the availability of low-risk plant protection products and accelerate implementation of integrated pest management in member states; and
- the outcome of the third African Union-European Union agriculture ministerial conference (Rome, 21 June 2019).

[HCWS1710]

FOREIGN AND COMMONWEALTH OFFICE**Foreign Affairs Council**

The Minister for Europe and the Americas (Sir Alan Duncan): The Minister for the Middle East, my right hon. Friend the Member for South West Wiltshire (Dr Murrison), will attend the Foreign Affairs Council (FAC) on 15 July. It will be chaired by the High Representative of the European Union (EU) for Foreign Affairs and Security Policy (HRVP), Federica Mogherini, and will take place in Brussels.

The FAC will discuss current affairs, Iraq, Iran and the Central African Republic. There will also be an informal lunch with the Moldovan Foreign Minister Nicolae Popescu.

Current affairs

HRVP Mogherini will provide an update on the current situation in Sudan and progress in African Union (AU) and Ethiopian mediation efforts towards a civilian-led Government. The HRVP will also debrief Ministers on Ukraine and the outcomes of the 8 July EU-Ukraine summit. We expect HRVP Mogherini to raise recent developments in Venezuela, as well as the Sahel following her recent visit.

Iran

Ministers will discuss how to respond to Iran’s breach of the joint comprehensive plan of action (JCPoA). The UK is committed to the JCPoA, and are clear that the deal is critical to shared security interests. We anticipate that Ministers will also discuss INSTEX (an instrument to support legitimate trade with Iran) and its operations. Following recent tensions in the region, the UK will call for de-escalation and dialogue to reduce the risk of miscalculation.

Iraq

Ministers will focus on the need for EU member states to work together to re-energise the reform agenda in Iraq. Security and economic reforms were major themes during the recent UK visit by the Iraqi President Barham Salih. The UK will reiterate the urgent need to address the underlying issues that gave rise to Daesh.

Central African Republic

Ministers will discuss the political situation in the Central African Republic (CAR), with a likely focus on EU security sector support. The 6 February AU-led political agreement for peace and reconciliation in CAR (APPR) has improved prospects for peace, security and stability.

Lunch with the Moldovan Foreign Minister

Ministers will welcome the formation of the coalition Government and the peaceful transition of power in Moldova. The Government have announced a reformist agenda to tackle corruption, improve the rule of law and increase democratic accountability. Ministers will welcome this and encourage Moldova to undertake concrete measures to meet their commitments under the 2014 association agreement as the basis for the resumption of EU financial and budgetary support.

Council conclusions

The Council is expected to adopt conclusions on Iraq and the EU’s priorities for the United Nations General Assembly (UNGA).

[HCWS1711]

HOME DEPARTMENT**Windrush Lessons Learned Review**

The Secretary of State for the Home Department (Sajid Javid): The terms of reference for the Windrush lessons learned review set out that the aim was to publish the report by 31 March 2019.

On 8 July 2019, the independent adviser to the Windrush lessons learned review, Wendy Williams, wrote to me about the timing of her review. The complexity and scale of the work required, and the request for her to also consider the right-to-rent scheme following the High Court judgement of 1 March, means that she now expects to submit her final report to me at the beginning of September. I will publish the report as soon as practicable following this.

We are determined to learn from, and right the wrongs of, the past. I look forward to receiving the report when the review concludes. I will consider the recommendations from the review carefully and announce appropriate action.

I will place a copy of Wendy Williams’s letter of 8 July in the Libraries of both Houses.

[HCWS1714]

Anthony Grainger Inquiry Report

The Secretary of State for the Home Department (Sajid Javid): Today the Anthony Grainger public inquiry has published its final report, which has been laid before the House.

Anthony Grainger was shot dead on 3 March 2012 by an armed firearms officer of Greater Manchester police as part of the covert investigation named Operation Shire. A public inquiry was announced by the then Home Secretary in March 2016 to ascertain the circumstances surrounding Mr Grainger's death.

I would like to thank His Honour Judge Teague for publishing his report today and for leading this important work, from which we expect to learn valuable lessons for the future. The Government will provide a formal response in due course, once we have fully considered the report, and any recommendations therein.

The report will be available from the Vote Office and to view on the inquiry website <https://www.graingerinquiry.org.uk/> and on gov.uk.

[HCWS1715]

TRANSPORT

High Speed Rail (West Midlands – Crewe) Bill: EVEL

The Parliamentary Under-Secretary of State for Transport (Ms Nusrat Ghani): I am today placing in the Library of the House the Department's analysis on the application of Standing Order 83L in respect of the amendments made in the Commons Select Committee stage for the High Speed Rail (West Midlands - Crewe) Bill.

[HCWS1709]

Clean Maritime Plan

The Parliamentary Under-Secretary of State for Transport (Ms Nusrat Ghani): I am today announcing the publication of the clean maritime plan, the UK's route map to clean growth for the maritime sector and pathway to zero-emission shipping. The UK has one of the world's proudest and most innovative maritime heritages. In January 2019, the Government launched Maritime 2050, a landmark strategy setting out our vision for the future of the British maritime sector. The clean maritime plan is the environment route map of Maritime 2050. It identifies ways to tackle air pollutants and greenhouse gas emissions in parallel, while securing clean growth opportunities for the UK. A cleaner shipping industry will help make the air we breathe cleaner and safer, and create a healthy environment for the future.

It builds on the role the UK played as a leading voice in advocating for an ambitious global target to reduce greenhouse gases from shipping. The initial greenhouse strategy agreed by the International Maritime Organisation in 2018, set a target to reduce GHGs from international shipping by at least 50% by 2050 and to phase them out completely as soon as possible in this century. By publishing the clean maritime plan, the UK becomes one of the

first countries since the agreement of this initial strategy to publish a national action plan. The plan is also the first cohesive national strategy to reduce domestic shipping emissions, as part of our journey to meeting net zero.

A global transition to clean shipping is taking place, presenting significant opportunities for economic growth. Research undertaken for the Government suggests the global market for maritime emission reduction technologies could reach £11 billion per year by 2050, potentially resulting in economic benefits to the UK of £510 million per year.

To capitalise on this economic opportunity and achieve zero-emission shipping, the clean maritime plan makes the following core commitments:

A call for evidence in 2020 on non-tax incentives to support the transition to zero-emission shipping, as well as a consultation on how the renewable transport fuel obligation could be used to encourage the uptake of low carbon fuels in maritime, and a green finance initiative for maritime, which will be launched at London international shipping week in September.

A working group and study to identify and support potential UK zero-emission shipping clusters.

Government support for clean maritime innovation in the UK.

Funding of £1.3 million to support clean maritime innovation through MarRI-UK; grant support for early stage research projects related to clean maritime; and a clean maritime award to celebrate leaders in the field of emissions reduction.

A maritime emissions regulation advisory service (MERAS), in place by 2020, to provide dedicated support to innovators using zero-emission propulsion technologies.

The plan also contains a number of zero-emission shipping ambitions, outlining the Government's vision for the future of zero-emission shipping and the milestones that will need to be achieved to reach it.

This plan has been achieved through close co-operation between industry and Government. The Clean Maritime Council, an advisory body of key stakeholders from across the maritime sector, academia and Government, worked alongside Government to develop the strategy, and will continue to work with us to implement the commitments. A full review of the clean maritime plan's implementation will take place in 2022.

[HCWS1708]

INTERNATIONAL DEVELOPMENT

First Annual Procurement and Commercial Report

The Secretary of State for International Development (Rory Stewart): I have today published DFID's first annual procurement and commercial report. This provides a summary of DFID's procurement and commercial practice, complementing the information contained in the Department's annual report and accounts and meeting the commitment made at the time of DFID's review of supplier practices in October 2017 to place more information in the public domain. I am placing copies of the report in the Libraries of both Houses.

The UK is an acknowledged world leader in the provision of development and humanitarian aid. Our aid budget acts not only in the interests of the world's poorest, but also in Britain's long-term national interest.

Our global leadership in development requires continuing efforts to improve value for money, efficiency, innovation and effectiveness.

The report therefore sets out the progress we have made over the last two years in the introduction of commercial reforms to ensure the best value for taxpayers' money and the maximum benefit for poor and vulnerable people across the world from our programmes. These reforms include the introduction of a comprehensive code of conduct for DFID's supply partners, strategic relationship management of our strategic partners, greater

transparency of costs, fees and overheads in our funding agreements and measures to promote the engagement of small and medium-sized enterprises in our supply chains.

We will continue to improve our commercial practice, publishing a procurement and commercial report each year so that Parliament and the public can assure themselves directly that UK is being used effectively.

[HCWS1712]

Ministerial Correction

Thursday 11 July 2019

JUSTICE

Child Imprisonment

The following is an extract from the Westminster Hall debate on Child Imprisonment on 25 June 2019.

Edward Argar: The age of criminal responsibility in England and Wales is 10. Custodial sentences are available for children from that age, although their use is restricted, and the courts have a statutory duty to consider a child's welfare during sentencing. Children under 12 will only ever receive a custodial sentence for the most serious offences where neither a community sentence or fine can be justified. Furthermore, we recognise that needs can differ among different age groups, and the sentencing guidelines reflect that. For example, detention and training orders are not available for under-12s, and can only be given to children aged 12 to 14 if they are considered to be persistent offenders. Returning to the definition of "child", about 95% of those who receive a custodial sentence are 16 and 17-year-olds. That is still a small number. I take the underlying point that the hon.

Member for South Shields is making, but we should be clear about the age that is predominantly reflected in those who receive custodial sentences.

[Official Report, 25 June 2019, Vol. 662, c. 278WH.]

Letter of correction from the Under-Secretary of State for Justice, the hon. Member for Charnwood (Edward Argar).

An error has been identified in my response to the debate on Child Imprisonment.

The correct response should have been:

Edward Argar: The age of criminal responsibility in England and Wales is 10. Custodial sentences are available for children from that age, although their use is restricted, and the courts have a statutory duty to consider a child's welfare during sentencing. Children under 12 will only ever receive a custodial sentence for the most serious offences where neither a community sentence or fine can be justified. Furthermore, we recognise that needs can differ among different age groups, and the sentencing guidelines reflect that. For example, detention and training orders are not available for under-12s, and can only be given to children aged 12 to 14 if they are considered to be persistent offenders. Returning to the definition of "child", about **82% of those in custody** are 16 and 17-year-olds. That is still a small number. I take the underlying point that the hon. Member for South Shields is making, but we should be clear about the age that is predominantly reflected in those who receive custodial sentences.

ORAL ANSWERS

Thursday 11 July 2019

	<i>Col. No.</i>		<i>Col. No.</i>
INTERNATIONAL TRADE	423	WOMEN AND EQUALITIES—continued	
Arms Sales: Saudi Arabia	430	Equalities Hub	435
Export Strategy	428	Flexible Working.....	441
Free Trade and WTO Reform	423	Gender Bias: Employment	436
Leaving the EU: UK Trade Policy.....	426	Maternity Discrimination	441
Renewable Energy Exports	425	Pension Inequality	433
Topical Questions	431	Prison Officer Training: Women’s Mental Health...	437
UK-US Trade and Investment	429	Sexual Violence Support Services.....	440
WOMEN AND EQUALITIES	433	Topical Questions	442
Abortion Clinic Buffer Zones	439	Windrush: Home Office Investigation	438
British Sign Language Courses	434	Workplace Gender Equality	439

WRITTEN STATEMENTS

Thursday 11 July 2019

	<i>Col. No.</i>		<i>Col. No.</i>
ENVIRONMENT, FOOD AND RURAL AFFAIRS.	19WS	INTERNATIONAL DEVELOPMENT	22WS
Agriculture and Fisheries Council.....	19WS	First Annual Procurement and Commercial Report.....	22WS
FOREIGN AND COMMONWEALTH OFFICE	19WS	TRANSPORT	21WS
Foreign Affairs Council	19WS	Clean Maritime Plan.....	21WS
HOME DEPARTMENT	20WS	High Speed Rail (West Midlands – Crewe) Bill: EVEL.....	21WS
Anthony Grainger Inquiry Report	21WS	TREASURY	17WS
Windrush Lessons Learned Review.....	20WS	Finance Bill 2019-20	17WS

MINISTERIAL CORRECTION

Thursday 11 July 2019

	<i>Col. No.</i>
JUSTICE	3MC
Child Imprisonment.....	3MC

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CONTENTS

Thursday 11 July 2019

Oral Answers to Questions [Col. 423] [see index inside back page]

Secretary of State for International Trade
Minister for Women and Equalities

Resignation of UK Ambassador to USA [Col. 447]

Answer to urgent question—(Sir Alan Duncan)

Business of the House [Col. 459]

Statement—(Mel Stride)

Prime Minister (Nomination) and Cabinet (Appointment) [Col. 474]

Bill presented, and read the First time

Backbench Business

20 Years of Devolution [Col. 477]

General debate

Leasehold Reform [Col. 523]

Motion—(Mr Betts)—agreed to

GCHQ Centenary [Col. 557]

Debate on motion for Adjournment

Westminster Hall

National Shipbuilding Strategy [Col. 205WH]

General Debate

Written Statements [Col. 17WS]

Ministerial Correction [Col. 3MC]

Written Answers to Questions [The written answers can now be found at <http://www.parliament.uk/writtenanswers>]
