

Tuesday  
25 February 2020

Volume 672  
No. 29



**HOUSE OF COMMONS  
OFFICIAL REPORT**

**PARLIAMENTARY  
DEBATES**

**(HANSARD)**

**Tuesday 25 February 2020**

---



# House of Commons

*Tuesday 25 February 2020*

*The House met at half-past Eleven o'clock*

## PRAYERS

[MR SPEAKER *in the Chair*]

## Oral Answers to Questions

### MINISTRY OF JUSTICE

*The Secretary of State was asked—*

#### Stillbirths

1. **Tim Loughton** (East Worthing and Shoreham) (Con): What progress he has made on bringing into force the terms of the Civil Partnerships, Marriages and Deaths (Registration etc) Act 2019 to extend the power to coroners to investigate stillbirths. [900811]

**The Lord Chancellor and Secretary of State for Justice (Robert Buckland)**: May I welcome my new ministerial colleagues, my hon. and learned Friend the Member for South East Cambridgeshire (Lucy Frazer) and my hon. Friend the Member for Cheltenham (Alex Chalk), to their places?

I recently consulted on proposals for introducing coronial investigations of stillbirths, along with a colleague in the Department of Health and Social Care, and we will publish our consultation response in the early summer. I will of course be pleased to meet my hon. Friend about this issue.

**Tim Loughton**: It is good to see my right hon. and learned Friend in his place and I know he is sympathetic to this, but the Civil Partnerships, Marriages and Deaths (Registration etc) Act became law in May last year and the consultation on the terms of how the Coroners and Justice Act 2009 could be changed finished last summer, as he said. The former Justice Minister, my hon. Friend the Member for Charnwood (Edward Argar), did a lot of preparatory work on this, and since then there have been further cases of clusters of stillbirths. What is the hold-up?

**Robert Buckland**: I am very grateful to my hon. Friend and share his strong commitment to this issue. Many Members in this House have been touched directly or indirectly by the tragedy of stillbirth. It is important to note that we are ahead of target in halving stillbirths by 2025. I fully accept, however, that bereaved parents need answers now. We will be publishing the consultation response as soon as possible. I want to move this on as quickly as possible. I give him that assurance.

## Istanbul Convention

2. **Wera Hobhouse** (Bath) (LD): What steps he is taking to implement the Istanbul convention on action against violence against women and domestic violence. [900812]

**The Lord Chancellor and Secretary of State for Justice (Robert Buckland)**: The United Kingdom signed the convention in 2012 to reaffirm our strong commitment to tackling violence against women and girls, and, as required by the Preventing and Combating Violence Against Women and Domestic Violence (Ratification of Convention) Act 2017, we published the latest annual report on our progress towards ratification on 31 October. I can assure the hon. Lady that in forthcoming legislation we will include the necessary measures to cover all parts of the United Kingdom to ensure compliance.

**Wera Hobhouse**: The Istanbul convention enshrines the rights of survivors of sexual violence; it includes the right to access crisis counselling and mental health support. Over 6,000 people are currently waiting to be seen by mental health specialists after experiencing sexual violence. Most of them have been told they will have to wait over a year to get help. What will the right hon. and learned Gentleman do to urgently address this?

**Robert Buckland**: As well as introducing our important domestic abuse Bill, we are already committing more resources to rape crisis centres. For example, rape and sexual abuse support services have had their funding increased to £32 million over the next three years—an increase of over 50%—which will provide free advice, support and counselling at 94 rape support centres, which is more than ever before. That is encouraging progress.

**Joanna Cherry** (Edinburgh South West) (SNP): On International Women's Day last year, Ireland became the 34th country to ratify the Istanbul convention, but unfortunately the United Kingdom is one of only six countries yet to do so. Can we take this as an indication of where the UK intends to position itself on the world stage in terms of rights and protections of citizens post Brexit?

**Robert Buckland**: I can reassure the hon. and learned Lady that not only is the United Kingdom committed both internationally and domestically through legislation—I know that she actively supported that back in 2017—to implement the convention, but in many respects we are ahead of the obligations that the convention places upon us, and we are among the leaders of the world in our support and in our approach to violence against women and girls and the victims of sexual abuse. We should not be complacent about that, but it is worth reminding ourselves of how far we have come.

**Joanna Cherry**: That is all very well, but the right hon. and learned Gentleman's own Government's report identified two major respects in which UK law has yet to comply sufficiently to make us able to ratify the convention. The legislation to which he refers, introduced by my former colleague Dr Eilidh Whiteford, was introduced three years ago, so what we need to know today is what is stopping the UK Government following

the lead of the Scots and the Irish. Is it by any chance the requirement to support migrant women experiencing domestic abuse, who often find it impossible to access emergency protection because of the no recourse to public funds condition? His own Government identified that as one of the two major problems. What will be done about that, and when?

**Robert Buckland:** The hon. and learned Lady knows that in response to the Joint Committee on the Draft Domestic Abuse Bill the Government are taking careful account of the evidence that has been provided on that specific issue. In previous annual reports we have indicated compliance with the articles, but we have to make sure that the concerns raised in the Joint Committee are properly addressed. We will no doubt have an opportunity with the forthcoming Bill to debate these issues, and I look forward to engaging with the hon. and learned Lady on the subject.

### Deradicalisation of Prisoners: Longer Sentences

3. **Clive Efford** (Eltham) (Lab): What assessment he has made of the effect of longer prison sentences on the deradicalisation of prisoners. [900813]

**The Minister of State, Ministry of Justice (Lucy Frazer):** In order to protect the public, it is vital that those who are convicted of terrorism offences serve a longer proportion of their prison sentence in prison and are subject to release after an assessment by the Parole Board. Experience shows that the path towards deradicalisation is very complex, and interventions need to be provided over a significant period to have an impact on rehabilitation.

**Clive Efford:** I am grateful for that answer, but surely the purpose of putting someone who needs to be deradicalised in prison and lengthening their sentence has to be to give a greater opportunity for deradicalisation. What resources will be made available to people serving longer sentences to make that deradicalisation effective?

**Lucy Frazer:** The hon. Member will know that in January we announced a £90 million package of measures to counter extremism. Within that, there is a £3 million package for specialist intervention—counter-terrorism programmes and intervention centres—to build an evidence base for what works. We are also training our prison officers to assess when there are incidents, report them and challenge terrorist behaviour.

**Sir John Hayes** (South Holland and The Deepings) (Con): When the Lord Chancellor introduced the Bill to curtail the early release of prisoners with his usual mix of alacrity and wisdom, I suggested on Second Reading, based on information from the House of Commons Library, that about 160 people might have been released early. Since then, having received further advice from our excellent Library experts, it has become clear that the Home Office quarterly report does not distinguish between early release and all release. Will the Minister take the opportunity to set the record straight by telling the House exactly how many prisoners have been released before serving their full custodial term of sentence in each year since 2013?

**Lucy Frazer:** My right hon. Friend has a lot of experience in this area, having been the Minister for Security, and I was very pleased to work with him on the Investigatory Powers Bill. He is right to highlight that very important point. We are looking into this matter and I am very happy to write to him with the precise details in due course.

**Mr David Lammy** (Tottenham) (Lab): The Minister will know that the Prime Minister David Cameron asked me to carry out a review of disproportionality in the justice system. It showed a very worrying rise not just in disproportionality for all ethnic minorities but in the Muslim population in our prisons. Will the Minister ask the Secretary of State to meet me to discuss the Department's progress on the review, a review that successive Secretaries of State have taken very seriously?

**Lucy Frazer:** We were very happy to receive the right hon. Member's review in 2017 on ethnic minority individuals in the criminal justice system and have acted on many of its recommendations. We recently published an update on progress across the Lammy recommendations, which demonstrates a range of work. I am very happy to meet him. I do not make that offer on behalf of the Secretary of State—[*Interruption.*] I hear that the Secretary of State is also happy to meet him to discuss the very important work on this area.

### Reoffending Reduction

4. **Mrs Flick Drummond** (Meon Valley) (Con): What plans he has to help reduce prisoner reoffending. [900814]

7. **Antony Higginbotham** (Burnley) (Con): What plans he has to reduce prisoner reoffending. [900817]

13. **Simon Baynes** (Clwyd South) (Con): What plans he has to reduce prisoner reoffending. [900823]

**The Lord Chancellor and Secretary of State for Justice (Robert Buckland):** There will be a renewed and ambitious cross-Government effort to reduce reoffending. It will build on the existing established partnerships with a range of other Government Departments. We will focus on addressing the health of offenders, educational attainment, rebuilding or reinforcing family relationships, and housing and employment issues.

**Mrs Drummond:** Many of those in prison have low educational attainment and lack skills, which makes it difficult for them to integrate on release. What steps are the Government taking to ensure that education and training in prisons give offenders the skills they need to have successful crime-free lives when they are released?

**Robert Buckland:** I thank my hon. Friend for that question. She can be reassured that in April 2019 we implemented new prison education contracts which deliver services designed by prison governors and staff to best meet the specific needs of their prisoners and local labour markets. Indeed, we will be developing a new prison education service that will build on further commissioning, improving the range of training available to prisoners that is directly linked to real jobs on their release.

**Antony Higginbotham:** As someone who used to mentor young offenders, I saw at first hand the impact that not having somewhere to go after release had on them and their chances of getting into meaningful employment. What steps is my right hon. and learned Friend taking to ensure that those who leave prison have somewhere safe to live?

**Robert Buckland:** My hon. Friend speaks with authority on this matter. It is simple: a home, a job and a friend are the path away from reoffending. Through the Government's rough sleeping strategy, we are investing up to £6.4 million in a pilot scheme to support individuals released from three named prisons: Bristol, Leeds and Pentonville. I am sure that that work can be scaled up to offer released prisoners a real opportunity to have stable accommodation.

**Simon Baynes:** Does the Secretary of State agree that a key pathway to reducing reoffending is through meaningful and rewarding paid work that prisoners can do, such as that provided by my constituent in Clwyd South, Kerry Mackay, whose rapidly expanding business based in Llangollen sells environmentally friendly, biodegradable cleaning pads called Scrubbies, some of which are made by prisoners in Warrington and Wrexham?

**Robert Buckland:** I am grateful to my hon. Friend for citing an example from Llangollen, a wonderful part of my homeland. I agree that meaningful and rewarding paid work can contribute to ex-offenders turning their backs on crime, and I commend his constituent for recognising that potential. As a result of the New Futures Network that was set up last year, over 480 businesses have signed up to offer work to prisoners as a pathway out of crime.

**Richard Burgon** (Leeds East) (Lab): With their privatisation of probation, the free market fundamentalists in the Conservative party sent reoffending up and made working-class communities less safe. Despite acknowledging that that privatisation failed, under new plans the Tories are still insisting on handing hundreds of millions of pounds over to private companies. Is that because they are ideologically wedded to the free market, or is it because the Tory party is in the pockets of the billionaires and the private corporations?

**Robert Buckland:** The only fundamentalist I see is sitting on the Benches dead ahead. This Government are committed to reforming and improving the probation service by creating a truly national framework. I make no apology for wanting to harness the ability of small organisations and charities that specialise in rehabilitation, working together with our National Probation Service. We are not ideological; the hon. Gentleman is.

**Richard Burgon:** I am afraid that even though the Government do not like it, what I said is in fact the truth. They even had a Justice Minister who was a spin doctor for the private sector justice giant, Serco. If they want to show that they actually care about public safety, will they guarantee today that any corporate giant involved in the probation privatisation scandal will be excluded, as they should be, from the new probation contracts? No waffle, please—a simple yes or no will suffice.

**Robert Buckland:** The hon. Gentleman tries very hard to pin the ideological cap on me and our Front Benchers. I am afraid that he is playing a very old record that needs to be changed. We take an entirely new approach to probation. We will look at all providers and judge them on their past record, but we want to make sure that we obtain maximum value for money, harnessing the best of our National Probation Service with the work of the third sector, the voluntary sector and, indeed, the private sector, where appropriate.

**Chris Elmore** (Ogmore) (Lab): I have no doubt about the Lord Chancellor's sincerity in trying to help people not to reoffend. I also know that he cares deeply about Wales. There is a specific problem with female reoffenders and there not being a women's centre in Wales. Will he update the House on the progress he has made with the Welsh Government on ensuring that a women's centre will be built in Wales in the coming months and years?

**Robert Buckland:** The hon. Gentleman is right to press me on this. It is an ambition of mine to attain that, bearing in mind my deep knowledge of women offenders and the fact that Eastwood Park is the nearest secure accommodation for them. At the moment, I cannot promise specific plans, but I am prepared to work with him and indeed the Welsh Government to make that a reality through our excellent women offenders strategy, which is championed by the Minister of State, Ministry of Justice, my hon. and learned Friend the Member for South East Cambridgeshire (Lucy Frazer).

**Mr Richard Bacon** (South Norfolk) (Con): Is the Lord Chancellor aware of the work of the Community Self Build Agency in helping ex-offenders to create their own dwellings, which they can then rent at an affordable rate and possibly buy in the future, and the startling effect that that has had on recidivism rates? Given that the National Self Build & Renovation Centre is in his constituency, will he consider working with the Right to Build Task Force on a project to scale up models that have already been demonstrated to work in this area?

**Robert Buckland:** My hon. Friend is right to mention the National Self Build & Renovation Centre. I am very interested in modern methods of construction and how they could be developed on the secure estate as a real contribution to our housing supply issue, and I would be very interested to work with him and the organisation he mentions to make that more of a reality.

**Steven Bonnar** (Coatbridge, Chryston and Bellshill) (SNP): In Scotland, we have seen a fall in reoffending rates, which are now at a 20-year low. This is a remarkable achievement by the Scottish Government, who have reformed the justice system by focusing on community sentences, such as community payback orders, and a presumption against short sentences. Will the Lord Chancellor meet his counterpart in the Scottish Government to discuss what the UK Government can do to learn from the SNP Scottish Government?

**Robert Buckland:** I welcome the spirit in which the hon. Gentleman raises his question. When I was Solicitor General, I met the lead official on community sentencing in the Scottish Government, who had a lot of experience



here in the capital and elsewhere in England. Yes, there is a lot we can learn, although I am not with him on an absolute abolition of short-term sentences. The evidence does not necessarily point to it making a big contribution to a reduction in reoffending. However, there is a stubborn cohort of prolific offenders who end up in a revolving door situation, and it is that agenda that I will be addressing as part of my smart approach to sentencing later in the year.

**Mr David Davis** (Haltemprice and Howden) (Con): For one category of crime—domestic violence—the moment of release of the perpetrator is the start of a period of fear for their erstwhile victim. Has the Lord Chancellor considered the possibility of extending the restrictions and restraints on those criminals beyond the sentence period they are given in court?

**Robert Buckland:** I am grateful to my right hon. Friend for raising an issue of deep concern to us all. He will be reassured to know that a range of options is available now to the courts, including restriction orders, serious crime prevention orders and other types of court order, that can prevent the perpetrator from contact or association with his or her victim. I would be happy to discuss the matter further with him. I do not want to add unnecessarily to the statute book, but he will be encouraged, I think, by the provisions in the domestic abuse Bill that will help to knit together the approach we want to take to protect victims of domestic abuse more effectively.

**Jim Shannon** (Strangford) (DUP): A significant number of prisoners are ex-service personnel, many of them suffering from PTSD. To make sure they do not reoffend, what is being done to help them in prison with their PTSD?

**Robert Buckland:** The hon. Gentleman is right to raise the issue of veterans. It is important to remember that many of our veterans serve in our Prison Service as prison officers, probation officers and other dedicated public servants, and the learning they bring is often the best possible support that can be given to veterans who end up in the criminal justice system. I assure him that a lot of work goes into that issue, but yes more can be done—the identification of veterans is very important, although not the easiest thing to solve—and I take on board his comments and welcome his commitment.

### Prison Capacity

5. **Dr Caroline Johnson** (Sleaford and North Hykeham) (Con): What steps his Department is taking to increase prison capacity. [900815]

**The Minister of State, Ministry of Justice (Lucy Frazer):** We are investing £2.5 billion in an additional 10,000 prison places. This is on top of the 3,500 prison places already being built and in the pipeline.

**Dr Johnson:** Which types of offenders will my hon. and learned Friend be prioritising for these new prison places, and what will she do to make sure they are given opportunities for reform and that they are places of rehabilitation, not just incarceration?

**Lucy Frazer:** The next two prisons being built, at Wellingborough and Glen Parva, will be category C resettlement prisons that will house low-risk offenders coming to the end of their sentences, and will provide them with modern, safe and secure living conditions that will enable them to rehabilitate. My hon. Friend is right that rehabilitation is critical, and the prisons will have in them industry spaces to enable them to learn skills and get jobs on the outside.

**Liz Saville Roberts** (Dwyfor Meirionnydd) (PC): I rise as co-chair of the justice unions parliamentary group. Figures released last week revealed that prison officers were resigning at record rates, which prompts the question: how can the Government consider increasing prison capacity without first dealing with the staffing crisis? How does the Minister propose to retain staff currently leaving the Prison Service in their droves, given the toxic combination of poor pay, a dangerous workplace and an inhumane pension age?

**Lucy Frazer:** The right hon. Member is right to draw attention to the importance of prison officers, because they are critical to the whole system. I am very pleased that we have beaten our recruitment and retention targets with a net increase of over 4,300 officers, but, as she says, we need to keep them safe. We are rolling out a number of measures including the use of PAVA—the pepper spray—and 6,000 body-worn cameras, improving and increasing training, and building on the key workers scheme which enables officers to build a relationship with the prisoners under their control and which we know is helping to reduce violence in our prisons.

### Retail Crime: Sentences

6. **Mr Laurence Robertson** (Tewkesbury) (Con): What steps he is taking to increase the length of sentences for people convicted of retail crime. [900816]

**The Parliamentary Under-Secretary of State for the Home Department (Chris Philp):** My hon. Friend is right to ask that question. Shops are the lifeblood of our local communities, and shopkeepers should be free to go about their business without fear. My hon. Friend is, of course, a tireless campaigner on this issue.

Shoplifting is covered by section 1 of the Theft Act 1968. It is triable either way, in a Crown court or a magistrates court, and carries a maximum sentence of seven years.

**Mr Robertson:** Can the Minister assure me that not only his own Department but the Home Office take retail crime, particularly shop crime, seriously? There is a feeling in the trade that what is sometimes referred to as low-level crime is not taken seriously at all, which, of course, just encourages it.

**Chris Philp:** Once again, my hon. Friend has made a very good point. The Policing Minister, my hon. Friend the Member for North West Hampshire (Kit Malthouse), is present, and will have heard it. One of the issues on which the extra 20,000 police officers will focus is exactly the one to which he has referred—the need to ensure that our shopkeepers are kept safe and that, when crimes are committed against them, the crimes are investigated thoroughly and those responsible are prosecuted.

### Domestic Abuse

8. **Peter Gibson** (Darlington) (Con): What steps he is taking to support victims of domestic abuse through the criminal justice system. [900818]

11. **Daniel Kawczynski** (Shrewsbury and Atcham) (Con): What steps he is taking to support victims of domestic abuse through the criminal justice system. [900821]

21. **Jack Brereton** (Stoke-on-Trent South) (Con): What steps he is taking to support victims of domestic abuse through the criminal justice system. [900831]

**The Lord Chancellor and Secretary of State for Justice (Robert Buckland)**: Domestic abuse is an abhorrent crime, and we are determined to better protect and support victims and their children and bring perpetrators to justice. We are fully committed to enacting the landmark domestic abuse Bill during this Session. That Bill, and the wider action plan, will help to ensure that victims have the confidence to come forward and report their experiences, safe in the knowledge that those in the justice system and other agencies will do all in their power to protect and support them and their children and to pursue the abusers.

**Peter Gibson**: What steps are being taken in tackling domestic abuse that are directed at perpetrator programmes to deal with the root cause of this serious problem?

**Robert Buckland**: My hon. Friend is right to raise the issue of perpetrator engagement. There are a number of programmes aimed both at those who have been convicted of domestic abuse and at those who have not received such criminal convictions but who pose a real risk. The programmes address the factors that lead to domestic abuse, helping to teach people how to solve problems, manage their own emotions, and make the changes in their lives that will render them less rather than more likely to commit acts of domestic abuse. However, the effectiveness of the programmes is subject to ongoing review via monitoring and evaluation.

**Daniel Kawczynski**: Will the Minister give a cast-iron guarantee that the domestic abuse Bill will be reintroduced during this Session?

**Robert Buckland**: Yes.

**Jack Brereton**: Matthew Ellis, the Staffordshire police and crime commissioner, reports that three out of four victims of domestic abuse in Stoke-on-Trent and Staffordshire have children, and local head teachers have raised concerns with me about the effect on those children. What are the Government doing to support children who have witnessed domestic violence?

**Robert Buckland**: My hon. Friend raises a very important issue. Domestic abuse has a devastating impact on children and young people, which is why the Government have provided £8 million over the last two years for services designed to support children who are affected by it. We are also supporting the roll-out of Operation Encompass, which ensures that information is shared between the police and local schools when children have

been exposed to domestic abuse. Following last year's children in need review, we have committed ourselves to further action to improve the way in which that service is delivered.

**Yasmin Qureshi** (Bolton South East) (Lab): At the moment, the justice system is failing the most vulnerable victims. Far too often, domestic abusers are using the family and criminal courts to publicly re-traumatise their victims. Will the Minister ensure that no woman is callously and unjustly cross-examined by her abuser, and will he ensure that these provisions are in place by the end of this year at the latest?

**Robert Buckland**: The hon. Lady is right to raise the perpetuation of abuse through the court system. That is why the provisions in the domestic abuse Bill relating to the prohibition of cross-examination by perpetrators are so important, and they will remain in the Bill when it is reintroduced. She will remember welcoming it last time. I can assure her that the special measures that we have already taken in the criminal courts, which she knows about, will be replicated in other forums to offer maximum protection and support to victims who get abused in that way.

**Louise Haigh** (Sheffield, Heeley) (Lab): Given the recent well-publicised judgment in the Court of Appeal on consent and the family courts, does the Secretary of State agree with the President of the Family Court when he said:

"I am confident that every judge and every magistrate undertaking family law proceedings now fully understands...the emotional and psychological harm that may be inflicted by one adult in a close relationship upon the other and upon their children".

If he does not share the president's confidence, will he raise that matter with Andrew McFarlane urgently?

**Robert Buckland**: The hon. Lady raises an important point. This relates to a case that enlisted an appropriately high degree of public interest and concern. She will be glad to know that I will be seeing the president tomorrow and that we will discuss this issue. I do share his confidence; he is an extremely experienced family practitioner and judge whose judgment I respect, and I will be talking about that issue, among many others, with him tomorrow morning.

20. [900830] **Steve McCabe** (Birmingham, Selly Oak) (Lab): My constituent has been a victim of domestic abuse, harassment and assault. The offender got a community rehabilitation order but Staffordshire and West Midlands failed to enforce it, so he has walked scot-free and she is still being harassed. Where is the justice for her?

**Robert Buckland**: It would be wrong of me to comment on an individual case, but there is a general principle about the enforcement of court orders and something has clearly gone seriously wrong here. That is why, as Minister of State and now as Lord Chancellor, I am driving forward, together with my colleague the Minister of State, thoroughgoing reform of the process so that we can ensure that when community orders are made they are properly enforced. If the hon. Gentleman wants to write to me about that particular case, I would be happy to hear his representations.

**Jacob Young (Redcar) (Con):** What assessment has my right hon. and learned Friend made of the rape and sexual abuse fund, and does he have any plans to increase its funding?

**Robert Buckland:** My hon. Friend raises an important point that affects people in his constituency and others right across the country. He will be glad to know that I have already referred to an increase to £32 million in regard to rape support services. We are also increasing support for independent sexual violence advisers. We announced a £5 million package relating to support services in September, and I want to drive that work further forward, first with the improved victims code and then with a victims law. Together with that, the evidence clearly shows that independent sexual violence advisers really make a difference when it comes to the maintenance of complaints of a sexual nature.

### Public Protection Sentences: BAME Backgrounds

9. **Shabana Mahmood (Birmingham, Ladywood) (Lab):** What estimate he has made of the proportion of people serving imprisonment for public protection sentences that are from black, Asian and minority ethnic backgrounds. [900819]

**The Minister of State, Ministry of Justice (Lucy Frazer):** No one should face any discrimination. I am pleased to have been able to answer this question earlier by stating that we welcomed and have acted upon the Lammy review. The proportion of BAME-IPP prisoners is lower than the proportion of BAME prisoners as a whole: 23% of IPP prisoners are from the BAME backgrounds, compared with 27% of the overall population.

**Shabana Mahmood:** Cases that I have been dealing with as a constituency MP concern me because of the potential for the race disparities that we know exist within the justice system, as the Minister has just said, to manifest themselves in cases of IPP prisoners from a BAME background, particularly in relation to access to courses and to the diagnosis and treatment of mental health conditions. What can the Minister do to ensure that the injustices relating to IPP sentences are not further compounded by our systemic problem with race in the criminal justice system?

**Lucy Frazer:** The hon. Member is absolutely right to say that IPP prisoners need an opportunity for hope. They need the Prison Service to provide opportunities for reform and to help those prisoners to reform, so that at the end of the process, the Parole Board can consider them appropriately for release. She is right to identify the fact that there used to be a waiting list for certain accredited offender behaviour courses, but that is no longer the case apart from in relation to one. We are doing our best to ensure that all prisoners get the rehabilitation that they need while they are with us in the Prison Service.

### Custodial Sentences: Non-UK Citizens

10. **Mr Philip Hollobone (Kettering) (Con):** How many non-UK citizens are serving custodial sentences; and if he will negotiate compulsory prisoner transfer agreements with other countries. [900820]

**The Minister of State, Ministry of Justice (Lucy Frazer):** I understand my hon. Friend's concern about foreign nationals in our prisons. As he is aware, we have 110 prisoner transfer agreements with countries and territories around the world, and we continue to work closely with other Governments to try to increase that number.

**Mr Hollobone:** Foreign national offenders convicted in this country should serve their terms of imprisonment at the expense of their own Governments in their own countries. We may have 110 prisoner transfer agreements, but only about three are compulsory. Now that we have rediscovered our mojo for tough international renegotiation, can we please have more compulsory prisoner transfer agreements with high-volume crime countries with lots of nationals in our prisons, such as Pakistan, Nigeria and Albania?

**Lucy Frazer:** My hon. Friend is right to highlight the importance of removing foreign offenders to serve sentences in their own countries, and we have removed 51,000 such offenders from our prisons since 2010. He is right to highlight that we have a number of nationalities within our prisons, including a high number of Albanian, Polish and Romanian prisoners. We are considering all these matters in some detail.<sup>1</sup>

### Violence in Prisons

12. **Mohammad Yasin (Bedford) (Lab):** What assessment he has made of trends in the level of violence in prisons. [900822]

**The Minister of State, Ministry of Justice (Lucy Frazer):** We have seen a slight decrease in assaults, and this year is the first time that we have seen assaults fall since 2013. However, we of course recognise that there is still more to do in this area.

**Mohammad Yasin:** When the Minister visits HMP Bedford tomorrow, can she look the governor in the eye and say that she is doing all she can to ensure the health, safety and welfare of his staff when the last Independent Monitoring Board report on Bedford prison revealed chronic levels of sickness, with nearly a quarter of officers off sick at times?

**Lucy Frazer:** I am looking forward to visiting the prison in the hon. Member's constituency tomorrow and to speaking to the governor this afternoon. I recognise that the prison has some challenges, but I have heard that it is making real progress. I look forward to discussing the measures being taken in Bedford and talking about how we can support the prison to improve morale and the work of prison officers and to rehabilitate the prisoners.

**Imran Hussain (Bradford East) (Lab):** This afternoon, trade unions representing the wide variety of staff working in our prisons to keep us safe will meet to finalise the safe prisons charter, which has been drawn up by those facing violence in prisons first hand on a daily basis. Will the Minister adopt the charter and put the safety of staff first—yes or no?

**Lucy Frazer:** I very much look forward to seeing the charter. It is difficult to commit to it until I have seen it, but I am pleased to have met regularly with the unions

1. [Official Report, 17 March 2020, Vol. 673, c. 7MC.]



to discuss general issues relating to their members. When I met prison officers at HMP Whitemoor after they experienced a terrible incident in their prison, I was bowled over to see their determination, resilience and stoicism at first hand and to hear about the amazing work they do every day and the support they give each other. I will look closely at the document the hon. Gentleman mentions.

**Sara Britcliffe** (Hyndburn) (Con): Will my hon. and learned Friend outline her Department's plans to crack down on crime within prisons?

**Lucy Frazer**: My hon. Friend makes an important point about crime in our prisons, which takes several forms. A few months ago, we announced expenditure of £100 million on security within our prisons, which will enable us to stop the use of illicit phones, prevent drugs from getting into our prisons, and increase our intelligence and surveillance to stop criminal activity.

**Philip Davies** (Shipley) (Con): Is it not about time the Government changed the law so that anybody who is guilty of assaulting a prison officer loses their automatic right to early release, thereby acting as a huge deterrent for this appalling activity and giving prison officers the support they deserve?

**Lucy Frazer**: My hon. Friend has made a number of points on the criminal justice system over a number of years that are all worth thinking about. He is absolutely right about protecting our prison officers. We have, as he will be aware, increased the sentence for assaulting prison staff.

**Chris Bryant** (Rhondda) (Lab): No, we did!

**Lucy Frazer**: Parliament brought it in, at the behest of the hon. Member's Assaults on Emergency Workers (Offences) Act 2018—cross-party working in this place is very important—and we continue to look at this important area.

### Veterans

14. **Dan Jarvis** (Barnsley Central) (Lab): What steps his Department is taking to support veterans in the criminal justice system. [900824]

**The Minister of State, Ministry of Justice (Lucy Frazer)**: The hon. Member raises an important question. We recognise the unique nature of military service, which is why we committed in our manifesto to offering veterans a guaranteed job interview for any public sector role for which they apply. The MOJ continues to work in partnership with military charities to improve the prospects for ex-armed service personnel in the criminal justice system.

**Dan Jarvis**: I am grateful to the Minister for that response. She will know that a recent Barnardo's study, funded by the Forces in Mind Trust, shows that veterans in custody and their families often do not receive the support they need. Does she agree that more effective identification of service leavers is needed, along with dedicated veterans support officers?

**Lucy Frazer**: Yes, I do. There is support available through the tremendous amount of work that charities do in this sector, but people cannot access that support

if we do not identify them as veterans in the first place. We have changed our systems during the screening process to actively ask those entering custody about previous service in the armed forces. That is recorded on the basic custody screening tool but, of course, the more we record, the more we can do.

### Rape and Sexual Abuse Victims

15. **Selaine Saxby** (North Devon) (Con): What steps his Department is taking to support victims of (a) rape and (b) sexual abuse through the criminal justice system. [900825]

**The Minister of State, Ministry of Justice (Kit Malthouse)**: The Government are committed to ensuring victims of rape and sexual violence have access to high-quality support services to help them cope and, as far as possible, recover from the effects of this devastating crime. From April, we will be increasing funding to rape support services by 50% to £12 million and investing an additional £1 million for independent sexual violence advisers annually until 2022.

**Selaine Saxby**: My constituent Dominique Martin has suffered the horror of being a rape victim twice in her life. Dominique described her ordeal to me as "like being murdered, except you are left alive." What is more, Dominique has had to wait 18 months and counting to see the local mental health team. Will the Minister meet me to discuss the issues Dominique has raised to ensure nobody else has to suffer in the same way?

**Kit Malthouse**: It is obviously very distressing to hear about this particular case, and I am very sorry for the experience of my hon. Friend's constituent. I am, of course, more than happy to meet her to discuss these matters. As the 2018 victims strategy has an ambition to join up services across Government and, indeed, with the third sector, I will endeavour to make sure a Health Minister is there as well.

### Early Legal Advice

16. **Debbie Abrahams** (Oldham East and Saddleworth) (Lab): What recent assessment he has made of the ability of social security claimants to access early legal advice. [900826]

24. **Yvonne Fovargue** (Makerfield) (Lab): What assessment he has made of trends in the number of people able to access early legal advice. [900834]

**The Parliamentary Under-Secretary of State for Justice (Alex Chalk)**: In a nation of laws, access to justice is a fundamental right. Legal aid for early legal advice remains available in many areas, such as for asylum cases. In addition, legal aid is available under the exceptional case funding scheme in any matter where failure to provide it would breach or risk breaching someone's rights under the European convention.

**Debbie Abrahams**: I spoke last night about the deaths since 2014 of social security claimants the Government had deemed to be fit for work. The number of social security claimants wanting to appeal a decision by the Department for Work and Pensions to stop or reduce

their support who received legal advice fell from 82,554 in 2012 to 163 in 2013—I repeat, 163—and it has since remained at that level. What role have the cuts in legal advice to claimants had in failing to protect our most vulnerable citizens, including from the state?

**Alex Chalk:** Later this year, the Government will conduct a review of the scope of legal aid, but that will sit alongside a lot of work on scoping pilots to ensure that legal aid and support is provided quickly, because early legal support is much better than late legal support, that it is evidence-led on the basis of the pilots and that it truly goes to those who need it most.

**Yvonne Fovargue:** Working in an advice agency, I saw for myself that many people have complex, interrelated problems and that access to early advice that covers all aspects is key to the prevention of often devastating and costly consequences, both to the individual and the state. Will the Minister look into extending the pilots to other areas of law, including family, housing and social security law?

**Alex Chalk:** I pay tribute to the hon. Lady for the work that she did in an advice agency. I entirely agree that if early support is provided, it can make an enormous difference in solving problems that would otherwise fester and become more difficult. A pilot is taking place on social welfare law that will consider housing and a raft of other aspects of law, and we will consider that evidence extremely carefully. If the hon. Lady would like to speak with me about it, I would be delighted to do that.

**Bambos Charalambous** (Enfield, Southgate) (Lab): It is now more than a year since the Government published the “Legal Support: The Way Ahead” action plan as part of their response to the review of the Legal Aid, Sentencing and Punishment of Offenders Act 2012. Since then, hardly any of the deadlines for Government action have been met, including the promise to “pilot and evaluate the expansion of legal aid to cover early advice in...social welfare”,

which was meant to happen “by autumn 2019.” Will the Minister confirm when we are likely to see the proposals on early legal advice and explain why the Government have completely missed the deadlines in their document?

**Alex Chalk:** Proposals for the early legal advice pilot will sit alongside pilots for co-located hubs and a legal support innovation fund. Those pilots have to be got right, so they are being considered together with academics to make sure that they will work precisely as required, because what is ultimately provided must be evidence-led and based on an exhaustive scrutiny of what works, so that it is sustainable in the long run. That is precisely what we shall do.

**Paul Maynard** (Blackpool North and Cleveleys) (Con): May I welcome my hon. Friend to his new role and suggest as his first piece of homework that he look at Law for Life’s Advicenow website, which provides early legal support for social welfare claimants? Will he make sure that that is rolled out to existing legal aid deserts, such as my constituency? Many of my constituents could benefit from Advicenow’s services but simply do not know that they exist in the first place.

**Alex Chalk:** I pay tribute to my hon. Friend’s extremely distinguished service in the Department. On legal aid deserts, it is of course right that those who are entitled to legal aid support can always access it over the telephone—that is an important point—but none the less, I very much take on board his points and would be happy to discuss the matter with him should he wish.

### Topical Questions

T1. [900836] **Christian Matheson** (City of Chester) (Lab): If he will make a statement on his departmental responsibilities.

**The Lord Chancellor and Secretary of State for Justice (Robert Buckland):** Keeping the public safe from harm is the first duty of any Government. The terror attack in Streatham earlier this month sadly demonstrated that sentencing laws were not working as they should. People’s lives were being put at risk by the automatic early release of terrorist offenders without scrutiny by the Parole Board. Now that the Terrorist Offenders (Restriction of Early Release) Bill has passed all its stages in both Houses, convicted terrorists will serve at least two thirds of their sentence before being considered for release.

The introduction of emergency legislation is not a step that the Government would ever take lightly, but the law was not working and we had a responsibility to act. I am pleased that this House agreed with that assessment and we were able to get the new law on the statute book as a matter of urgency.

**Christian Matheson:** Since 2010, the Conservatives have cut more than a third of all funding to local authorities’ domestic and sexual violence services. I have constituents coming to see me who are in shelters for months or even years because the facilities are not there. When are the Government going to bring forward the domestic abuse Bill, which has cross-party support, so that we can give justice to victims?

**Robert Buckland:** The hon. Gentleman will be glad to know that we intend to bring that Bill forward very soon indeed—well before Easter—so that we can debate it. He made a point about local government services; no doubt, he will have welcomed the announcement on the local government settlement that was made yesterday. He will know from his own experience of local authorities, as indeed I know from my local authority, that choices can be made to offer direct assistance. For example, with women’s shelters and refuges, decisions on non-domestic rates can help the funding of those services. Important decisions were made about how homelessness and housing support was given to make sure that the interests of those centres were put first and foremost, because they are not just shelters but places of rehabilitation and support.

T4. [900839] **Ruth Edwards** (Rushcliffe) (Con): One of my constituents had £30,000 of his retirement savings stolen by fraudsters impersonating a legitimate bank and using Google’s advertising services to promote itself online. Will my hon. Friend meet me to discuss how we can improve support and compensation for victims of such crimes?

**The Parliamentary Under-Secretary of State for Justice (Alex Chalk):** I am grateful to my hon. Friend for raising that point. It is appalling to hear of the experience of her constituent. On the specific issue of compensation, following conviction for an offence under the Fraud Act 2006 or, indeed under the Theft Act 1968, the court has the power to award compensation to victims or even order confiscation of assets. I would, of course, be delighted to speak to her to see how we can strengthen protections more generally.

**Richard Burgon (Leeds East) (Lab):** The Grenfell public inquiry has been delayed again after firms demanded assurances that their testimony will not be used against them in a criminal case. We need new laws that force officials and private companies to come clean about wrongdoings and failures. The brave Hillsborough and Grenfell families called for a public accountability law that would do this. In the past, there has been cross-party coalitions of support for such a law, often referred to as the Hillsborough law. Does the Justice Secretary agree that it is now time for such a law?

**Robert Buckland:** I am grateful to the hon. Gentleman for raising this important point. He knows that it would be invidious for any of us to comment directly on the ongoing inquiry, which he knows is a judicial process. However, he makes an important point for the long term about the status of individuals with regard to various legal proceedings and consequences flowing from them. I would, of course, be happy to talk to him further about that as an important point that we need to consider carefully, and I will do so.

T6. [900841] **Craig Williams (Montgomeryshire) (Con):** Twenty-two members of a county lines drugs gang who are infiltrating rural towns across Powys have been sentenced to a combined 101 years. I cannot praise Dyfed-Powys police enough for their role in this action. Will my hon. Friend assure me that repeat offenders of the scourge of county lines will face harder, longer and tougher sentencing?

**Alex Chalk:** I am grateful to my hon. Friend for that question and for his tribute to the police. What we have done already, as he will be aware, is that, for the most serious violent and sexual offences, offenders will now have to serve two thirds of their sentences, rather than half, sending a clear message that those who commit serious crimes will be expected to pay for them.

T2. [900837] **Jo Stevens (Cardiff Central) (Lab):** Since the 2007 Corston review into women in the criminal justice system, more than 100 women have died in our prisons. Inquest has recently published an update to its report, "Still Dying on the Inside", which details both the tragic and often unavoidable circumstances surrounding deaths of women in custody. What concrete action have the Government taken to resolve this crisis?

**The Minister of State, Ministry of Justice (Lucy Frazer):** Every death in custody is a tragedy. Every death in custody is investigated. What we need to do is to improve people's mental health, stop women and men self-harming in prison and give them the skills and tools to turn around their lives through employment. I recently visited HMP Send, a fantastic women's prison, and its therapeutic

community, which offers a long programme that helps women to come to terms with their offending and to get their lives back on track. Those are the sorts of programmes that do a great deal of work for women and men in prison.

T7. [900842] **Mr Laurence Robertson (Tewkesbury) (Con):** I was pleased to support the recent changes to the early release for terrorists, but what more can the Department do to protect residents of this country not only from terrorists but from other serious offenders?

**The Parliamentary Under-Secretary of State for the Home Department (Chris Philp):** Once again, I pay tribute to my hon. Friend's campaigning in this area. The Government will, quite shortly, bring forward a counter-terrorism release and sentencing Bill, which will make it clear that, for the most serious terrorist offenders, there will be a minimum sentence of 14 years and that such offenders will serve all their sentence in prison.

T3. [900838] **Peter Kyle (Hove) (Lab):** The Minister's Department has taken the first steps of family court reform by banning cross-examination of victims by perpetrators, but a lot more needs to be done with family courts. What plans has he got to reform and modernise the family courts?

**Robert Buckland:** I am very grateful to the hon. Gentleman for his question. He will know that the work of reform should never cease. There is a lot of work being directed by the president of the family division, and I have referred to the meeting that I am having with him tomorrow. My view about family litigation is that we need to take the confrontation out of it, particularly with regard to children's proceedings, where the interests of the child have been, by dint of statute, paramount for the past 30 years. All too often, those interests are trampled underfoot by a far too adversarial approach. I think that it is in that direction that we need to be going, and I would be happy to engage with him and, indeed, with all interested parties to improve the experience of people in the family system.

**Lucy Allan (Telford) (Con):** May I say what a joy it is to see such a fantastic team on the Front Bench?

Now that the case of the Post Office workers against the Post Office has concluded with two damning judgments against the Post Office, it is time for those wrongly convicted workers to have their names cleared. Will the Minister work with the Criminal Cases Review Commission to allow these cases to be dealt with as a group, to ensure that justice can be done without further delay?

**Alex Chalk:** I am grateful to my hon. Friend for raising the injustice that has been suffered by so many, including—I am bound to say—someone in my own constituency. The CCRC is seized of this matter. It will, of course, have to consider the cases individually, but I know that it will want to proceed at pace, and I understand that it is meeting in March to consider the issue fully; let justice be done.

T5. [900840] **Clive Efford (Eltham) (Lab):** My constituents struggle to get legal aid support when their benefits have been stopped. This is leading to people being forced to use food banks and, in some extreme cases,



even losing their tenancies. Do the Government regret cutting £900 million from the legal aid budget since 2010, and what is going to be done to redress this injustice?

**Robert Buckland:** The hon. Gentleman will have heard the answer of the Under-Secretary of State for Justice, my hon. Friend the Member for Cheltenham (Alex Chalk), some moments ago regarding the investment that we are making in early intervention. It is clear to me from my many years of practice in the law that what often becomes a litigation problem could have been dealt with through early intervention. It is that approach—of direct help—that I want to take and that we need to take. It is no good refighting the battles of nearly 10 years ago. Let us move forward with a more effective system.

**Mr Richard Holden** (North West Durham) (Con): Helen's law will help to ensure that failure to identify victims or their locations will count against those convicted of murder or child pornography who are seeking parole. Will the Government consider extending this to cover victims of rape, such as those at Medomsley Detention Centre? Some of those victims have taken their own lives and their families are now asking questions.

**Lucy Frazer:** My hon. Friend has consistently raised this important issue since he was elected to this place. I have a huge amount of sympathy for the victims affected by the abuse at Medomsley Detention Centre. He will know that Helen's law places a statutory duty on the Parole Board to consider the non-disclosure of information in two very discrete circumstances—that is, failure to disclose information about a victim's remains, or information on the identity of victims in indecent images—which are both within the knowledge of the perpetrator, but no one else. Rape and buggery are outside the scope of the Bill, but my hon. Friend should be comforted that the Parole Board already takes into account non-disclosure of information in any assessment prior to release.

T8. [900843] **Liz Twist** (Blaydon) (Lab): Law centres such as the North East Law Centre, which serves my constituents, provide a significant cost saving in public finances by helping people to resolve legal issues before they spiral out of control. Will the Minister commit to securing Treasury funding to provide law centres with a central grant to help ensure their survival?

**Alex Chalk:** I pay tribute to the work of law centres, including Gloucester Law Centre in my county of Gloucestershire. We will continue with a pilot to ensure that there is that early legal support—whether face-to-face legal advice or other forms of legal support—so that people can get the assistance they need early.

**Rob Butler** (Aylesbury) (Con): The prisons inspectorate has this morning published its latest report into Her Majesty's Young Offender Institution Aylesbury. I very much welcome the progress that has been made, and pay tribute to the governor and her staff for that, but there is still a great deal to do. Will my hon. and learned Friend commit to providing the resources that will be necessary to implement all the recommendations of the report?

**Lucy Frazer:** We are very conscious of the state of Aylesbury. We are bringing two wings back online by the beginning of next year and remain committed to making improvements in that prison.

T9. [900844] **Clive Lewis** (Norwich South) (Lab): Violence in Norfolk prisons has reached unprecedented levels, with more than two attacks every single day last year. So when will this Government accept that the root cause of this crisis is the thousands of cuts to experienced prison staff that took place on their watch, and when will they commit to stopping the underfunding and overcrowding of prisons across this country?

**Lucy Frazer:** The hon. Member makes two important points. He may have heard my answer to the hon. Member for Bedford (Mohammad Yasin), when I said that in fact for the first time, from September to September last year, we had a reduction in violence—a slight reduction but a good step in the right direction. As I mentioned to the right hon. Member for Dwyfor Meirionnydd (Liz Saville Roberts), we have recruited more prison officers—4,300 net since 2016.

**Kevin Hollinrake** (Thirsk and Malton) (Con): The introduction of a corporate offence of failing to prevent economic crime could well have prevented a succession of banking scandals: PPI, the rigging of LIBOR and forex and the scandalous mistreatment of thousands of small businesses. What plans does the Justice Secretary have to introduce such an offence?

**Robert Buckland:** My hon. Friend has raised this issue on many previous occasions, and he knows that I have engaged very closely on it. Now that we have the time and space with regard to the further development of policy, I want to work with him and, indeed, other parts of government to develop these proposals. There is still more work to be done. We have two failing-to-prevent offences in the realms of tax evasion and bribery. We need to understand the learning from those in order to apply those principles to any future further economic crime offence.

**Preet Kaur Gill** (Birmingham, Edgbaston) (Lab/Co-op): Women are more likely to be imprisoned for non-violent offences and to receive ineffective short sentences of six months or less, and children whose mothers are sent to prison are more likely than their peers to have future problems. With 17,000 children separated from their mothers each year in England and Wales, what steps is the Minister taking to ensure that the safeguarding and welfare of children is prioritised in criminal courts?

**Lucy Frazer:** The hon. Lady makes a really important point about dependants and the effect of a custodial sentence on the mother of those children. That is why we are ensuring that in pre-sentence reports a checklist is filled out to ensure that the appropriate things are taken into account when a woman is sentenced, one of which will be the effect on her dependants.

**Andy Carter** (Warrington South) (Con): There is a significant shortage of magistrates in courts in England and Wales. To add to this, more than half of all sitting magistrates are over the age of 60 and due to retire in the next decade, which will only add to the problems. Will my hon. Friend look urgently at increasing the retirement age for magistrates so that courts have experienced presiding justices and the capacity to deal with their current and future workload?



**Chris Philp:** Yes, I can give my hon. Friend that commitment. It is the Government's intention to consult very shortly—this spring—on increasing judicial retirement ages, including for magistrates, thereby retaining the very high levels of experience that he refers to. In addition, to maintain diversity on the bench, we need to make sure that we are also recruiting new magistrates who reflect the diversity of our great country.

**Mrs Emma Lewell-Buck** (South Shields) (Lab): My constituent Kelly Chandler suffered sexual abuse from her brother when she was a child. As an adult, she found the strength to report this to the police. Her brother

then admitted that he did perpetrate this abuse. However, a legal loophole states that due to his age at the time of the abuse, he cannot be prosecuted. Kelly, after reliving this trauma, is being denied justice. When will this loophole be closed?

**Robert Buckland:** I am very grateful to the hon. Lady for raising this individual case. I would be happy to discuss it further with her. There obviously seems to have been a prosecutorial decision, which is the responsibility of the Attorney General, but we will meet and discuss this troubling case further.

## Point of Order

12.33 pm

**Christine Jardine** (Edinburgh West) (LD): On a point of order, Mr Speaker. Yesterday, the Home Secretary said that so far 2.8 million people have been granted settled status and that there have been more than 3 million applications. In fact, that figure of 2.8 million includes more than 1 million who have temporary pre-settled status. How could we go about getting some clarification from the Home Secretary, rather than this appearing to be misleading?

**Mr Speaker:** I thank the hon. Lady for giving notice of her question. It is not a point of order for the Chair. Ministers, along with other Members of the House, are responsible for the accuracy or otherwise of what they say and for correcting the record. My advice would be to go to the Table Office, and I am sure that it will offer some good advice on how you may pursue it.

## BILL PRESENTED

### NATIONAL HEALTH SERVICE EXPENDITURE BILL

*Presentation and First Reading (Standing Order No. 57)*

Jamie Stone, supported by Stuart C. McDonald, Nia Griffith, Munira Wilson, Wendy Chamberlain, Mark Garnier and Mr Stephen Morgan, presented a Bill to require expenditure on mental health services and on health services for veterans and members of the armed forces to be identified separately in National Health Service expenditure plans and outturns; and for connected purposes.

*Bill read the First time; to be read a Second time on Friday 26 June, and to be printed (Bill 91).*

## Hong Kong

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

12.34 pm

**Mr Alistair Carmichael** (Orkney and Shetland) (LD): I beg to move,

That leave be given to bring in a Bill to place requirements on the Government relating to the Sino-British Joint Declaration 1984 and human rights in Hong Kong; to make provision about immigration for Hong Kong residents including granting rights to live in the United Kingdom; and for connected purposes.

First, I want to thank Members from across the House who have offered their support for this campaign, either as co-sponsors of my Bill or through their support for the rights and freedoms of people in Hong Kong. I pay particular tribute to the work of Hong Kong Watch, of which I should declare I am a patron, and the many other civic organisations that continue to work tirelessly to advance the cause of democracy in Hong Kong. Most importantly, I should state my full admiration for the people of Hong Kong, who have demonstrated fortitude and resilience for their cause in the face of adversity and active suppression.

The status of British nationals (overseas) in Hong Kong and their right to abode in the United Kingdom is an issue on which my party, with others, has campaigned for decades. It speaks to our values of internationalism, support for the rule of law and liberal democracy. During the handover process in the 1980s and 1990s, we demanded that the people of Hong Kong be given the right of abode in the UK if China were ever to renege on the promises made in the joint declaration. Our then leader, the late Paddy Ashdown, led that call, and he knew that the UK could not guarantee the promises we had made without such a supportive measure. Some decades later, it is clear that the value of the joint declaration is being challenged by China, which is why the issue of British national (overseas) passport holders is more important today than it has ever been.

At the formation of the first ever all-party parliamentary group on Hong Kong last month, Members from all sides of the political discourse came together to create a new parliamentary focus on scrutiny of China's actions and to hold our own Government to account. China has repeatedly undermined the principles of the joint declaration in recent years, weakening Hong Kong's democratic systems. The one country, two systems arrangement is a shadow of what it was supposed to be. It has been mocked by Beijing officials as being a "historical document". The former Governor of Hong Kong, Lord Patten, denounced that dismissive behaviour last month in the inaugural Paddy Ashdown memorial lecture. He said:

"A treaty is what all the contracting signatories agree it is; it is not simply whatever one side says it is."

Far worse than Beijing's rhetoric is what we have seen on the ground in Hong Kong. Reports of police brutality against protestors have arrived almost daily since the start of protests against proposed extradition laws last summer. That the Chinese state is reneging on the Sino-British joint declaration is no longer a matter of debate, and if ever there were a time to act in support of Hong Kong, this is it.

The Bill that I seek the House's leave to introduce is supported and promoted by Members on both sides of the House. It is not a particularly radical set of proposals, but sadly, it is a necessary one. It seeks to discourage further infringements on Hong Kong's historic freedoms by reopening the BN(O) passport scheme and establishing the right to abode in the UK for BN(O) passport holders. For Hongkongers, this is one of the most important signals that we can send. It is a signal that we in the United Kingdom have not forgotten our obligations to them and that, as it begins to look as if some of their worst fears may be realised, we shall do more than stand on the sidelines wringing our hands. Since the joint declaration was signed and implemented, however, international law has moved on significantly and it is only right that account should be taken of changes such as the evolution of Magnitsky sanctions.

The joint declaration already includes a mandate for the UK Government to strengthen the six-monthly reports so that they issue a judgment on whether the joint declaration has been breached. The problem with that, however, is that as things stand there is no meaningful sanction for those responsible for any breach. That is why I am calling today for the Government to commit to employing Magnitsky-style sanctions for those whom it is judged have been responsible for human rights violations whether in Hong Kong or elsewhere in China. This, again, would be a powerful signal that the United Kingdom is serious about our commitments to the people of Hong Kong.

These actions would not set us apart from the international consensus. Quite the opposite. At the end of last year, the United States Congress passed a Bill to take measures against those responsible for human rights abuses in Hong Kong, and to ensure an annual review of their trading relationship with China. The Bill was supported across Congress—a reminder for us that standing up for democracy should not be a single-party issue.

I am realistic about the prospects of success for a Bill that starts its life as part of a ten-minute rule procedure. There are some who would say that even this is more than we should be doing and that it would be better to keep our heads down and avoid making waves when it comes to our dealings with an important trading partner. Members will have noticed this week already that the former Attorney General, Lord Goldsmith, was moved

to rebuke the Government publicly for what he saw as misrepresentation of his legal advice on the issue of granting the right to abode. That was a quite extraordinary move and one that I hope will act as a shot across the bows of the Government. If there are good reasons not to act, then the Government should explain them. Good reasons, however, are one thing; excuses are quite another.

Lord Goldsmith has been clear that

“the UK Government can extend full right of abode to BN(O) passport holders without breaching its side of the Sino-British Joint Declaration”.

This is an issue that is not going to go away. We have seen the continued resistance shown by Hongkongers over these past few months. They are not keeping their heads down, they are making waves, and that is why there is growing support and enthusiasm in the House and across the country for meaningful action to be taken now to stand with them.

Rather than sitting on our hands, the UK can stand shoulder to shoulder with the people of Hong Kong. I am calling on the Government to take an active approach by adopting this Bill. It is time to do what we should have done during the handover; it is time to give the people of Hong Kong the guarantees they need, by providing their right to live in the UK.

The idea of global Britain, so often trumpeted in recent weeks, is meaningless if we are timid in the advancement of international human rights. Human rights are nothing if they are not universal. What is good for us here must also be good for those in Hong Kong. This House must make its voice heard on essential values such as the rule of law and liberal democracy. I believe that there will be cross-party support and grassroots backing across the country and beyond to move this legislation forward. If the Government intend to give substance to their global rhetoric, they should put their weight behind the Bill as well.

*Question put and agreed to.*

*Ordered,*

That Mr Alistair Carmichael, Wendy Chamberlain, Wera Hobhouse, Jim Shannon, Alyn Smith, Andrew Rosindell, Bob Seely, Caroline Lucas, Liz Saville-Roberts, Mr Virenda Sharma and Stephen Timms present the Bill.

Mr Alistair Carmichael accordingly presented the Bill.

*Bill read the First time; to be read a Second time on Friday 12 June, and to be printed (Bill 92).*

# Opposition Day

[4TH ALLOTTED DAY]

## Tax Avoidance and Evasion

12.44 pm

**John McDonnell** (Hayes and Harlington) (Lab): I beg to move,

That this House notes that the tax gap, the difference between the amount of tax that should be paid to HMRC and what is actually paid, has been estimated at between a minimum of £35 billion and £90 billion; believes that successive Conservative governments have failed to address tax avoidance and evasion while making savage cuts to public services and undermining the social security net; further notes that the Tax Justice Network has described the UK as backsliding on financial transparency; is concerned by reports of the Conservative Party's links with individuals and companies that have engaged in tax avoidance; and calls for the proper funding of public services after a decade of austerity and for robust action to tackle tax avoidance and evasion.

With a Budget in just over a fortnight, over the coming days we will be setting out an agenda of issues that we believe the Government need to address to tackle the social and climate emergencies that our country now faces. And yes, there is a social emergency in many of our communities. Yesterday, my hon. Friend the Member for Leicester South (Jonathan Ashworth), the shadow Health Secretary, exposed the appalling levels of health inequality across the regions of our country. Today, the Marmot report shows what he described as the “shocking” results of 10 years of austerity: life expectancy has stalled for the first time in more than 100 years, and has even been reversed for the most deprived within our community, women in particular.

Yesterday, my hon. Friend the Member for Denton and Reddish (Andrew Gwynne), the shadow Secretary of State for Communities and Local Government revealed the scandalous impact of cuts to local councils—for example, the impact they have had on the services desperately needed to keep our children safe. This afternoon, my hon. Friend the Member for Worsley and Eccles South (Barbara Keeley), the shadow Minister for mental health and social care, will describe the immense suffering and distress caused by the cuts in social care imposed by this Government. Members will remember the report only last year, reporting that 87 people died each day before actually receiving the care they needed.

At present, we have a Government who, on this evidence, have proved to be incapable of providing care for our people, of housing our people, of feeding them or of providing the work that will lift them and their families out of poverty. There is a lot of hyped-up talk about the big expenditure numbers that might be associated with the coming Budget. What we are interested in is outcomes, and the impact on the wellbeing of our people. These will be the key tests of the forthcoming Budget. Will it really end austerity? Will it really reverse the decade of austerity cuts that have been imposed on our community by this Government? Will it ensure that our people are properly cared for, properly housed, properly fed and lifted out of poverty? Alongside all of this, in a week when we have seen the Prime Minister's failure to respond to the flooding that has damaged so many of our people's lives, the overriding test is: will this Budget tackle the existential threat of climate change?

It is interesting that, contrary to virtually all the advice from mainstream economists 10 years ago, the newly elected Conservative Government took the political decision to impose austerity cuts on our community. As we have repeatedly said, it was a political choice, not an economic necessity. The alternative was to ensure that we had a fair taxation system to fund our social infrastructure, and that we borrowed to invest in our physical infrastructure to grow our way out of recession. The reality is rather that the neo-liberal ideologues simply could not let the economic crisis go to waste. They seized the opportunity to launch their experiment to downsize the role of the state through cuts, outsourcing and privatisation. This was linked to ever more restrictions to reduce the effectiveness of trade unions to represent their members and to shift the balance of power between capital and labour in the workplace.

The result has been that virtually every area of our public services is in crisis, with the slowest growth in wages in 200 years, 8 million of our people in working households in poverty and over 4 million of our children in poverty. The UN rapporteur has described levels of destitution in our country and the treatment of disabled people as an abuse of human rights. The Government's alibi for austerity was the global financial crisis, even though Government spending was never a cause of that crash. Now, 12 years on, the Government no longer have that fake alibi for the cuts. It is clear the Tories do not just want to shrink public services and cut public sector jobs in the short term; they want to downsize our public services for good—as the Institute for Fiscal Studies has said, baking austerity into Government.

All this suffering, all this hardship, all this holding back the potential of a near-generation of our people would have been rendered completely unnecessary if we had had a fair taxation system and had invested in our economy. A fair taxation system starts with ensuring that people and corporations pay their taxes. That patently is not the case at the moment. There is much talk about levelling up; well, let us start with levelling up the rules of taxation and the amount many of the rich and the corporations pay in taxes.

**Kevin Hollinrake** (Thirsk and Malton) (Con): Surely the right hon. Gentleman will be aware that the top 1% of earners in this country now contribute about 29.6% of all taxation, whereas in 2009-10 the figure was only about 25%. How can he say that is a failure?

**John McDonnell**: They pay that much because they earn so much more than everybody else, but the other issue, and it relates—[*Interruption.*] Let me finish. We have this debate time and again. The hon. Gentleman is referring to income tax, but when we take into account overall taxation we see that the poorest-paid in our country are paying about 40% of their income while the richest are paying around 34% of their income. It is the poorest who are hit hardest, it is the poorest who have shouldered the burden of austerity, and it is the poorest whose life expectancies are being reduced at the moment. That cannot be right; surely to God no one in this House was elected to ensure that life expectancy for the poorest stagnates and for some goes backwards.

**Ms Angela Eagle** (Wallasey) (Lab): Does my right hon. Friend agree that the other side of this calculation is that those who are best able to pay ought to pay their



fair share of tax, and what we have seen over the last few years is the creation and mass-marketing of tax evasion schemes? Those now exist like package holidays—they are package schemes. Does he also agree that the Treasury has been very remiss in not cracking down on this awful emergence of tax schemes that are packaged to make it much easier for people to avoid paying their fair share?

**John McDonnell:** I want to pay tribute to a number of my colleagues in this House who have consistently raised this issue, and my hon. Friend is one of them. When we had the debate very early on—in, I think, 2012 or 2013—a number of hon. Members, including my hon. Friend, started describing what was taking place as tax avoidance on an industrial scale. That is exactly what has happened, and it has not got better; it has got worse consistently.

At the moment, Her Majesty's Revenue and Customs is saying that the tax gap is about £35 billion, and it defines that as the difference between its estimate of the tax that should be paid and what is paid. But we know, and HMRC accepts this, that that does not include many of the abuses of corporate profit shifting, and HMRC acknowledges

“many sources of uncertainty and potential error”

in its own calculations. So other experts have suggested—this is the point my hon. Friend is making—that the tax gap could be as high as £90 billion overall. So let us look at who we know is not paying their taxes.

**Paul Blomfield** (Sheffield Central) (Lab): Each year I organise an annual community consultation, and each year there has been growing anger among my constituents about the sense that they are paying their fair share from very ordinary incomes while the level of corporate tax avoidance has been growing out of control as successive Conservative Governments have failed to step up to the mark in tackling it. We are apparently losing over £1 billion of tax due on UK earnings from just five of the biggest US tech firms; that is money that could pay for more than 42,000 rooms in care homes for people who desperately need them. So does my right hon. Friend agree that there is enormous public support for tough action on corporate tax avoidance?

**Mr Speaker:** Order. I can put the hon. Gentleman's name down if he wishes to make a speech, but we must have shorter interventions.

**John McDonnell:** May I thank my hon. Friend for that wonderful speech?

Whoever is in government needs to accept that this is an issue that we have to address, because there is now an increasing lack of confidence in the tax system, and I know from meeting companies, including some in the City, that fulfil their obligations that they feel anger towards those that do not; so this anger is felt within the wider community, but also within the business community. It destabilises the whole process of tax collection and undermines confidence in the system, and also undermines confidence in Government overall.

As I have said, some have suggested that the tax gap could be as high as £90 billion. Let us look at who is not paying: it is the rich corporations, and in particular the multinationals. Successive Conservative Governments have been, I have to say, weak on multi-nationals. According to analysis by Tax Watch UK the top five

tech companies alone avoided around £5 billion in UK tax over the last five years. We need to recognise that this is money that could be used by whichever Government for useful purposes. That sum is enough to reverse the cuts to homelessness services—we should remember that 700 of our fellow citizens died on the streets last year. It is enough to provide support for families to prevent children from being taken into care, and Members will recall that when we had a debate not long ago we had the report that there are record numbers of children coming into care because of the cuts in early interventions to support families.

We have had discussions in the House about this, therefore. Recent years have seen secret sweetheart deals between HMRC and tech giants, and they have only been made public as a result of the tireless work of tax justice campaigners. The Government have trumpeted their digital services tax. It was trumpeted before the election, but that tax has been widely criticised. It is aimed only at digitalised business models, and many have said—and I agree—that it is hard to administer and becoming impractical. It creates a pitiful 2% tax on the revenues of a very small group of businesses and is predicted to raise £5 million only this coming year—and that is if it is brought into force on 1 April. Now there is talk of the Government dropping even that hollow half-measure. So let us be clear: if the Government drop or delay the digital services tax, as is rumoured, it will effectively be another tax giveaway to powerful multinationals.

Let us look at non-doms again. Non-dom status is another tax giveaway. My right hon. Friend the Member for Barking (Dame Margaret Hodge) has been raising this issue consistently for quite a while. This is just another area where the Tories have said a great deal but have not had an effective clampdown. It is a colonial hangover from 1799 that allowed colonists to shelter their property from tax—a carve-out from the general rule that UK tax residents pay tax on income wherever it is earned. It is a carve-out that applies only to some who might have their domicile outside the UK.

George Osborne, one of the many Chancellors I have dealt with over the years, tinkered with the process and introduced an annual charge of £30,000 to be paid by some non-doms and £60,000 by others. The Government now will claim they are abolishing non-dom status, but actually it is being kept intact for a significant number of years despite the evidence that those who use this status are the wealthiest individuals, able to pay, able to contribute to the funding of our public services, and able to contribute to our society, which they enjoy living in for long periods. Previous estimates have said that fully abolishing now the status of non-doms could raise £1 billion for our public services—think what that could do now to assist families whose homes are flooded.

There are many other ingredients; non-dom status is just part of an array of ingredients that enable abuse of our tax system. Secrecy is at its core; it is financial secrecy, and especially the exploitation of overseas territories and Crown dependencies to avoid tax.

Last week, to this Government's shame, the Tax Justice Network judged that the UK had increased its secrecy score by more than any other country since it last measured financial secrecy. It said that the UK had been backsliding in recent years by building its “spider web” of satellite tax havens. Some of us were in this

[John McDonnell]

House when the Panama papers were exposed. They revealed that the most popular haven in the world is the Virgin Islands, which is a British overseas territory.

A lot of words have been said about enablers, but there has been a history of failure to clamp down on the enablers of avoidance and evasion, including the auditors and, yes, the lawyers. One recent paper said—my hon. Friend the Member for Wallasey (Ms Eagle) made this point—that

“the tax services industry, propagated by the Big Four—”

the big four accountants—

“is essentially the apex of this pyramid of factors that helps build, manage and maintain”

the tax havens, but the Government have said and done little to crack down effectively on the tax services industry.

There has also been a history of failure to recognise how the City of London is complicit in the financial misconduct affecting the global south when it comes to tax collection and the hiding of taxation. According to Oxfam, the global south is losing £170 billion in tax revenue due to the wealth of individuals and corporations hidden in tax havens associated with this country. Surely it is our responsibility to ensure that London is not used as a global laundromat for washing dirty money. It is the Government’s duty to protect our citizens by stopping that dirty money undermining the rule of law internationally and undermining international stability. What goes around comes around, and allowing the City of London to be used in that way will have its consequences in the long term for all of us. To collect taxes we need tax collectors, yet Her Majesty’s Revenue and Customs has seen its staff numbers plummet from 105,000 in 2006 to 65,000 in 2019.

As we have raised before, there is a litany of legal loopholes that the Tories have not acted on or have actively created. The general anti-abuse rule that many of us argued for has proved to be toothless—far weaker than anti-avoidance rules in other legislations. The use of legal professional privilege in tax avoidance cases is little short of a disgrace. George Osborne promised the “march of the makers”, but Nicholas Shaxson has said that the Tories have only created the “march of the takers”. I concur. A number of us have been working with a range of tax experts, accountants, the Public and Commercial Services Union, the HMRC staff union, tax justice campaigns and corporate reform groups. Labour has developed a plan to tackle each of those issues, and there is a range of expertise in this House on all sides arguing for more action.

On secrecy, we believe, as others have said, that we need a stronger public register of trusts and beneficial ownership of companies. We need to put an end to financial secrecy, because the current register of trusts, so often a vehicle of tax avoidance, is not truly public and the penalties for non-compliance are pathetic. The current register of who controls companies is not being verified properly and has a high threshold for disclosure. We have a plan for working with overseas territories and Crown dependencies to accelerate their move towards tax transparency. It is just not good enough that the deadline for establishing public registers of company controls has slipped to 2023 at the earliest.

We believe there should be a clampdown on enablers through the introduction of stronger laws on facilitating tax evasion and, yes, harsher penalties for those who promote schemes. The current law has a wide defence for those accused of facilitation, and penalties for promoters of tax avoidance and evasion are just too weak. We urge the Government to introduce an overseas loan transparency register. That would tackle injustices of the kind that we have seen in, for example, Mozambique. We met a group of women from Mozambique, who told us what had happened in their country. Some of their politicians had undertaken secret lending using UK law and had ripped billions from the budget of Mozambique. Then, when the effects of climate change were felt through flooding following a major cyclone, Mozambique did not have the resources it needed to protect its own people.

We urge the Government to introduce a plan to increase targeted audits undertaken by HMRC to raise the nearly £3 billion owed by self-assessment taxpayers. The majority of the self-assessment tax gap is owed by a small number of self-assessment taxpayers, who could be effectively targeted by such audits.

Our concern is that far from moving forward on tackling tax avoidance in the coming Budget, the Government are opening up the opportunity for more abuse, specifically with their proposals for freeports. The evidence suggests that freeports simply relocate jobs and investment, rather than creating new jobs and investment. Far too often, they become hubs for the abuse of workers’ rights and tax evasion.

Let me be straight with the Conservative party. There is a concern about why the Tories will not tackle tax evasion and avoidance effectively. It is argued by some that they are in the pockets of the City, and in the pockets of the avoiders, the evaders and the enablers. It is hardly surprising that some will be able to level that charge. For example, they could come to that conclusion when only this month we discovered that Lycamobile, which donated £2.1 million to the Conservative party, is embroiled in three tax disputes with HMRC over £60 million in unpaid tax. Indeed, the French auditors were blocked from accessing that company’s records in this country. The problem, however, may also lie closer to home: not just with donors, but with the Chancellor himself.

I put it on the record that there are questions I believe the Chancellor himself, given his past associations, has to answer about his own attitude to tax avoidance. I have written to the Chancellor with a series of questions on this matter. In recent weeks, it has become clear that the Chancellor of the Exchequer, the right hon. Member for Richmond (Yorks) (Rishi Sunak), has had close associations with tax avoiders and tax havens. If people are expected to have any confidence in this Government’s commitment to tackling tax avoidance, it is critical that the Chancellor is fully open and transparent about his own past activities. A former close business associate in two companies in which the Chancellor held senior positions was ordered to repay £8 million after engaging in an unlawful tax avoidance scheme. Two of the firms in which the Chancellor held senior positions have made use of the notorious tax haven of the Cayman Islands.

On our side, we will continue to press the case for a fair taxation system. To do that we need first of all to close the loopholes that allow tax avoidance and evasion to flourish. However, we also need to deal with the

overall regulatory architecture of finance, a challenge raised by a report published this morning by the True & Fair Campaign. Let me quote from that report:

“the last four years have seen a multiple pile-up of mis-selling scandals and incidents of regulatory failure. It has witnessed the repeated and wanton abdication of responsibility by leading market participants...Worst of all, it has demonstrated a breathtaking betrayal of the trust...rightly owed by so-called financial services professionals to their investors and employees.”

That report is called “Asleep at the Wheel”. It singles out for criticism the Financial Conduct Authority, and in particular Andrew Bailey, appointed by the Government to be the next Bank of England Governor. On several occasions I urged the previous Chancellor, in this House and by correspondence, to delay the appointment and installation in office of Mr Bailey until there has been an independent review of his role at the FCA. This report adds urgency to that recommendation. I urge the new Chancellor to act on it now.

In conclusion, the forthcoming Budget will be a test of whether the Tory party has, as it claims, turned a page. From the evidence so far it looks like a bit more Johnsonian bluster. There is nothing on the scale needed to address in any serious way the damage Conservative Governments have inflicted on our community over the past decade, and certainly nothing on the scale needed to tackle the climate crisis. Any realistic policy to end and reverse austerity and invest for the future needs, at its base, a fair taxation system. We will wait, therefore, to see whether in this Budget, the Government will at long last effectively confront the scandal of tax evasion and avoidance. All I can say is that judging on past form, I am not holding my breath, and I do not think many others are either.

1.10 pm

**The Chief Secretary to the Treasury (Steve Barclay):** There is a shared desire across the House to ensure that the correct amount of tax is paid and that tax is not evaded, not least because the public services on which we all rely in our constituencies depend on that happening. Since 2010, we have introduced over 100 new measures to tackle tax avoidance, evasion and other forms of non-compliance, which, alongside HMRC’s other compliance work, have secured and protected significant revenue that would otherwise have been lost.

In 2018-19, HMRC brought in an additional £34.1 billion that would otherwise have gone unpaid, including £1.8 billion from the wealthiest individuals and £10 billion from the largest businesses. Our tax gap is at 5.6%—lower now than at any point before 2010 and one of the lowest in the world. To put that in context, in 2005, for example, under a Labour Government, the tax gap was as high as 7.2%. Action has been taken, but there is a shared desire across the House to continue to take further measures on this.

We have achieved that progress through a mixture of enforcement action for those seeking to avoid payment of what is due and through reform, because not all the tax gap is due to malicious behaviour. It can also be due to basic errors, whether that means the data that is used to calculate tax or how the calculations have been assessed. HMRC estimates, for example, that £10 billion of the current £35 billion tax gap is due to taxpayer error rather than evasion or avoidance, all of which shows that the Government have an important role in helping more individuals and businesses to get their tax

right first time. A further £4 billion stems from firms going bust while owing tax. Likewise, other areas of the £35 billion tax gap are due to long-standing issues on which there will be a shared desire—for example, tobacco smuggling, which is not a new issue under this Government, alcohol smuggling, and the tax lost through the hidden economy. Many of these are long-standing issues, but the crux of the matter is that the tax gap is at a near record low, thanks in large part to the actions taken by my predecessors in the Treasury.

**Mr Kevan Jones (North Durham) (Lab):** I wonder whether the Minister thinks that there is a strong ethos of enforcement within HMRC, especially on landfill tax fraud, which I will speak about. In a case I was involved in, HMRC was not interested unless there was more than £20 million a year in evasion. Does that not send a signal that some people can get away with evading large amounts of tax, because there is not an ethos in HMRC to properly investigate?

**Steve Barclay:** As a point of principle, HMRC always seeks to collect the tax that it is due. One of the areas of innovation—I will come on to such areas as Making Tax Digital—is about making that easier for HMRC, but I appreciate that the right hon. Gentleman is making a point more about fraud than error. The underlying principle is that HMRC always looks to collect the tax that it is due, but if he has a specific point on a constituency basis, I know that my right hon. Friend the Financial Secretary to the Treasury will always be keen to discuss it with him, because he has a zeal for cracking down on any such practice.

The Government have done much to squeeze the tax gap: by ensuring that companies increasingly pay their way; by cracking down on offshore avoidance and evasion; by tackling tax avoidance schemes; by helping people to get their taxes right first time; and by investing in HMRC’s toolbox. If one looks at the actions being taken in terms of large businesses, one will see that there is an exceptional level of scrutiny. At any one time, HMRC is engaged with half the UK’s largest businesses and we have introduced specific measures to shape behaviours. For example, the diverted profits tax was introduced in 2015 to ensure that multinational companies pay UK tax in line with their UK activities. Under our rules, those companies either declare the correct amount of profits in the UK and pay the full amount of corporation tax on them, or they risk being charged a higher amount of diverted profits tax at a rate of 25%. It raises tax directly through encouraging changes in groups’ behaviour that, in turn, leads to increased tax receipts.

**Peter Grant (Glenrothes) (SNP):** The Chief Secretary quoted a figure of 25% as a potential penalty. Will he tell us how much has been raised from those penalties so far? Has anyone been penalised as a result of failing to fall into line with this new incentive?

**Steve Barclay:** It is always good, 10 days into the job, to get specific challenging questions on the detail, but to answer that question—and I do not want to tempt hon. Members who usually come in with detailed questions such as that—the tax has raised £5 billion in additional revenue. On this occasion, I can satisfy the House, but I do not want to tempt fate with too many colleagues on this outing.



[Steve Barclay]

It is interesting that attitudes in large companies are changing. I am sure that there will be Members who will want them to change further, but since 2013 the proportion of large businesses agreeing that tax avoidance is acceptable has more than halved, moving from 45% to 21%. There is clearly more to do, but that shows a change in attitude within many large companies.

**Kevin Hollinrake:** One of the measures that the Government introduced in 2017 was a corporate offence of failing to prevent tax evasion, which certainly has had an effect on advisers. Will my right hon. Friend consider expanding that failure to prevent offence to include economic crime and money laundering, which would further narrow the tax gap?

**Steve Barclay:** As my hon. Friend will know, before coming to the House I worked in the field of trying to prevent money laundering in our financial institutions. As a principle, we are always keen to look at that, but he is right to draw attention to the measures that we have taken, including on the professional responsibilities of advisers, whether that relates to the property business—in businesses linked to his previous senior business experience—or accountants, lawyers and others.

**Sir Desmond Swayne (New Forest West) (Con):** Does my right hon. Friend accept that this ambition is not confined to our domestic policy, but that we have led the world in driving forward the agenda internationally on tax evasion, and what is more, that we have provided the Treasury's services to many poor countries so that they can collect their own taxes?

**Steve Barclay:** Not only is my right hon. Friend absolutely right in the point he makes, but he draws attention to the measures taken in 2014—when he was a key figure in Government—through the UK's G8 presidency, when we drove the adoption of greater tax transparency through the automatic exchange of information. It is part of the UK's role at the forefront of a number of international bodies, including the G20 and the OECD, to improve tax transparency at an international level. Across the House, Members recognise that many of the measures that are required to reduce the tax gap, which I think is a common goal across the House, need international action, not just action on a domestic level.

**Dame Margaret Hodge (Barking) (Lab):** This is the first time that I have spoken to the Minister in his current job and I welcome him to it. I see him a bit as a poacher turned gamekeeper, because he was certainly an extremely determined interrogator of many of the big corporations that we think are still not paying the right amount of tax. I hope he still accepts from our interrogations of Google, for example, that although it pays a bit of tax, it is a very small percentage of the profits it makes in this jurisdiction. To help us, we could enact a measure that has been passed by this House, which is country-by-country reporting, which would enable us to see the economic activity of companies within this jurisdiction, the profits they make here and so the tax for which they are liable. Why does he not enact that measure?

**Steve Barclay:** First, I pay tribute to the work the right hon. Lady did, particularly through her chairmanship of the Public Accounts Committee, on a cross-party basis to bring transparency to these issues. A key driver behind measures the Government have taken in recent years has been a desire for more international transparency, which is at the forefront of many of the concerns the House has had in the past.

Thanks to UK leadership, more than 100 jurisdictions, including—[*Interruption.*] I will come on to that. Within the right hon. Lady's point, and within many of her questions, which I have sat and listened to many times, was a desire for transparency, so it is germane to her point to draw the House's attention to the UK's leadership in securing the commitment of more than 100 jurisdictions, including Switzerland and all the Crown dependencies and overseas territories with financial centres, to automatically exchanging financial account information under the common reporting standard. HMRC now automatically receives the details of offshore financial accounts held by UK taxpayers. As I understand it, when the PAC looked at many of these issues, that information was not available to HMRC.

We have also increased the penalties and consequences for those who devise, enable or use tax avoidance schemes. I draw the House's attention, for example, to the disclosure of tax avoidance schemes regime, the general anti-abuse rule and the system of follower notices and accelerated payments, the last of which alone has brought in over £8.7 billion<sup>1</sup>. Since 2016, HMRC has had a dedicated fraud investigation service to ensure that no taxpayer can get away with tax fraud. I am sure that service will be keen to pick up on points raised by right hon. and hon. Members in this debate.

We are also seeking to ensure that more firms get their tax right first time, because the £35 billion tax gap is not simply one of evasion; as I say, it also includes a significant amount of error. Since last April, businesses have been using the Making Tax Digital service for VAT, which has many benefits: it helps firms to get their tax right first time; it saves businesses time and inconvenience; it cuts the cost of government; and it makes it easier to tackle fraud, error, evasion and avoidance. The impact of Making Tax Digital is forecast to deliver an additional £1.2 billion to 2023-24. Clearly, this plays an important role in reducing that £10 billion element of the £35 billion overall tax gap.

We have also strengthened HMRC with the extra £2 billion invested since 2010 to tackle tax avoidance, evasion and other forms of non-compliance.

**Chris Stephens (Glasgow South West) (SNP):** On HMRC's resources, can the Chief Secretary to the Treasury therefore explain why its wealthy unit currently has 961 members of staff, which is a reduction in 80 posts from its 2018 figure? That would suggest that HMRC could have more resources piled into it to tackle this issue.

**Steve Barclay:** The hon. Member picks up on a point the shadow Chancellor made in his opening remarks about the total number of staff, but the key issue is how staff are deployed and what technology we are using. I was just referring to Making Tax Digital. If tax is being filed through the Making Tax Digital platform, the number of staff that HMRC uses will change; that profile will change. We now have about 25,000 staff

1. [*Official Report*, 3 March 2020, Vol. 672, c. 6MC.]



dedicated to tackling tax avoidance, evasion and other forms of non-compliance, and the proof of the staffing levels is reflected in the fact that we have a near record-low tax gap—far lower than for many years under the previous Labour Administration.

Since 2010, our criminal investigations have prevented the loss of more than £15 billion and resulted in more than 5,400 individuals being criminally prosecuted and convicted. In 2018-19, HMRC investigations secured nearly 650 criminal convictions for tax and duty fraud, resulting in numerous custodial sentences. HMRC has used billions of pieces of data, combined with analytics, to identify where tax is most at risk of going unpaid and to make tailored, targeted and proportionate interventions. Technology and capabilities have moved on, therefore, but, as I am sure the Financial Secretary will mention later, what continues is the dedication of staff within HMRC, who share the House's desire to close the tax gap and ensure that people do not evade their responsibilities.

**Mr Kevan Jones:** On the analytics, what is HMRC doing to track individuals who set up companies, fold them after two or three years and then open up new companies? A constituent came to me with a case in the cosmetic surgery industry where the same individuals moved from one company to another while owing huge amounts to the Inland Revenue and to local councils in council tax. What is HMRC doing to track these individuals? The three individuals involved in the company my constituent highlighted to me have evaded huge amounts of tax.

**Steve Barclay:** The right hon. Gentleman raises an important point about the moving target of criminality and the ingenuity of approaches to evade tax or abuse the tax system. That is partly why I referred earlier to the fraud service set up within HMRC in 2016. It is also a key part of how technology is used in a dynamic way within HMRC to tackle that moving target of criminality. As I said in answer to his earlier intervention, if in their surgeries Members are told of cases involving firms or local authorities in their constituencies, that intelligence is obviously of relevance to colleagues, and I can commit that the Financial Secretary would take those forward.

**Hannah Bardell (Livingston) (SNP):** The right hon. Gentleman will be aware of the situation in my constituency, where the HMRC offices are being closed and moved to Edinburgh, at significant cost to the taxpayer. One of the key issues the unions raised with me time and again was the loss of expertise. The services and expertise of the many long-serving staff who cannot move for various reasons—financial reasons, caring responsibilities, and so on—will be lost, so there is a double cost to the Treasury. Does he not consider it a grossly bad decision by this Government?

**Steve Barclay:** The right hon. Member for Barking (Dame Margaret Hodge), when she chaired the PAC, looked at whether the Government were managing their estate efficiently. Through the PAC, the House regularly raised the concern that the Government were not properly managing their cost base by rationalising the estate, and often those concerns related to PFI—I do not know if the case the hon. Member has raised relates to PFI.

**Hannah Bardell:** The Pyramids, in Livingston in West Lothian, where the HMRC offices were based, was one of the most high-tech and best-connected sites in Scotland,

yet the Government are moving them to Edinburgh to one of the most expensive sites in Scotland. It makes no sense financially, and the PAC agreed. There is still an opportunity for the Chief Secretary to the Treasury to rethink this decision or create a hub in West Lothian to save those jobs, which were put there as a result of the closure of Motorola.

**Steve Barclay:** I will not comment on that individual decision, which I have not been involved in, but the House has in the past questioned whether the Government have been moving quickly on the wider principle of using our estate in the most value-for-money manner, by pooling expertise to work more efficiently and offering career progression through the greater flexibility that bigger teams in bigger centres often allow. It is right that we look at what the right estate mix is and at how we can pool expertise to achieve our common goal of closing the tax gap, particularly by using technology.

**Nigel Mills (Amber Valley) (Con):** Would my right hon. Friend consider setting a target to be met by the end of the current Parliament, to give HMRC greater encouragement to introduce whatever further measures and actions are needed? Perhaps he would commit himself to a relatively gentle target of, perhaps, 5%.

**Steve Barclay:** The target is a gap that is as narrow as possible, and I do not think HMRC's commitment to that can be questioned. As I have said, the gap is now at a record low, but I entirely share my hon. Friend's desire for us continue our efforts to reduce it further, because there is a common purpose: to reinvest that money in levelling up all parts of the United Kingdom and in our public services.

Part of this requires domestic action, but part of the action must be international. That is why in the 2018 Budget we announced 21 measures forecast to raise a further £2.1 billion by 2023-24, including measures to bear down on those using offshore structures to hide their profits and avoid tax; it is why the UK is at the forefront of international action to address global tax avoidance and evasion, including the OECD's base erosion and profit shifting project, which seeks to align the taxation of profits with the underlying economic activities and value creation; and, indeed, it is why in 2016 we led the world with the first public registry of company beneficial ownership in the G20, to provide for analysis of suspicious patterns of behaviour, and to disclose inconsistencies in supposedly factual information and reveal wrongdoing.

**Kevin Hollinrake:** This is not just about the money. It is also about a fair and level playing field for everyone in the country. We know that Google turns over about 10 billion quid in the UK, we know that its international profit margin is about 22% and that 19% corporation tax on that should be £418 million, and we know that it pays about £67 million. Will all the additional measures that my right hon. Friend has described, along with those previously implemented, narrow that gap so that everyone pays a fair amount of tax?

**Steve Barclay:** My hon. Friend has been in the House long enough to know that Treasury Ministers will not comment on individual companies. However, there is a wider principle, which I think was reflected in the

[Steve Barclay]

shadow Chancellor's opening remarks and on which there is agreement across the House. We all want the tax gap to be narrowed, and we celebrate the HMRC's work in achieving a near record low, but we continue to think about what further measures can be taken, and I have described to the House a wide range of measures taken by the Government in recent years.

It is in everyone's interests that we continue to crack down on evasion and avoidance and continue to narrow the tax gap. Doing so will allow us to invest in services, and to level up and unleash the potential of every corner of the United Kingdom. That is why we have done everything that we have done so far, it is why we will continue to keep searching for improvements, and it is why we will continue to invest in HMRC's powers following the forthcoming comprehensive spending review.

1.33 pm

**Alison Thewliss** (Glasgow Central) (SNP): The tax system in the UK is hugely complex. Every Finance Bill that comes along adds layers of complexity, leaving a taxation system that is unwieldy and difficult to understand, and even more difficult for the Government and HMRC to control. It leaves loopholes that incentivise tax avoidance and evasion. My SNP colleagues and I have long argued for a root-and-branch review of the entire system, and I am grateful for the opportunity to repeat those calls today.

The Scottish National party will continue to lead the fight against tax avoidance and evasion at Westminster. In the last Parliament, we were proud to secure the House's support for a Finance Bill amendment seeking a review of the impact of UK tax avoidance measures. We forced the UK Government to accept the need to tackle the abuse of Scottish limited partnerships as money-laundering vehicles, and supported cross-party efforts by the right hon. Member for Barking (Dame Margaret Hodge) and her colleagues to drag the UK Government into the 21st century by adopting Magnitsky powers to sanction overseas officials guilty of human rights violations.

The SNP has just won a landslide of Scottish seats on a manifesto demanding tougher action on tax avoidance, including a review of the closure of HMRC offices in Scotland and across the UK; immediate action, including reform of Companies House, to uncover the beneficial ownership of SLPs and other companies and trusts; measures to improve the transparency of tax paid by international companies to ensure that they make a proportionate contribution to tax revenues; multilateral efforts to address tax challenges resulting from the digitisation of the economy; further action by the UK Government to tackle international tax avoidance; the full implementation of the fifth money laundering directive; a fit-for-purpose online retailer tax; a review of the tax rules governing intermediaries—known as the IR35 tax rules—and problems with implementation of the loan charge; and a comprehensive inquiry into the digitisation of tax, to uncover the reasons for HMRC and UK Government delays which mean that we still do not have the 21st-century tax payments system that could help to tackle avoidance and evasion.

We have heard a great many well-meaning arguments from the official Opposition this afternoon, but, unfortunately, this is a situation to which Labour

contributed when it was in power. Instead of simplifying the tax system, it introduced policies such as the IR35 tax rules, which have made staffing extremely difficult for the NHS and other public sector organisations.

While some very welcome action has been taken, no UK Government have yet created a comprehensive anti-avoidance rule. Legislation has come to shut down loopholes as quickly as they have appeared, and then, as night follows day, new schemes have emerged to circumvent the law. We saw then, as we do now, plenty of tinkering at the edges of the system but no meaningful action to align taxes for different kinds of workers. Successive Chancellors have passed up opportunities for radical reform, and have simply added layers of bureaucracy and complexities to the existing system. There are now ample places in which those who do not want to contribute can hide within the system.

Last year, Tax Justice UK published a report on the worrying scale of loopholes in, for example, inheritance tax. On the basis of HMRC figures, it states that the vast majority of those tax breaks go to properties worth more than over £1 million; and that is over and above the usual inheritance tax allowance. Instead of benefiting small farms or family businesses, the tax breaks constitute a massive tax giveaway to those who are already very wealthy. The report's findings only highlight what we know to be true: that this UK Tory Government have ensured that the rich get richer, while at the same time the poorest people in society have experienced real cuts in their incomes, and are less likely to benefit from policies such as the increase in the income tax threshold.

I appreciate that the new Chancellor has not yet had time to outline his plans, and I hope that he will take a different approach. However, the accounts of his professional background by the shadow Chancellor and in this week's *Private Eye* lead me to hae ma doots. Extremely worrying noises have been coming from the Government in respect of the post-Brexit regulatory landscape. Already this year we have seen the UK inch closer to the world's top 10 countries for financial secrecy, rolling back progress made in previous years on increasing transparency. We have all heard talk of a "Singapore-on-Thames" approach to the City of London. That would be bad news globally, but also for the people who live here.

With a Tory Government full of Thatcherites, who have no interest in creating a level playing field on tax with the EU, there is a real risk that the Prime Minister has set the UK on a race to the bottom on tax avoidance. Just weeks after the UK left the EU, the European Union has added a British overseas territory, the Cayman Islands, to a list of tax havens. Markus Ferber, of the group of the European People's party (Christian Democrats), has said:

"The UK would be well advised to take note that EU finance ministers put a British overseas territory on the blacklist of tax havens.

This sends a clear signal that the idea of turning the UK into a tax haven will not be acceptable to the EU."

The Minister who will wind up the debate should explain exactly what he is doing to address that blacklisting as a matter of urgency.

There are already significant holes in the system preventing dirty money from being moved around. My former colleague Roger Mullin and I have spoken on numerous occasions in this place about the problems

surrounding Scottish limited partnerships, which still freely allow people to hide and move dirty money between countries.

**Hannah Bardell:** Scottish limited partnerships have a real human impact. Is my hon. Friend aware that money is being laundered from, for instance, Moldova through SLPs? That is having a hugely detrimental impact. One human rights defender whom I know from Moldova has been driven out of her own country, and is having to live elsewhere.

We must bear in mind that human impact, but we must also bear in mind the reputational impact on Scotland. Scotland wants no part of schemes of this kind, and the UK Government should clean up their act.

**Alison Thewliss:** I totally agree with my hon. Friend. Anyone who thinks that moving money around in this way is consequence-free should look very carefully at what actually happens to the proceeds of these funds when they are moved around.

SLPs have their own separate legal personality, which means that a firm can contract and own assets without lifting the veil to see who is really buying them. In 2016 the UK Government obliged SLPs to register a person of significant control, but there is virtually no enforcement and virtually no consequences for people who fail to register companies in the proper way. Last time I checked, thousands of partnerships had failed to register a person of significant control. I should be interested to learn from the Government how many fines have been recovered, and the value of those fines.

This scandal is still having an impact, despite legislation being in place. The dogged investigative journalist David Leask revealed in January that SLPs had been implicated in the payment of mercenaries in a private air war in Libya. If the United Nations is taking an interest in the abuse of SLPs, this UK Government should be taking action urgently. A quick Google search reveals umpteen companies advertising their services in setting up SLPs from abroad and extolling the virtues of this tax-free, opaque way of conducting nefarious business. There is no comeback for firms protecting those who will not register a person of significant control, and no comeback for the perpetrators either. It is well known that SLPs are being used for criminal activity and have been linked to international scandals, not least the Azerbaijani laundromat, in which £2.9 billion was laundered through four UK companies, which were able to file paperwork disguising their true ownership without any flags being raised.

At the heart of this is the gaping chasm in our regulatory system that is Companies House. Companies House is obliged only to register companies, not to carry out any verification or due diligence. This must change urgently, because it undermines the credibility of the UK. It is farcical that the only person convicted for filing false information has been a whistleblower, Kevin Brewer, who did it to highlight the nonsense of the registration process. I ask the Minister: what has changed since that prosecution? Why will the Government not reform a system that is open to such flagrant abuses? If I want to do my tax return online or get a passport, I would require to use the UK Government's Verify scheme. If I want to set up a company, I can do so online for £12 with absolutely no checks. Why do the

UK Government insist that people pay so much for driving licences, passports or UKVI applications but so little to set up a company, especially when those companies can go on to facilitate tax avoidance and evasion? It is high time the Tories sat up and took stock of the scale and extent of the tax avoidance and criminal activity linked to the lack of proper checks by Companies House and the abuse of SLPs. Only by doing so can they put forward a practical and effective solution that will adequately tackle the problem.

HMRC highlighted a loss in 2016-17 of between £1 billion and £1.5 billion on digital sales through VAT fraud. I note that the Association of Accounting Technicians has called for online platforms to be made liable for the collection and remittance of VAT. That money is going uncollected. We know where the goods are going—they are going into people's houses and through retailers—so there is a digital chain there that we can follow. The UK Government should deal with this VAT avoidance.

I also ask for an update on the registration of overseas entities Bill, on whose pre-legislative joint scrutiny Committee I sat. Property is yet another way in which money can be hidden and taxes avoided, and that Bill will be a vital tool to clamp down on the flow of dirty money. The Committee also noted the abuse of trusts—as we close one loophole, another opens—and the Government must look into that as well. Trusts are being used as a means of hiding the true ownership of property and companies.

**Hannah Bardell:** My hon. Friend mentions the Bill on whose Committee we both sat. She led, admirably, for the SNP on that Committee. Does she recall that it was not until the attack on UK soil, in Salisbury, that the Government really sat up and took notice of the genuine issues that were raised in the Sanctions and Anti-Money Laundering Bill? It should not take an attack on UK soil for the Government to act on these issues.

**Alison Thewliss:** My hon. Friend is absolutely right. The change of tone during passage of the Sanctions and Anti-Money Laundering Bill was palpable. It really does say something that the Government only really took the issue of dirty money seriously when it arrived on their own doorstep. We cannot wait for that to happen again; we must take action now.

Another area where the UK Government are taking entirely counterintuitive action is in closing local HMRC offices. My hon. Friend the Member for Cumbernauld, Kilsyth and Kirkintilloch East (Stuart C. McDonald) had an Adjournment debate in January on the closure of the Cumbernauld office, and I know that other colleagues share those concerns about the imminent closure of offices in Aberdeen, Bathgate, Livingston and other locations. While I have something of an interest, as the local Member for the proposed Glasgow regional centre, I cannot see the logic in cutting staff numbers and losing not only jobs in communities but the important local knowledge that can be brought to bear. My hon. Friend the Member for Livingston (Hannah Bardell) mentioned that a House of Commons Public Accounts Committee report last year criticised the Government's lack of robust business planning ahead of the decision to base local HMRC offices in "expensive" cities. It is a colossal waste of public money to move offices into city centre locations where the rents will be significantly higher and the benefits will not be seen.



**Hannah Bardell:** On the matter of the movement of offices, another important issue is accessibility. A number of members of the union who have spent time in that new, expensive office in Edinburgh have said that the accessibility for people with disabilities is very poor. I wrote to the Government about this before the election last year but I got a very poor response. Does my hon. Friend agree that these new, expensive offices should at the very least be accessible, and that they should not have been moved in the first place?

**Alison Thewliss:** I agree. There is a strong argument that the value of the local offices in communities such as Livingston and Cumbernauld is significant. It is much easier for people to get to work there rather than commuting, which of course adds to the environmental damage. It is much better to have a shorter commute to work. The PCS union has also criticised the move and called into question HMRC's rationale, as has my hon. Friend the Member for Glasgow South West (Chris Stephens), who may have more to say on these things later.

All of this comes at a time when the head of HMRC says that the authority may need to hire an extra 5,000 staff to deal with the logjam at the border because of Brexit. This is a time of growing complexity, and investment in staff and expertise is crucial. Without that expertise, the UK Government are leaving themselves open to a further loss of tax revenue and further potential evasion and avoidance as we head into Brexit.

It is only right that people should pay the taxes that they owe, but HMRC's botched implementation of the loan charge is nothing short of a disgrace, leaving many people facing the prospect of bankruptcy. The UK Government must, of course, pursue vigorously the organisations that have facilitated those loans, and they must work constructively with those who are seeking a responsible and reasonable repayment plan—one that recoups the unpaid tax while avoiding the unacceptable risk of bankruptcy and homelessness. If HMRC cannot deliver that, an independent arbitration mechanism should be used.

This is not some kind of academic argument. This issue has implications for the real world, for the money available to our public services and for the growing gap between rich and poor. The shadow Chancellor set out the limitations of HMRC's estimate of the tax gap at some £35 billion. There is a real implication here for all our constituencies when we see cuts coming down the line. Paying tax is a duty. It is the price of a fair society, not a burden to be avoided. Those who seek to avoid and evade their responsibilities, and those who facilitate their behaviour, need a strong message from the UK Government. The Government must explain why they are failing to stop the siphoning away of money that could be paying to educate children and care for the elderly. The SNP is committed to clamping down on tax avoidance and evasion, but we do not yet have the full economic levers to do so as they are still held by the Treasury and HMRC. My hon. Friend the Member for Aberdeen North (Kirsty Blackman) has pointed out on many occasions that small countries are much better and more efficient at gathering tax, so I suggest that if the UK Government will not act, they should devolve the powers to Scotland and let us get on with the job of building a fairer society.

1.47 pm

**Damian Hinds** (East Hampshire) (Con): This is an important subject for debate this afternoon, first because we need tax receipts to fund our public services and, secondly, because as my hon. Friend the Member for Thirsk and Malton (Kevin Hollinrake) said, people expect to see fairness. They expect to see everyone and every entity shouldering their fair share of the burden. Sadly, there are people who have an interest in trying to get round the system and to cheat the system, and they strive harder and harder every year to do so. We live now in a more complex world and a more complex new economy that is more multinational, more digital, more services-based, and that can create new opportunities for those organisations and people.

However, the gap is much bigger and older than that. According to HMRC's own estimates, the biggest part of the tax gap is about individuals and organisations failing to take reasonable care, followed by legal interpretation, illegal tax evasion and then the exploitation of loopholes through avoidance. It is important to note that all economies suffer a tax gap. According to a UN World Institute study in 2017, the world loss from tax avoidance was estimated at \$500 billion. That is not the whole tax gap; it is the element that results from avoidance. Proportionally, the countries that suffer most are not wealthy countries such as ours but low income and lower middle income countries. According to analysis by Statista of the total loss, the countries that suffer the biggest loss are the United States, with more than \$180 billion; Japan, with somewhere around \$50 billion; and France and Germany, with between \$15 billion and \$20 billion. According to the analysis, the UK was at that time down at somewhere below \$2 billion. One can quibble about the detail of the methodology, but it would take a massive error and correction to put the UK close to some of those comparable countries.

Overall, the UK tax gap is less than 6%, as my right hon. Friend the Chief Secretary to the Treasury said, and one of the lowest in the world. It is also one of the most accurately measured in the world. Some members of the Opposition Front-Bench team—they have gone now—were muttering earlier, "You've been in government for 10 years. What have you been doing?" Well, we have been bringing down the tax gap. If we compare the tax gap in 2005-06 with 2015-16, it has come down from somewhere close to 8% to somewhere under 6%. It is still a big issue to be tackled, and I am pleased and proud that this Government are redoubling their efforts and leading internationally in that regard.

All countries do some degree of tax competition, either explicitly or implicitly, and our tax regime is one reason why we have attracted many international companies to base themselves here, create jobs and grow our economy. However, I am afraid to say that many companies do try to reduce their tax. Sometimes, they say that they have a fiduciary duty to their shareholders to do so, but Governments also have a fiduciary duty to their shareholders: our citizens and our taxpayers. We simply cannot have the sort of aggressive tax avoidance that we have seen from some companies, because our public services rely on tax receipts. There will be battles over what constitutes economic activity and over what is a legitimate location for intellectual property, but our argument is simple: "If you benefit from our economy, you must contribute to our economy."

Since 2010, more than 100 measures have been taken on evasion, avoidance and non-compliance. On enforcement, HMRC's litigation and settlement strategy was refreshed in 2011. The office of the Tax Assurance Commissioner was established in 2012. Now, we are committed to new anti-avoidance measures, including increasing the maximum prison term, a single beefed-up unit in HMRC and a new package of anti-evasion measures.

Just as important—in fact, it is probably more important—is the work that this country has been doing internationally under Conservative Governments. That started with the 2012 joint statement with France and Germany calling for reform of international tax rules, given that our current system effectively dates back to the 1920s. We used our G8 presidency in 2013 to drive forward the G20 OECD agenda on base erosion and profit shifting—the so-called BEPS project. We were the first country to commit to the country-by-country reporting template and the first to adopt OECD rules to address hybrid mismatch.

I was proud of the 25% diverted profits tax in 2015, and I am proud now that this Government are pushing ahead with the digital services tax. We have always been clear that we would prefer international agreement, but if that is not possible, we will go it alone. If international progress now makes the digital services tax obsolete, great. That would be the best outcome of all, but if it does not, unless and until that is the case, we are right to proceed.

There is important work on avoidance, evasion and non-compliance, but what we cannot do, as we sometimes hear from Opposition Members, is to pretend and mislead people that overcoming this kind of cheating and making the system work better will solve all our fiscal challenges. The same goes for pretending that it is possible for just about anything to be paid for by “the rich” and “corporations”. In the end, all taxes are taxes on individuals. On company taxes—corporation tax is part of a suite of taxes alongside VAT, national insurance and business rates—it is right to offer companies attractive rates of corporation tax that reward investment and job creation, but they must invest in their people's skills, which is why we have the apprenticeship levy. We must also ensure that people are paid properly, and that is why we have the national living wage.

I commend the Government for their world-leading work. There is always more to be done, but I will vote against this misleading motion.

1.54 pm

**Dame Margaret Hodge** (Barking) (Lab): I welcome the debate this afternoon so early in the new Parliament, but the importance of tackling aggressive tax avoidance, tax evasion, economic crime and money laundering cannot be overstated, and this debate will not go away until the Government are seen to have taken far more action, not just uttering warm words of support in principle but demonstrating firm action in practice.

There is a lot of money at stake, and that is not just reflected in the tax gap, as others have suggested. The tax gap does not measure the money that we should be collecting in tax from, for example, the profits from the activities that big digital companies undertake here. Looking simply at the tax gap, as currently defined by HMRC, is not enough if we are serious about tackling tax avoidance, tax evasion and economic crime.

As I said, a lot of money is at stake, which is important when we have a new Government who have pledged to restore some of the cuts that they have implemented over the past decade and to invest in services and who want to level up living standards across the country. Fairness is at the heart of this debate, as has already been said. It is not about castigating the rich or anything like that; it is about ensuring that everybody pays their fair share of tax. Everybody should contribute to the common pot for the common good from the wealth they own or the income they receive. It is about ensuring that everybody is treated equally before the law. Until everybody in the nation, particularly the 85% who pay their tax automatically through the PAYE system, can be sure that there is fairness in who pays tax and how much they pay, we will not be able to raise the necessary revenue to fund the services that this country so desperately demands.

I urge the Government and the Chief Secretary to the Treasury to listen carefully to what is being said in today's debate. There is cross-party consensus on many of the issues, and the Government need to heed that. They will be unable to ignore the voice of Parliament, despite their increased majority, because to do so would be morally wrong and totally unprincipled.

Let me give a figure that has not been mentioned so far. The National Crime Agency estimates—the figure has not changed and, if anything, has gone up—that about £100 billion of illicit money flows through Britain each year. We have become the jurisdiction of choice for too many kleptocrats, too many criminals and too many people who want to launder their money. We will never build a global Britain on the back of dirty money. Post-Brexit Britain will not prosper by, at best, ignoring the extent of the problems of avoidance and economic crime or, at worst, facilitating it.

I ask the Government to respond to four current concerns. In 2018, the right hon. Member for Sutton Coldfield (Mr Mitchell), who is in America talking to elected representatives about how to tackle evasion and avoidance, and I led a successful cross-party campaign to place on the statute book an obligation on overseas territories to provide public registers of beneficial ownership. In 2019, the Crown dependencies, recognising that the will of Parliament was to include them in the legislation, voluntarily agreed to come along with that. We accepted a concession that registers should be implemented by 2023—too late, but it was better to have the scheme accepted by all parties. I remind Members of why the change is so important. We have already heard today that half the entities named in the Panama papers were registered in just one of our overseas territories: the British Virgin Islands. Secrecy enables wrongdoing, and we must understand that.

Our Crown dependencies are as complicit as the overseas territories, and I have two examples: Silvio Berlusconi was accused of bribing two judges, and the payments were allegedly made through a secret offshore branch of the Berlusconi empire, with funds sent to the judges' bank accounts in Switzerland through a Jersey-based company; and Bono used a company in Guernsey to hide the profits he made in Lithuania.

We need public registers of beneficial ownership in both the Crown dependencies and the overseas territories. Transparency is a key tool in tackling evasion and economic crime. Global Witness has shown a thirst for

[*Dame Margaret Hodge*]

open access to company data. Since 2015, when the paywall came down on UK company data searches, there have been, on average, 2 billion searches a year, compared with just 6 million a year before the paywall came down. It has been used by individuals, investigative journalists, campaigning organisations and the voluntary sector, and it has been used by businesses to try to ensure other businesses are treated fairly.

What support have the Government now put in place to help the overseas territories and Crown dependencies implement public registers? Will the Minister confirm the 2023 date this afternoon? Has he taken any steps to bring that date forward? That would be perfectly possible.

Research from Tax Watch shows that, between them, the big five global digital companies—Google, Cisco, Facebook, Microsoft and Apple—paid £240 million in corporation tax in 2018. They should have paid £1.3 billion according to Tax Watch's calculation of the activity they undertook here, the profits they made here and, therefore, the corporation tax bill that was liable here.

The Government's proposed digital services tax is the beginning of an answer, but, by 2023, it will raise only around £400 million, which is a tiny start to ensuring that these large global corporations pay a proper amount of tax on digital services. It makes me so angry, because these companies are as dependent as anybody else on the services our tax provides. They need a well-educated workforce, which is provided from taxpayers' money; they need a healthy workforce, which is provided from taxpayers' money; and they need infrastructure—whether roads, the internet or whatever else—which is often also provided from taxpayers' money.

**Peter Grant:** I am sorry to interrupt the right hon. Lady because she is making a valid point that those who are the most enthusiastic in giving advice about how to dodge taxes are often people who, in a previous life, benefited from other people's taxes. Does she believe there is a bit of inconsistency in that some Members of Parliament who get significant support from tax advisers who promote themselves on giving advice about how to legally avoid taxes are themselves paid very handsomely indeed from other people's taxes?

**Dame Margaret Hodge:** I am unaware of that specific allegation, but I will come on to facilitators, advisers and enablers who get away with far too much.

The only way we will start ensuring that digital companies pay the right amount of tax is by implementing country-by-country reporting. I asked the Chief Secretary and he did not reply, so I hope the Financial Secretary will reply to the question in his winding-up speech. When will this Government implement the country-by-country reporting that will allow us to see what activity takes place here, what profits are made here and, therefore, what fair tax should be paid here?

I reiterate to the Financial Secretary an issue that I raised with him in an Adjournment debate a couple of weeks ago, and to which he failed to reply at the time. Netflix has so far avoided public scrutiny, but it exports its profits by ensuring that subscribers pay into a server located in Holland. We reckon Netflix earned about £1 billion last year and paid no corporation tax, but in over two years it has benefited to the tune of £1 million

from the high-end television tax relief. Not only was Netflix not paying tax, but it was benefiting from what is, in effect, a grant to encourage the production of content here in the UK.

I welcome such reliefs, but it seems utterly unacceptable that companies should benefit from grants offered through tax reliefs here in the UK yet behave in such an appalling way and refuse to pay their tax here. Now that we are Brexit-ing from Europe, surely it is not beyond the realms of possibility to introduce legislation so that companies will be eligible for such tax reliefs only if they show responsibility in how they behave and in paying their fair share of tax.

The other thing that really gets me with many of these American-headquartered companies is that the Americans, under Donald Trump, extract tax from profits earned through activity undertaken here in the UK. They extract tax at a lower rate but, nevertheless, they are getting more tax than we are, which is unacceptable. Americans are profiting from tax on profits and intellectual property created here in the UK.

I again ask the Minister what I asked him in the Adjournment debate and to which he refused to respond: will he extend the digital services tax to include streaming services? Will he stop those who deliberately avoid tax having access to grants and tax reliefs?

The hon. Member for Glasgow Central (Alison Thewliss) talked about creating a register of beneficial ownership of property, which David Cameron first promised us five years ago. Why is it important? The last figures I could get show that getting on towards 90,000 properties across the UK are owned by companies incorporated in tax havens.

The purchase and ownership of properties has become a key way in which money is laundered into the UK. Transparency International has established that one in 10 properties in just one London borough—Westminster—is owned by a company registered in an offshore secrecy jurisdiction. *Private Eye* claims that one in six properties sold in Kensington and Chelsea was bought by a company located in an offshore tax haven. This is a key way in which people launder money here.

The electoral register of Kensington and Chelsea is interesting. There has been a 10% decline in the register over the past decade or so, whereas registers have increased everywhere else in London. Why? Because people buy the properties and leave them empty. They simply use the purchase as a way of laundering money, and we know lots of that money comes out of Russia—about £70 billion has flowed out of Russia into the UK in the past 10 years.

When are we going to see that legislation? When will it be put before the House? When will we see the promise made a long time ago by a Conservative Prime Minister fulfilled by this Conservative Government?

Finally, the hon. Member for Glenrothes (Peter Grant) mentioned the role of advisers. It is the advisers who create these schemes. Whether they are banks, accountants, lawyers or just advisers on their own, they found schemes that are later deemed to be unlawful. Film tax credit and, most recently, the loan charge are good examples of schemes that have caused terrible hardship to people. I feel ambivalent about it because, of course, there is never something for nothing, and people should have been much more careful before they entered into such



schemes. Nevertheless, they have led to suicides—they have been terrible schemes. Advisers always get away scot-free, whoever they are, and none of them is held properly to account. The law in this policy area is just too weak. In criminal law, we have to prove dishonesty to pursue a criminal prosecution, which is very difficult. In civil law, the penalties are ridiculously low and are limited to the amount of fee that the adviser would have gained. There is also what is known as a double reasonableness test: it cannot be regarded just as an unreasonable course of action; it also has to be demonstrated that it was unreasonable to think it was reasonable—I hope that makes sense to Members.

The calling to account of advisers, enablers and promoters would be a powerful tool. At a stroke we would kill off many of the schemes that are currently exploited, which lead to such tax loss in this country. I urge the Minister to bring forward legislation to toughen up the regime and to make it easier to hold the advisers, enablers and promoters to account.

In conclusion, it is vital to battle against tax evasion—it is vital to demonstrate fairness in our system, to ensure the proper funding of our public services, and to the building of a global Britain that is respected around the world for its values and integrity and that is seen as a good place to do business. The Government will pay a heavy price if they fail to respond properly to the issues that have been raised in this debate. They must not just give us warm words; they have to give us tough action. I hope that in my short contribution I have given the Minister some good ideas that he could easily implement and that would make the world of difference. I urge him to have regard to them.

**Several hon. Members** *rose*—

**Madam Deputy Speaker (Dame Eleanor Laing):** Order. I am delighted to call to make her maiden speech, Nicola Richards.

2.11 pm

**Nicola Richards** (West Bromwich East) (Con): Thank you very much, Madam Deputy Speaker.

The subject of this debate is clearly an important one that I know the Government are working hard to address. We are already amending the law so that from July taxpayers and their advisers will be legally required to report details of certain cross-border arrangements that could be used to avoid or evade tax.

I shall now begin my maiden speech, and I do so with great pleasure as the first Conservative to represent West Bromwich East since 1931. Let me say a little about my background. I was the first in my family to go to university, I went to my local comprehensive and my parents very much taught me the value of hard work. My first job was at Halfords—some would say it was a little taster of a career in what some could call a man's world. When I began applying for universities, my father helpfully told me that I had to do something different from every other person my age. I somehow found my own path.

I started by doing work experience with the former Member for Dudley South, Chris Kelly. That was the start of a whirlwind of political experiences that led me to this point, because his then office manager, now the leader of Dudley Council, made it his mission to turn

me from a shy 16-year-old into a fearless political activist. Councillor Patrick Harley has a lot to answer for. At 19, I stood in my first council election for Dudley Council, and aged 20 I was elected. It was a truly unforgettable experience that I know stands me in good stead in my new job.

I have been honoured to work with other MPs, too, including my hon. Friend the Member for Dudley South (Mike Wood), and I am proud to be a vice-chair of the all-party group on beer, of which my hon. Friend is a true champion in every sense of the word. And of course I worked for Margot James, the former Member for Stourbridge—I am pleased that Margot can be here today.

Fast forward to 2019 and I found myself in the most privileged position that I could have only dreamed about: standing for election in West Bromwich East. Throughout the election, it is safe to say that I was kept well fed, whether at Special Spices, Sagar's on West Bromwich High Street, the Vine, the Red Lion or the Spinney. I had the pleasure of introducing the then Chancellor to small businesses in my constituency and taking him for the Red Lion's famous mixed grill. I am proud to say that my right hon. Friend the Member for Bromsgrove (Sajid Javid) said that it was the best food that he ate during the whole campaign.

Thanks to my friends Guvinder, Senna, Jeet, Sat and Vicki, there was not a day that a samosa did not pass my lips; in fact, I may have to purchase my predecessor's new fitness book to rectify this. On a serious note, I would like to wish Mr Watson all the best for his future. In his own maiden speech, he spoke about West Bromwich being known as the "Spring Town" for its manufacturing of springs. Although people may not know about that these days, West Bromwich Albion fans still nod to our history when they shout "Boing, boing!" at our matches.

We are our own distinct slice of the Black Country bordering Birmingham, and we are proud of it. Like many other towns in the area, we have a rich industrial history that people are proud of. The future of our industries and their success will be at the forefront of my mind over the years ahead while we negotiate trade deals. We can also lay claim to a number of interesting figures in history, one of whom was John Wesley Westwood, a West Bromwich cellist who played on the Titanic while it was sinking in an attempt to calm passengers. I am not sure how calm that would have made me feel, but it is a nice story anyway.

My constituency voted to leave by 68% in the European referendum. It was an honour to vote for the Prime Minister's withdrawal agreement as the first piece of legislation I ever voted on. Brexit has really tested the public's patience, and trust in politicians in Sandwell as a whole has hit rock bottom. It is the epitome of a place that feels left behind. People in Sandwell have been let down by a council more concerned about party politics than improving things for the better. That is what comes from not having any opposition—a situation we will be putting an end to this May. Although I am a representative of West Bromwich East and every person who lives there, MPs should not have to be the de facto opposition to their local council.

One gentleman who is highly regarded—perhaps because he is not a politician by trade—is our Mayor Andy Street. Andy was on the levelling-up agenda before it became cool to talk about. He is a machine who will not

[Nicola Richards]

stop until transport in the west midlands is up to the standard we require. He is passionate about solving the issue of homelessness and is working hard to improve our town centres, including West Bromwich. He is helping us to develop housing on brownfield land to ensure that the next generation have access to the housing they need to live and thrive in our region. Every day, everything he does is to champion the very best region in our great country, of which West Bromwich is obviously the best town.

Back to the election. Brexit was not the only issue raised with me on the doorstep. I was amazed, and in some ways reassured, by the number of constituents who mentioned to me the rise in antisemitism in the UK. I have had the immense pleasure of working with organisations such as the Jewish Leadership Council and the Holocaust Educational Trust. The work that Karen Pollock MBE and the team at HET do day in, day out is nothing short of inspirational. Holocaust survivors regularly recite the darkest days of their lives in order to ensure that the next generation become witnesses to the truth. It is astonishing that we still have to defend the fact that the holocaust happened, but we do. It is a dark theory that we have to tackle on the far left and the far right. Although sometimes the scale of the task is overwhelming, we cannot and will not give in. I have met holocaust survivors and I have seen the pain caused by the rise in antisemitism. I am pleased that my constituents share the view that leaders must lead on these issues. On that note, I pay tribute to the first Member of Parliament I ever met: the former member for Dudley North, Ian Austin, who has been a true champion for the Jewish community in some of their most difficult times.

West Bromwich East is one of the most diverse constituencies, and I say that with immense pride. We have gurdwaras, mandirs, mosques and churches. We are a place that prides ourselves on our fantastic Desi pubs, the owners of which started up their businesses when community tensions were high. Through successful entrepreneurship and a love for their community, every single day they bring people together for a pint of beer and a curry. Because of that I am proud and never hungry, and it is the reason you will find me on a Saturday morning at Sandwell Valley Park taking part in the park run.

It is difficult to mention my constituency without talking about our beloved football team, the Baggies. The late Cyrille Regis is a particular hero of our area, and it is difficult to mention his name without talking about the huge impact that he had on football. He joined the club at a crossroads for English football. With fellow black teammates Laurie Cunningham and Brendon Baston, the trio were given the nickname the “Three Degrees” and were targeted with a lot racist abuse. But at a time when football clubs would rarely give opportunities to players of diverse backgrounds, West Bromwich Albion saw great talent in these three men and were keen to showcase them. That is the spirit that I want us to be remembered for.

I know that winning seats like mine will change my party and this Parliament for the better. The average healthy life expectancy in West Bromwich East is poor. It means that my constituents are more likely than most others to spend more of their life in ill health. That can

be linked back to people leaving school with no or very few good qualifications. When we talk about levelling up, it means creating the jobs for areas like mine where there have been decades of poor unemployment rates; improving transport infrastructure, which will be boosted by the long-awaited and much-deserved HS2; and doing everything that we can to improve people’s health, including improving air quality.

So much also rides on ensuring that everybody in West Bromwich East has access to a good education. We need an injection of hope for the next generation in West Bromwich. I want people to have access to a good education that shows them the many opportunities that we have available in our great region.

I should like to finish with the words of J. B. Priestley. Although I do not agree with his socialist principles, I do agree with him when he wrote:

“If I were compelled to choose between living in West Bromwich or Florence, I would make straight for West Bromwich.”

2.20 pm

**Chris Stephens** (Glasgow South West) (SNP): First, let me congratulate the hon. Member for West Bromwich East (Nicola Richards) on her maiden speech. I particularly enjoyed her contribution on West Bromwich Albion and the three trailblazers she mentioned. Cyrille Regis and others did blaze a trail for many in our society, but they obviously had to combat some racism too. One organisation that I am involved with in Parliament is the Show Racism the Red Card all-party group, and I hope that she will consider joining it. Again, I congratulate her on her maiden speech.

The importance of this debate is to show how we deal with certain issues as a society. How does a country treat its poorest and how does it treat its richest? How do we treat the vulnerable who are having their benefit payments cut? Public services are under-resourced, infant mortality rates are increasing, and life expectancy is faltering. Then, of course, there is the use of food banks and food aid provision by more than 1 million people. In contrast, there are others in society who benefit from sweetheart deals.

I intervened on the Chief Secretary to the Treasury to ask him about HMRC’s resources. In fact, I will concentrate most of my remarks on that issue and on how we tackle tax evasion and avoidance. There is absolutely no excuse whatever for HMRC’s wealthy unit—the body responsible for dealing with tax avoidance and evasion—to have had 80 posts cut in one year, from 2018 to 2019. Let me put that into perspective. There are 961 full-time equivalents in HMRC’s wealthy unit, as opposed to the 1,400 full-time equivalents who are hired by the Department for Work and Pensions to tackle social security fraud. Let us contrast the figures. Social security fraud is estimated at £1.2 billion, yet the Department has more resources to tackle that matter than HMRC’s wealthy unit has to tackle tax avoidance and evasion. The only difficulty that I have with the Opposition motion is that it underestimates the amount of tax avoidance and evasion that takes place. A report from the Tax Justice Network and the Public and Commercial Services Union estimated that the figure could be as high as £112 billion. When it comes to the actual tax gap and what is missing from the figures, what those on the Treasury Front Bench have not mentioned is the profit-shifting that is going on. Fairly high-profile, large global companies are involved in that activity.

One would think that on an issue such as chasing a large amount of unpaid money, the Government would ensure that the Department was resourced accordingly, and that over the past 10 years, more resources, not fewer, would have been pumped into HMRC. As both the shadow Chancellor and my hon. Friend the Member for Glasgow Central (Alison Thewliss) have said, the number of HMRC staff has reduced over the past 10 years from 105,000 in 2010 to 62,000 today—a loss of 40,000 jobs. A Department whose sole responsibility is to bring in revenue should tackle that issue and get some more answers from the Government.

The Government are engaged in the “Building our Future” programme. Frankly, it is a disastrous programme, which has HMRC reducing its offices from 170 to 13 regional centres with five specialist sites. Some of our towns and cities across the UK will lose their largest employer, so where was the economic impact assessment of that programme, and where was the equality impact assessment for employees with disabilities who are being asked to travel more than 100 miles to their new office?

Legislation and regulation are badly needed, but they can work only if HMRC is properly resourced. We cannot have a situation where 14 million people are in poverty. We need real answers and real solutions now. If there are staff reductions as a result of that programme and new staff cannot be attracted, that would suggest that there is, perhaps, a problem with pay and terms and conditions. If that is the case, the Government really need to address those problems. I hope that the Minister, when he sums up, will say a bit more about how HMRC is being resourced, and that if there are resources problems, he will say how we as a House can help tackle those issues.

**Several hon. Members** *rose*—

**Madam Deputy Speaker (Dame Eleanor Laing):** Order. I am delighted to call Suzanne Webb to make her maiden speech.

2.25 pm

**Suzanne Webb (Stourbridge) (Con):** Thank you, Madam Deputy Speaker. I am thrilled to be standing here today in this great place—the mother of Parliaments—as the hon. Member for the Stourbridge constituency, which is the jewel in the crown and the beating heart of the urban west Midlands. It is a constituency with a rich history in glass making; the beautiful Mary Stevens Park; a market town of residential streets interspersed with green spaces; and the stunning Old Swinford Hospital, which is now a school. Only my constituency could have a branch line that is a mere 0.8 miles long. Not even a model railway can compete with that—nor, it seems, can a main line, as I am reliably told that it is the most efficient on-time train service in the country.

My constituency is the true face of conservatism, defined by the warmest, kindest, and friendliest people. They are hard-working and talented individuals who recognise the importance of responsibility and have pride in their own ability to make something of themselves. My predecessor, Margot James, understood that well. She was the MP for Stourbridge for nine years. She rose up the ranks fast and served Stourbridge well. Some may not agree with her view on Britain’s role in the EU, but that should not distract from her overarching sense of responsibility. In her maiden speech, she said:

“The people of the black country and Stourbridge hold on to certain basic truths that are not just old-fashioned notions that can simply be cast aside...that one should never borrow what one cannot pay back, that we should not foster a culture in which people are led to expect something for nothing”.—[*Official Report*, 7 June 2010; Vol. 511, c. 61.]

Those are principles that I share with Margot.

I chose to speak in this debate as the Government are committed to ensuring that everyone—whether as an individual or as a business—pays their fair share of tax and understands their responsibility to do so. The Government are, after all, the custodians of taxpayers’ hard-earned money. They have an obligation to spend it as wisely as if the taxpayer were spending the money themselves. Of course, many here will recognise the hand of Mrs Thatcher in those principles. Indeed, it was Mrs Thatcher who changed my world order and who shaped my political thinking. On 4 May 1979, as a teenager, I woke to a Conservative Government. The established political order had been demolished overnight as swathes of the UK turned blue. Fast-forward 40 years and not only has history repeated itself, but the Conservative party has doubled down on Mrs Thatcher’s extraordinary reshaping of our political landscape, with a resounding 80-seat majority.

I would like to take this opportunity to say congratulations to all my hon. Friends whose seats are Tory for the first time in history, from Scunthorpe to West Bromwich West and Dudley North. There are too many for me to mention them all. I thought that 1979 was special, but 2019 was something else. I am thrilled to be sharing these Benches with so many friends and colleagues.

Let me go back to 1979 and the start of my political awakening. A few days after that historic election, my two brothers and I were talking to nan, who, it remains the truth, made the best lemon meringue pie on this earth. My nan and grandpa never spoke to us about politics—ever. The money was on them being lifelong Labour voters, and so it had proved, but, on that fabled day, nan confided to us that she and grandpa had chosen to vote Conservative for the first time in their lives. She said they did so because it was about responsibility. Nan loved Mrs Thatcher’s ethos that the Government are the custodians of taxpayers’ hard-earned money, paid in tax by the likes of my school dinner lady nan. She related to Mrs Thatcher’s simple message that espoused the individual values of ownership, having a society of savers, and the responsibility and accountability of Government to respect and reward this. Nan shared the simple value that it is the responsibility of individuals to take pride in their own ability to make something of themselves—a value that she lived by for the rest of her life.

These values were espoused by my parents, affectionately known as Mac and Babs, and passed down to me and my two brothers. My mum was a teacher and my dad was a white-collar worker. Both were hard-working, resilient and committed to ensuring that their kids had a good education. They created the conditions whereby a comprehensive girl could go to university, own her own home, have a career working across global markets for more than 29 years, and, of course, stand here before the House as the MP for Stourbridge; and whereby one brother went on to become a lawyer and the other a headmaster.



[Suzanne Webb]

Those values taught me the importance of hard work, resilience and a good education—an education defined not just by academic achievement, but by running for the county and by volunteering for Phab leading one-week holidays for more than 10 years, which I loved with a passion. Fast-forward 20 years: I want to continue this passion to ensure that places of employment become disability confident. The voluntary party has played a big role in who I am today, and I want to say a special thank you to all those who helped and supported me; you know who you are. You can take the girl out of the voluntary party, but not the voluntary party out of this girl. I will continue to support it with the passion with which it has supported me. And so it remains true—as it remains the truth that my nan made the best lemon meringue pie ever—that it is the responsibility of individuals to take pride in their own ability to make something of themselves, and it is with that same pride and responsibility that I will serve my constituency.

With the backdrop of our Prime Minister's instincts towards opportunity, egalitarianism and one nation Conservatism, it is the opportunity of a fourth industrial revolution that I want to seize in the urban west midlands—a revolution of gigabytes. We have the commitment from the Government for HS2. We now need the commitment to bring the gigabyte factory to the heart of the economic renaissance in the urban west midlands led by the magnificent Andy Street.

We should be bolder when it comes to climate change—not the prophets of doom, but the pioneers of change. I refer specifically to the green belt, which is under much pressure in my constituency. I have long championed the protection of the green belt, and I know that we can do things differently when it comes to building houses. After all, these green spaces are the lungs of this great country. If we are serious about climate change, we need to start thinking differently about how we plan for our future homes and cities, and—importantly—about how we can protect those vast green lungs with fair funding for remediation, and focus on the regeneration of brownfield land.

We need to tackle knife crime—a terrible crime that Stourbridge has witnessed at first hand. My thoughts are always with the Passey family, and I will continue to support the Justice for Ryan campaign until justice is indeed done.

I am a proud midlander, and in true midlander speak, these are pretty bostin' times. For those who do not know, "bostin'" means amazing and brilliant. Throughout this speech, I have talked about responsibility, whether as a Government or as an individual, and about taking pride in everything we do. I am proud to be part of a Government who understand their own responsibilities: towards fiscal conservatism, advocating low taxes while understanding their obligations to schools and further education; to the NHS, security and policing; to facilitating conditions that are beneficial to the business community; to their solid commitment to the transport infrastructure of the future; to their unwavering commitment to one nation Conservatism; and to those who lent us their votes in 2019. It will be my responsibility—one that I will not take lightly, but with great pride—to ensure that the Stourbridge constituency is a key beneficiary of this fantastic one nation Conservatism, which has its heart firmly rooted in this great and united kingdom.

2.34 pm

**Sarah Olney** (Richmond Park) (LD): It is a great pleasure to follow the maiden speech of the hon. Member for Stourbridge (Suzanne Webb). My constituents in Richmond Park will have listened with great envy to tales of an efficient, on-time train system, so I thank her for that.

The most recent estimates of the tax gap in the UK—between what is due to HMRC and what is actually collected—are in the region of £35 billion. As a proportion of overall tax owed, this is just over 5.5%. The proportion has actually fallen in recent years, but this needs to be set against a backdrop of increasing austerity, which impacts disproportionately on the poorest in society. If the Government's goal is to balance the books, they need to collect all the money they are owed with the same rigour as they manage their expenditure. A society that is quick to sanction those who fall foul of the rules on claiming benefits should be just as quick to penalise those who avoid paying their fair share of tax. As parliamentarians, our interest in the tax gap should not be in its size, its proportion as a share of tax collected or its comparison to prior years, but in the efforts taken by the Government to reduce it, as an indicator of their commitment to fairness and the equal treatment of every citizen, regardless of their income.

As we transition from our membership of the European Union to whatever we are headed towards, attention must be focused on anti-money laundering regulations. The proposed sanctions and anti-money laundering legislation would give Ministers powers to scrap existing EU regulations and replace them with UK laws. The Liberal Democrats are concerned that enthusiasm among some on the Conservative Benches for a bonfire of regulations—a "Singapore-on-Thames" style, low-tax, low-regulation UK economy—will result in these new regulations being watered down, to the benefit of those who would prefer less intrusion in their financial affairs. What assurance can the Government give us that the UK outside of the EU will clamp down just as firmly on tax evasion as it did when it was within EU structures?

The Conservatives' previous attitude to tax havens does not inspire. Sir Vince Cable, while Business Secretary during the coalition, introduced a "people with significant control" register for anyone who owns more than 25% of a UK registered company, or otherwise exercises significant control over it. These PSC registers were due to be extended to cover the British overseas territories, until they were vetoed by the then Prime Minister, David Cameron, after intensive lobbying. Will the same forces be brought to bear on our post-EU anti-money laundering regulations? Will the Conservatives stand up for the ordinary taxpayers of this country and put in place robust measures to tackle financial crime?

The Liberal Democrats called for the extension of the register of beneficial ownership to all British overseas territories so that accurate assessments of tax owing can be made. Companies that do not voluntarily disclose this information should be barred from bidding for Government contracts, on the basis that companies that may be avoiding contributing to the public purse should not be expected to benefit from it. Furthermore, HMRC should be properly resourced so that tax avoidance can be identified and redressed. With tax inspectors stretched to the limit, too many claims go unscrutinised and too few spot checks are carried out. The Social Market

Foundation estimates that under-reporting is considerably more prevalent than current analysis suggests, and that the tax gap may in fact be much wider than the stated £35 billion. The 2019 Liberal Democrat manifesto called for a general anti-avoidance rule, under which all the little loopholes and anti-avoidance measures could be prosecuted without specific legislation. HMRC could make far greater progress in closing the tax gap if it had sufficient legislative tools. A Government committed to levelling up and treating all taxpayers fairly would introduce such a measure in their forthcoming Budget.

I confess to a little wry smile when the Minister mentioned the Making Tax Digital programme and its hoped-for success in reducing the tax gap. Before I was elected to this place, I was the financial accountant for Historic Royal Palaces. In that role, I was responsible for introducing Making Tax Digital into the organisation, and I have to say that although it was successfully implemented and the organisation is now reporting under that regime, the implementation was significantly held up by the very poor drafting of the legislation that introduced it.

The tax gap needs to be closed. This is money that belongs to us and to our constituents. Week after week, we all see the consequences of too little money in our public services. The tax gap is money taken out of the pockets of the poorest in society, and the Government must not sit back and allow this to happen.

**Madam Deputy Speaker (Dame Eleanor Laing):** I am afraid that I have to impose a time limit of six minutes with immediate effect. This way, everyone will get a chance to speak.

2.39 pm

**Nigel Mills (Amber Valley) (Con):** Let me start by congratulating my hon. Friends the Members for West Bromwich East (Nicola Richards) and for Stourbridge (Suzanne Webb) on their excellent maiden speeches. They certainly brought a crowd to a tax debate, which we perhaps do not always see.

It is a pity that we have such a divisive, political motion today. There is a lot of cross-party agreement on this issue, but as there is clearly no way any Conservative Member will be voting for the motion, we have lost a chance to show that agreement. A fairer summary of the current situation would have been that for 15 years or so, successive Governments have been trying incredibly hard to tackle this and have made significant progress, yet there is still a hell of a lot more to do. It is fair to say that we have been running as fast as we can and largely stood still. As the Minister said, we have introduced 100 or so measures in the past 10 years, and yet the tax gap is at a similar percentage to what it was at the start of that period.

At some point, we will have to accept that we are papering over the cracks. We will have to reimagine our tax system to work out what we are going to tax and how we are going to collect that money. The longer we try to perpetuate a system that was effectively based on taxing people, property and profits, the longer we will keep finding that all those things are under real pressure. Adding in the fact that, with regard to all the sins that we tax quite extensively, people are stopping sinning in those ways, we are going to find a large budget gap. The solution to this in the long term is to rethink what we

tax rather than just keep adding another 500 pages of Finance Bill every year and wondering why the single biggest part of our tax gap is in legal interpretation or error. That is partly because we cannot follow the rules, do not understand them and cannot comply, or because they are so complex that we end up creating conflicting bits and loopholes that people can then exploit. There must be a better way of doing this if we really want to get the tax gap down to the sort of level we want.

It is important to stress that £1.8 billion, or 5%, of the tax gap is now down to avoidance. There is no way we can legislate our way out of avoidance and get the tax gap down. The majority of the tax gap is now on different taxes. VAT is the largest tax where there is a gap. The largest group of taxpayers who are not paying all the tax they owe comprises small businesses. We need a whole different approach to this.

As I said to the Minister at the beginning, we could start by setting a target for what we think we can get the tax gap down to, so that we can then measure how effective we are being. A relatively gentle target would be to get it down to 5% in the next five years. That would raise about £4 billion a year—a significant amount of money going towards the public services. That is not an impossible target. Looking at the history of our performance, we see that we are bumping along at somewhere between 5.5% and 6% each year, depending on the calculation.

What else can we do? Lots of people have talked about the need for more transparency through the various measures on the public registers and country-by-country reporting. There is no reason why we cannot turn on country-by-country reporting now. It is generally accepted that large corporations around the world have to disclose so much in their accounts to the public anyway that there is no harm to them in disclosing the extent of their turnover, assets, employees and profit in each of the territories they operate in. That is not sensitive commercial data that will harm their commercial interests. We can do that as soon as we want to.

Seven or eight years ago, I proposed an amendment to a Finance Bill to require company tax returns to be made public—to be added to the company's accounts and kept at Companies House. I see no reason why we cannot do that. It would dramatically increase confidence that the vast majority of these companies are paying the amount of tax in their tax return that their accounts suggest they should be. It would also expose those that are not, and we could see where the differences are. Again, I do not regard that as sensitive private data. I think there would be cross-party agreement that we could move in that direction.

We have had the general anti-abuse rule since 2013. There was a plan to review how it was working after five years to see whether we needed to keep doing the individual measures each year that are cluttering up our tax system and to see where we could extend it. I do not quite know where that five-year review has gone. Perhaps now would be the time to have a proper look at the general anti-abuse rule to see whether we need to strengthen it and what else we could do.

We have a very big issue—perhaps the Minister will be grateful to me for raising this—with how we define employment for tax purposes and what is the right amount of tax to collect in that situation. As a Parliament, we are strongly saying today that we want to tackle tax

[Nigel Mills]

avoidance. However, there has been a lot of noise in recent months about the loan charge and IR35, and it has almost felt as though Parliament has moved away from addressing those things and is perhaps thinking that we should allow them to continue because they are the right sort of tax avoidance. We need to have, pretty quickly, a full review of what we mean by employment and how we should tax it, because it is not right that two people sitting at adjacent desks doing the same job are paying dramatically different amounts of tax. That cannot be allowed to continue. Yes, we need to get the measures right and not too blunt, but we should not be backing down in those areas.

My final suggestion is on advisers. When advisers are so incompetent that their clients are filing incorrect tax information, or are engaging in such unacceptable activity around tax planning that they should not be allowed to continue, HMRC should refuse to deal with them. It should refuse to let them file tax returns and refuse to engage in correspondence with them. In that way, we could drive them out of the market and let their clients know that there are responsible tax advisers who will get the calculations right, and they should use them instead.

2.45 pm

**Zarah Sultana** (Coventry South) (Lab): I congratulate the hon. Members for West Bromwich East (Nicola Richards) and for Stourbridge (Suzanne Webb) on their maiden speeches. They both spoke warmly of two constituencies that I know very well, as a west midlands girl myself.

There are a lot of things that I found very surprising on becoming an MP. I do not think I will ever find it normal being called “ma’am” or having doors opened for me. But some of it is unnerving as well. Before I was elected, I did not know that big businesses sent gifts to MPs—gifts that always seemed to be accompanied by requests. The other week, Heathrow sent me a food hamper, along with an ask. It wanted me to support its third runway—as if some shortbread biscuits would drown out the warnings of the climate emergency. Google recently sent me a gift as well. It was not much, but it got me thinking about corporate lobbying. It reminded me that, according to the Tax Justice Network, in 2018 Google avoided £1.5 billion in tax, and in 2016 it reached a deal with the Government, after dozens of meetings with Ministers, to secure an effective tax rate of just 3% on profits estimated to be more than £7 billion.

Now, I might have missed it, but I do not think that doctors and nurses or factory workers and cleaners in Coventry South were offered private meetings with Ministers to create tailor-made sweetheart packages to reduce their taxes, yet this is a premium service that is given to big business. So it often seems to be a case of one rule for billionaires and big business and another rule for everyone else. I think the whole web of dinners, gifts, receptions and donations has something to do with that, because the super-rich do not spend their money on MPs out of generosity and out of the goodness of their hearts—they want something in return. Let us be honest: this wealth is used to buy influence in this House; to get this place to serve their interests and not the interests of our constituents. Under the Conservatives, it looks to me like their investment is paying off, because

by the end of this Parliament the Government are on course to have handed out almost £100 billion in tax breaks and corporate giveaways. Corporate taxation has been slashed to one of the lowest rates in the world. An estimated £90 billion of tax is still being dodged every year.

Perhaps it is me—perhaps I am being cynical and a bit jaded beyond my years—but when the Minister gets up and says that his Government will tackle tax avoidance, I am sorry, but I am going to find that difficult to believe. I find it difficult because I know that time and time again we have heard Conservative Ministers talk the talk on being tough on tax for the cameras but backslide when those cameras are switched off. That is what happened when the Panama and Paradise papers revealed an industrial scale of tax dodging.

When the Minister talks tough, I find it difficult to believe him because I know that the super-rich donors who fund his party are also exploiting tax loopholes, and that they expect a return on their investment too. I find it difficult because I know that the billionaire press barons who often act as the propaganda wing of the Conservative party are in on it too. The owner of the *Daily Mail* has profited from being a non-dom—an exclusive status that lets the ultra-wealthy reside in the UK but pay no tax on offshore income and investments. The owners of *The Daily Telegraph* are reportedly based in Monaco and the Channel Islands. As for the owner of *The Sun*—well, his company was found by a 2008 US report to have 152 subsidiaries, including 62 in the British Virgin Islands, 33 in the Caymans, and 15 in Mauritius. I know that these billionaire press barons do not copy and paste Conservative press releases into their papers for nothing. I would be honest with the Chancellor if he was here but he is not, so all I will say is that after spending a career working with hedge funds and associates who avoid tax, I am sure he will understand that I have trust issues with him as well.

To conclude, the truth is that my constituents cannot trust this Government on tax dodgers. They cannot trust a party that has cut taxes for the super-rich, takes their donations and lets them hoard their wealth and hide it. The British public cannot trust a party that has slashed the services they rely on, only to blame the NHS waiting lists and overcrowded classrooms on migrants. It is not migrants who rob the public purse of billions of pounds. It is not migrants who buy influence and subvert democracy, and it is not migrants who let hospitals crumble and schools fall into ruin. It is the tax dodgers and the billionaire press barons, and it is the Tory Government, who serve the interests of the 1%, not the British people.

2.50 pm

**Kevin Hollinrake** (Thirsk and Malton) (Con): It is a pleasure to follow the hon. Member for Coventry South (Zarah Sultana). I share some of her concerns about ensuring that those with the broadest shoulders pay the most, following the lead of the shadow Chancellor, but it is useful to look at the facts. An interesting survey was carried out by PricewaterhouseCoopers and the BBC on the nations that have the highest proportion of tax on high earners, looking at people earning a quarter of a million pounds a year. The UK is the third highest taxing country in the world—only Italy and India are higher. The hon. Member for Stalybridge and Hyde



(Jonathan Reynolds) shakes his head, but he can google that. We should clamp down on tax avoidance and tax evasion, but we cannot raise the taxes we want without the negative consequences of people shifting that wealth and income elsewhere.

**Peter Grant:** The shadow Chancellor said at the beginning of the debate that tax is about a lot more than just income tax. Can the hon. Gentleman confirm whether the statistic he just cited relates to all taxes paid by wealthy individuals or only income tax? Does he agree that, if he is only talking about income tax, that statistic is highly misleading?

**Kevin Hollinrake:** It related to income tax. [*Interruption.*] The point I was making was about income tax. The shadow Chancellor talked about raising taxes from the people who earn the most, and I was simply responding to that point. I have said in the Chamber many times that we should clamp down on tax avoidance and tax evasion.

The shadow Chancellor strikes me as the failed football manager turned TV pundit—having lost all his games by a wide margin, he suddenly complains when the incumbent manager is only winning his games 1-0. This Government have done far more to collect avoided and evaded taxes than the previous Administration—that is a fact. We can choose our opinions, but we cannot choose our facts. We need to go further. This is not just about the money; it is about creating a fair and level playing field and building confidence in the system, so that SMEs, which are the lifeblood of our economy and business, feel that they are not playing in a rigged game. It cannot be like that.

It is utterly wrong that we should countenance tax avoidance, because it undermines the level playing field for SMEs, and that has a tangible effect. For example, the Johnston Press, which owns *The Yorkshire Post* and many other titles around the country, was turning over £177 million in advertising revenue in 2008, and today, that figure is £22 million. There has been a transfer of revenue from areas such as regional press to online advertising, and particularly Google. Johnston Press will have paid its fair share of taxes, as most companies of that size do. Internationally, Google turns over about £100 billion. We know that around 10% of its turnover is in the UK—that is a stated fact—which is £10 billion. Its international profit margin is 22%, which means that it makes £2.2 billion. It should be paying £418 million in corporation tax at 19%, but it pays £67 million. That is simply iniquitous. It cannot be right, and it cannot be sustainable.

I am delighted that the Economic Secretary to the Treasury is on the Front Bench, because I want to give another example of where we are not maintaining a fair and level playing field. It relates to some of our banks and Cerberus. UK lenders who pay UK tax have sold their loan books to inactive lenders who work offshore and do not pay corporation tax or operate on the same regulatory playing field. Cerberus, which has bought loan books off Northern Rock and UK Asset Resolution, plays by a completely different set of rules. Its costs are therefore lower, which means that it can afford to pay more for those loan books. It does not properly look after its customers, nor does it have the responsibility to look after them and treat them fairly. We have to make

an extra effort to ensure that everybody operates on a fair and level playing field. Cerberus paid £15,000 in corporation tax on six subsidiaries in 2015, despite working on a 20% profit margin.

In terms of my own business experience, our business grew to a point where we were making a reasonable profit. Our adviser—a normal accountant, not one of the big four—said, “How about trying this scheme to avoid tax?” It was perfectly legal, but we refused to take that option, because we did not think that it was right. We need to work harder with advisers and promoters to ensure that everybody pays their fair share of tax. The Government use the big four in many ways and take their advice, and it seems wrong that those very companies then go to large multinational companies and others and show them how to avoid tax.

One of the solutions is country-by-country reporting. We have a precedent for that, with the bookmakers’ point of consumption tax. The Labour party came up with a ruse that involved charging businesses in terms of where their economic activity, people and premises are, and there is very much a basis for that. We need to ensure that what the Government have done through the digital services tax and diverted profits tax narrows the gap for companies such as Google and Facebook.

We need to implement some other key measures, including on transparency about overseas entities and ownership of property, which is a way to avoid tax and move money around the world illegally and unfairly. We need to see measures on beneficial ownership in overseas territories brought forward to 2023. Finally, a corporate offence of failure to prevent economic crime and money laundering would reduce the amount of money that is illegally shifted out of the UK into foreign jurisdictions and increase the amount of tax that is paid.

2.57 pm

**Mr Kevan Jones** (North Durham) (Lab): Again, I would like to speak rubbish—actually, the evasion of landfill tax. I have spoken about this subject on a number of occasions. The Government are making progress in clamping down on it, but more needs to be done. The landfill tax was introduced in 1996 for perfectly good reasons—to avoid household waste and other waste going into landfill—and it has largely been successful. But over the years, as the tax rate has risen, it has become a target for wholesale fraud on a small scale and a large scale, involving organised crime. Her Majesty’s Revenue and Customs “Measuring tax gaps” in 2016 said that the gap on landfill tax was £125 million a year. I dispute that; I think it is a lot higher, and organisations such as the Environmental Services Association think that it could be upwards of £1 billion a year.

People ask why this matters. It matters for two reasons. Taxpayers are losing revenue, and the cost of cleaning up the sites when things go wrong usually falls on the local authority or taxpayers. In addition, because of a lack of regulation on what goes into these sites, the long-term environmental impact on areas can be immense. This is an organised system. The threshold for getting into the business is low. Individuals involved in organised crime use it as a way of laundering money and, as the Financial Secretary to the Treasury knows, the case that I referred to a couple of years ago is still ongoing. I asked for a meeting with him and I understand that I now have a meeting with someone in HMRC. They have

[Mr Kevan Jones]

told me that they can come and see me but they will not tell me anything, which I find, frankly, a bit insulting to someone who is a Privy Counsellor and sat on the Intelligence and Security Committee, and who knows how to keep secrets better than anyone.

The important thing is that we drive this hard because it is not just a matter of the lost revenue but what waste crime is fuelling in terms of organised crime. In the north-east, Durham police and other police forces are working co-operatively with the Environment Agency and others to tackle some of the worst offenders. I invite the Financial Secretary to come and look at the work that they are actually doing. But again, it comes down to a problem with HMRC. I was told that the case that I have just referred to was not really important because it was less than £20 million a year. That worries me because the emphasis has got to be on clamping down on this as hard as possible, not just because of the lost revenue but because of the impact. The clean money that comes out of the system goes into fuelling other criminal activities.

The Government have made some progress, and I welcome the new unit for waste crime. It is a start in trying to get all the agencies together to deal with the problem. I mean no disrespect to the Environment Agency, but it cannot tackle this on its own. It has got to be a joint effort. There are things that we could do now to clamp down on this crime. In her 2018 recommendations Lizzie Noel called for regulation, for example, of waste brokers, which I certainly support, and also the mandatory tracking of waste. I would go one step further. Waste brokers should own responsibility for where large pieces of waste go. As in the case that I referred to earlier, large companies produce waste and put it into a criminal network. If local authorities and even police authorities are doing it, it begs the question whether once the waste goes out of their gates people forget about it. That cannot be acceptable. We must make sure not only that the tax is paid but that the waste is disposed of in as environmentally friendly a way as possible.

We can make progress. Enforcement is good value for money. If we clamp down on the fraud that is going on, according to the Environmental Services Association Educational Trust, every £1 of enforcement yields as much as £5.60 in return, of which £3.60 goes directly back to the Government. I welcome the enforcement that is going on. I just want to ensure that it is financed well enough to achieve the returns. If it is done properly, enforcement will pay for itself. It is something that I feel passionate about, because I cannot stand to see criminals getting away with things as they clearly are, costing the taxpayer money and ruining our environment. So a clampdown in this area would be good for the taxpayer, good for the environment and more broadly, good for society.

3.3 pm

**Rob Roberts (Delyn) (Con):** Thank you, Madam Deputy Speaker, for calling me in this Opposition day debate, which, judging by the Benches opposite, Opposition Members did not know about at all.

There has been a lot of discussion, Madam Deputy Speaker, about large corporate entities and taxation so I will talk a little bit about taxation from a personal point

of view, because it is often the case that lots of smaller transactions from a large number of individuals can also make a significant difference. In my previous life as a financial planner, I very much did things along the lines of capital belonging in the hands of the people to give them the power to shape and determine their own futures. Our taxation system is something of a Frankenstein's monster. The hon. Member for Glasgow Central (Alison Thewliss) was right earlier when she said that we tinker around the edges. I agree that we tinker around the edges in many ways. The wholesale, scrapping and rewriting of the entire system would be absolutely preferable, but it is a massive undertaking that no Government would ever do, so unfortunately we will always be restricted to tinkering around the edges.

That tinkering inevitably leads to the wonderful law of unintended consequences, loopholes and other things that appear, but despite all that, as a financial planner I always used to say to people that paying tax was a privilege. In many countries around the world there are people who would be delighted to be able to have their own businesses and to thrive, grow and pay tax, as we do. So it is a privilege, but everyone should pay their fair share, and that word "fair" is thrown around very easily these days. It is a very esoteric concept. It is a little bit in the mind of the beholder.

There has to be a point—a sweet spot—where there is no incentive to avoid taxation, and we saw it perfectly when we reduced the highest rate of tax from 50% down to 45%. The amount of revenue generated actually increased and there has to be a point where the incentive is gone. Fairness is not a concept that is available only to the Opposition Benches. What about the concept of fairness to the individual who went to university, stayed on for a master's degree, started off at the bottom of an organisation, works 80 to 100 hours a week, sacrificing time with their families and lots of other social benefits so as to carve out a successful career, climbed the ladder and got to high levels of income and found that the taxation system was punitive and a punishment on success? It is not hard to see why the highest earners take steps to mitigate their tax levels.

As a financial planner, I always ensured that all the legitimate tax breaks were used—the simple things such as the ISA allowance, pensions allowances or capital gains tax allowances. Then, for people who have particular approaches to risk, there are vehicles such as enterprise investment schemes and venture capital trusts. That word "allowance" crops up all over the place in our tax code. There are legitimate ways to mitigate tax. We encourage it. Governments of all colours and descriptions have encouraged legitimate tax mitigation for decades, and it is important that we realise that the vast majority of the public engage in legitimate tax avoidance every day through pensions and ISA investments. We need to change the language we use a little bit to ensure that avoidance and evasion are treated and understood very, very differently.

Let us be clear that every £1 of evaded tax is £1 less for our vital public services. Everybody across this House and, more important, in the country, recognises that clearly. This Government are tackling the issues, and for Opposition parties to decry those efforts is just disingenuous. During the shadow Chancellor's opening remarks, Opposition Members yelled, "Ten years, 10 years", when we talked about our measures to fix the economy. Damn right it took 10 years. How long was it supposed

to take? What would be reasonable from where we were in 2010? The tax gap was 7.3% previously, now it is 5.6%. There was an annual deficit of £153 billion; it is now an absolute shadow of that.

The Labour party complaining about 10 years is like people going around setting fires and then complaining that the fire service do not put them out quickly enough. It is nonsense, especially when, in the past two years, Labour Members have voted against various measures that would have helped tackle tax avoidance, evasion and non-compliance. If you will pardon the pun, Madam Deputy Speaker, the hypocrisy is a bit rich.

3.8 pm

**Peter Grant** (Glenrothes) (SNP): I am pleased to be able to take part in this debate and it strikes me that there is a fair amount of agreement, but somehow we seem to be managing to create disagreement instead of agreement, which I have to say is one of the hallmarks of this Parliament in comparison to other Parliaments around the world.

It does seem to me that when we have a discussion about tax, too often on the Government Benches there seems to be an underlying assumption that somehow tax, and income tax especially, is bad. Even though they cannot actively and publicly promote irresponsible tax avoidance, it almost seems as if in their heart of hearts they do not quite see what the problem is. For example, the oft-repeated and completely fallacious claim that Scotland is the highest taxed part of the United Kingdom is completely false. Why is it automatically a bad thing, even if it is true? If for somebody on my salary Scotland is the highest taxed part of the United Kingdom, that is good. If, for somebody struggling to get by on a low-paid, part-time job, Scotland is the lowest taxed part of the United Kingdom, surely that is also good. I sometimes wonder how many Government Members, in their deepest instincts, genuinely believe the conciliatory comments that we have heard from some of their colleagues today that tax is a good thing and that we should all be happy to pay our taxes. When we look at the Register of Members' Financial Interests and at some of the companies that are bankrolling Conservative MPs, we have to wonder whether they are bankrolling them in the expectation of getting absolutely nothing back in return.

The hon. Member for Delyn (Rob Roberts) spoke about legitimate forms of tax avoidance, and I do not have a problem with that; I do not have a problem with the tax system giving incentives to people to encourage them to do things that provide a wider public benefit, such as giving money to genuine charitable organisations; investing in genuine businesses that need an injection of capital to grow and to create employment; and investing to make sure that their own and their family's future is financially secure when they are no longer able to work. All those things provide a wider public benefit and it is right that the tax system should encourage them. What public benefit is provided when a company electronically transfers billions of pounds of profits into a non-existent letterbox in the Cayman Islands? That generates no public benefit to anybody, so why do we have a tax system that, either deliberately or unintentionally, encourages exactly that kind of behaviour?

Although some progress has been made, with a more aggressive approach to dealing with legalised tax avoidance than there was in the past, it still does not go anything

like far enough. My hon. Friend the Member for Glasgow Central (Alison Thewliss) commented on how easy and cheap it is to set up a company structure for no reason other than to avoid taxes. Many of my constituents, and many in all of our constituencies, would find it easier to set up a company to dodge taxes than people are finding it to prove to the Home Office settled status scheme that they have the right to live and work here and pay their taxes. What kind of regime is it that makes it harder for people to live here and pay their taxes than it is for people to dodge their taxes?

A lot has already been said about the concept of the Scottish limited partnership. I recall that as a young student accountant many years ago I memorised the Partnership Act 1890 by heart. It is a short and fairly simple piece of legislation. I recall that at the time there was a reason why section 4(2) was a good idea—why it was a good idea that in Scotland a partnership had a legal entity of its own. I cannot remember what the benefit was, but I am pretty sure that our predecessors in 1890 did not put those 17 words into that Act just to allow the good reputation of Scotland's financial services sector to be abused by international criminal gangs in order to launder billions of pounds of criminal funds through the wonderfully respected financial services centre that is the city of Edinburgh and indeed through other cities in Scotland.

My hon. Friend commented on the number of companies advertising their ability to set up tax-dodging companies for people and how easily we can find them on the internet. Such a partnership has been described as “an ideal solution for those who prefer to operate...in the EU”—this is perhaps a wee bit out of date—“and to have a totally tax-free facility”.

That quote came from TBA & Associates Tax Business Advisors Ltd, whose registered office is not a million miles away from here.

In finishing, I wish to read out a quote from Shepherd and Wedderburn LLP, one of Scotland's best known and most respected firms of commercial lawyers. It said:

“Scotland's global reputation in the funds and financial services sector, as a respected and safe jurisdiction in which to undertake business, can be exploited by the Scottish LP in an effort to add credence to an otherwise fraudulent scheme.”

If even the businesses that are advising their big commercial clients on how to reduce their tax liability are flagging up the fact that the existence of that loophole in Scottish partnership legislation is a bad thing for the Scottish economy, how can the Government not understand that? If they are not prepared to act on it, they should give the Scottish Parliament the right to regulate that aspect of Scottish business. Believe me, the Scottish Parliament will deal with it very, very quickly.

Let me make one final comment. A lot has been said about the loan charge, both in this debate and in previous debates. I have seen worrying reports recently suggesting that HMRC is offering an easy ride to the companies that have made billions out of advising their clients to go into these schemes in return for co-operation—basically, this is about shopping their own clients to HMRC. Again, the little guy gets done and the big guy—the big business—gets off scot-free. I hope that the Minister will give a categorical assurance that no such offers have been made and no such offers ever will be made to the big companies who are the genuine villains of the loan charge scandal.



3.14 pm

**Duncan Baker** (North Norfolk) (Con): Clearly, there is a lot of cross-party support on this topic. Benjamin Franklin once said:

“in this world nothing can be said to be certain, except death and taxes.”

In this country, there is no doubt about it; we have one of the best tax collection systems in the world. It has been said a lot already, but the tax gap is now less than 6%. What we have not said enough is that it is falling every time it is measured. Our manifesto promised a strengthened anti-tax evasion unit in HMRC, and that is welcomed. I guarantee that every time we knock on a constituent’s door and talk to them about paying their fair share of tax, that is what they want to see. We will continue to clamp down on fraud. Through digital measures that have come in over the past few years, we continue to do that. I just wish to mention two schemes that I came across when I was in business. Over the past few years, HMRC has brought in real-time information and Making Tax Digital, both new, electronic ways and means of submitting one’s information to ensure that there is less data manipulation and so the right amount of tax is paid on time by companies and employees. Far from doing nothing about tax avoidance and evasion, this Government are doing quite the opposite.

Before I became an MP, I was in the real world. I was in a business in Norfolk. I recall once opening the post and to my horror seeing that I had a VAT and PAYE inspection all in the space of the same month or so. When my jaw hit the ground, the first thing I thought was, “What have I done wrong to deserve this?”

Out came two tax inspectors. They had 50 years of experience in HMRC. They were fantastic people who spent the next week or so giving me a thoroughly good going over; they checked everything from maternity pay calculations to VAT rates on hedgehog food, grass seed and olive trees. I became an expert on zero-rated products—for those who are not aware, I should say that grass seed and hedgehog food are zero-rated. I am still none the wiser about olive trees being standard rated. The real excitement during that process came with the added knowledge that gingerbread men are biscuits and are zero rated. If we dab a bit of chocolate on their eyes, they remain zero-rated, but do not give them any more chocolate buttons, as they then become standard rated. I joke, and people may wonder why I am talking about this, but I do so because it highlights the real facts. This is a real situation going on up and down the country every day, where businesses and individuals are checked to ensure that they are paying their fair rate of tax—and it works. The staff are diligent and hard-working. This was a normal business, with a turnover of roughly £25 million, and over the four years HMRC went back we had to pay around about £800 of additional tax that was required. So if the Chancellor is listening, I can tell him he got his fair share.

The point is that people have said today, “Well, it’s only the big businesses. It doesn’t go across the board”, but that is not true. It is black and white: you pay your fair share. The research from the Institute for Fiscal Studies shows that the highest 1% of income tax payers account for 27% of all income tax. We can hardly sit here and say that the wealthiest are not paying their tax, can we? When those in the public eye commit wrongdoing or try to dodge their tax, there can be few news stories that attract more disdain and are more frowned upon.

We have massively cracked down on tax avoidance and evasion in the past few years, and the new evasion law will go even further to clamp down on the worst fraud offenders by doubling the maximum prison term to 14 years. We have already secured over £200 billion in additional tax revenues since 2010, and at the 2018 Budget we announced an ambitious package of 21 measures that it is estimated will raise a further £2.1 billion.

I agree with what has been said all around the House about how global companies that do not pay their fair share of tax in this country absolutely should do so. The digital services tax that we will see coming in will start to put some of those things right. As my hon. Friend the Member for Delyn (Rob Roberts) said, there are differences between tax evasion and tax avoidance. Companies are not evading tax; they are avoiding it. That is where the legislation needs to be corrected, which is what this Government are doing.

The last point I want to make—I have stressed it before when I have stood up here—is that we have to have a balance: yes, clamp down on tax evaders, but we should not be persecuting the wealth generators in this country, the entrepreneurs and those who create jobs up and down this country.

3.20 pm

**Matt Western** (Warwick and Leamington) (Lab): May I start by congratulating the two new Members on their maiden speeches—the hon. Members for Stourbridge (Suzanne Webb) and for West Bromwich East (Nicola Richards)?

The business of tax avoidance, as has been discussed this afternoon, is a serious issue. We show extraordinary world leadership in this, but for all the wrong reasons. Since 2010, a permissive attitude to tax avoidance has been allowed to develop. Let us think back to Chancellor George Osborne and how he advised people on TV just to think, “Well, you know, all you need is clever financial products to help reduce your tax costs”. It really sent out the wrong signal—“Why pay tax at all? Pay the least you possibly can”—as opposed to being responsible and recognising the benefits of tax.

That has been facilitated by the growth of professional enablers. We saw that with the Panama papers, which laid bare the industrial-scale activity in tax havens such as the British overseas territories and Crown dependencies. We think of the Cayman Islands, which is the most secretive territory of all, and the British Virgin Islands, Guernsey and Jersey, which are in the top 20. Just last week, the EU blacklisted the Cayman Islands as the first UK territory on the non-co-operative list due to its tax haven status.

Do not get me wrong—I understand that this is a global problem and it needs international action—but we actually have to go to Davos to talk about these things, and of course the Prime Minister was a no-show there as well. It needs international action, and the UK should be looking to lead on this to restore its reputation. We need leadership, not just simply to be tax lackeys. The Government need to exercise control, not cede control. Let us look at the big accountancy firms. I appreciate the points made by the hon. Member for Thirsk and Malton (Kevin Hollinrake), and I agree with him that on the one hand they are advising the Government, but on the other hand they are advising businesses, and I do not see how we can quite square that particular circle.

**Mr Kevan Jones:** Does my hon. Friend agree that it is long overdue that some of the big accountancy firms should be broken up? There is not really competition among these firms; there are cartels in some situations.

**Matt Western:** My right hon. Friend makes a very good point. With just those four businesses, they absolutely dominate the sector. I do fear that there is a cartel operating, and the sector should be broken up. I think that would be in everyone's interests. Those firms—or certainly their UK arms—account, according to an HMRC report, for half of all known avoidance schemes. That is the scale of the problem.

This is coming at a massive cost—a loss to UK plc—that is estimated at between £35 billion and £90 billion. There is understandable public anger out there, because that money could be buying significant investments in our communities, whatever people may want to invest in. That could be 40 new hospitals, two new aircraft carriers or 40 Typhoon jets—all for £35 billion, with some cash to spare. If the £90 billion takes their fancy, we could electrify the Chiltern line serving Warwick and Leamington, and then put money into free school meals for all. Instead, we have an attitude where we increasingly see flat regressive taxes, such as the rise in VAT in 2010 from 17.5% to 20% and the growing expansion of council tax, again hurting hard-pressed households.

**Matt Rodda** (Reading East) (Lab): My hon. Friend is making some excellent points about the inequities in the system. I feel that is particularly relevant given that only recently did average incomes catch up with those before the great crash of 2008. Does he agree that there has been a total and utter lack of leadership from the Government on this matter?

**Matt Western:** Yes, there has. As I have said, the former Chancellor showed the wrong sort of leadership when he basically said about taxes, “It is almost entirely down to you whether you choose to pay it or not.” Tax really is the responsibility of us all: it is a corporate responsibility and it is a personal responsibility.

Decades ago, when I was working in the corporate world, I remember the introduction of a thing called corporate social responsibility. It was a real buzz term, and we started making donations to charities, volunteering and so on. Of course, that is important and it is wonderful that big business does that, but we are seeing this almost replace tax responsibility. Rather than paying their way and supporting education, infrastructure and healthcare for society, we are seeing organisations perhaps decorate a community centre or go out on litter picks and the like.

Turning to personal tax avoidance, I have mentioned the former Chancellor, and there are schemes such as the film production scheme. Businesses have increasingly paid out dividends, substituting them for actual salary, because of course there is lower tax to be paid on dividends and it is advantageous to employees or directors to get a much larger proportion of their income through dividends. All we need to do is go to some of the ports around Europe, and see that the yachts in the berths there are all flying flags of convenience—and they are all UK flags or those of UK overseas territories and Crown dependencies. There are no German flags, dare I say it, or Dutch flags or French flags. Either we are renowned for our sailing, or a lot of Germans or those of other nationalities like flying the British flag because—

I do not know—they sail better or something like that. The same could be said about personal jets and where they are domiciled.

Let me just say that tax is good: it is a contribution to a better society, and we must think about what that society looks like. We should look at the words of Elizabeth Warren. Let me just paraphrase her; I will not do her justice. She basically said, “Why is it that people should simply want to avoid paying tax and then be able to afford to buy a Ferrari? There is no point in owning a Ferrari, if they have not got a good road to drive it on.” People should pay their tax and get a Jaguar Land Rover or Aston Martin—obviously, because they are much better products anyway—and drive on a beautiful smooth road that has been paid for out of their taxes. That is the sort of society we should be looking for, not people avoiding tax, living behind gated communities, owning Lamborghinis, Ferraris or whatever may be, and having roads full of potholes.

The Government need to turn up on this issue: they need to go Davos and places like that, and make the case for why international intervention and regulation need to be introduced. I agree with what the hon. Member for Amber Valley (Nigel Mills) said earlier about full disclosure. We need to see that across the entire business sector, whether for small businesses or large businesses. When we talk about consumers being given an informed choice, I think the consumer should know whether Caffè Nero is not paying any tax at all, or whether Costa or one of the others is paying tax, and they can then make an informed decision. They can choose, saying, “Well, maybe I want to buy my coffee from that place”, or whatever the product or service may be.

I want to close on the issue of the tech titans. I say this to them: Amazon, you have your warehouses, and your warehouses need security. They need protection from fire; who is going to show up? Warwickshire fire and rescue service has had significant cuts, and it needs the money out of taxation to pay and provide for the fire and rescue services.

**Nick Smith** (Blaenau Gwent) (Lab): It is estimated that five of the big tech companies paid an effective UK tax rate of just 2.9% in 2018. They avoided paying £1.3 billion in taxes. Does my hon. Friend agree that the Government need to get that money back?

**Matt Western:** Indeed they do, and I was just about to say in respect of companies such as Facebook that services impact on mental health. We need those services; they need to be paid for for our young people. I say to Apple and Google: your product upgrade and replacement cycles lead to huge waste in recycling. You have to pay your taxes; it is a responsibility that we deserve from you, to pay for our society.

3.29 pm

**Mr Gareth Bacon** (Orpington) (Con): There have been some very thoughtful speeches on both sides of the House today, but I must open by particularly commending the excellent maiden speeches from my hon. Friends the Members for West Bromwich East (Nicola Richards) and for Stourbridge (Suzanne Webb).

The central contention of the Opposition motion is that the Conservative Government have failed to address tax avoidance and evasion over the last 10 years, but that is simply not borne out by the facts. The range of the tax gap involved that the Opposition have stated is

[Mr Gareth Bacon]

£35 billion to £90 billion. The £35 billion is the HMRC's estimate, so we will accept that, but the provenance of the £90 billion is rather less certain, and I spent some time searching for it before I came in here. The only reference I can find to it is a blog post by Professor Richard Murphy. Members will remember that Richard Murphy was previously hailed as the founder of Corbynomics and was held up in lights by the Opposition as the answer to the economic problems we have. That was of course before he made the mistake of criticising the Leader of the Opposition, stating that he had "no policy direction, no messaging, no direction, no co-ordination, no nothing",

for which of course, in true Corbynista style, he was purged, and the shadow Chancellor later said, "we doubted his judgment."

The shadow Chancellor is not the only one to doubt Professor Murphy's judgment, of course. The Oxford University Centre for Business Taxation has done so, as has the Institute for Fiscal Studies, which previously described his estimate of the corporate tax gap as "likely overstated (possibly by a wide margin)."

Many Members have highlighted the fact that tax avoidance and tax evasion have continued to drop. The country's tax gap is now below 6% and is one of the lowest in the world, and the trajectory continues to be downwards.

The same Labour party that moved this motion voted against many of the measures that have led to that reduction. By voting against the Second Readings of both the 2018 and 2019 Finance Bills, Labour voted against 39 measures that will raise in excess of £7 billion by 2023-24. So if they have any intellectual honesty, they would be far better off congratulating the Government on closing the tax gap and on having a better record on these issues than they had themselves when they were last in government.

By and large, the evidence shows that the Government are making progress in tackling tax avoidance, and I strongly commend Ministers on their efforts. However, as part of wider efforts to reform the tax system there are individual policies that would benefit from a little more attention. One of them is the issue of off-payroll working, which many of my constituents have written to me about, and I have in turn written to Ministers to outline their concerns to them. Those concerns include reports that clients are already beginning to refuse to engage as a result of the complexity of the rules, and that projected earnings are being drastically reduced without the receipt of equivalent benefits or protections as salaried employees.

It is true that the services economy has changed drastically since off-payroll rules were originally introduced 20 years ago, so I believe that the Government were right to look at reforms. However, it is extremely important that in seeking to close those loopholes the Government avoid unintended consequences that limit our future competitiveness. At a time when maximum labour flexibility is surely a long-term benefit to the UK, I urge Ministers to take that into account.

3.33 pm

**Anthony Browne** (South Cambridgeshire) (Con): I too want to pay tribute to my two colleagues who made their maiden speeches today, my hon. Friends the Members for Stourbridge (Suzanne Webb) and for West Bromwich East (Nicola Richards).

The general principles of tax evasion and avoidance are simple, and I think from listening to the debate that they are agreed across the House: everyone should pay their fair share of taxes. It is an offence to our sense of natural justice if someone manifestly does not pay the tax that most would judge as fair. The fact they are not paying means others have to pay more; otherwise, we do not have money for public services.

But, even more than in most policy areas, the devil is in the detail. I have been reporting on and tackling tax avoidance and evasion for 25 years or so. As a business and economics journalist, I often covered it. As chief executive of the British Bankers Association, I led the banking industry in efforts to tackle tax evasion both here and internationally.

In my five years in the role of chief secretary to the BBA, the banking industry was accused of many different things but very rarely accused itself of tax avoidance and evasion. I think that was largely because we paid over £70 billion in tax, more than any other industry. The general attitude of the industry was, "Well, if we are paying so much tax, we have got to do our part to make sure everyone else is paying their tax as well", so banks play a very active role in tackling tax evasion. For example, I led the industry push for a common reporting standard, adopted by the OECD as a global practice, which enabled Governments around the world to more easily find out what money their citizens have in foreign bank accounts, in order to work out how much tax they owe. We worked closely with the Conservative and coalition Governments on a whole range of reforms to tackle tax evasion, both in the UK and internationally. There were countless measures in every Finance Bill to clamp down on tax evasion, and my team worked hard to deliver many of those reforms.

That is why I find it quite frustrating when Opposition spokespeople keep saying that the Government are not doing anything to tackle tax evasion. That is an easy political hit, but it just is not true. We have heard throughout the debate about the many measures that have been put in place. As with so many things, more can always be done, but it is frankly dishonest to say that nothing is being done. I know from my role in international negotiations that the UK is leading the world on tackling tax evasion in so many ways. In the 2018 Budget alone, there were 21 measures to tackle evasion. As anyone with any experience of dealing with these issues in many other countries knows—even some EU countries—there are many places where paying tax is seen as a voluntary activity and avoiding it as a national sport. Being involved with that makes one realise how much more seriously the UK takes it than almost anywhere else. As we have heard in the debate, the tax gap has been falling over the past 10 years as a result of the measures put in place by the Conservative and coalition Governments and it is now down to 5.6%, one of the lowest in the world. It is a track record we can truly be proud of.

Members may have noticed that I have been talking about tax evasion rather than tax avoidance, and there is a good reason for this, which was reflected on earlier by a couple of my hon. Friends. Our national debate seems to have lost track of the distinction between tax evasion and tax avoidance, but the distinction is critical. Without understanding the difference, we will never develop policies that ensure that everyone pays their fair



share of tax. When I was a young BBC business journalist reporting on tax issues, the differences between evasion and avoidance were always rigorously drummed into me by BBC management. There was a very good reason for that: failing to make the distinction could have landed the BBC with a big libel bill.

Evasion is not paying tax that you are legally required to pay. It is a crime and you can end up in jail. Avoidance is changing your affairs so that you pay less tax. It covers a wide range of activities, from the everyday to the egregious. It is playing within existing rules and it is legal. Just as it is important for journalists to know the difference between avoidance and evasion, so it is for policy makers. If tax evasion is causing problems, the solution is stronger enforcement of existing rules. However, if it is tax avoidance that is causing concern, it is not enforcement that is the problem, as no one is actually breaking any rules. It is the rules that are the problem and the solution is to change the rules.

From a policy point of view, evasion is relatively black and white: you clamp down on it. Avoidance is far more complex, however, because it covers such a wide range of activities. An everyday example—some were mentioned earlier—is buying duty free alcohol at the airport. If you take out an ISA, a pension or gift aid, you are avoiding tax. If you buy a low-sugar drink because you do not want to pay the sugar tax on higher sugar drinks, you are avoiding tax. The fact that people change behaviour to reduce the tax they pay has always been at the heart of tax policy. That is why economists always recommend, and Governments try to promote, taxing bads rather than goods—sin taxes and environment taxes.

What any fair-minded person objects to is aggressive tax avoidance which results in companies or people paying less tax than is clearly their fair share, avoids any other public good and deprives the public purse of money. The biggest examples are multinational corporations, who frequently arrange their internal transfer pricing, often of intellectual property, to ensure that most of their profits are booked in low-tax regimes. The Government have introduced many measures, such as the diverted profits tax that we heard about earlier, to tackle that, but the rise of the weightless digital economy, of global technology firms with minimal geographic presence but huge economic clout, has made it a far bigger issue. It is an offence against any sense of fairness, and certainly against the public purse, that incredibly profitable global companies, such as Amazon, Facebook and Google, pay minimal tax in the UK because of the way they arrange their internal finances. It is unfair on their rivals whom they compete with, and it is unfair on taxpayers and those who use public services. That has to change and I am glad the Government are bringing in a digital services tax. We have a track record to be proud of and I will be voting against the motion.

3.39 pm

**Anneliese Dodds** (Oxford East) (Lab/Co-op): It is a real privilege to be winding up today's important debate. We have heard a number of excellent speeches, including two maiden speeches. I found the comments from the new hon. Member for West Bromwich East (Nicola Richards) very interesting, and we all enjoyed her warm and affectionate portrayal of her constituency. She joins many people in Parliament, certainly on the Opposition

side of the House, who have been committed to levelling up for many decades, as well as people who have been very committed to beer. I welcome her to the House. I also welcome the new hon. Member for Stourbridge (Suzanne Webb), who also gave an accomplished speech. I am very pleased to welcome a fellow rail enthusiast to the Chamber, but I have to say—I am very sorry—that I am sure that my granny, not her nan, made the best lemon meringue pie. It is very nice to welcome them both.

This debate comes at a very important time, after last week's news that the UK has shot up the ranks of the Tax Justice Network's financial secrecy index. The UK rose 11 places and we stand as the 12th worst jurisdiction for financial secrecy, so rather than moving forward in the fight against tax avoidance and financial crime, we are moving backwards. I very much agree with the comments from my hon. Friend the Member for Warwick and Leamington (Matt Western) in that regard.

My right hon. Friend the Member for Hayes and Harlington (John McDonnell) quite rightly talked about the impact of the failure to tackle tax dodging on the availability of funds for public services, as did my hon. Friend the Member for Coventry South (Zarah Sultana). We should focus on the impact of the failure to deal with these measures because they restrict overall the funds available for public services. The hon. Member for Orpington (Mr Bacon) talked about honesty in the debate. Surely he must be aware that the reason why the Opposition have opposed some of his Government's measures is precisely that they have not gone far enough, as we saw from last week's news. In the time I have left, I will talk about some areas in which they have not gone far enough.

Many colleagues have focused on the lack of tax compliance and the creative compliance from multinationals. Research suggests that the UK is losing £25 billion each year in tax revenue as a result of profit shifting by multinational companies. A number of Members referred to research produced recently that suggested that just five tech giants were costing the Exchequer about £1.3 billion a year. We were told that the digital services tax would deal with these issues, but as Opposition Members repeatedly mentioned, that tax will generate, at most, £440 million each year—less than half of what is being dodged by just those five firms. That does not even take into account the amount lost as a result of avoidance by other tech giants such as Amazon and a plethora of other less well-known firms.

My right hon. Friend the Member for Barking (Dame Margaret Hodge) quite rightly referred to the case of Netflix. Her pressure on that, as on so many other issues, has been incredibly important in advancing this debate. She rightly pointed out that that firm has benefited from tax relief at the same time as it has not been making the contribution that we would expect. I also mention the case of Rockstar Games, which has not paid corporation tax for 10 years while it has benefited from tax breaks.

We also need to seriously consider our relationship with our overseas territories and Crown dependencies. I found the discussion about this in the House today quite peculiar. Some welcomed the fact that there will be a public register of beneficial ownership, but the timetable for that has slipped enormously since what was initially suggested. It must be accelerated. I also found it strange that we heard nothing from the Chief

[Anneliese Dodds]

Secretary to the Treasury, in introducing the debate, about the UK's approach to current OECD-level discussions about the future for formula apportionment for corporate tax. That is an absolutely enormous gap and we need to know what the UK Government are promoting at that level. A big discussion is going on between the US and the EU. What are the UK Government calling for? Sadly, we have no indication of that at the moment and we really need it. Otherwise, we are not going to deal with the fundamental issues that the hon. Member for Amber Valley (Nigel Mills) quite rightly highlighted.

We also need to focus on enablers, which have been mentioned frequently on the Opposition Benches during this debate. An HMRC study in 2005—I think it needs to do another one—concluded that the big four accountancy companies alone were responsible for about half of all known avoidance schemes. I share the concerns of my right hon. Friend the Member for Barking about the lack of action, including on the loan charge process.

We also need to look at corporate criminal liability. I found the exchange on this quite interesting. The hon. Member for Thirsk and Malton (Kevin Hollinrake) asked the Government whether they had thought about putting a failure to prevent economic crime on the statute book, and the Secretary of State seemed to intimate he might think about it, but in 2016 a Conservative Government actually said they would look to introduce this—perhaps he is not aware of that. The Government ran a consultation, and many of us have been asking what has happened to it. Well, it has been kicked into the long grass, never to be seen again, which is not acceptable.

We also need more transparency. We need a genuinely publicly accessible register of trusts, with an appropriate definition of “legitimate interest”. The Government have chosen to adopt the most restrictive definition they could. As has been repeatedly mentioned, we need proper country-by-country reporting, and we need it to be public. It only needs to be switched on. The House passed it back in 2016. What are the Government waiting for? They need to put it into action.

We also need action on shell companies. I was pleased to hear the comments from SNP speakers in this regard. Labour has said that the Government could have raised £8.4 million each day in fines on Scottish limited partnerships if they had done what they said they would do, which was to force the publication of persons with significant control of those companies. They did not levy those fines and have not taken action, and we are seeing the same things happening with other limited partnerships that we saw with SLPs.

We have not had the reform of Companies House that we need, and we have delays with the introduction of the property register. We need proper enforcement in this area. Conservative Members have trumpeted the fact that the maximum prison term will be doubled, which is right, but when the Secretary of State was talking about convictions, he talked about all convictions in the area of duty as well. He mentioned the figure of 650. Let's have a reality check on how many of those relate to complex tax crime. In 2017-18, only 88 criminal investigations were opened into serious and complex

tax crime, and the number of criminal convictions since 2015 is 22, which is rather different from that 600-plus figure trumpeted earlier.

We also need an appropriately funded HMRC. I am rather less blasé about the reductions in headcount in HMRC than Government Members appear to be. That those numbers are falling faster in this country than in any other European country aside from Greece is something we should be worried about, particularly in relation to the size of the wealthy unit, as was appropriately mentioned by the hon. Member for Glasgow South West (Chris Stephens). Even aside from those numbers, the staff turnover at HMRC is one of the highest worldwide and morale has dropped precipitously. I encourage those on the Government Front Bench to get a grip of the contract that is driving the changing nature of the HMRC estate and see whether it is delivering value for money. It is not; all the upheaval is costing money. HMRC has lost 17,000 years of staff experience in the last year alone through redundancies and departures.

We are told continually that the tax gap has been dropping, but as many speakers have said, the definition of “tax gap” is highly contested and does not include many different aspects of profit shifting. Groups such as Tax Watch UK have adopted a much more sensible approach that looks at overall profits, and of course if we had CBCR, we could assess that even better. We also need to interrogate the 100 additional measures mentioned by the Government. I encourage Conservative Members to look at the difference in those measures between what the Government initially proposed and what happened after consultation. The kinds of processes rightly mentioned by my hon. Friend the Member for Coventry South were evident. Measures are being watered down time and again.

Overall, we know from the evidence that people feel that the Government are not doing enough to tackle tax avoidance and evasion. We know that from the figures, and also from people's experience of the tax system. If we took the money that is owed by some of those tech companies alone, we would have the funds that we need to, for example, almost double school funding in the north-east.

The Government have a decision to make. They can keep cutting services, or they can generate the funds that are needed from a fair tax system. I hope that they will finally step up to the plate.

3.50 pm

**The Financial Secretary to the Treasury (Jesse Norman):**

I am delighted to wind up the debate for the Government. It has been a fascinating debate. There has, of course, been extensive discussion of the issues of tax avoidance and evasion, but we have also heard about lemon meringue pie and West Bromwich Albion, and we have heard two sparkling maiden speeches, for which I thank my new hon. Friends. It has been a cornucopia of joy for everyone interested in these issues.

Before I deal with the debate itself, may I dwell for a second on the Tax Justice Network report, which is central to the motion? We are repeatedly enjoined to trust it as an authoritative assessment of the UK's position, but I suggest that nothing could be further from the truth. Those who look closely at the report will see that it generates absurd outcomes. In its list of 133 jurisdictions, we supposedly come 12th in terms of

offensiveness, yet near the bottom we see Brunei, Vanuatu and Liberia. Is anyone seriously suggesting that this country is a less robust and effectively transparent tax jurisdiction than those?

The reason for that mistake is the fact that the findings are based on an entirely flawed methodology which accepts the proposition that the UK is one of the least secret jurisdictions in the world; I believe it is the eighth least secret, according to the report. Because its authors have some fudge factor, or financial multiplier, they have somehow been able to deduce this extraordinary further conclusion. In fact, it is bogus. As was pointed out by a partner at Clifford Chance, the excellent Mr Dan Neidle— [HON. MEMBERS: “That is not an answer.”] He is a tax partner at Clifford Chance who was offering his view, but that was a nice try from the Opposition Front Bench. He is quoted as saying that

“Britain still scored badly despite making significant strides ahead of its global peers on fostering greater”

—tax—

“transparency.

This was because the report calculates its final secrecy score based on the volume of financial activity conducted by non-residents.”

That is, of course, further to the issue of the core secrecy of the regime, and, as I have said, ours is one of the most transparent.

The report is bogus. It is based on a flawed methodology, and one that is itself secret to the point of being hard to scrutinise. However, I will say one more thing about it: although bogus in many respects, it does accurately place much of the blame for the current situation on the very soft-touch regulatory regime initiated under the Labour Government of 1997. That much, at least, is accurate.

Let me now deal with the main topic of the debate. Of course it is right to focus on the size of the tax gap—the gap between tax owed and tax paid—and I am delighted that it has fallen to a near record low of 5.6%. In his excellent speech, my hon. Friend the Member for Amber Valley (Nigel Mills) asked whether we could introduce a target. It is, of course a retrospective measure. HMRC’s attempt to get close to this point involves the concept of compliance yield, amounting to £34.5 billion this year, which is itself a stretching target. However, the good news is that the 5.6% target is some 0.7% below the average of the last five years of the Labour Administration. That is about £4 billion of tax which we, I am pleased to say, are collecting, and which, had they stayed in office, they would not have collected. It has also rightly been pointed out that at the last Budget the Government announced 21 new measures to tackle avoidance, but of course they were voted down by the Opposition. Last year, these compliance activities brought in some additional £34 billion, and since 2010 compliance activities have secured and protected more than £200 billion of tax revenue. That is a record of which we can all be proud.

It is an interesting fact that, when he came to consider the loan charge, Sir Amyas Morse focused on the earliest date on which he believed the charge could be properly validated in law. That date was December 2010. In other words, we supposedly had 10 years of loan charge non-compliance under the Labour party, which received no legal justification or support. I do not actually believe that that is true. HMRC was correct in chasing those people as it did, and that will be proved, but the

fact is that Sir Amyas himself has pointed to the slapdash manner in which the last Government addressed this whole issue.

Let me pick on some of the important comments that have been made in the debate. My right hon. Friend the Member for East Hampshire (Damian Hinds) was absolutely right to highlight the importance of the quality of data in our system. He was also right to focus on the diverted profits tax and the digital services tax as examples of activities that we are undertaking in order to improve compliance. The right hon. Member for Barking (Dame Margaret Hodge) raised a series of important points, and I want to spend time on those. We have discussed them in an Adjournment debate, and it is interesting that she has come back to them today. She is absolutely right to say that the centrality of the tax system should be one of fairness. It should not be one of penalising any particular section of the public—rich or poor, wherever they live, whatever they might be doing.

The right hon. Lady asked about public registers of beneficial ownership. It is important for me to say that the law enforcement agencies need to have access to the information they need to tackle money laundering. That is what really matters at the core of this. The Government have ensured that the recently established register of trusts is specifically designed to capture overseas trusts for that reason. She is right to focus, as did the hon. Member for Oxford East (Anneliese Dodds), on the progress that has been made on public registers of beneficial information. The right hon. Member for Barking raised the question of beneficial owners of overseas entities. She will know that that register will be the first of its type in the world, and we will go further to increase transparency in the UK property market. The Department for Business, Energy and Industrial Strategy is the lead Department on this, and it has published a draft Bill that has undergone pre-legislative scrutiny.

The right hon. Lady also raised the question of creative sector tax relief. She will understand that in order to qualify for film and high-end tax reliefs, businesses have to incur a proportion of their production costs in the UK and pass a test for cultural content administered by the British Film Institute. I cannot comment on the specific circumstances of individual companies, but she ought to be aware that HMRC carries out a detailed check of each claim for creative sector tax relief, and that large businesses are subjected to an exceptional level of scrutiny. The point is that large businesses, like all other taxpayers, should pay the taxes due under UK law and implement compliance checks where necessary.

The right hon. Lady talked about country-by-country registration. Private country-by-country registration is of course in place. The problem lies in securing the international agreement required to roll out the public registration. It demands a measure of international agreement, and that is something that we continue to focus on. That is a Conservative act of leadership that we are still in the process of taking forward. She is right to pick on some other areas. I would just point out that the disclosure of tax avoidance schemes, the promoters of tax avoidance scheme rules—which can lead to significant penalties—and the enabler penalties that we put in place are all important, and I anticipate that will be strengthening them further over time. Let me pick up a couple of other quick points—



**Peter Grant:** Will the Minister give way?

**Jesse Norman:** I am afraid that there is no time at all to do that, but I will pick up a couple of further points. Colleagues quite rightly had concerns about HMRC resourcing, and they are welcome to write to me if they want to discuss specific topics.

I mentioned the important point made by my hon. Friend the Member for Amber Valley, and I am pleased that he offered his qualified support for IR35. He is right that it is an important measure, and it will collect something like £1 billion of tax a year by the end of the period. As he will be aware, the Government are preparing to legislate to clarify the status of employment from a business standpoint, which is proper and correct.

I am surprised that the right hon. Member for North Durham (Mr Jones) was told that he could not be told anything. Of course, HMRC cannot discuss specific issues, but I hope that he will have a more interesting conversation than that.

I thanked my hon. Friend the Member for Delyn (Rob Roberts) for his constructive attitude, and he was right to focus on the privilege of paying tax. There is an element of truth in that, and we should properly defend it. With that in mind, let me sit down.

*Question put.*

*The House divided: Ayes 236, Noes 322.*

#### Division No. 35]

[4 pm

#### AYES

Abbott, rh Ms Diane	Cooper, Daisy	Ferrier, Margaret	McFadden, rh Mr Pat
Abrahams, Debbie	Cooper, Rosie	Fletcher, Colleen	McGovern, Alison
Amesbury, Mike	Cooper, rh Yvette	Flynn, Stephen	McKinnell, Catherine
Anderson, Fleur	Corbyn, rh Jeremy	Foxcroft, Vicky	McMahon, Jim
Antoniazzi, Tonia	Cowan, Ronnie	Foy, Mary Kelly	McMorris, Anna
Ashworth, Jonathan	Coyle, Neil	Gardiner, Barry	Mearns, Ian
Bardell, Hannah	Crawley, Angela	Gibson, Patricia	Miliband, rh Edward
Barker, Paula	Creasy, Stella ( <i>Proxy vote cast by Peter Kyle</i> )	Gill, Preet Kaur	Mishra, Navendu
Begum, Apsana	Cruddas, Jon	Girvan, Paul	Monaghan, Carol
Benn, rh Hilary	Cunningham, Alex	Glendon, Mary	Morgan, Mr Stephen
Betts, Mr Clive	Daby, Janet	Grady, Patrick	Morris, Grahame
Black, Mhairi	David, Wayne	Grant, Peter	Murray, James
Blackford, rh Ian	Davies, Geraint	Gray, Neil	Newlands, Gavin
Blackman, Kirsty	Davies-Jones, Alex	Green, Kate	Nichols, Charlotte
Blake, Olivia	Day, Martyn	Greenwood, Lilian	Nicolson, John
Blomfield, Paul	De Cordova, Marsha	Greenwood, Margaret	Norris, Alex
Bonnar, Steven	Debbonaire, Thangam	Gwynne, Andrew	O'Hara, Brendan
Brabin, Tracy	Dhesi, Mr Tanmanjeet Singh	Haigh, Louise	Olney, Sarah
Bradshaw, rh Mr Ben	Docherty-Hughes, Martin	Hamilton, Fabian	Onwurah, Chi
Brennan, Kevin	Dodds, Anneliese	Hanvey, Neale	Oppong-Asare, Abena
Brock, Deidre	Doogan, Dave	Hardy, Emma	Osamor, Kate
Brown, Alan	Dorans, Allan	Harris, Carolyn	Osborne, Kate
Brown, Ms Lyn	Doughty, Stephen	Hayes, Helen	Oswald, Kirsten
Brown, rh Mr Nicholas	Duffield, Rosie	Healey, rh John	Owatemi, Taiwo
Bryant, Chris	Eagle, Ms Angela	Hendrick, Sir Mark	Owen, Sarah ( <i>Proxy vote cast by Kate Osamor</i> )
Buck, Ms Karen	Eagle, Maria	Hendry, Drew	Paisley, Ian
Byrne, Ian	Eastwood, Colum	Hill, Mike	Peacock, Stephanie
Callaghan, Amy	Edwards, Jonathan	Hillier, Meg	Pennycook, Matthew
Cameron, Dr Lisa	Efford, Clive	Hobhouse, Wera	Perkins, Mr Toby
Campbell, rh Sir Alan	Elliott, Julie	Hodge, rh Dame Margaret	Phillips, Jess
Campbell, Mr Gregory	Elmore, Chris	Hodgson, Mrs Sharon	Phillipson, Bridget
Carden, Dan	Eshalomi, Florence	Hollern, Kate	Pollard, Luke
Carmichael, rh Mr Alistair	Esterson, Bill	Hopkins, Rachel	Powell, Lucy
Chamberlain, Wendy	Evans, Chris	Howarth, rh Sir George	Qureshi, Yasmin
Champion, Sarah	Farron, Tim	Huq, Dr Rupa	Rayner, Angela
Charalambous, Bambos	Farry, Stephen	Hussain, Imran	Reed, Steve
Cherry, Joanna	Fellows, Marion	Jardine, Christine	Rees, Christina
Clark, Feryal		Johnson, Dame Diana	Reeves, Ellie ( <i>Proxy vote cast by Bambos Charalambous</i> )
		Johnson, Kim	Reeves, Rachel
		Jones, Gerald	Reynolds, Jonathan
		Jones, rh Mr Kevan	Ribeiro-Addy, Bell
		Jones, Ruth	Rimmer, Ms Marie
		Jones, Sarah	Robinson, Gavin
		Kane, Mike	Rodda, Matt
		Keeley, Barbara	Russell-Moyle, Lloyd
		Kendall, Liz	Saville Roberts, rh Liz
		Khan, Afzal	Shah, Naz
		Kinnock, Stephen	Shannon, Jim
		Kyle, Peter	Sharma, Mr Virendra
		Lake, Ben	Sheerman, Mr Barry
		Lavery, Ian	Siddiq, Tulip
		Law, Chris	Slaughter, Andy
		Lewell-Buck, Mrs Emma	Smith, Alyn
		Lewis, Clive	Smith, Cat
		Linden, David	Smith, Nick
		Lloyd, Tony	Smyth, Karin
		Lynch, Holly	Sobel, Alex
		MacAskill, Kenny	Stephens, Chris
		MacNeil, Angus Brendan	Stevens, Jo
		Madders, Justin	Stone, Jamie
		Mahmood, Mr Khalid	Streeting, Wes
		Mahmood, Shabana	Stringer, Graham
		Maskell, Rachael	Sultana, Zarah
		Matheson, Christian	Tami, rh Mark
		Mc Nally, John	Tarry, Sam
		McCabe, Steve	Thewliss, Alison
		McCarthy, Kerry	Thomas, Gareth
		McDonagh, Siobhain	Thomas-Symonds, Nick
		McDonald, Andy	Thompson, Owen
		McDonald, Stewart Malcolm	Thomson, Richard
		McDonald, Stuart C.	
		McDonnell, rh John	

Timms, rh Stephen  
Trickett, Jon  
Twigg, Derek  
Twist, Liz  
Vaz, rh Valerie  
Webbe, Claudia  
West, Catherine  
Western, Matt  
Whitehead, Dr Alan  
Whitford, Dr Philippa  
Whitley, Mick

Whittome, Nadia  
Williams, Hywel  
Wilson, Munira  
Wilson, rh Sammy  
Winter, Beth  
Wishart, Pete  
Yasin, Mohammad  
Zeichner, Daniel

**Tellers for the Ayes:**  
**Jessica Morden and**  
**Jeff Smith**

#### NOES

Adams, Nigel  
Afolami, Bim  
Afriyie, Adam  
Ahmad Khan, Imran  
Aiken, Nickie  
Aldous, Peter  
Allan, Lucy  
Amess, Sir David  
Anderson, Lee  
Anderson, Stuart  
Andrew, Stuart  
Ansell, Caroline  
Argar, Edward  
Atherton, Sarah  
Atkins, Victoria  
Bacon, Mr Gareth  
Bacon, Mr Richard  
Badenoch, Kemi (*Proxy vote cast by Leo Docherty*)  
Bailey, Shaun  
Baillie, Siobhan  
Baker, Duncan  
Baker, Mr Steve  
Baldwin, Harriett  
Barclay, rh Steve  
Baron, Mr John  
Baynes, Simon  
Bell, Aaron  
Benton, Scott  
Beresford, Sir Paul  
Berry, rh Jake (*Proxy vote cast by Stuart Andrew*)  
Bhatti, Saqib  
Blackman, Bob  
Blunt, Crispin  
Bone, Mr Peter  
Bottomley, Sir Peter  
Bowie, Andrew  
Bradley, Ben  
Bradley, rh Karen  
Braverman, rh Suella  
Brereton, Jack  
Bridgen, Andrew  
Brine, Steve  
Bristow, Paul  
Britcliffe, Sara  
Brokenshire, rh James  
Browne, Anthony  
Bruce, Fiona  
Buchan, Felicity  
Buckland, rh Robert  
Burghart, Alex  
Burns, rh Conor  
Butler, Rob  
Cairns, rh Alun  
Carter, Andy  
Cartledge, James  
Cash, Sir William

Cates, Miriam  
Caulfield, Maria  
Chalk, Alex  
Chishti, Rehman  
Chope, Sir Christopher  
Churchill, Jo  
Clark, rh Greg  
Clarke, Mr Simon  
Clarke-Smith, Brendan  
Clarkson, Chris  
Cleverly, rh James  
Coffey, rh Dr Thérèse  
Colburn, Elliot  
Collins, Damian  
Costa, Alberto  
Courts, Robert  
Coutinho, Claire  
Crabb, rh Stephen  
Crosbie, Virginia  
Crouch, Tracey  
Daly, James  
Davies, David T. C.  
Davies, Gareth  
Davies, Dr James  
Davies, Mims  
Davies, Philip  
Davis, rh Mr David  
Davison, Dehenna  
Dinenage, Caroline  
Djanogly, Mr Jonathan  
Docherty, Leo  
Donelan, Michelle  
Dorries, Ms Nadine  
Double, Steve  
Dowden, rh Oliver  
Doyle-Price, Jackie  
Drax, Richard  
Drummond, Mrs Flick  
Duguid, David  
Duncan Smith, rh Sir Iain  
Dunne, rh Philip  
Eastwood, Mark  
Edwards, Ruth  
Ellis, rh Michael  
Ellwood, rh Mr Tobias  
Eustice, rh George  
Evans, Dr Luke  
Evennett, rh Sir David  
Everitt, Ben  
Fabricant, Michael  
Farris, Laura  
Fell, Simon  
Fletcher, Katherine  
Fletcher, Mark  
Fletcher, Nick  
Ford, Vicky  
Foster, Kevin  
Fox, rh Dr Liam

Francois, rh Mr Mark  
Frazer, Lucy  
Freeman, George  
Freer, Mike  
Fuller, Richard  
Fysh, Mr Marcus  
Gale, rh Sir Roger  
Garnier, Mark  
Ghani, Ms Nusrat  
Gibb, rh Nick  
Gibson, Peter  
Gideon, Jo  
Glen, John  
Goodwill, rh Mr Robert  
Graham, Richard  
Grant, Mrs Helen  
Gray, James  
Grayling, rh Chris  
Green, Chris  
Green, rh Damian  
Griffith, Andrew  
Griffiths, Kate  
Grundy, James  
Gullis, Jonathan  
Halfon, rh Robert  
Hammond, Stephen  
Hancock, rh Matt  
Hands, rh Greg  
Harper, rh Mr Mark  
Harris, Rebecca  
Harrison, Trudy  
Hart, Sally-Ann  
Hart, rh Simon  
Hayes, rh Sir John  
Heald, rh Sir Oliver  
Heapey, James  
Henderson, Gordon  
Henry, Darren  
Higginbotham, Antony  
Hinds, rh Damian  
Holden, Mr Richard  
Hollinrake, Kevin  
Hollobone, Mr Philip  
Holloway, Adam  
Holmes, Paul  
Howell, John  
Huddleston, Nigel  
Hudson, Dr Neil  
Hughes, Eddie  
Hunt, Jane  
Hunt, Tom  
Jack, rh Mr Alister  
Javid, rh Sajid  
Jayawardena, Mr Ranil  
Jenkin, Sir Bernard  
Jenkinson, Mark  
Jenkyns, Mrs Andrea  
Jenrick, rh Robert  
Johnson, Dr Caroline  
Johnson, Gareth  
Johnston, David  
Jones, Andrew  
Jones, rh Mr David  
Jones, Fay  
Jones, Mr Marcus  
Jupp, Simon  
Kawczynski, Daniel  
Kearns, Alicia  
Keegan, Gillian  
Knight, rh Sir Greg  
Knight, Julian  
Kruger, Danny

Kwarteng, rh Kwasi  
Lamont, John  
Largan, Robert  
Leadsom, rh Andrea  
Leigh, rh Sir Edward  
Levy, Ian  
Lewer, Andrew  
Lewis, rh Brandon  
Lewis, rh Dr Julian  
Liddell-Grainger, Mr Ian  
Loder, Chris  
Logan, Mark  
Longhi, Marco  
Lopez, Julia (*Proxy vote cast by Robert Courts*)  
Lopresti, Jack  
Lord, Mr Jonathan  
Loughton, Tim  
Mackinlay, Craig  
Mackrory, Cheryllyn  
Maclean, Rachel  
Mak, Alan  
Malthouse, Kit  
Mangnall, Anthony  
Mann, Scott  
Marson, Julie  
Mayhew, Jerome  
Maynard, Paul  
McCartney, Jason  
McCartney, Karl  
McPartland, Stephen  
McVey, rh Esther  
Mercer, Johnny  
Merriman, Huw  
Metcalfe, Stephen  
Millar, Robin  
Miller, rh Mrs Maria  
Milling, rh Amanda  
Mills, Nigel  
Mohindra, Gagan  
Moore, Damien  
Moore, Robbie  
Morris, Anne Marie  
Morris, David  
Morris, James  
Morrisey, Joy  
Morton, Wendy  
Mullan, Dr Kieran  
Mundell, rh David  
Murray, Mrs Sheryll  
Murrison, rh Dr Andrew  
Nici, Lia  
Nokes, rh Caroline  
Norman, rh Jesse  
O'Brien, Neil  
Offord, Dr Matthew  
Opperman, Guy  
Paterson, rh Mr Owen  
Pawsey, Mark  
Penrose, John  
Philp, Chris  
Pincher, rh Christopher  
Poulter, Dr Dan  
Pow, Rebecca  
Prentis, Victoria  
Pritchard, Mark  
Pursglove, Tom  
Quin, Jeremy  
Quince, Will  
Randall, Tom  
Redwood, rh John  
Rees-Mogg, rh Mr Jacob

Richards, Nicola  
 Richardson, Angela  
 Roberts, Rob  
 Robertson, Mr Laurence  
 Robinson, Mary  
 Rosindell, Andrew  
 Ross, Douglas  
 Russell, Dean  
 Sambrook, Gary  
 Saxby, Selaine  
 Scully, Paul  
 Seely, Bob  
 Selous, Andrew  
 Shapps, rh Grant  
 Simmonds, David  
 Skidmore, rh Chris  
 Smith, Chloe  
 Smith, Greg  
 Smith, Henry  
 Smith, Royston  
 Spencer, Dr Ben  
 Spencer, rh Mark  
 Stafford, Alexander  
 Stephenson, Andrew  
 Stevenson, Jane  
 Stevenson, John  
 Stewart, Bob  
 Streeter, Sir Gary  
 Stride, rh Mel  
 Stuart, Graham  
 Sturdy, Julian  
 Sunderland, James  
 Swayne, rh Sir Desmond  
 Syms, Sir Robert

Thomas, Derek  
 Throup, Maggie  
 Tolhurst, Kelly  
 Tomlinson, Justin  
 Tracey, Craig  
 Trott, Laura  
 Truss, rh Elizabeth  
 Tugendhat, Tom  
 Vara, Mr Shailesh  
 Vickers, Martin  
 Villiers, rh Theresa  
 Wakeford, Christian  
 Walker, Sir Charles  
 Wallis, Dr Jamie  
 Warburton, David  
 Warman, Matt  
 Watling, Giles  
 Webb, Suzanne  
 Whately, Helen  
 Wheeler, Mrs Heather  
 Whittaker, Craig  
 Whittingdale, rh Mr John  
 Wiggin, Bill  
 Wild, James  
 Williams, Craig  
 Williamson, rh Gavin  
 Wood, Mike  
 Wragg, Mr William  
 Wright, rh Jeremy  
 Young, Jacob  
 Zahawi, Nadhim

**Tellers for the Noes:**  
**Iain Stewart and**  
**David Rutley**

*Question accordingly negated.*

## Social Care

**Madam Deputy Speaker (Dame Rosie Winterton):** I advise the House that Mr Speaker has selected the amendment in the name of the Prime Minister.

4.14 pm

**Barbara Keeley (Worsley and Eccles South) (Lab):** I beg to move,

That this House notes that almost ten years of Government cuts to council budgets have resulted in a social care funding crisis which means 1.5 million older people have unmet social care needs; further notes the increasing funding gap for adult social care; believes proposals from the Government for access to additional funding for both adult and children's social care will do nothing to ease the crisis or address the funding gap; and calls on the Government to bring forward as a matter of urgency plans to reform social care including plans for free personal care.

It is right that we have a chance to debate social care today: it is two weeks ahead of the Budget and there is the ever present hope that the Government will announce much-needed social care reform. This reform is long overdue. After nearly a decade of cuts, our social care system is on its knees. For the people who rely on social care and for their families, the reality is that things have got much worse under successive Conservative Governments. Every day last year, 2,000 older people who had approached their local authority for help with social care were turned down. The result is that there are currently 1.5 million older people who are not getting the support they need—each one struggling to cope with basic everyday tasks. This can mean people left trapped in bed all day or going unwashed all week, because family carers can visit them only on the weekends, and those are the people who are fortunate enough to have help from unpaid carers. Around half the 1.5 million get no help at all—not even from family and friends. They cope as best they can until they end up in hospital, and then they cannot get out of hospital because they can only be discharged safely once a social care package is set up, with the local authorities struggling to find the funding for it.

Another failure in our social care system is where people are held in entirely inappropriate institutions because the local authority cannot fund the care they need to keep them safe in the community. There are 2,200 autistic people and people with learning disabilities who continue to be detained on in-patient wards. This is one of the most egregious failures of our social care system. They should be able to live in their own homes with a support package, but the funding is not there. For eight years the Government have been promising to end this scandal, but they have failed to do so.

**Thangam Debonnaire (Bristol West) (Lab):** My hon. Friend is making a great start to a very important speech. Does she agree that it is quite astonishing that the Equality and Human Rights Commission has been forced into a position where it is having to threaten to take action over the Government because of their failure to accommodate people with autism and learning disabilities, and it is people who are suffering as a result?

**Barbara Keeley:** I absolutely agree with my hon. Friend. The only way that we will see real change is if the Government put in funding to provide the housing



and support needed for those people currently trapped in inappropriate institutions. I first raised this issue with the Secretary of State in October 2018, citing the case of a young autistic woman called Bethany. It took 14 months before Bethany was moved out of a seclusion cell and into a more supported environment. Now we have, as my hon. Friend has said, the Equalities and Human Rights Commission launching a legal challenge against the Department for its failure to move those 2,200 autistic people and people with learning disabilities out of those inappropriate units.

We must see action on this issue, because it is a national scandal. We need to see reform so that more people can get the care they need, rather than being left to struggle on alone.

Even when people are able to access publicly funded care, there is no guarantee that it will be of acceptable quality. Last year, one in six social care services was rated by the Care Quality Commission as “inadequate” or “requires improvement”. That can mean care homes that are so unclean that residents are at risk of picking up infections. It can mean home care agencies that have not even carried out basic checks on their staff, or home care staff being so rushed that they do not have the time to take off their coats during a visit.

Twenty per cent. of councils in England and Wales still commission 15-minute care visits. That is clearly not long enough to provide care. It is not long enough to get to know someone and support them to do the things that they want to do.

**Kevin Hollinrake** (Thirsk and Malton) (Con): A German style system of social insurance would allow somebody who is defined as needing social care to draw down a certain amount of money which they could then use to pay to a relative, a loved one, or a neighbour who understands that person best and who can care for them best. Is that not a sensible basis for a cross-party discussion, between the Opposition and the Government, about whether a German style social insurance system could solve this problem?

**Barbara Keeley:** I thank the hon. Gentleman for making that point; he does make it on every occasion that we debate this subject, so I congratulate him on doing so again. However, the person he needs to be directing his comments about cross-party talks to is sitting on the Government Front Bench. I am hopeful that the Secretary of State is going to tell us what he is going to do about cross-party talks, because those 15-minute visits are really not good enough.

**Mr Toby Perkins** (Chesterfield) (Lab): I agree entirely about the need for cross-party consensus on this issue, but there can be no consensus until there is an acknowledgement of what has caused the care crisis—the underfunding of the health service and cuts to local government budgets, which have had an impact on A&Es, GPs and other services. Until there is an acknowledgement of what caused the situation, there can be no consensus towards a solution.

**Barbara Keeley:** My hon. Friend is right. I will come to the causes, because it is important to mention them.

The 15-minute care visit reduces the giving of care by care staff to a series of physical tasks, rather than the staff being able to see a person with their own interests,

desires and opinions. It really strips them of the time to do the job they want to do. I pay tribute to all the care staff who go above and beyond in their jobs to improve the lives of the people they support. Without them, our social care system would not work, but they do not get the pay and recognition that they deserve.

Care staff, who provide essential practical and emotional support to some of the most vulnerable people in society, are among the most poorly paid workers. The average hourly pay for care staff is below the rate paid in most UK supermarkets. On average, care staff are paid less than cleaners and healthcare assistants in the NHS, and this has led to a vacancy rate of 122,000 care jobs and a turnover rate of 33%. Now the Government are planning to make the situation worse by turning away people who want to come to this country to work in social care. One in seven care workers is from outside the UK, but the average care worker earns £10,000 a year less than the Government’s immigration salary threshold, so will the Secretary of State tell us just how he thinks he is going to be able to fill the large number of vacancies in the social care workforce?

**Lilian Greenwood** (Nottingham South) (Lab): My hon. Friend is making a powerful speech. Does she share my concern that poor pay and conditions mean not only that these workers are exploited, but that there is a high degree of turnover and a lack of investment in training and development, which in themselves have a significant impact on the quality of care that is delivered to some of our most vulnerable residents?

**Barbara Keeley:** Once again, I absolutely agree. My hon. Friend is right to emphasise that point.

Last week I met home care support workers in my constituency who are campaigning to be paid a real living wage, and they told me about their struggles to manage financially. One staff member talked of working 90 hours for four consecutive weeks at an effective rate of £6.10 an hour. Others talked about being bitten or punched, yet still they continue to do the support job that they love. I pay tribute to their commitment; in the case of social care, doing a rewarding job does not pay the bills.

**Mike Amesbury** (Weaver Vale) (Lab): Does my hon. Friend agree that far too many essential careworkers are employed on zero-hours contracts, which we really need to see kicked into history?

**Barbara Keeley:** I very much agree. We need to pay care staff the real living wage, provide them with training and end the use of zero-hours contracts.

I think it is clear enough that the Labour party believes that the current system is not working, and I am sure that the Secretary of State knows it too. Councils just do not have the funding required to deliver the care that people need, and they are faced with a stark choice—either they cut back on the quality of care, or even fewer people receive any help at all. Only a third of directors of adult social services think that their budget will be enough to meet their statutory duties this year, which means that thousands of people who approach their local authority for help with their care are turned down for support. Without investment and a plan, social care services will be pushed deeper and deeper

[Barbara Keeley]

into crisis. Expert report after expert report has pointed to social care being on the verge of collapse, and those reports make it clear that councils cannot deliver adequate adult social care provision without a sustainable, long-term funding strategy. Yet what we have seen from the Government, year after year, is short-term and piecemeal funding.

The Secretary of State may repeat, as his colleagues did yesterday, that the Government are allowing councils to raise council tax this year to fund social care services, but the Opposition know that council tax is a deeply unfair way to fund this vital public service. A 2% rise in council tax rates in Wokingham will raise twice as much money as it would in Knowsley. Even if we raised council tax by 2% every year, the Institute for Fiscal Studies says that by the end of the decade social care will make up over half of all local government spending. This means that other vital services will continue to be cut back. That is certainly the situation I see in my own local authority area.

**Alex Cunningham** (Stockton North) (Lab): The shortage of resource and people in the system means that more responsibility falls on families. I know that my hon. Friend recognises the unsung heroes who are young carers—children who miss out on education, a social life and so much more to care for a parent or sibling. Does she agree that the Government need to do more to help to support organisations like the Eastern Ravens Trust in Stockton, which does so much to help these young carers to have a life of their own?

**Barbara Keeley:** Indeed I do. I am looking forward to the establishment of the new all-party group on young carers, but it is tragic, in a way, that we have to meet in new all-party groups to try to find some way of taking the burden from those young carers.

As local authorities struggle to fund social care, an increasing number of people are forced to take on the financial burden themselves. Some 143,000 people are currently faced with catastrophic costs of over £100,000 for their own care. Over the past three years, 9,000 people have asked their local authority for help after completely depleting their own savings to pay for their care. This means that people are having to sell their homes that they may have lived in for their entire lives to fund the care that they need. The Prime Minister has promised to stop this situation, but with no plan and no proposals for how he achieves that, it is likely that many more people will be put in this position going forward. The Government could drastically reduce the number of people faced with catastrophic costs for their care if they set a lifetime cap on care costs. The Government proposed a cap in 2013. They legislated for it, but dropped it in 2016. That cap would have gone some way towards reducing the number of people now faced with catastrophic social care costs. The Government's own impact assessment showed that by this year 37,000 people would have benefited from the cap if it had been introduced in 2016.

But reform is not just about protecting housing wealth. It is important to do that, but reform also has to offer a solution to the people who are currently stuck in bed all day, unable to get themselves dressed, or needlessly stuck in hospital. The solution that Labour favours is to

offer free personal care to ensure that everyone is supported with the basic tasks regardless of their ability to pay. Free personal care was introduced by a Labour-led Government in Scotland in 2002, and it is ensuring that more people there receive publicly funded social care. Free personal care has been backed by the House of Lords Economic Affairs Committee and by charities and think-tanks.

We believe that it is vital that we push forward with this reform because progress to date has been far too slow. In October 2018, the Secretary of State talked about:

“The adult social care Green Paper, which will be published later this year”.—[*Official Report*, 17 October 2018; Vol. 647, c. 736.]

In 2019, we were told that there would be a Green Paper “that summer” that would set out the future of social care, but it never arrived. It was delayed twice before being dropped completely. Seven months ago, the Prime Minister stood on the steps of Downing Street and said that he had a plan to fix the social care crisis. There is still no sign of it. Perhaps this plan is in the same state as the promised Green Paper. The Government said that they would instigate cross-party talks on social care within the first 100 days of the election. We are now 75 days on and we have yet to hear from the Government on their proposals.

Labour is the only party, as it stands today, with clear plans for the future of social care. Labour's plan for social care would close the funding gap, cap care costs, and introduce free personal care and improved pay and working conditions for care staff. In contrast, we have no action from the Government on social care. Councils are reliant on piecemeal funding announcements and raising ever higher levels of council tax, yet these measures leave them struggling to meet demand. So Labour's message to the Prime Minister and the Secretary of State is clear: they need to put in the extra investment needed to stabilise the care system, introduce free personal care, bring back a cap on care costs, and develop a plan to improve the pay and working conditions of the care workforce. I want to make it clear that Labour will be happy to sit down with Ministers and talk them through our proposals, as the Prime Minister does not appear—at this point in time, at least—to have any plans of his own. I urge hon. Members to vote for our motion tonight to ensure that the Government have to finally meet their pledge to fix social care.

4.29 pm

**The Secretary of State for Health and Social Care (Matt Hancock):** I beg to move an amendment, to leave out from “House” to the end of the Question and add: “notes that the Government is committed to fixing the crisis in social care; and supports the Government's commitment to find a long term solution for the growing need for care and commitment to an ambitious three point plan, including extra funding every year, seeking a cross party consensus and ensuring the prerequisite of any solution is a guarantee that no one needing care has to sell their home to pay for it.”

This is a welcome opportunity to debate social care—a subject of vital importance—and I want to set out how we must rise to the challenges and celebrate all that is good. We must recognise at the start of the debate that there is much to celebrate, including the millions of people who work in social care, to whom we pay tribute. I want to welcome someone who is new to working in

social care: my hon. Friend the Member for Faversham and Mid Kent (Helen Whately), who has joined the team as Minister for Care. I pay tribute to her predecessor, my hon. Friend the Member for Gosport (Caroline Dinenage), who led the care system so effectively and delivered a legacy of better training, better recruitment and a real focus on carers; that is a legacy to be proud of.

Let me start with the context for this debate. It is rightly about both adults of working age and older adults. The people of this country are living longer. Over the next decade, the population aged 75 and over is set to increase by 1.5 million, and over the next 20 years, the number of people aged 65 and over is set to increase by almost half. That is emphatically a good thing. More people living for longer is not some problem to be managed; it is an opportunity to be welcomed, and welcome it we do.

**Dr Dan Poulter** (Central Suffolk and North Ipswich) (Con): My right hon. Friend is right to highlight the significant challenge that an ageing population with multiple medical co-morbidities presents to the health and care system. In that context, it is not just about extra funding, which is obviously welcome to the care system; it is also about transforming the way we deliver care. Is it not time to consider a single point of commissioning for health and social care? If we were designing the system today, given the demographic challenges he has outlined, it would look very different from the system we have.

**Matt Hancock:** My hon. Friend is right that it is about more than just money. The money is, of course, important, but it is also about how the system is structured. There are parts of the country where the co-commissioning he calls for already exists, and we can see the improvement in efficiency that we get out of that. The hon. Member for Worsley and Eccles South (Barbara Keeley) rightly mentioned those with learning disabilities and autism, of whom there are more than 2,000 in in-patient settings. We are reducing that number and supporting more people to move into the community, including in the example that she mentioned. She talked about the challenge of that requiring more money. Actually, community settings are often better for the patient and cost the taxpayer less. As my hon. Friend says, improving the commissioning and the system is a critical part of the solution, so that yet more people can be moved out of in-patient settings.

**Liz Kendall** (Leicester West) (Lab): The Secretary of State talks about transforming care and services so that we focus more on prevention, early intervention and help in the community and at home. That is what we should be doing, so why, as the National Audit Office has just reported, have we seen less money spent on public health, primary care and community care under this Government in the last five years? This Government are obsessed with hospitals, which is not the way that we want to go—it is about care in the community and at home.

**Matt Hancock:** The hon. Lady is dead right, and I have changed that direction of travel. This year is the first year for a generation when there has been an increase in the proportion of the NHS budget going to primary and community care. That change was at the core of the long-term plan. I insisted on that because I

entirely agree with her analysis that getting more support out into the community is critical. This has been going in the wrong direction for a generation, and we are just starting to fix it.

**Debbie Abrahams** (Oldham East and Saddleworth) (Lab): I want to pick the Secretary of State up on the point that he made a few moments ago. We had an exchange at the end of January about life expectancy. He says that life expectancy is increasing. It is absolutely clear from Professor Sir Michael Marmot's report, and it has been clear since 2017, that life expectancy is stalling. Sir Michael said that

“life expectancy actually fell in the most deprived communities outside London for women and in some regions for men.”

I have written to the Secretary of State and I have not yet had a response, but he has an opportunity to correct the record now.

**Matt Hancock:** I saw the letter and I absolutely will reply to the hon. Lady. What I have said before, and I repeat now, is that life expectancy in this country is rising. There are parts of the country where that is not true.

**Debbie Abrahams:** It is flat.

**Matt Hancock:** It is not flat, it is rising, and it is really important that this debate, which is so critical, is based on the facts. The increase in life expectancy should be shared right across the country, and it is not, and we are determined to fix that. We are determined to ensure that life expectancy in this country rises everywhere. That is not the case and it needs to be the case, but life expectancy overall is going up. That is the fact.

**Debbie Abrahams:** The report says that it has almost ground to a halt since 2011. These are the facts, and there is an onus on the Minister to be absolutely clear about this. We cannot fudge this issue.

**Matt Hancock:** As I said, life expectancy is rising, Madam Deputy Speaker.

**Jonathan Ashworth** (Leicester South) (Lab/Co-op): The Secretary of State will have seen Sir Michael Marmot's report, launched today. Indeed, one of his own departmental officials spoke at the launch, because he could not make it, and said that no one could disagree with the analysis. Sir Michael Marmot says that life expectancy advances are flattening and even going backwards—they are decreasing—for the poorest 10% of women. Is Sir Michael Marmot wrong? Is that what the Secretary of State is saying?

**Matt Hancock:** No. What I am saying is that life expectancy, as I have repeated, is going up, but there are areas where it is not, and we will and we must tackle that. The challenge for us as a country is not to try to pretend that things are different from the facts. The challenge here, which Opposition Members will not accept, is that there are parts of the country where life expectancy is advancing rapidly and there are parts where it is not, and we must tackle that. We cannot have a decent policy conversation if half of the debate will not accept the facts on the ground.



[*Matt Hancock*]

The Marmot report was published this morning. It is absolutely critical that we level up life expectancy. The fact that in Blackpool a healthy life expectancy for men is 53 years yet in Buckingham it is 68 years is a disgrace, and we will put that right, but you cannot put things right if you ignore the facts when you are starting.

**Barbara Keeley:** I just want to round this point off. What does the right hon. Gentleman think happens with life expectancy when 1.5 million older people are going without care? Does he not think that the impact of the lack of social care, especially on women in deprived areas, is a key factor?

**Matt Hancock:** I do not recognise those figures, because—

**Andrew Gwynne** (Denton and Reddish) (Lab): Because they don't suit.

**Matt Hancock:** No, I do not recognise those figures because they are not the accurate representation of what is actually happening. There are many within that figure who are judged under legislation to need to pay for their own care, and they do. We have to start from a basis of fact and, frankly, until Labour Members start working on this from a basis of fact, it is very difficult to take their contributions seriously.

The critical thing is that, as life expectancy is increasing, more people are looking forward to ageing in comfort and dignity, and that is good news. Opposition Members may not like it. It is odd; they do not seem to want to think that life expectancy is going up. We have a duty to ensure that our social care system is equal to the task. There are many things we should be proud of in our social care system, although we would not have gathered that from the speech by the hon. Member for Worsley and Eccles South. Some 84% of providers of social care are rated as good or outstanding, and 90% of people who receive care are satisfied with its standard. The proportion of adults with learning disabilities living in their own home or with their family has increased every year since 2014-15. That is good news, which we should welcome.

**Dr Caroline Johnson** (Sleaford and North Hykeham) (Con): Is my right hon. Friend not right to say that life expectancy is continuing to go up? We would expect it to slow down, because we are not all going to live forever. The key thing is not just how long we live for; it is how long we live a high-quality, healthy life for.

**Matt Hancock:** My hon. Friend is absolutely right, and that is the sort of analysis on which we can make decent policy progress, because it based on the facts, rather than on making things up.

**Debbie Abrahams** *rose*—

**Matt Hancock:** I will give way to the hon. Lady one more time and then I will move on, because we need to make some progress.

**Debbie Abrahams:** Again, for the record, let me say, as a former public health consultant, that healthy life expectancy is also going down.

**Matt Hancock:** I will write to the hon. Lady to give her the facts. Do Members know what the facts will say? The facts show that life expectancy is going up—I think I have made that point. Opposition Members may not like the fact that things are getting better in this country, but we will make sure that we level up, so that things get better in all parts of this country. We welcome progress, but we demand more.

**Several hon. Members** *rose*—

**Matt Hancock:** I am going to make some progress and talk about the long-term solutions we are seeking on social care. For all its many strengths, it is clear that the system cannot remain as it is. Three out of four over-65s will face some care costs in their lifetime, and approximately one in 10 will face lifetime costs of more than £100,000. We need a long-term funding solution, so that the system can continue to do all that we ask of it long into the future. Crucially, we need a solution that solves the problem, commands the widest possible support and stands the test of time. We know in this House that that challenge has been ducked for many years; we have had more than a dozen commissions, reviews and reports, and more than two decades of inaction, from Governments of all political stripes. We do not need another commission—we need a plan. So in our manifesto we set out our three-point plan to solve the crisis, as referred to in our amendment tonight, which I hope the whole House will support.

The first point is to deliver the funding that is needed now to stabilise the system. The funding will provide certainty for local authorities and providers while we put in place the long-term solution. At the last spending round, we said that would make an extra £1.5 billion available in 2020-21. That includes £1 billion of additional grant funding and the 2% adult social care precept, allowing councils access to a further half a billion pounds. Overall, that is part of a 4.4% real-terms increase in local authority core spending in 2021, and that spending comes on top of £2.5 billion in existing social care grants that will be maintained. All in all, our investment since 2015 has allowed an 11% cash-terms rise in social care spending by councils. So the amount of money going into the system is going up, and I am very glad about that, but clearly further progress needs to be made.

**Alison McGovern** (Wirral South) (Lab): Will the Secretary of State commit to publishing a distributional analysis of where that money is coming from and who it is going to?

**Matt Hancock:** The £1 billion comes from general taxation and the half a billion comes from the social care precept, and we have been absolutely clear about that.

The second part of the plan is to recommit to seeking a cross-party solution. In my view, past attempts at reform have not failed for lack of ideas or good will on the part of many people and many policy makers; they have failed because solving this problem is not just a task of policy making, but an act of political economy. The consequences of the decisions on the reform of social care will play out over decades and, as with past reforms—for instance, pension auto-enrolment—this is best done with cross-party support.

**Louise Haigh** (Sheffield, Heeley) (Lab): Last year, the hon. Member for Chichester (Gillian Keegan), the right hon. Member for Ashford (Damian Green) and I set up the all-party group on social care. We produced a report on the professionalisation of the workforce, which looked, in particular, at the undervaluing of the wider workforce in pay, training and qualifications. Will the Secretary of State commit to looking at that report, as the basis of his cross-party consensus?

**Matt Hancock:** Yes, I have. As the hon. Member knows, my hon. Friend the Member for Chichester (Gillian Keegan) was my Parliamentary Private Secretary, and we talked about this a lot, so I welcome that work. Indeed, the amount of work from various Select Committees and groups in this House has been considerable, as my hon. Friend the Member for Thirsk and Malton (Kevin Hollinrake) made clear earlier. There has been an awful lot of reports and of very good work, including the work to which the hon. Member has contributed.

**Barbara Keeley:** The right hon. Member knows that I raised with him on the day of the first Queen's Speech, in October last year, the need for us to set up cross-party talks. He has done nothing about that since then—nothing has happened on that. There was some vague talk about sitting down with the former Minister for Care for a cup of tea, but that is not cross-party talks. Will he say now: is he going to set up cross-party talks?

**Matt Hancock:** We will fulfil all the commitments in the manifesto, which, as the hon. Member set out, includes one on this subject, and that is part of our plan.

**Sir Desmond Swayne** (New Forest West) (Con): We have been talking for some time. Indeed, we legislated: we decided to legislate for Dilnot. Can the Secretary of State take us through why we resiled from that position?

**Matt Hancock:** The honest truth is that that decision was made in the 2015-17 Parliament, and it was a decision the Government made at the time. I think that we need to take action to solve this problem, and that is what we are planning to do. The third part of the plan—*[Interruption.]* Well, I am halfway through explaining the plan.

The third part of the plan is to seek a solution that brings dignity and security to all those who need social care, with a system in which nobody needing care is forced to sell their home to pay for it. Such a solution would go against one of the most basic human impulses, which is the drive to provide for one's family. We want to encourage people to save and we want to reward them for the fruits of their endeavours. As we said in our manifesto, we want to guarantee that "nobody needing care should be forced to sell their home to pay for it."

We are determined to tackle this challenge in this Parliament, and to bring forward these reforms.

Fixing the funding, as my hon. Friend the Member for Central Suffolk and North Ipswich (Dr Poulter) said, is only half of the equation, and the other half needs attention, too. We should be helping more people to live at home for longer; finding a cure for dementia, because we refuse to accept that dementia is an inevitable part of ageing; and harnessing technology to improve

care. The stereotype of social care as a kind of digital backwater is increasingly out of date; there are many examples of brilliant social care organisations, public and private, using wearables and new technology to support the round-the-clock care that they give. We should also be breaking down the silos between health and social care. We will always support our carers, both paid and unpaid alike.

**Huw Merriman** (Bexhill and Battle) (Con): In the 1990s, the Germans were grappling with exactly the same problem we are grappling with now, with regional imbalances, a postcode lottery in funding and a lack of a cohesive social offer. They came up with social care insurance—there was cross-party consensus, and it is now not a political issue—and it works. Will the Secretary of State look at that model?

**Matt Hancock:** That is the sort of contribution I think we need in this debate. We should not be saying, "We have one answer, and we won't engage on anything else", but saying, "Here is an interesting answer, and let's solve it." We are committed to solving it in this Parliament. We will not duck the difficult decisions, we will take the action that is needed and we will secure the future of social care in this country. As we are increasingly an older society, let us also be a wiser society, and commit to fixing this problem once and for all.

4.48 pm

**Martyn Day** (Linlithgow and East Falkirk) (SNP): It is a pleasure to take part in today's debate on social care. As we know, social care covers all forms of personal and practical help for children, young people and adults who need extra support. It covers services such as care homes and other types of help, including supporting unpaid carers.

The Conservative manifesto contains one expensive pledge on the future financing of social care, saying that "nobody needing care should be forced to sell their home to pay for it."

It seems to me that the Conservatives have a large hole in their manifesto costing, which would imply additional tax increases, more borrowing or public spending cuts elsewhere. It remains to be seen what comes to pass.

Social care is a wide-ranging topic and in Scotland it is of course devolved. We are proud of what we have achieved in Scotland and what we continue to achieve using our devolved powers. All four UK national health services face many of the same challenges of increasing demand, workforce shortages and tight finances, but the NHS in England has of course faced almost a decade of unprecedented austerity. In Scotland we do some things differently from the rest of the UK. For example, the Scottish Government spend 43% more per head on social care. We are the only country in the UK with free personal care, which we recently extended to all under-65s who need it, and that now benefits nearly 80,000 people, including more than 10,000 self-funders in care homes. It gives people peace of mind and security. That is not without cost and challenges, but it helps to reduce delayed discharges and it reduces emergency admissions, and on balance it is estimated to be cost-effective. The Scottish experience would certainly support the call for the UK Government to bring forward plans for free personal care elsewhere in the UK.

[*Martyn Day*]

Despite UK Government cuts to the Scottish budget, in Scotland we are continuing to invest in social care and integration, and the integration is one of the most significant reforms since the creation of the NHS. Of course the devolved Administrations do not operate in isolation and policy decisions from Westminster continue to have an impact on social care. Brexit, for example, is going to be potentially catastrophic for the Scottish social care sector, and while we remain within the Union it will impact upon us.

The Expert Advisory Group on Migration and Population report warns of the damage that ending free movement will inflict on social care in Scotland, saying “the overall reduction in EU immigration would be especially challenging for those sectors most reliant on lower-paid, non UK workers, including occupations such as”—  
you’ve guessed it—  
“social care”.

**Dr Lisa Cameron** (East Kilbride, Strathaven and Lesmahagow) (SNP): My hon. Friend is making an excellent speech. Does he agree that we must realise and champion the great skills that social care workers have? It is not about earnings in this case; it is about our gratitude to them for looking after some of the most vulnerable people in society, and that should be recognised by Government.

**Martyn Day:** I agree wholeheartedly with my hon. Friend: we cannot put a price on the care that people get.

To return to the expert advisory group report, it said that in the social care example, reduced migration could adversely affect female family members who themselves are most likely to exit the labour market to cover gaps in care provision that would have otherwise been delivered by a migrant workforce.

In the last Parliament my hon. Friend the Member for Argyll and Bute (Brendan O’Hara) lobbied the UK Government to evaluate the effects of EU withdrawal on the health and social care sectors through his private Member’s Bill. No fewer than 102 third sector organisations, trade unions and charities have publicly supported the measures in the Bill, and more recently the UK Government have made it clear that they will not commit to aligning with EU standards or accept the jurisdiction of the European Court of Justice. Addressing the Scottish Parliament’s Culture, Tourism, Europe and External Affairs Committee, Cabinet Secretary for the constitution, Michael Russell, said:

“this would result in new barriers to trade and exports, a fall in national income compared to EU membership and damage to social care and the NHS.”

The SNP Scottish Government will be introducing a new continuity Bill to the Scottish Parliament soon, which would make it easier to align with future EU standards in such areas as the environment and human rights.

**David Linden** (Glasgow East) (SNP): My hon. Friend is making an excellent point about the fact that things are different in Scotland because we have the ability to make some different decisions, and of course the Scottish Government have had a focus on preventive spending, which is largely why we are in this situation. Does my hon. Friend agree that unless the UK Government

seriously acknowledge the need for regional variation in terms of immigration policy, all that work in terms of preventive spending will mean more problems for us down the line in 20 or 30 years’ time, and if the UK Government are to be so pig-headed about it they should devolve the powers to the Scottish Parliament?

**Martyn Day:** I fully agree with my hon. Friend, and he has read my mind as that is exactly the point I was coming to in my speech.

The Home Office proposals for a new points-based immigration system will be hugely damaging to the social care sector in Scotland. The UK Government have reneged on their promise to deliver an immigration system that works for the whole of the UK: it does not work for it at all. Scotland needs people to contribute at all levels of the economy in vital, challenging roles in social care and elsewhere.

The Expert Advisory Group on Migration and Population reports that

“less than 10% of those in caring personal service occupations in Scotland earn above £25,000”.

The Nuffield Trust advises that

“the proposed new migration system will soon bar people from coming to the UK to work in most frontline social care jobs, even if these are defined as a shortage occupation”

where the proposed lower minimum income limit of £20,480 far exceeds the average salary of a full-time private sector care worker, which in the UK is £16,200 per year. I am pleased that the Scottish average is higher than that, but it still falls far short of that income criteria.

The UK Government’s supposition that people working in social care are “low skilled” is, quite frankly, offensive. We value all those who contribute to our economy and society and they are welcome in Scotland, wherever they come from. The UK Government have ignored the evidence presented to them by the Scottish Government, businesses and industry on Scotland’s labour market needs. Donald Macaskill, chief executive of Scottish Care, told BBC Radio Scotland:

“This immigration proposal, far from enhancing the economic wellbeing of our country, will put a lot of the care sector, a lot of hospitality and other sectors in Scotland at considerable risk.”

He went on to add:

“What is low-skilled about a worker being with somebody at the end of their life, or somebody giving comfort to an individual with dementia?”

Those are sentiments I am sure we could all agree with.

I am in no doubt that social care will be damaged by the proposed immigration proposals, not least because a significant proportion of social care workers are from Europe. If we are to fix the problems of social care workforce shortages, we need an immigration system that is fit for the purpose. With existing workforce shortages added to the pressure to recruit, which is going to become harder as a result, combined with the number of Scots over 80 with social care needs set to increase by 68% by 2036, we face a very serious challenge. If the UK policy does not meet our requirements, then at the very least Holyrood must be given the powers to develop a separate Scottish visa to protect our public services and our economy. Of course, what we really need are the normal powers of independence.

**Several hon. Members** *rose*—



**Mr Deputy Speaker (Mr Nigel Evans):** Order. The debate is well subscribed. I am not imposing a time limit at this moment, but the indication is about six minutes. If everybody shows self-discipline, we hope to get everybody in.

4.57 pm

**Jackie Doyle-Price (Thurrock) (Con):** I feel like I am in groundhog day. It is approximately two years since I responded to a very similar debate secured by the hon. Member for Worsley and Eccles South (Barbara Keeley). It is disappointing that we are still debating the very same issues that we were then. Of course, there has been much water under the bridge since then in our broader politics in that time, but in respect of social care, to coin a phrase, nothing has changed. The questions we need to settle are exactly the same as they were then. I say very gently that with Brexit done and with a majority Government, there is no excuse for continuing to kick this can down the road. It is time that we genuinely took action.

At the heart of this question, we need to establish to what extent the cost of care should be met by the individual and by taxpayers. We need to establish a consensus on the balance between those two. From my perspective, it is not fair that at the moment that cost is met almost entirely by individuals. Equally, it would be unfair for it all to be met by taxpayers when people have some assets. We therefore need to settle that question properly. I would also gently say that our politics has not been entirely honest about that. It is worth reminding the House that at the moment only £14,250 of capital is protected. As the hon. Member for Worsley and Eccles South mentioned, that means those with very long-term care costs, particularly those who suffer from dementia, can face catastrophically high bills. There are, therefore, very strong arguments for a cap.

There are other reasons why we have to grip this issue now. As the hon. Lady mentioned, local authorities cannot plan their long-term finances. That also brings a real threat to financial stability within local councils. It is fair to acknowledge the challenges within the care sector, too. Many providers are finding the marketplace challenging, not least because of workforce challenges, but also because local authorities are insisting on paying low rates for residential care. That brings with it an additional injustice—people who are deemed able to pay for their care find themselves paying higher rates for the same product than local authorities do for those who do not pay for their care. I think that is a major injustice in the system.

**Alex Cunningham:** Would the hon. Lady support the Government funding local authorities so that they can pay the proper living wage to careworkers?

**Jackie Doyle-Price:** The issue is that local authorities are commissioning care from local care providers and paying the rate that the individual resident is incurring. It is about what they are prepared to pay for that bill and not the local authorities paying living wages directly to employees. However, that is pushing the risk on to care providers, and we need to acknowledge that there will be workforce challenges for those providers. They will be competing more and more for people. While there is that downward pressure from local authorities on what they are prepared to pay and the upward pressure on wages, the risk is being borne by providers.

Part of the solution is also not just about who pays. We need to be a lot more imaginative about this. We all know that we will live longer—beyond 70—and that we will have more years in life in retirement. Just as we make plans for our pensions, we need to make provision for our homes and how we are going to live in old age. The simple fact is that our housing requirements when we are in our 40s and are raising a family are rather different from what we might require in our 90s. We know that falls are one of the biggest burdens on the NHS, so the fact that we are not encouraging people to make sensible lifestyle decisions about their homes is causing additional cost to the NHS, as well as, potentially, the need for more long-term residential care. One reason why we have that issue is that we have allowed, collectively over decades, so much wealth to be stored in our housing stock that we have encouraged people to behave in a way that makes them want to cling to it. I would like us to look more imaginatively at incentives through the tax system to encourage people to downsize and look at different ways of living. We want to use the planning system to encourage the development of retirement villages where people can purchase extra care.

**Dr Caroline Johnson:** Some people like to care for relatives at home, and it is not uncommon to create a small annexe within or adjacent to the property for an older relative to be cared for, but currently, the council tax system means that if that relative passes on, after that—within two years—people will be charged double the council tax for that part of their dwelling. Does my hon. Friend think that that is something that we can improve on and change to encourage people who wish to look after their relatives in their properties to do so?

**Jackie Doyle-Price:** I completely agree. That is exactly the kind of incentive that we should encourage. The longer that we can encourage people to live independently, the better their quality of life and the better it is for the taxpayer, because there will not be those ongoing bills. The point is exactly that as we live longer, we will spend many years in a condition of frailty, and that needs to be properly managed through the system.

Every parent, with the best will in the world, will wish to hand on as much of their assets to their offspring as possible, but that could also encourage behaviours that are bad for their health. I want my parents to realise the value of their assets rather than protect their inheritance for me. I am sure that most people would think that about their parents, but there is a lot we can do on the tax system and incentives to encourage families to manage those issues collectively and in a way that is good for people's welfare as they become elderly and enables them to do more for their children.

It is high time that we tackled this issue. We should also not look at this entirely in isolation from the issues regarding working-age adults, which are also a major challenge for local authorities as they manage their finances in this area. We must look at the issue of people with learning disabilities and autism being increasingly placed in areas of long-term care. The issue is that, although we have been broadly successful in moving out people with learning disabilities through the transforming care programme, sadly the pipeline afforded by those people moving out has been filled by people with autism. The Government have to give a much clearer challenge to commissioners. When faced

[Jackie Doyle-Price]

with people with complex needs, the first instinct should not be to put them in residential care. Too often we have seen how those kinds of placements do harm. We need to challenge local CCGs and NHS England to put much better care upstream by providing early diagnoses for people with autism and giving them the tools to protect themselves.

**Alex Cunningham:** On the workforce issues, surely the answer to the dilemma the hon. Member is describing is to have a professional, well-paid, well-trained workforce that can deal with people with the most complex needs in their homes and allow them to remain there as long as possible.

**Jackie Doyle-Price:** The key words the hon. Member just used were “in their home”. There is no public policy challenge that does not come back to having the right kind of housing solutions. Many of these issues arise from our not investing in the right kind of supported housing environments that would enable more people to live independently. That has to be part of the solution. Local authorities and the local NHS need to come together to commission the right kind of service.

As we are short of time, Mr Deputy Speaker, I will end there, but it is high time we gripped this once and for all.

5.6 pm

**Liz Kendall** (Leicester West) (Lab): We need three things to make our social care system fit for the future: access to good quality care for every older and disabled person who needs it; more support for families to look after the people they love; and better care jobs so that paid careworkers can afford to stay in work and support their families as they care for ours. I will take each in turn.

First, it is a disgrace that in the 21st century, in one of the richest countries in the world, 1.5 million older people are not getting the basic help they need to get up, washed, dressed and fed—that is one in seven of the entire population aged over 65—and that figure will rise to 2 million in a decade’s time unless the Government change course. It goes without saying that this is not good for the people who need support to perform the functions of basic daily living, but it is not good either for the taxpayer, as more older people end up going into hospital and getting stuck there when they do not medically need to be there, with all the knock-on consequences that has for hospital waiting times and NHS budgets. We have got to stop treating the NHS and social care budgets separately, because they are inextricably linked, and we have got to stop fixating on hospitals, because the care system of the future lies in the community and closer to home.

Secondly, we need to give more help to families. Many of the UK’s 6.5 million unpaid family carers face a desperate daily struggle to look after their older or disabled relatives. They often feel pushed to breaking point financially, emotionally and physically. One in three carers have to give up work or reduce their hours because they cannot get the help they need to look after their loved ones, so they lose their income, the economy loses their talent and the Treasury loses their taxes. How does that make any sense? We no longer think

parents should be forced to give up work to look after their children, so why do we accept it for those caring for elderly or disabled relatives?

Many of us on the Opposition Benches believe universal childcare to be as much a part of our economic infrastructure as the roads and railways. That we are living longer means we need to see social care, too, as an essential part of our economic infrastructure. With so many people now looking after their elderly mums and dads as well as their own children, we need to be thinking about universal family care and leave to meet the realities of modern life, because families should never have to choose between holding down a job and caring for their own.

**Alex Cunningham:** I ought to have declared that I am a co-chair of the all-party group on carers. I am pleased my hon. Friend has mentioned unpaid carers. The Secretary of State took 19 minutes to acknowledge the existence of the millions of unpaid carers in our society. I wonder if my hon. Friend has any tips for the Government for how they could address their needs.

**Liz Kendall:** Unpaid family carers need family-friendly working arrangements so that they can balance their work and caring responsibilities; they need an NHS that recognises that their own physical and mental health could suffer too, and they need to know that we are there to support them. Rather than criticising families and saying that they should be doing more, we should acknowledge that many carers have not had a break for weeks, months or even years. We have to change that, because this is not going to happen to somebody else. This is going to happen to every single one of us here.

Thirdly, we need better care jobs. Paid careworkers do some of the most important work in the country, looking after the people whom we love, but many struggle on low pay and zero-hours contracts, with high levels of stress and little training. No wonder staff turnover and vacancy rates are so high, although the vast majority of careworkers say they love the work that they do. We need a comprehensive strategy to improve the pay, professional development and employment security of care staff, and we desperately need to increase the number of careworkers too. We shall need more than half a million more careworkers in a decade’s time, not to improve the care system by providing better quality or wider access, but just to meet increasing demand.

That is why the points-based immigration system announced by the Government will be a disaster. If we already need more than half a million extra careworkers just to meet levels of demand, how on earth will we cope with that new system? It will not be possible. I beg the Minister to meet me, and others, to discuss the development of a separate route into social care in the migration system of the future, because otherwise we simply will not cope.

None of those changes—improving access to care, more support for families and better care jobs—can be delivered on the cheap, but the truth is that families, the NHS and our economy as a whole cannot afford for us not to take action. We need, first, an immediate and significant injection of cash into the system in next month’s Budget, and, secondly, a long-term plan for investment and reform. Any new funding system must work for disabled adults as well as older people. It must

strike the right balance between individuals and the state. I, for one, strongly believe that we should pool our resources and share our risks rather than leaving people to cope alone. The system must also be fair across the generations. I do not believe that the working-age population should pay for all the additional costs of caring for our ageing population. Wealthier older people will need to make a contribution too.

Alongside this funding reform must be a change in the way in which social care is provided, so that it is not just about time slots and tasks simply to keep people alive, but about offering great support how, where and when people want it, so that they can lead the lives that they and their families choose.

This radical reform of social care is just one of the changes that we must make to meet the needs of our ageing population, which is one of the biggest challenges that we face as a country. We need to change our housing so that it helps people to live independently at home for longer. We need to reform the world of work so that, as we live for longer, we can work for longer and more flexibly. We need to change our health services so that they keep people fitter and healthier for longer as we live for longer. None of those things will be easy, but if we want to meet the challenge of our ageing population and if we want to make Britain the best country in the world in which to grow old, we need to grasp this nettle, and we need to do it now.

**Several hon. Members** *rose*—

**Mr Deputy Speaker (Mr Nigel Evans):** Order. From now on, there will be a six-minute speaking limit. I call Anne Marie Morris.

5.13 pm

**Anne Marie Morris** (Newton Abbot) (Con): Thank you very much, Mr Deputy Speaker.

Devon is a wonderful place for people to come and retire, and as a consequence we have many older people. According to Age UK, we have 39,853 individuals over 65 who have unmet social care needs, and in my own constituency the figure is 3,614. We know that there is a problem. It is not just in my constituency, and it is not just in Devon. I think that there is already a strong chord of agreement in the House that this is no longer about talking, but about action.

Those listening will expect us to act for them. They will not expect us to get involved in political wrangles. We have already had political wrangles over Brexit, and look where that got us: three years of inactivity. This Government have a majority, and with that comes a responsibility to finally resolve this social care problem. We have to find a solution. No more reports. No more royal commissions. We have had Sutherland, Wanless and Dilnot, and no Government who commissioned any of those reports have accepted all their recommendations. What would be the point of another one? The Care Act 2014 was a great start, but part two has not been implemented. Frankly, I do not think it ever will be. The reason? It is not affordable. Certainly, how we would afford it has not been thought through.

What is the barrier to all this? Why do Governments of every colour fail to deliver? First, there is a reluctance to 'fess up and actually admit how much this is going to cost. Secondly, there is disagreement across the House

as to exactly how that cost can be met. We have already seen examples of that in the contributions today. Even if we could agree, there are other things that need to be sorted out, as my hon. Friend the Member for Thurrock (Jackie Doyle-Price) mentioned. We need to agree as a nation on the standard of care that should be delivered. We are not there yet. Even LaingBuisson, which has set many of the standards, has not done that.

We need to accept personal responsibility to maintain and improve our own health. We do not yet do that. We need to reduce our own care needs, or at the very least delay them. We need to consider developing community resilience. Families are often widespread, and we need to take responsibility for our neighbours and plan together for our wellbeing. We need to drive forward a wellness and wellbeing agenda, which is much more a public health agenda. Too much time is spent on illness, and not on wellness. We need to change our mindset with regard to old age, and I would certainly recommend reading "Extra Time: 10 lessons for an ageing world" by Camilla Cavendish. Being old does not necessarily mean that we are past it and falling off our perch.

What is the roadmap to change? For me, first, we need to define what "good" looks like to the recipient. Secondly, we need to decide what resources we need to provide that. Thirdly, we must develop a proper training and recruitment plan, and motivate our staff. Fourthly, we need to evaluate the adequacy of the existing infrastructure for care delivery. Do we have the right model? No, I do not think so. The earlier references to housing were well made in that regard. Fifthly, we need to look at integrating not just health and care but the whole IT strategy and housing strategy. There is much more work to be done on that. Sixthly, we must bite the bullet and decide which of the nine funding models—because there are nine—suggested in the various reviews we are going to use. There will be a degree of mix and match, but we have to make a decision.

So, that is for the long term. In the short term, we need a fix, and it is not just about money. We need to ask the Care Quality Commission to set the minimum funding levels that we will expect local government to pay for the care of any client, and central Government should be obligated to pay for that. We must make local authorities accountable for both the quality and quantity of care provided. They are not at the moment, and we know that there is a bit of a postcode lottery. We must make the NHS and local authorities equally and jointly accountable for the health and care delivered in the home and in care settings. That is not the case now. I do not ever want to hear a clinical commissioning group telling me, when it is talking about closing one of my local community care hospitals when we have no nursing care in the area, that it is not the CCG's problem but the problem of the local authority. That is not acceptable, and it is not responsible.

We also need to put in place a full review of nursing care outside NHS provider institutions, and provide ring-fenced capital funding to deal with it. We need to stop the practice of putting people who should be receiving nursing care into residential care homes. That is not responsible; it is not right for the care home or for the client. We must stop caring for dementia patients in hospitals. That is completely wrong. It is not right for their care and not right for them in the long term. We need to create the right provision.



[Anne Marie Morris]

I am afraid that we also need to increase general taxation and report annually as to how that money, which should be ring-fenced, is being spent. I believe that those who are working should carry on paying national insurance contributions even past retirement. I take the point about the older generation who have retired contributing, and that needs to be taken into account. We should raise the level of personal funds that an individual may keep before they contribute. I think it should be raised to £100,000, and we need to cost that. We need to include more people with lesser care needs in the state-funded system, and, as has been discussed, we need to develop a funding model with the private care sector and the insurance sector that combines personal and state contributions to care costs, looking at compulsory savings and risk-sharing mechanisms.

We have made a promise to the British people, and we must keep it. Now is the time for action. No more talk, no more reports and no more commissions. This is the time for this Government, who have a majority, to deliver.

5.19 pm

**Liz Twist** (Blaydon) (Lab): As I was preparing for this debate, I looked at last year's debate and, as other hon. Members have said, it was like we have not moved on at all. We are repeating the same arguments, and nothing has really changed. What has changed, however, is that we are seeing increased demand for social care, whether domiciliary or residential, but local authorities' ability to deliver that support is decreasing because of financial pressures.

Demand is continuing to rise. Age UK says that 1.5 million people aged 65 or over have an unmet social care need and believes that that could rise to 2.1 million by 2030 if the current approach continues. Last year, over half of the 1.32 million new requests for social care resulted in no services being provided. In my constituency, Age UK tells me that 3,012 older people have unmet care needs, and that 2,517 older people are providing the care that family members require. Of course, we must also recognise that thousands of unpaid care workers are providing support to people in their homes, and we must never forget that. I salute them for carrying out that essential work.

I will reiterate some of the points covered in the previous debate, because they remain central to this debate on social care. We need more money. We do not need the drip feed of a 2% increase in council tax, which in constituencies with a low council tax base, such as mine, will not produce anything near the money we need, compounding inequality and injustice. We need a substantial increase, and Age UK estimates that an increase of £8 billion is required over the next two years to stabilise the current system while we look at what will be provided in the future.

We need to look at the market for social care providers. The market is fragmented at the moment in both residential and domiciliary care, and most authorities have seen providers fail in both areas, meaning that they need to step in as an emergency measure to ensure that people get the help they need. We cannot continue with a market based substantially on price competition, because local authorities are forced to look for the lowest bids. We need quality services that deliver the things that

people require and deserve. I would like to see more directly provided social care services, because that gives us control.

We must now develop a workforce strategy for social care. We have talked about that a lot in relation to the NHS plan and the future workforce strategy, but we need to look at it here, too. The social care workforce is predominantly female. They provide the most personal and intimate care to the people we love, and we must recognise the value of their work. They need proper pay. They need professional registration, which people working in the sector are considering. They need improved training and development if we are to recruit and retain the staff we need. We must put an end to carers travelling in their own time, to zero-hours contracts, and to 15-minute visits, which all of us would agree are completely outrageous.

**Alex Cunningham:** My hon. Friend mentioned the very personal nature of the care provided by prepared carers, but young carers also do this. They allocate medicines, and they even take their parents to the toilet or wash them. Does she agree that so much more needs to be done to recognise the role of young carers and to give them even greater support?

**Liz Twist:** I certainly agree that we must recognise the work of young carers, who do a tremendous job. We place huge pressure on them, and we thank them for their work. We must look after them, too.

We need a workforce strategy, and there is much more I could say. Others have already touched on the high cost of care for those with dementia, as opposed to a physical illness, and we need to do something in both the short term and the long term. We need a long-term, thought-through plan for providing social care to all those who need it.

We need a plan for social care that supports people when they need it and that cares for people when they need it. It should not just look after them mechanically; it should care for them. The Prime Minister said during the election that he has a plan. Well, let us see it and debate it, because we all know this action is long overdue.

5.26 pm

**Damian Green** (Ashford) (Con): I support the Government's amendment, particularly the line about seeking cross-party consensus. Opposition day debates may not be the ideal time to seek consensus across the Chamber, but consensus will be vital in the long term.

Governments of all stripes have tiptoed around this problem for 20 years because no credible solution is painless for everyone. It is expensive, emotive and, for those of us who have seen the current system close up through our family, often very painful, but there have clearly not been enough of us to make solving the problems less painful than allowing them to drift on with regular injections of emergency funding, which are of course welcome, but they are a sticking plaster.

To have a long-term solution, we need all parties to agree, as they have on pensions—another long-term, expensive, complex issue on which we do reasonably well as a country. Even in these divided political times, people of good will can work together across parties.

We have heard a lot about the overall problems of staffing levels, wages and the capacity of the system to cope, all of which I agree on. The vast majority of

people agree that we need to spend more. At the same time, they insist that they should not pay any extra tax themselves. We need a serious conversation about this. It is easy to present solutions for those who do not accept there is a bill.

We know that social care, especially for the elderly, is often too opaque for those trying to understand it, with no apparent logic in the conditions that receive free NHS treatment and those that do not. It is also apparently unfair in not rewarding a lifetime of prudence. Those who have saved feel that their savings will simply disappear, while those who have not saved receive the same level of care, often in adjoining beds.

Less well known is the fact that funding social care out of council tax means local authorities are too often reluctant to allow new care homes to be built. An ageing population means that already more than two fifths of council spending goes on social care. That figure will only increase over the years, so councils are understandably fearful that all their other services will be swamped by the rising demands of the social care system. That is not sustainable in the long term.

Of course, all the various failures in the social care system put unnecessary extra pressure on the NHS. Indeed, the long-term plan, with all its generous funding for the NHS, depends on an assumption that we develop a social care system that keeps people out of hospital longer and discharges them faster in a smooth and timely fashion. At the moment, both halves of that assumption are questionable, as others, such as my hon. Friend the Member for Thurrock (Jackie Doyle-Price), have said. We need to solve the social care problem to solve the NHS problem as well.

A new system needs five objectives. Interestingly, I listened to the speech from the hon. Member for Leicester West (Liz Kendall) and my list does not differ hugely from hers, which suggests that a cross-party consensus is possible. First, a new system needs to provide enough money to cope with the increasing, ageing population. Secondly, it needs to be fair across generations, meaning that today's working taxpayers are not asked to pay both for their own care in decades to come and the care of the generation above them. Thirdly, it needs to be fair between individuals by ensuring that no one has to sell their own home for care and ending the dementia lottery in which one condition is treated on the NHS and another is not. Fourthly, it needs to lead to an increase in the supply of care beds and retirement housing. Fifthly, in an ideal world it should establish a long-term cross-party consensus.

We need to look to the pension system as a model, because it has achieved many of our aims. In recent years, the state pension has been increased significantly, but at the same time most people save additionally throughout their working years to provide comfort and security in old age. Auto-enrolment has been a great cross-party success story. Similarly, just as the basic state pension has been improved, we should offer a better universal care entitlement, with a better level of care for both home care and residential care. Needs would be assessed locally, but crucially the money would come from central Government rather than local government.

We also need to encourage people to save themselves through a care supplement—a new form of insurance designed specifically to fund more expensive care costs

in old age. The analogy is with the private pension system, allowing people to buy insurance at a level that they can afford to provide peace of mind. It would not be compulsory so could not be stigmatised as a death tax or dementia tax.

The ideas I have outlined would take the burden of social care funding away from local councils and, even more importantly, offer certainty and security to the increasing numbers who will need social care in old age. No one would have to sell their house and see their whole inheritance disappear; everyone would have the chance of receiving better care; and fewer people would be left unnecessarily in hospital beds as they wait for social care to be available. None of this is easy and it will take political courage, but it is absolutely necessary if we are to provide peace of mind and security to frail, elderly people and working-age people who need care. They all deserve it.

5.32 pm

**Mr Toby Perkins** (Chesterfield) (Lab): It is a great pleasure to follow the right hon. Member for Ashford (Damian Green). I found myself agreeing with many of the priorities that he set out; that gives us some hope about cross-party consensus.

I wish to talk about three things: first, the proposal by Derbyshire County Council to close the Spinney care home in Brimington in my constituency and six other homes throughout Derbyshire; secondly, the wider implications of Government funding decisions over the past 10 years; and finally, the role of carers and the impact of councils' use of private sector agencies to reduce council budgets on the quality of care provided.

First, the Spinney is a care home built in 1974 and run by Derbyshire County Council. Up until the Conservatives took over in 2017, it had been rated good by the CQC and was full; since 2017, the council has stopped taking new residents, and gradually numbers have fallen as residents have passed away. All the residents and their families to whom I have spoken speak warmly of the quality and culture of care provided by the Spinney and oppose the council's call for closure. In the past two years, five of the rooms in the Spinney have been fitted with en suite bathrooms—the lack of en suite facilities being one of the reasons given for the closure—but none of those rooms has been used. Now, Derbyshire County Council says it will close the home and allow the residents to live more independently.

The comments from residents make it clear what they feel. One said:

“I have no relations, no family, the carers and staff are my family...I want to live the rest of my days here it has all come crashing down around me”.

Another said:

“People will not get more than 10 minutes three times a day” if they leave and go independent. They went on to say that

“this doesn't stop people roaming the streets and the police having to bring them back.”

A family member said:

“My mum lived independently till she was 96 years of age. We all rallied round to look after her, but she was only safe once she was here at the Spinney.”

There are many, many more stories.

[Mr Toby Perkins]

I note that the county council had a £5.7 million underspend last year in its social care budget, so I roundly condemn it for its decision, and I hope that it listens to reason when the consultation finishes and that it agrees to improve the Spinney rather than to let it close.

More broadly, we all know that the money available to councils for social care has been savagely cut during the nine years of austerity. Indeed, at the very time when our ageing population were demanding an increase in care spending, the Government were cutting £5 billion from council budgets for care. The money that the Prime Minister has promised, welcome as it is, is simply one step back up the mountain.

The failure to provide care for some of our most vulnerable citizens is not just morally repugnant and does not just shame us as a society, it is also economically illiterate. Failure to care for people in residential or domestic settings and leaving them to fend for themselves means that they end up in A&E. It means that they end up being treated more expensively in our hospital system. The 148 people who were left in hospital beds in Derbyshire because there was no care package available for them were costing us more than they should have done as a result of cost savings. Cuts in care are not only barbaric, but economically crazy too.

There is no way that a Government who have reduced council spending by 50% in real terms over 10 years can be anything but complicit in the care crisis that faces us, but providing ring-fenced money for care alone will not be the step required to make this right. There must be a whole-system approach that addresses the many causes of the crisis in care. Those causes include the inadequate number of GP appointments available, particularly in more deprived areas; the crisis in the recruitment of GPs, nurses and carers; and the casual and unprofessional way that carers are recruited, trained and employed, which means that workers at McDonald's are given greater job security and better rates of pay than someone who plays a crucial role in the health of the most vulnerable citizens in our society. There is also the crisis in A&E, which sweeps up the greater share of the NHS budget. That crisis is then exacerbated by people taking up hospital beds when they could be at home receiving care, and so the vicious cycle continues.

Finally, I would like to touch on the issue of how carers are employed. Council budgets are a part of this equation, but, in truth, councils were outsourcing these services long before council budgets were shrunk. It should never be said that people who provide care on behalf of private companies—or, in many cases, those companies themselves—have any less capacity to care or any less empathy for their customers than people who do it in the public sector. However, many councils are signing tenders that can only lead to the provision of inadequate care.

Hillcare Group, a nursing care home provider in my constituency, wrote to me recently to say that the funding provided by Derbyshire County Council was £150 per resident per week less than in other local authority areas, and that ends up having an impact on the care that is provided. I have an idea: when councils set tenders, they should be setting a rate of pay at the time they use private companies. The reason for using private

companies is not just about saving budget, but about that company providing care in a better way. It is not just a way of undercutting the wages of unionised council staff. If rates of pay across the sector were set by the councils, we would not find council contracts being provided by private companies in such an inadequate way.

This is a multifaceted and real problem. Residents and families of the Spinney are just the latest victims of our failure to take this matter seriously. I hope that it will be solved, because our older people desperately need it to be.

5.39 pm

**Huw Merriman** (Bexhill and Battle) (Con): It is a pleasure to follow the hon. Member for Chesterfield (Mr Perkins) and all the other contributors. There seems to be cross-party consensus that we need to find a solution for all our constituents. I welcome the new Care Minister to her place. We entered the House together, and I know that this subject is a real passion of hers. I am very excited that she is in post, and I think we can expect great things from her in this area of reform. I also thank her predecessor, my hon. Friend the Member for Gosport (Caroline Dinene); on the day that the chairs were rearranged, she was in my constituency opening a new hospice, and she was absolutely wonderful to all the staff and patients.

It is a delight to speak in this debate, because this issue is the key concern in my constituency, as it will be in many constituencies. We talk about the fact that 18% of people across the UK are over the age of 65, and that that figure will rise to just shy of 25% of the population by 2040. But in my constituency, 30% of constituents are already over the age of 65. That is absolutely fantastic because we are rich in seniority, but it does mean that there are people who have difficult needs and challenges. In a constituency such as mine, people tend to retire down to the coast and downsize, which means they live in smaller properties and pay much less council tax. However, they also tend to need more services from the local community. It is for that very reason that we cannot continue with the concept of council tax funding social care. It is a postcode lottery, and the places that need the most are given the least when it comes to yield.

I would like to see the system centralised, but rather than having another NHS system, we should inject a bit more reform and interest. That is why I said to the Secretary of State that it would be right for us to follow the German model. In the '90s, Germany had the exact same issues that we have today, with regional imbalances meaning that parts of the German republic just could not afford social care at a local level. There was also great unfairness in the country because certain people just could not access the care that they needed, and it would wipe out their assets. Both parties then fundamentally agreed that it was in the interests of all their constituents to work together on a cross-party basis to deliver reform. That was when the policy of long-term social care insurance funds was established.

The German model requires individuals to pay in. No individual pays more than €138 a month, and the employer matches that amount. Retired people pay the full amount themselves, so the policy gives a nod to intergenerational fairness. It takes risk out of the system; if one individual has greater needs than another, that is



not factored into the amount they pay. Crucially, it has been popular. People do not talk about social care as a political issue in Germany in the way that they do in this country.

In a way, this situation is an absolute tragedy. Opposition Front Benchers rightly talk about the years that we have had in Government in which we could have fixed the issue, but they do not focus on what had gone on since 1997. The Labour Government absolutely ducked this issue and were faced with calls from the Conservatives of “death tax”. In return, we got that back in spades when we talked with honesty in our 2017 manifesto and proposed a policy that was then labelled the “dementia tax”. Our constituents—all of us, across the House—must absolutely despair.

**Barbara Keeley:** Will the hon. Gentleman give way?

**Huw Merriman:** I will give way to the hon. Lady, because a couple of years ago when I made the point that I hoped we could work on a cross-party basis, the talk back to me was, “Actually, that cost you the election, and we wouldn’t work with you on that basis.” I found that response rather frustrating, so I hope for more.

**Barbara Keeley:** I do not recall that I ever said that, but there is a key point in what the hon. Gentleman is saying. Our recollection is that it was not the Labour party that labelled the Conservatives’ proposal the dementia tax. I think it was actually one of the national charities and the phrase then got taken up by the media, so I ask the hon. Member not to pin that one on us. It is important that we establish cross-party talks, but the people he should be addressing his comments to are on his own Front Bench. Ministers have had since October to follow up on the point I raised with the Secretary of State about cross-party talks, but they have done nothing. We keep hearing about cross-party talks, but they are not happening because the Government are not doing anything about it.

**Huw Merriman:** I remember well the exchange that I had with the hon. Lady a couple of years ago. The point I was making was that we did not seem that far apart—she talked about the fact that more funds needed to be raised, and so did we, perhaps with people taking individual responsibility—but the response I got back was more like a lesson on why such policies cost us our majority. That may have been a fair point, but my frustration was that we were being honest and straight with people that if we actually want to reform the system, we may need to ask people to pay more in. Most people do not realise that they already have to pay for it; it is only when they access the service that they fully understand what it really costs them. A lot of people—about 50% of the population—think that the NHS takes care of social care for them. They do not understand.

Whenever we try to propose reform around election times, it turns into a political football. In a way, this is the time to have the conversation, because I do not believe there will be an election for many years to come, so there is the opportunity for us to work cross-party. The hon. Lady is absolutely right: for cross-party talks to occur, she needs a proper invite, and I very much hope that that will be forthcoming. However, given that we now have a Conservative majority, in the event that, sadly, these cross-party talks do not work out—as I say,

I hope they do, because that is the greatest chance we have of delivering reform and persuading the public that we are all in this together on their behalf—then I very much hope that we will use our ideas, our mission and our majority to put reform through rather than saying that it has faltered because we cannot get consensus.

The most vulnerable, the elderly and the people who have worked hard all their lives are now lacking in dignity within the system because we simply do not have enough money in place. We have not delivered the reforms that we talk about in this place constantly but still fail to enact. I very much hope that this Government will do that, hopefully on a cross-party basis, but if that does not reach fruition, then by inputting our own principles, our own policies and our own devotion to the people I am talking about, so that we give them and the generations to come a better future.

5.46 pm

**Charlotte Nichols** (Warrington North) (Lab): We cannot overstate the scale of the social care crisis in this country. The Government continue to kick the proverbial can down the road, with the Green Paper promised in March 2017 still not having materialised, and much of the public conversation focuses simply on the issue of funding. Clearly, I do not wish to diminish the urgency of the need for greater funding, but without fixing all that is structurally broken in social care, any increase in funding will not necessarily flow through to care quality or care workers’ wages, where it is desperately needed.

First and foremost, we must look at the skills and professionalisation agenda in social care. I urge all colleagues across the House to read the report from the last Parliament by the all-party parliamentary group on social care co-chaired by my hon. Friend the Member for Sheffield, Heeley (Louise Haigh) and the hon. Member for Chichester (Gillian Keegan). It made some very important recommendations in this area, particularly about registration and the lack of qualifications that are transportable across the health and social care sectors. Addressing this will, in turn, create an upward pressure on wages, and give people more pathways to development and progression so as to make a career in care more viable, reducing the turnover in the sector. The pay differential between a new care worker and someone with years of experience is only about 17p per hour. This cannot continue.

We must urgently look at the issue of the fragmented provider landscape and outsourcing, which is one of the key drivers of low pay in the sector. Only yesterday I was forced to write to a local provider about its proposals to reduce the terms and conditions of former council workers outsourced to the company. Private firm Catalyst Choices, which has been providing care services for Warrington Borough Council since 2015, is proposing cuts including, but not limited to, a reduction in weekend enhancements, overtime pay and sick pay. I do not want to single out this provider because I understand that this problem is replicated up and down the country owing to chronic underfunding by cash-starved local authorities. However, it is forcing people out of the sector. In my constituency, every time the Trafford Centre advertises for temporary workers, we see a knock-on effect in local care. When Amazon opened a distribution centre in Warrington, that triggered a crisis of care provision locally. What does it say about how we value

[Charlotte Nichols]

our care workforce that a company with a reputation for poor pay and exploitative work practices is considered preferable to remaining in social care?

This workforce crisis in care is evidently having a really detrimental impact on the provision of care, as we cannot get quality care on the cheap. Shortages of care workers locally mean that too many elderly people in the villages of my constituency are having to stay in hospital because they cannot get a care package to support them back in their homes.

While we must develop an effective workforce strategy for our care workforce, working with care providers and the TUC on a real sectoral plan, we must also ensure that the challenges faced by our unpaid carers are properly recognised. We have 6.5 million unpaid carers in our country. Despite the additional costs of caring, the lack of practical support means that carers often contribute their own money to care for their loved ones. Despite the significant costs and the value of care that they provide, the main benefit for people caring—carer's allowance—is the lowest of its kind, at £66.15 per week. It is not nearly enough.

Until we start to properly recognise and reward care work, whether it is formal or informal, paid or unpaid, we will never have a system that provides the quality of care that everyone deserves. This Government can no longer dither and delay on one of the biggest crises we face as a society, and the problem grows more severe with each passing day as the issues that I have outlined go unaddressed. Before coming into Parliament, I worked for a trade union and used to speak to careworkers, who told me that they were frightened to retire, because they know what is waiting for them when they need care. That is a sobering thought on a future that we need real action now to avoid.

5.50 pm

**Paul Bristow** (Peterborough) (Con): To begin, I would like to declare a couple of interests. My partner owns a communications consultancy that works in health and social care. Both my parents were nurses. My father managed residential nursing homes until he retired, while my mother was a deputy sister in a residential home, caring for people with dementia.

I would like to focus my remarks on those who work in social care and what we might do to improve the recruitment and retention of staff. In my mind, much of it lies in the value we attach to those who work in the profession. Many of my constituents work in social care, and the profession is just as important as our NHS in helping to support our community. Those working in care homes and in the community across my city and the country should know that they are valued, just as we value our hard-working doctors and nurses. I know how hard the staff in care homes work each and every day. It is often a job that goes without much reward. Pay can be low, and recognition is often lacking, but it is critical.

The National Audit Office estimates that 1.3 million people do these jobs. The Centre for Workforce Intelligence has suggested that an extra 660,000 careworkers will be needed by 2035 if we are to keep pace with demand for care. When we consider that more than a third of staff switch jobs or move out of the sector each year, we begin

to see the challenge. Those are worrying figures for families who rely on this service. Why do we have a problem with recruiting and retaining social care staff? Pay is clearly a factor, but it is not the only one. Too often, the profession is held in low esteem, which makes it difficult for some providers to recruit and retain staff.

**Alex Cunningham:** I am pleased that the hon. Gentleman has used the word “profession” several times, because this is not only about training and qualifications but about status; that is a very important factor. I bang on about money for low-paid workers all the time. Does he agree that professional work deserves professional pay, not minimum pay, which the majority of careworkers seem to be on?

**Paul Bristow:** I accept what the hon. Gentleman says—pay is indeed a factor in the recruitment and retention of social care staff, but I also agree that it is not the only factor. Terms such as “low-skilled worker” are far too commonly used in relation to care staff. That language and perception need to be challenged. We need a greater emphasis on professional structures, career development and appropriate reward.

We also need to celebrate these roles and show how rewarding and fulfilling they can be. After all, this is about looking after people. These people are our grandparents, our fathers, our mothers, our uncles, our aunts and, in some cases, our children. One day it is likely to be us. I will never forget a constituent telling me about his job in social care. He said that each and every day, he got to look after, talk to and listen to people who became his friends, and he felt he was almost cheating by calling it work.

**Dr Luke Evans** (Bosworth) (Con): I agree with my hon. Friend in my professional capacity as a GP. It is invaluable to have people who know those they care for: they can pick up when there are problems, and they can inform professionals. Does he agree that we need this kind of relationship—people who understand the people they are caring for—because it saves the NHS money? That is not in any statistic that we may see, but that professionalism, dedication and care make the real difference not only to the person but for the wider NHS.

**Paul Bristow:** I agree entirely with my hon. Friend. Those social care staff and the relationships they have with the people they care for can save our service money.

Don't get me wrong. Social care is hard, sometimes literally requiring heavy lifting and involving emotional distress, yet it is a career that can be rewarding. The Government are keen to build the same consensus on social care that already exists on our national health service, and that is the right thing to do. I hope that we can build parity of esteem for our social care workers.

Of course, there are millions who undertake social care roles without any pay. I listened with great interest to some hon. Members' comments about unpaid carers. The 2011 census—obviously some time ago—identified that one in 10 residents in England and Wales, or 5.8 million people, are spending at least part of their week caring for disabled, sick or older relatives and friends. As with careers in social care, carers can often enjoy their work and it can be positive and rewarding. There are, however, a lot of reasons why carers need

support. Carers' own health and wellbeing problems are often exacerbated or caused by their caring role. Carers are entitled to a social care assessment of their own needs, and subsequently support, if the assessment shows that they need it; but not enough carers are being identified and subsequently assessed, and that means that they are going without support for their needs, putting their own health and wellbeing at risk. Support for carers should be embedded in funding for social care, and evidence shows that supporting carers can save money in adult social care services and the NHS, while improving the life of the carer and the person with care needs.

I would like to make a quick mention, if I may, of the social care work that goes on in my constituency. Some of the most enjoyable time I spent on the campaign trail was at two hustings that were organised in Peterborough. One was the general election hustings for adults with learning and social disabilities. I found it one of the most rewarding aspects of that campaign, because I learned a huge amount about the experiences of those particular constituents and of those who care for them. I would like to pay tribute to Klayr Lynch, the facilitator of Club 73, and her team for all the hard work they undertake each and every day for some of my most vulnerable constituents. They do a truly brilliant job. The same can be said of the disability hustings organised by Disability Peterborough and the Cambridgeshire Deaf Association, organised by my old school friend Andrew Palmer.

Colleagues will learn much about social care from their own constituencies. In this place we rightly often talk about hard-working doctors and nurses. Understanding the crucial work that those in social care undertake, may I make a plea that hon. Members, especially my right hon. Friends on the Front Bench, remember to include a reference to social care workers when they talk about hard-working doctors and nurses?

5.58 pm

**Helen Hayes** (Dulwich and West Norwood) (Lab): In June this year, it will be 10 years since the Dilnot commission began its work to look at long-term funding of the care system. That anniversary also marks 10 years of Tory austerity and 10 years of abject failure on social care, during which time the cuts to local council budgets, combined with the growth of our older population and an increase in the number of working-age adults living with support needs has created a full-blown crisis in our social care system. It is a crisis that is being lived out day-to-day by the 1.5 million people who are eligible for support but not receiving any and by the families fighting for the support that their loved ones need. It is an utter disgrace that people with learning disabilities and autistic people are trapped in hospitals and care staff face intolerable pressure for too little pay. Careworkers are low-paid, but they are not low-skilled. The crisis in our care systems will be deepened by the loss of highly skilled workers from overseas as a consequence of the entirely misplaced points-based immigration system the Government have just announced.

I was a member of the Select Committee on Housing, Communities and Local Government in the last Parliament, and it was striking that the number of councils, of all political persuasions, including Tory-run county councils such as Kent and Somerset, describing a crisis in their ability to deliver on meeting the social care needs of

their local communities with the resources they had available kept growing with every call for evidence the Committee put out. Faced with this crisis, affecting millions of families every day, the Tory manifesto simply promised cross-party talks. We have had a decade of cross-party and independent work on this issue, by Select Committees in the Commons and Lords, by Sir Andrew Dilnot, by many different all-party groups and by the Local Government Association. The challenge of social care is quantifiable and quantified: £3.5 billion just to meet current needs; and more to deliver a system that can guarantee dignity for everyone who needs support. The menu of options to provide this funding is also known. The Government cannot keep prevaricating. Now is the time to bite the bullet and act to solve the crisis.

As co-chair of the all-party group on adult social care, I attended a meeting yesterday with about 150 stakeholders from the social care sector: social workers; carers; and people receiving care, who are experts by experience. We heard about many examples of good practice in care. There are carers going above and beyond the call of duty every single day to deliver excellent person-centred care, but we also heard about the intolerable pressures. Where social workers are assessing someone in the certain knowledge that the funding is not there to deliver the support they need, that is an unacceptable and unsustainable compromise of their professional practice, yet it happens every day. The care sector is desperate to get beyond the conversation on funding to a discussion about the detail of a care system that can deliver dignity and the highest quality of life for everyone who needs support; and how we make co-design and co-production the basis of all social care delivery, recognising that people who need care and support are as diverse as the wider population at large.

**Dave Doogan** (Angus) (SNP): The hon. Lady is giving an excellent speech. She is putting forward a proposition for a co-produced model of care that is integrated with health, housing, and community care and services. Does she agree that substantial progress has been made in the past four years on that in Scotland? I say that in all honesty; it is far from perfect yet, but we are on the road to a far more inclusive, cohesive system. Does she agree that the Government might want to discuss this with the Scottish Government to see what lessons can be learned?

**Helen Hayes:** I thank the hon. Gentleman for his intervention. I agree that in many parts of the country, including Scotland, there are examples of good practice from which the Government can learn.

We need a system that recognises the individuality and diversity of people who need care. We need one that recognises that mental health support needs are completely different from physical needs, and that everyone who needs support will have a different version of what a good day looks like for them. We cannot get to that conversation until the funding is there to deliver such a system and until the workers in the care sector are properly paid, with access to training and career progression. The Government are playing a completely cynical game with social care, offering council tax increases, which hit the poorest hardest and raise only a fraction of the funding needed, and offering in this Parliament less than a third of the funding required just to meet current needs—and just for one year only.



[Helen Hayes]

In the meantime, delayed discharges from hospitals are going up, care homes are continuing to close and care companies are continuing to hand back contracts to councils. Millions of people are left with care that does not fully meet their needs or are having to fight to receive any care at all. The Equality and Human Rights Commission is taking the Government to court over the failure to properly house autistic people and people with learning disabilities. This is unprecedented and it is a disgrace. All of this places intolerable pressure on the relationships that keep the care sector going, the value of which is never captured on the public sector balance sheet. The Secretary of State spoke today with bravado about the current situation, but with no emotional intelligence about the day-to-day reality of the broken system that his Government are mending out or the urgency with which this crisis must be fixed. He will not give confidence to those who rely on the system every single day, and to those who work hard to deliver care, with the approach he is currently taking.

6.5 pm

**James Daly** (Bury North) (Con): We have good-quality social care provision in Bury, and have been ranked among those at the top in Greater Manchester for a number of years. The clinical commissioning group and the local authority work hard with external providers, with a supportive approach to quality assurance. This ensures that CQC ratings for our provider market continue to be good, and have focused on building positive relationships with them. This quality approach impacts positively on the health system too, as Bury has the second lowest admissions to hospital of older people in Greater Manchester. That means admissions are avoided, which is better for both the person and the public purse.

The integration of health and social care in terms of both delivery and commissioning is being embraced in Bury, and is really important to provide a holistic approach to people, their carers and families. Bury has created a local care organisation, with £19.2 million of Government money. Integrated neighbourhood teams are a key part of delivery for people in neighbourhoods, bringing together social care, community health and primary care. This approach avoids duplication and gives streamlined services to people. This, coupled with a preventive approach, along with population health improvement priorities, is the long-term answer to demand in the NHS, in my opinion.

Greater Manchester devolution brings together local authorities and the NHS in terms of community leadership and frontline delivery. This is very different from the rest of the country, where CCGs are merging to create strategic transformation partnerships on huge footprints. This local approach in Greater Manchester recognises the significance of the wider determinants of health in managing long-term health issues. However, in my opinion, the lack of a long-term funding solution for social care is the Achilles heel. Council tax solutions are not the answer. For example, places such as Bury, which has a faster-growing older population than the rest of Greater Manchester and therefore greater health needs in the long term, are unable to raise the amount of funding needed locally.

The national living wage—an excellent concept, if unfunded—puts additional pressure on councils' social care budgets, since they have to pass on uplifts that

reflect the pay rates of the people delivering care. This does create significant financial issues in the social care system, in what is already a pressurised set of services, due to the demands from the numbers of people and the ageing population, which, as I say, is growing faster in Bury than in the rest of Greater Manchester.

As we have heard, the workforce is as big an issue, if not bigger, for social care as for the national health service. Although the news about the increasing number of nurses is welcome across the health and care economy as a whole, those working in the private provider sector of social care have been overlooked in recent announcements, and recruitment and retention may therefore be even more difficult than they are already.

The final point I wish to make is that temporary funding, even when relatively long term through the better care fund and the improved better care fund—this year, it has provided £18.5 million of funding to my local authority—is not helpful for a system that is demand-led and has to ensure that it provides value for money wherever possible. A more certain and improved settlement for social care would ensure that longer-term planning can be put in place.

6.9 pm

**Rachel Hopkins** (Luton South) (Lab): I am pleased to speak in this debate as a serving councillor still on Luton council, because we know how much social care needs are impacting on local councils. We have heard much from many colleagues, but I want to bring a bit of lived experience to the debate.

Luton council set its budget last week, but we have been struggling, like many councils up and down the country. Our revenue support grant has been cut by about £100 million since 2010. We have made £130 million-worth of cuts and efficiencies over that time, but we are facing rising demand-led service pressures, predominantly for the vulnerable, especially in children and adult social care services.

But as social care demand rises in our communities the Government are hamstringing the capabilities of councils such as Luton to deal with the pressure by slashing central funding. We cannot expect local councils to deliver social care without the necessary funding. Allowing councils to raise the adult social care precept to 2% does not satisfy the rising financial pressures facing many councils, and it shifts the responsibility on to individual council tax payers without taking into account their ability to pay.

Councils such as Luton, which has a low council tax base due to 80% of our properties being band A, B or C, cannot raise enough tax to meet the demand. A 1% rise in council tax equates to about £700,000, so the maximum of 4% is around £3 million, but the Luton council budget has faced growth pressures of over £7 million in adult social care and children services. So as these demands increase, our ability to meet that demand diminishes. Fundamentally, there is a structural deficit there.

One thing I want to talk about in terms of lived experience is being at the frontline as a local councillor; I want to bring that to the Chamber so that Members here can understand what is happening on the frontlines. For two years I had lead responsibility in the public health commissioning arena as a senior councillor, and we worked very closely in jointly commissioning services

with our CCG. Ultimately, I want to praise council staff, CCG staff and health staff providing both domiciliary and nursing care, as well as those working in other social care settings, for all the hard work they do supporting people in my constituency. As has been raised by other Members however, there is a difficulty in that councils are insisting that we only pay certain rates for the provision of care. So we are forced into desperately looking at what prices are to provide care, rather than looking at the whole picture, wanting to provide good-quality, safe and compassionate care. I put the fault for that fundamentally on the Government and the crisis they are putting local councils in.

One of the things we often had to do was look at the provision of the market of social care in our town. It pains me to talk about a market in providing care; it should be a service, publicly provided. However, we are in the situation we are in. We struggled sometimes with some service providers beginning to fail, and therefore as a council we had to step in and support them, which meant having to bring in better providers, which obviously charge more. That put increased pressure on our budgets, meaning there is a never-ending cycle when we are being significantly underfunded.

There are plenty of other points I could raise, but most of them have been made by fellow Labour Members, so I want to finish my contribution to this debate by recognising all those who provide care to elderly family and friends as unpaid carers, such as my friend Barbara. She spent the last few weeks caring for our friend Ray, who died on Sunday morning. He did not have any family, and he did not live in a house that he could put an annexe on; he lived in a one-bedroom council bungalow. And Barbara, who in the day had a full-time job working in social care, still went to see him every evening to make sure he had the additional support and dignity that he needed. So I spent much of Sunday supporting Barbara because she was sad that he had passed away and she was not there. But, luckily, in the care home where he spent his last few days, the nurse sister who was on that shift was with him. So I praise everybody, whether they are working in social care or like my friend Barbara who was looking after Ray unpaid, because they are bearing the brunt of this crisis and it is not right.

6.14 pm

**Dean Russell (Watford) (Con):** I pay tribute to the hon. Member for Luton South (Rachel Hopkins) for making such a powerful speech.

I want to talk a little bit about technology, but before I do so, I just want to make a quick point. We talked earlier about an ageing population and the word burden was used a few times. I just want to send a message from the Chamber to anyone who is a member of the older generation. They should never feel that they are a burden. People using the social care system should never feel that they are a burden on the system. It is the older generations who built the foundation on which we now stand. They are the generations we should care for because they cared for us. They are the ones who enabled us to have the lives we lead and the freedoms we have, so I do not believe that the word burden should ever be used in relation to older people.

One of the challenges in society—I have talked about loneliness in the Chamber before—is the isolation that people can feel. When it comes to caring, there is an

ongoing sense of isolation for both carers and those being cared for. The trouble with that is not just the challenges around social care—how to reach people, how to visit them or how to get nurses or doctors to them—but the real loss to society. What we lose by isolating older generations in particular is their wisdom. It is the stories of their lives and the passion they had once that they may now feel has been diminished. The opportunity we have through social care is not just to fix bones or mend injuries, but to release those stories. The stories people share enable us, as a society, to be stronger through the lessons they have learned in their lives.

That is important to me, because of one aspect not often talked about when we talk about health generally, and social care in particular: the role of technology. Technology is not just there for us to google an answer or share a tweet. It can also be there to connect the dots. The lifeblood of the beating heart of society is in the charities and organisations that go out and help, and in the people who really care for others. One challenge is to ensure that we do not lose those interconnections. Before Christmas I went out with a fantastic organisation, Small Acts of Kindness, run by Lynne Misner, which helps people who are struggling with loneliness and the drop in temperatures and who need blankets. Another amazing lady, Margaret Hudson, cooks for the lonely and isolated on Fridays in Watford.

I mention them, because they are all little dots across the whole of Watford and the country that we are not connecting. There is an opportunity here for us to use technology in a different way. Businesses increasingly use data to create a single customer view, which connects the dots of customers in the private world so they know what they are buying, where they are sharing content, what they are talking about and what they are interested in. Sadly, in the private world that is used for advertising. However, we can look at the social system and the NHS in the round, and start to look at people not in isolation—whether they have broken a bone, had a fall, where they live or how old they are—and connect the dots so that we can start to say, “How do we look at them as human beings and look at their life stories, and what that might mean for how we predict what might happen to them?” Somebody with the onset of arthritis 60s no doubt has the potential to get worse in their 70s, 80s and 90s, so why do we not start to plan early on?

We should therefore not just look at technology, the social care system and data in isolation. We need to look at pathways for people as they get older, so we can start to predict how injuries might happen and what issues might come up. We can use that information to create a more cohesive society, so that everybody who touches that person’s life in some way can feed into it and make a difference. The idea of watching people might sound like a scary big brother moment to some, but if we do it in the right way, we will save the economy millions, if not billions, because we will have predicted things and prevented them. We will also have made life better for so many more people in our community.

Let us work together. Let us not put up political barriers and be isolationist in how we look at the world and challenge the problem. Let us work across the House. Let us put people before politics. Let us make sure that together we make a better country for anybody who needs social care. We can make a real difference

[Dean Russell]

together. In four or five years' time, the whole of the electorate will benefit. More importantly, society will benefit too.

6.19 pm

**Fleur Anderson** (Putney) (Lab): I speak from the experience of having run adult social care services in a community centre for the last three years in Battersea and of being a serving councillor in Wandsworth Borough Council. I want to explain something that may have been missing from the debate up to now and make the case for community services as part of our social care system.

The social care system is in crisis, as Members on both sides of the House have acknowledged. People across Putney, Roehampton and Southfields raise this with me all the time and many people who do not raise it with me, I know, are suffering in silence, trying to find the care that they need or that their adult child, family member, friend or parent needs. The social isolation of elderly people and adults who need additional support is increasing while care services are decreasing. Last year, there were 1.32 million new requests for social care, only half of which resulted in a service being provided. For the other half, nothing was provided or they were signposted elsewhere, often to overstretched community services.

A national care service is needed that joins up health services, social care and community services as a third but essential pillar of this, bringing us together. I agree that we must do it by working together, as has been mentioned, but we must build stronger communities and work together for the good of all. It has been so frustrating to run older people's services for the last three years while, all around us, it felt like the council-run services were decreasing and the health services and the NHS were providing less and less. We were being left to pick up the pieces yet we were not being provided with either the funding or the way of organising our care service that enabled us to do that.

Across the country, funding for council adult care services has dropped by 50% in the last 10 years since the Tories came into power. The whole system is so disjointed that it is really hard to function within it. Community organisations, staff and volunteers spend lots of time chasing services and making relationships with different professionals and organisations who then move on, and we have to start all over again. There urgently needs to be a plan that joins up the NHS, social care and the voluntary sector. This is about funding, but there needs to be far more—it is about organisation and putting adults, the elderly and their needs at the centre of the decisions that we make, rather than organising to make things easier.

Too often, as I said, the voluntary sector is picking up the pieces. Fantastic local organisations such as the one that I worked in, the Katherine Low Settlement, but also Putney-based Regenerate-RISE and the over-60s lunch club—I am sure that hon. Members know of many in their constituencies—are providing long-term support, not piecemeal support. There is an understanding of people's whole community, including their family, their friends, and who is caring for them, as well as a much quicker speed of response, which really understands the changing needs of the vulnerable in our society. They are also great value for money.

Too often, however, the voluntary sector is not even mentioned in a debate such as this. It is treated as the last on the list and as not being professional. It is often treated with disrespect, whereas from my experience, community services are often on the cutting edge of care for adults with special needs and the elderly. We can learn a lot from such services and they need to be part of the plan that we hopefully will create.

Community services can respond really quickly. Assessments by social services often take months and in that time, an elderly person's health can deteriorate because they are not getting the care they need. That can end up being a greater burden to the local authority than if support had been put in place earlier, and it can lead to a prolonged stay in hospital.

Last year, 2,000 people died every day while waiting for a decision on their application for social care—it is almost unbelievable. The provision of care for older people is diminishing and the problem of older people living longer is growing. The number of residential and nursing home beds has fallen in every region of England in the last five years. For instance, the care for people with dementia—that long-term, increasing and changing support—is often best provided by community care services. Social workers often change their roles frequently, so older people are faced with people they do not know and who do not understand their situation, whereas community services can provide long-term continuity and culturally appropriate care.

I pay tribute to all the social workers and careworkers across the country who do amazing, selfless and dedicated work and yet are not valued. As has been said, there must be a new system of pay, training and qualification that values our careworkers, who are too low paid but certainly not low skilled. I also pay tribute to the 6.5 million unpaid carers. Often, the only support they receive is from community services, and it is that which enables them to support the people they are caring for. By co-commissioning with health, social care and the voluntary sector, we could give people the best chance of staying at home and not going into care. We need a national care service that places equal value on community social care services alongside health and social care. We need better ways of working, better funding and, ultimately, a better quality of life for everyone.

**Several hon. Members** *rose*—

**Mr Deputy Speaker (Mr Nigel Evans):** Order. The winding-up speeches will begin no later than 20 minutes to 7, so the last two speakers can share the remaining time.

6.25 pm

**Mrs Flick Drummond** (Meon Valley) (Con): I am pleased that Labour has chosen this important debate as one of its Opposition day topics. Social care impacts on people from all backgrounds across the whole country, and it is right that we continue to debate it, so I hope that we can seek some consensus and look for a cross-party solution to this issue, rather than turning it into a political football. It is simply too important for us to treat it in any other way. I also pay tribute to those working in the care system, both paid and unpaid. It can be a tough and rewarding job, as my hon. Friend the Member for Peterborough (Paul Bristow) said earlier.



One area of agreement should be to welcome the positive steps the Government have taken in recent years, including the more than £10 billion in additional funding since 2017; the introduction and increasing of the social care precept; and the increases in local authority core spending power. Clearly, though, there is much to do, as we have heard this evening. I am glad that my party recognised this fact in its manifesto last year and is committed to a long-term solution. I hope we can all agree that any solution must not be one that forces vulnerable people to sell their homes to pay for care. We cannot overstate the challenge ahead. As the Secretary of State said, in 40 years our population will have grown by 10 million. If that was all working-age people, perhaps it would not be an issue, but over half that growth will be among the over-75s. This group will have more than doubled in size by 2060.

In the same period, the number of over-65s requiring round-the-clock care is expected to rise by a third. Among over-85s, that figure will double. Serious conditions, such as dementia, diabetes and obesity, are also on the rise. They only seek to aggravate the issues, especially among the elderly. The kind of care required by people suffering from these conditions—dementia, in particular—is the most expensive and needs the most intervention. This, though, only covers half the issue. We must remember that social care is about not just the elderly but working-age adults and children. According to the House of Commons Library, local authorities spend as much on under-65s as they do on over-65s. These statistics help to illustrate just how challenging the issue will be and highlight how important it is that we work together to find a long-term solution.

In the meantime, there are small but important steps we can take to help. Lapis Care, a care provider in my constituency, is holding a community care show in Wycombe on 20 March, which I am pleased to promote. It is designed to connect providers with other agencies and with people who may need care in the near future, including healthcare, future planning, community services and much more, such as technology, as my hon. Friend the Member for Watford (Dean Russell) commented on earlier. This sort of approach could lead to greater forward planning and a more joined-up approach in the long run. Too often, people do not think about the care they might need until a crisis strikes. In turn, this can lead to delays in getting the right level of care and means that friends and family need to step in. I pay tribute to the friend of the hon. Member for Luton South (Rachel Hopkins) and all those who have stepped in at short notice. Awareness-raising events help future planning, and can also allow care recipients to live in their own homes for longer, much to their benefit. Those are exactly the kind of things that care providers should be doing across the country, and I strongly recommend them.

This is a tough issue that we have to sort out, but I welcome more discussion of it, and I really enjoyed listening to the other contributions to the debate from Members in all parts of the House.

6.30 pm

**Paula Barker** (Liverpool, Wavertree) (Lab): A hugely fragmented provider landscape has been one of the major problems in the social care sector. Hundreds of providers are operating in some areas, and most councils

have experienced provider failure or the return of contracts. The Government's fears about providers going out of business may explain their reluctance to clamp down harder on companies that are failing to fulfil their minimum wage obligations. Britain's four largest privately owned care home operators have built up debts of £40,000 per bed, which means that their annual interest charges alone absorb eight weeks of average fees paid by local authorities on behalf of residents. Despite that, HC One, the UK's biggest care home operator, has still managed to pay out more than £48 million in dividends in recent years.

A report produced recently by the Centre for Health and the Public Interest demonstrates just how much money is allowed to leak out of the social care sector in the form of, for example, profits, rent and interest payments, with the level of leakage far higher among for-profit providers. Any funding boost for social care must therefore be accompanied by meaningful reform of the sector which moves away from the failing markets and, instead, embraces a vision for care that puts a public sector ethos and core ethical requirements at its heart.

As we heard earlier from my hon. Friend the Member for Blaydon (Liz Twist), a critical part of social care must be to produce a workforce who are fairly rewarded and properly valued. Careworkers have been absent from much of the discussion about implementing the NHS long-term plan and developing the final NHS people plan, although the future vision for the NHS is one that brings health and care closer together. As the House of Lords Economic Affairs Committee pointed out:

“The care workforce needs a career structure which better reflects the skills required to be a good care worker and the social importance of the sector.”

The Nuffield Trust recently stated that

“a realistic and comprehensive workforce strategy is needed to combat the chronic recruitment and retention crisis that is affecting the social care sector.”

Recent work by the Institute for Public Policy Research has begun to point the way towards the development of a workforce strategy for the sector, with a focus on proper pay, professional registration, and improved training and development. Working in care needs to become an attractive career choice if social care is to shed its unwanted reputation as a low status, high turnover sector. My trade union, Unison, recently launched the Care Workers for Change campaign, which calls for a real living wage as a minimum, fair contracts, no zero-hours contracts, and enough time to care and a safer working environment for our incredible careworkers.

I sincerely hope that cross-party talks are constructive and meaningful. I therefore ask the Government to enact meaningful market reform of the social care sector that moves away from the current landscape of fragmented providers, and to develop an effective workforce strategy so that staff are fairly rewarded and properly valued.

6.34 pm

**Andrew Gwynne** (Denton and Reddish) (Lab): Let me begin by welcoming the new Minister to her post. I sincerely hope that she enjoys her time in the role, and that at some stage in the future she will be able to look back and see herself as the Minister who truly transformed social care. That transformation is desperately needed,

[Andrew Gwynne]

which is why we called today's debate. I think it has been a thorough and thoughtful debate on both sides of the House.

We have had 16 Back-Bench contributions, including from my hon. Friends the Members for Leicester West (Liz Kendall), for Blaydon (Liz Twist), for Chesterfield (Mr Perkins), for Warrington North (Charlotte Nichols), for Dulwich and West Norwood (Helen Hayes), for Luton South (Rachel Hopkins), for Putney (Fleur Anderson) and for Liverpool, Wavertree (Paula Barker), as well as from the right hon. Member for Ashford (Damian Green) and the hon. Members for Thurrock (Jackie Doyle-Price), for Newton Abbot (Anne Marie Morris), for Bexhill and Battle (Huw Merriman), for Peterborough (Paul Bristow), for Bury North (James Daly), for Watford (Dean Russell) and for Meon Valley (Mrs Drummond). I also want to pay tribute to all who work in our social care services, whether they work in the national health service, for our local councils or for an agency, and whether they are paid or unpaid carers.

This is the third time I have closed an Opposition day debate on the crisis in social care. Someone on the Conservative Benches said earlier that they had a sense of *déjà vu*, and I have that same feeling myself. Just as I said last time in my closing comments, we have still seen no plan from the Government, despite the Prime Minister using his very first speech at 10 Downing Street to pledge to solve the social care crisis. I want to remind the House just what he said:

"I am announcing now, on the steps of Downing Street, that we will fix the crisis in social care once and for all, and with a clear plan we have prepared to give every older person the dignity and security they deserve."

We have seen nothing. It is now 1,079 days since the Government announced their Green Paper on social care. That is 1,079 days in which we have been told that the Government have been working on their plan for social care. However, only a couple of months ago the Minister for Women and Equalities and Trade Secretary, the right hon. Member for South West Norfolk (Elizabeth Truss) was asked:

"Does the Green Paper actually exist?"

She shook her head and told the room:

"Not as far as I'm aware."

After years of promises and failure to deliver, we can understand why many within the sector have very little trust in this Government, so will the Minister please clear this up now? Was the Trade Secretary misinformed, or was the Prime Minister not correct when he told the country that he had a plan for social care? If it is the former, surely the Minister will appreciate our concern that the Minister for Women and Equalities and her office have not been involved in the development of a policy that will impact on so many disabled and vulnerable people who depend on care, and on the predominantly female workforce who deliver it.

The Prime Minister might speak of levelling up as though he were playing a computer game, but his lack of action is having real impacts on real people. It is a national scandal, and the Government should feel ashamed that 1.5 million people are now not getting the necessary help to carry out essential tasks such as washing and dressing themselves. Millions are suffering because nobody cares for them. One in five people have gone without meals because of a lack of care. One in five people have

been unable to work because of a lack of care. One in five people feel unsafe moving around their home because of a lack of care, and more than a third are unable to leave their home because of a lack of care.

This neglect does not only hurt those who need the care. As my hon. Friend the Member for Leicester West set out, and as my hon. Friend the Member for Luton South said when she spoke so passionately about Barbara and Ray, it is important to remember the 7.6 million unpaid carers who have stepped up to look after family and friends. One of those people, Frances from Harrogate, told the Care and Support Alliance:

"Dad has now passed away but his needs, with two broken hips and pneumonia, were not met in the slightest by either the NHS or social services. I feel if care had been better he would still be alive. Mum is in a care home and I have had to give up my job to care for them and I have received very little acknowledgement of this."

At the very least, I hope we will hear from the Minister today how she plans to give unpaid carers the support they deserve.

We are yet to hear a Minister properly acknowledge the scale of the crisis. Instead, we heard once again from the Secretary of State in his opening speech the Government's claim that they are addressing the problems in the system by investing £1.5 billion into social care this year. That has to be shared between adult and children's services and winter pressures, and it is one tenth of what this Government have cut, according to the Health Foundation. In 2018, the Local Government Association warned that the funding gap for adult social care alone would grow to £3.5 billion by 2025, and the LGA revealed yesterday that pressure on children's services has pushed overspending to £3.2 billion over the past five years.

We also know from LGA research that the new funding will not even be enough to cover the increasing costs that will come from the rise in the national living wage from April. Unfunded increases in the national living wage in social care have been shown by the Low Pay Commission to lead to an increase in failing businesses, insecure working conditions, and a reduction in care quality. Professor Martin Green, chief executive of Care England, has called on the Government to take responsibility for this situation, saying:

"If government fails to support this uplift then services may close, jobs will be lost and support to people in need will be reduced at a time when more people need social care. The social care system has endured chronic underfunding for many years and we call upon the government to fund not only the increases in the Living Wage, but the sector's long term sustainability."

Instead of the Government taking responsibility and recognising the scale of this crisis, their recent immigration announcement threatens to make it even worse. I endorse the words of my hon. Friend the Member for Leicester West, who said that we need to recognise the value of migrant labour to the social care services on which our constituents rely. Care roles fall below the salary threshold. The Minister knows that. The Government's reluctance even to fund the costs of the increases in the national living wage does not give me much hope that they will fund the obvious solution—valuing and paying careworkers more for their vital work. It was worrying that the Home Office's policy statement outlining the new migration policy failed to mention social care.

Councils led by all parties are facing a funding crisis, with devastating effects on key public services for children at risk, disabled adults and vulnerable older people.

The services we all rely on, such as clean streets, libraries, children's centres, street lighting and pavement repairs, are being cut back to pay for those people-based services. This is not a party political issue. The issues are self-evident. In the recent state of the sector report by the Local Government Information Unit and the *Municipal Journal*, only 3% of councils said that they are happy with Government progress on local finances and only 2% said that they were happy with the Government's work on social care. That is near-universal disappointment from council leaders and chief executives. Seventy-six per cent. said that they lack confidence that the Government are taking this problem seriously and prioritising a solution.

The Government's delay is already costing lives. Last year, 2,000 people a day died while waiting for a decision on their application for social care. That should shame us all on whatever side of the House we sit, and there is only so much longer that this sector can wait.

This is the reality. Unless this issue is given the attention it demands, more councils will fall under financial pressure, more social care providers will fail and more of the most vulnerable people we are all here to represent will go without the support they need. It cannot go on like this. We need a plan, and I commend this motion to the House.

6.45 pm

**The Minister for Care (Helen Whately):** I am delighted to be here at the Dispatch Box as Minister for Care. I thank the shadow Minister, the hon. Member for Denton and Reddish (Andrew Gwynne), for his welcome, if not for everything else he said. I hope we will be able to work together on fixing social care.

I am aware that my new job comes with great responsibility. I am mindful of the many thousands of people who rely on social care and of all the challenges in our current care system, but with that responsibility comes an opportunity to take forward changes that we know are so desperately needed now and for the future.

Before I say any more, I pay tribute to the countless carers, social workers, nurses, friends and family members who care for people in this country. Their dedication means that so many people who need help receive it. Our social care system is utterly dependent on their skills, compassion and hard work.

**Robert Largan (High Peak) (Con):** The Minister is generous in giving way.

I visited Goyt Valley House care home in New Mills on Friday and saw at first hand the amazing work done by the staff. I spoke to the relatives and residents and learned just how important the care home is. Unfortunately, its future is currently in doubt. May I invite the Minister to come and visit New Mills and see the care home for herself?

**Helen Whately:** I have already visited two care homes since becoming Minister for Care, and I want to visit many more. I hope I will be able to take up my hon. Friend's invitation and see that good work for myself.

I pay tribute to my predecessor as Minister for Care, my hon. Friend the Member for Gosport (Caroline Dinéage). I hear that she was visiting a hospice on reshuffle day—her actions illustrate the enormous commitment and compassion she brought to this role. I sincerely hope to follow in her footsteps.

I also thank all the hon. Members who have spoken today. Social care is important to many thousands of our constituents, and their interest and input are incredibly valuable.

**Mr Perkins:** I welcome the Minister to her post, and I welcome what she says about carers. Would it not be wonderful if, rather than just giving them her warm words, support and admiration, she were able to join a cross-party campaign to see that carers get paid more than burger flippers in McDonald's so that we actually start recognising them with the same prestige as nurses and the same earnings as people in our health service?

**Helen Whately:** I thank the hon. Gentleman for his suggestion. It is almost as if he has seen my notes.

One thing I particularly welcome is the number of hon. Members on both sides of the House who spoke about the importance of careworkers, who provide such important care.

My hon. Friend the Member for Peterborough (Paul Bristow) mentioned that both his parents were nurses in the care sector. He drew on his knowledge of care and rightly said that the profession should be held in higher esteem and that, just as we hugely value NHS staff, we should hugely value careworkers. The hon. Members for Warrington North (Charlotte Nichols), for Blaydon (Liz Twist), for Dulwich and West Norwood (Helen Hayes), for Putney (Fleur Anderson) and for Liverpool, Wavertree (Paula Barker) and my hon. Friend the Member for Bury North (James Daly) spoke along the same lines, and I could not agree more.

Not long after I became the Member of Parliament for Faversham and Mid Kent, I joined a careworker, Kim, on her daily round. By the time I met her at 7.30 am, she had already started washing her first client. By lunch time, she had washed, dressed, fed, medicated and chatted with six or seven men and women. Some of them were grateful and some of them, quite honestly, were not grateful, but they were all utterly reliant on her care. That experience really brought home to me the skill, knowledge and compassion of our social care workers. For those who need help, there are amazing carers with hearts of gold, like Kim.

Our care system depends on an extraordinary workforce of capable and compassionate carers, but we need more people to choose care as a career. That means changing the perception of being a care worker. As a society, we must truly recognise the importance of the work. We must make sure that more people realise the range of jobs in care and the opportunities for progression. The Government are currently investing in an adult social care recruitment campaign with the strapline "When you care, every day makes a difference". We are working with Skills for Care to support workforce development and there is funding for a workforce development fund. That is really important, but we know that we must go further in making sure that we truly value the important work that the care sector does and to make sure that the care profession attracts the workforce that we need and gives them the opportunities to lead a truly fulfilling career.

Several Members rightly talked about unpaid carers, who also provide so much vital care. We fully recognise the value of that work and know the importance of support for those people who do so much caring. That is one reason why the Government will introduce a



[*Helen Whately*]

statutory right to leave from work for one week a year for the 5 million people who juggle work alongside being an unpaid carer.

My hon. Friend the Member for Bury North talked about quality of care, and it was really important to hear that mentioned as part of the debate. He spoke about how good care is in his constituency, and he is absolutely right that we should talk about how good care is throughout England. Some 84% of adult social care providers are currently rated good or outstanding by the CQC. Let us recognise the high quality of care.

My hon. Friend also spoke about the importance of integration—of the NHS, local authorities and care providers working together—as did my right hon. Friend the Member for Ashford (Damian Green), who is knowledgeable on this subject. The interplay between the NHS and social care is critical. The better care fund and the improved better care fund are a success story in respect of enabling more co-operation between the systems. It is crucial that we continue to build on that success so that our care system meets the needs of the individual, not just of the system.

My hon. Friend the Member for Watford (Dean Russell) made some excellent points about how, paradoxically, we can use technology to help to achieve more human and more personal care for a more cohesive and effective care system.

Both my hon. Friend the Member for Thurrock (Jackie Doyle-Price) and the shadow Minister for Care, the hon. Member for Worsley and Eccles South (Barbara Keeley), mentioned those with learning disabilities and autism who are being cared for in in-patient settings. I am new to this job, but I absolutely appreciate the importance of making sure that we do better in this regard. People should be cared for in the best place for their needs. At the end of last month, the number of those in in-patient settings had been reduced by 24% compared with 2015—

**Barbara Keeley** *indicated dissent.*

**Helen Whately:** The shadow Minister is shaking her head; I know that there is more to do.

At times this has been a heated debate, but I heard on both sides truly constructive suggestions for how we can solve our social care challenges. That gives me much hope for cross-party consensus. I heard suggestions from my hon. Friends the Members for Newton Abbot (Anne Marie Morris) and for Meon Valley (Mrs Drummond), my right hon. Friend the Member for Ashford, the hon. Member for Leicester West (Liz Kendall) and my hon. Friend the Member for Bexhill and Battle (Huw Merriman), whom I thank for his kind words welcoming me to my job. He set the bar high for me to meet.

I am fully aware of the challenges that face our care system and I have no illusions as to the scale of the challenge facing us. In the next 10 years, we expect the number of people over 75 to go up by 1.5 million, and the number of people under 65 with care needs is growing, too. We have a system that is under pressure and the demands are only going to grow.

**Liz Kendall:** In the spirit of being constructive, let me mention, as I did during my speech, the huge and rising pressures on social care. There are 120,000 vacancies

here and now. We need more than half a million care workers in a decade's time just to keep up with rising demand—that is not to improve the system, but just to keep pace with demand. The proposed points-based system of immigration will be catastrophic for social care. Will the Minister meet me and others who work in this area to explore the potential for a separate route into social care, so that we can avoid further pressure and worse care for the people for whom we love and care?

**Helen Whately:** What I would like to emphasise in response to the hon. Lady's point is the importance of our recognising, valuing and making sure that social care is an attractive career. In that way, those who are already working in social care will continue to work in social care. It will be for us to build the workforce that we need for the future.

**Liz Kendall** *rose—*

**Helen Whately:** I am conscious of time, so I must now come to my conclusion.

We all bring our experiences to our work, and, as I conclude this debate, I want to mention one of mine. When my grandmother was 100 years old, she was admitted to hospital and she stayed there for five months. She was signed off as ready to leave numerous times, but each time the failure to find a care package delayed her discharge, during which time she would acquire an infection, further delaying her discharge. She was eventually discharged, but only in time for her to die—thankfully, peacefully at home. This is a cycle with which too many people are familiar, and it means that our hospitals are looking after people who would be better off at home.

As I have said, I am under no illusions about the challenges that we face in social care. The problem that I have just described is nothing new, but let us be the generation that solves it. That is a commitment that we as a Government have made. We will fix the crisis in social care. We will deliver the funding that is needed now to stabilise the system. We will find a long-term solution to the growing need for care and seek to build a cross-party consensus on this. We are committed to the view that the prerequisite of that solution is that no one needing care will have to sell their home to pay for that care.

We will not be supporting the Opposition's motion tonight, but where I think we can all agree is on the importance and the urgency of reform of social care. As we bring forward those plans, I look forward to working with colleagues from all parts of this House. Just as we had a consensus in the 1940s on the NHS, the time has now come for a new consensus on social care. Let us be the generation that works together and makes our care system work for all those who so badly need it.

*Question put (Standing Order No. 31(2)), That the original words stand part of the question.*

*The House divided: Ayes 181, Noes 315.*

**Division No. 36]**

**[6.57 pm**

**AYES**

Abrahams, Debbie	Ashworth, Jonathan
Amesbury, Mike	Barker, Paula
Anderson, Fleur	Begum, Apsana
Antoniazzi, Tonia	Benn, rh Hilary

Betts, Mr Clive  
 Blake, Olivia  
 Blomfield, Paul  
 Brabin, Tracy  
 Bradshaw, rh Mr Ben  
 Brennan, Kevin  
 Brown, Ms Lyn  
 Brown, rh Mr Nicholas  
 Bryant, Chris  
 Buck, Ms Karen  
 Byrne, Ian  
 Campbell, rh Sir Alan  
 Carden, Dan  
 Carmichael, rh Mr Alistair  
 Chamberlain, Wendy  
 Champion, Sarah  
 Charalambous, Bambos  
 Clark, Feryal  
 Cooper, Daisy  
 Cooper, Rosie  
 Cooper, rh Yvette  
 Corbyn, rh Jeremy  
 Coyle, Neil  
 Creasy, Stella (*Proxy vote cast by Peter Kyle*)  
 Cruddas, Jon  
 Cunningham, Alex  
 Daby, Janet  
 Davey, rh Sir Edward  
 David, Wayne  
 Davies, Geraint  
 Davies-Jones, Alex  
 De Cordova, Marsha  
 Debbonaire, Thangam  
 Dhesi, Mr Tanmanjeet Singh  
 Dodds, Anneliese  
 Doughty, Stephen  
 Eagle, Ms Angela  
 Eagle, Maria  
 Edwards, Jonathan  
 Efford, Clive  
 Elliott, Julie  
 Elmore, Chris  
 Eshalomi, Florence  
 Esterson, Bill  
 Evans, Chris  
 Farron, Tim  
 Farry, Stephen  
 Fletcher, Colleen  
 Foxcroft, Vicky  
 Foy, Mary Kelly  
 Gardiner, Barry  
 Gill, Preet Kaur  
 Glindon, Mary  
 Green, Kate  
 Greenwood, Lilian  
 Greenwood, Margaret  
 Gwynne, Andrew  
 Haigh, Louise  
 Hamilton, Fabian  
 Hardy, Emma  
 Harris, Carolyn  
 Hayes, Helen  
 Healey, rh John  
 Hendrick, Sir Mark  
 Hill, Mike  
 Hobhouse, Wera  
 Hodgson, Mrs Sharon  
 Hollern, Kate  
 Hopkins, Rachel  
 Howarth, rh Sir George  
 Huq, Dr Rupa  
 Hussain, Imran  
 Jardine, Christine  
 Jarvis, Dan  
 Johnson, Dame Diana  
 Johnson, Kim  
 Jones, Gerald  
 Jones, rh Mr Kevan  
 Jones, Ruth  
 Kane, Mike  
 Keeley, Barbara  
 Kendall, Liz  
 Khan, Afzal  
 Kinnock, Stephen  
 Kyle, Peter  
 Lake, Ben  
 Lammy, rh Mr David  
 Lavery, Ian  
 Lewell-Buck, Mrs Emma  
 Lewis, Clive  
 Lloyd, Tony  
 Lynch, Holly  
 Madders, Justin  
 Mahmood, Mr Khalid  
 Mahmood, Shabana  
 Maskell, Rachael  
 Matheson, Christian  
 McCabe, Steve  
 McCarthy, Kerry  
 McDonagh, Siobhain  
 McDonald, Andy  
 McDonnell, rh John  
 McFadden, rh Mr Pat  
 McGovern, Alison  
 McKinnell, Catherine  
 McMahan, Jim  
 McMorrin, Anna  
 Mearns, Ian  
 Miliband, rh Edward  
 Mishra, Navendu  
 Moran, Layla  
 Morgan, Mr Stephen  
 Morris, Grahame  
 Murray, James  
 Nichols, Charlotte  
 Norris, Alex  
 Onwurah, Chi  
 Oppong-Asare, Abena  
 Osamor, Kate  
 Osborne, Kate  
 Owatemi, Taiwo  
 Owen, Sarah (*Proxy vote cast by Kate Osamor*)  
 Peacock, Stephanie  
 Pennycook, Matthew  
 Perkins, Mr Toby  
 Phillips, Jess  
 Phillipson, Bridget  
 Pollard, Luke  
 Powell, Lucy  
 Qureshi, Yasmin  
 Rayner, Angela  
 Reed, Steve  
 Rees, Christina  
 Reeves, Ellie (*Proxy vote cast by Bambos Charalambous*)  
 Reynolds, Jonathan  
 Ribeiro-Addy, Bell  
 Rimmer, Ms Marie  
 Rodda, Matt  
 Russell-Moyle, Lloyd  
 Saville Roberts, rh Liz

Shah, Naz  
 Sharma, Mr Virendra  
 Siddiq, Tulip  
 Slaughter, Andy  
 Smith, Cat  
 Smith, Nick  
 Smyth, Karin  
 Sobel, Alex  
 Stevens, Jo  
 Stone, Jamie  
 Streeting, Wes  
 Stringer, Graham  
 Sultana, Zarah  
 Tami, rh Mark  
 Tarry, Sam  
 Thomas, Gareth  
 Thomas-Symonds, Nick  
 Timms, rh Stephen

Trickett, Jon  
 Twigg, Derek  
 Twist, Liz  
 Vaz, rh Valerie  
 Webbe, Claudia  
 West, Catherine  
 Western, Matt  
 Whitehead, Dr Alan  
 Whitley, Mick  
 Whittome, Nadia  
 Williams, Hywel  
 Wilson, Munira  
 Winter, Beth  
 Yasin, Mohammad  
 Zeichner, Daniel

#### Tellers for the Ayes:

**Jessica Morden and  
 Jeff Smith**

#### NOES

Adams, Nigel  
 Afolami, Bim  
 Afriyie, Adam  
 Ahmad Khan, Imran  
 Aiken, Nickie  
 Aldous, Peter  
 Allan, Lucy  
 Amess, Sir David  
 Anderson, Lee  
 Anderson, Stuart  
 Andrew, Stuart  
 Ansell, Caroline  
 Argar, Edward  
 Atherton, Sarah  
 Bacon, Mr Gareth  
 Bacon, Mr Richard  
 Badenoch, Kemi (*Proxy vote cast by Leo Docherty*)  
 Bailey, Shaun  
 Baillie, Siobhan  
 Baker, Duncan  
 Baker, Mr Steve  
 Baldwin, Harriett  
 Baron, Mr John  
 Baynes, Simon  
 Bell, Aaron  
 Benton, Scott  
 Beresford, Sir Paul  
 Berry, rh Jake (*Proxy vote cast by Stuart Andrew*)  
 Bhatti, Saqib  
 Blackman, Bob  
 Blunt, Crispin  
 Bone, Mr Peter  
 Bottomley, Sir Peter  
 Bowie, Andrew  
 Bradley, Ben  
 Bradley, rh Karen  
 Brady, Sir Graham  
 Braverman, rh Suella  
 Brereton, Jack  
 Bridgen, Andrew  
 Brine, Steve  
 Bristow, Paul  
 Britcliffe, Sara  
 Browne, Anthony  
 Bruce, Fiona  
 Buchan, Felicity  
 Buckland, rh Robert  
 Burghart, Alex  
 Burns, rh Conor  
 Butler, Rob  
 Campbell, Mr Gregory  
 Carter, Andy  
 Cartlidge, James  
 Cash, Sir William  
 Cates, Miriam  
 Caulfield, Maria  
 Chalk, Alex  
 Chishti, Rehman  
 Chope, Sir Christopher  
 Churchill, Jo  
 Clark, rh Greg  
 Clarke, Mr Simon  
 Clarke, Theo  
 Clarke-Smith, Brendan  
 Clarkson, Chris  
 Cleverly, rh James  
 Colburn, Elliot  
 Costa, Alberto  
 Courts, Robert  
 Coutinho, Claire  
 Crabb, rh Stephen  
 Crosbie, Virginia  
 Crouch, Tracey  
 Daly, James  
 Davies, Gareth  
 Davies, Dr James  
 Davies, Mims  
 Davies, Philip  
 Davison, Dehenna  
 Dinanage, Caroline  
 Djanogly, Mr Jonathan  
 Docherty, Leo  
 Donaldson, rh Sir Jeffrey M.  
 Donelan, Michelle  
 Dorries, Ms Nadine  
 Double, Steve  
 Dowden, rh Oliver  
 Doyle-Price, Jackie  
 Drax, Richard  
 Drummond, Mrs Flick  
 Duguid, David  
 Duncan Smith, rh Sir Iain  
 Dunne, rh Philip  
 Eastwood, Mark  
 Edwards, Ruth  
 Ellis, rh Michael  
 Ellwood, rh Mr Tobias  
 Eustice, rh George  
 Evans, Dr Luke  
 Evennett, rh Sir David

Everitt, Ben  
 Fabricant, Michael  
 Farris, Laura  
 Fletcher, Katherine  
 Fletcher, Mark  
 Fletcher, Nick  
 Ford, Vicky  
 Foster, Kevin  
 Fox, rh Dr Liam  
 Francois, rh Mr Mark  
 Freeman, George  
 Freer, Mike  
 Fuller, Richard  
 Fysh, Mr Marcus  
 Gale, rh Sir Roger  
 Garnier, Mark  
 Gibb, rh Nick  
 Gibson, Peter  
 Gideon, Jo  
 Girvan, Paul  
 Glen, John  
 Goodwill, rh Mr Robert  
 Gove, rh Michael  
 Graham, Richard  
 Grant, Mrs Helen  
 Gray, James  
 Grayling, rh Chris  
 Green, Chris  
 Green, rh Damian  
 Griffith, Andrew  
 Griffiths, Kate  
 Grundy, James  
 Gullis, Jonathan  
 Halfon, rh Robert  
 Hancock, rh Matt  
 Hands, rh Greg  
 Harper, rh Mr Mark  
 Harris, Rebecca  
 Harrison, Trudy  
 Hart, Sally-Ann  
 Hart, rh Simon  
 Hayes, rh Sir John  
 Heald, rh Sir Oliver  
 Heapey, James  
 Henderson, Gordon  
 Henry, Darren  
 Higginbotham, Antony  
 Hinds, rh Damian  
 Holden, Mr Richard  
 Hollinrake, Kevin  
 Hollobone, Mr Philip  
 Holloway, Adam  
 Holmes, Paul  
 Howell, John  
 Huddleston, Nigel  
 Hudson, Dr Neil  
 Hughes, Eddie  
 Hunt, Jane  
 Hunt, Tom  
 Javid, rh Sajid  
 Jayawardena, Mr Ranil  
 Jenkin, Sir Bernard  
 Jenkinson, Mark  
 Jenrick, rh Robert  
 Johnson, Dr Caroline  
 Johnson, Gareth  
 Johnston, David  
 Jones, Andrew  
 Jones, rh Mr David  
 Jones, Fay  
 Jones, Mr Marcus  
 Jupp, Simon  
 Kawczynski, Daniel  
 Kearns, Alicia  
 Keegan, Gillian  
 Knight, rh Sir Greg  
 Knight, Julian  
 Kruger, Danny  
 Kwarteng, rh Kwasi  
 Lamont, John  
 Largan, Robert  
 Latham, Mrs Pauline  
 Leadsom, rh Andrea  
 Leigh, rh Sir Edward  
 Levy, Ian  
 Lewer, Andrew  
 Lewis, rh Brandon  
 Lewis, rh Dr Julian  
 Liddell-Grainger, Mr Ian  
 Lockhart, Carla  
 Loder, Chris  
 Logan, Mark  
 Longhi, Marco  
 Lopez, Julia (*Proxy vote cast  
 by Robert Courts*)  
 Lord, Mr Jonathan  
 Loughton, Tim  
 Mackinlay, Craig  
 Mackrory, Cherilyn  
 Maclean, Rachel  
 Mak, Alan  
 Malthouse, Kit  
 Mangnall, Anthony  
 Mann, Scott  
 Marson, Julie  
 Mayhew, Jerome  
 Maynard, Paul  
 McCartney, Jason  
 McCartney, Karl  
 McPartland, Stephen  
 McVey, rh Esther  
 Mercer, Johnny  
 Merriman, Huw  
 Metcalfe, Stephen  
 Millar, Robin  
 Miller, rh Mrs Maria  
 Mills, Nigel  
 Mohindra, Gagan  
 Moore, Damien  
 Moore, Robbie  
 Mordaunt, rh Penny  
 Morris, Anne Marie  
 Morris, David  
 Morris, James  
 Morton, Wendy  
 Mullan, Dr Kieran  
 Mundell, rh David  
 Murray, Mrs Sheryll  
 Murrison, rh Dr Andrew  
 Nici, Lia  
 Nokes, rh Caroline  
 O'Brien, Neil  
 Offord, Dr Matthew  
 Opperman, Guy  
 Paisley, Ian  
 Paterson, rh Mr Owen  
 Pawsey, Mark  
 Philp, Chris  
 Pincher, rh Christopher  
 Poulter, Dr Dan  
 Pow, Rebecca  
 Prentis, Victoria  
 Pritchard, Mark  
 Pursglove, Tom

Quin, Jeremy  
 Quince, Will  
 Randall, Tom  
 Redwood, rh John  
 Rees-Mogg, rh Mr Jacob  
 Richards, Nicola  
 Richardson, Angela  
 Roberts, Rob  
 Robertson, Mr Laurence  
 Robinson, Gavin  
 Robinson, Mary  
 Rosindell, Andrew  
 Ross, Douglas  
 Russell, Dean  
 Sambrook, Gary  
 Saxby, Selaine  
 Scully, Paul  
 Seely, Bob  
 Selous, Andrew  
 Shannon, Jim  
 Shapps, rh Grant  
 Simmonds, David  
 Skidmore, rh Chris  
 Smith, Chloe  
 Smith, Greg  
 Smith, Henry  
 Smith, Royston  
 Spencer, Dr Ben  
 Spencer, rh Mark  
 Stafford, Alexander  
 Stephenson, Andrew  
 Stevenson, Jane  
 Stevenson, John  
 Stewart, Bob  
 Streeter, Sir Gary  
 Stride, rh Mel  
 Sturdy, Julian  
 Sunderland, James  
 Swayne, rh Sir Desmond  
 Syms, Sir Robert  
 Thomas, Derek  
 Throup, Maggie  
 Timpson, Edward  
 Tolhurst, Kelly  
 Tomlinson, Justin  
 Tracey, Craig  
 Trott, Laura  
 Truss, rh Elizabeth  
 Tugendhat, Tom  
 Vara, Mr Shailesh  
 Vickers, Martin  
 Villiers, rh Theresa  
 Wakeford, Christian  
 Walker, Sir Charles  
 Wallis, Dr Jamie  
 Warburton, David  
 Warman, Matt  
 Watling, Giles  
 Webb, Suzanne  
 Whately, Helen  
 Wheeler, Mrs Heather  
 Whittaker, Craig  
 Wiggin, Bill  
 Wild, James  
 Williams, Craig  
 Williamson, rh Gavin  
 Wilson, rh Sammy  
 Wood, Mike  
 Wragg, Mr William  
 Wright, rh Jeremy  
 Young, Jacob  
 Zahawi, Nadhim  
**Tellers for the Noes:**  
**David Rutley and**  
**Iain Stewart**

*Question accordingly negated.*

*Question put forthwith (Standing Order No. 31(2)),  
 That the proposed words be there added.*

*Question agreed to.*

*The Speaker declared the main Question, as amended,  
 to be agreed to (Standing Order No. 31(2)).*

*Resolved,*

That this House notes that the Government is committed to fixing the crisis in social care; and supports the Government's commitment to find a long term solution for the growing need for care and commitment to an ambitious three point plan, including extra funding every year, seeking a cross party consensus and ensuring the prerequisite of any solution is a guarantee that no one needing care has to sell their home to pay for it.

## Business without Debate

### DELEGATED LEGISLATION

**Mr Speaker:** With the leave of the House, we shall take motions 3 to 7 together.

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

### POLICE

That the draft Police and Crime Commissioner Elections (Amendment) Order 2020, which was laid before this House on 14 January, be approved.



## AGRICULTURE

That the Financing, Management and Monitoring of Direct Payments to Farmers (Amendment) Regulations 2020 (S.I., 2020, No. 90), dated 30 January 2020, a copy of which was laid before this House on 31 January, be approved.

That the Rules for Direct Payments to Farmers (Amendments) Regulations 2020 (S.I., 2020, No. 91), dated 30 January 2020, a copy of which was laid before this House on 31 January, be approved.

## LEGAL SERVICES

That the draft Legal Services Act 2007 (Approved Regulator) Order 2020, which was laid before this House on 15 January, be approved.

That the draft Legal Services Act 2007 (Chartered Institute of Legal Executives) (Appeals from Licensing Authority Decisions) Order 2020, which was laid before this House on 15 January, be approved.—(*Maria Caulfield.*)

*Question agreed to.*

## PETITION

## Universal Credit Bonus Payments

7.13 pm

**Martyn Day** (Linlithgow and East Falkirk) (SNP): It is not for the first time that I rise to present a petition centred around the issue of universal credit. On this occasion, it relates to bonus payments for my constituents, who were appalled by the £300 Christmas bonuses awarded by Greggs being reduced in some cases to as little as £75. [*Interruption.*]

**Mr Speaker:** Order. The hon. Gentleman is speaking. The hon. Member for Kirkcaldy and Cowdenbeath (Neale Hanvey) cannot walk backward and forward in front of him.

**Martyn Day:** Thank you, Mr Speaker. With your permission, I will start again.

It is not for the first time that I rise to present a petition on behalf of my constituents relating to the issue of universal credit. On this occasion, it concerns bonus payments. Greggs employees were awarded Christmas bonuses of £300, which were reduced in some cases to as little as £75, and this has appalled many of my constituents and me.

The petition states:

The petition of residents of Linlithgow and East Falkirk,

Declares that current rules surrounding bonus salary payments to Universal Credit claimants are profoundly unfair and lead to unintended reductions in subsequent Universal Credit payments which perversely disincentivises work.

The petitioners therefore request that the House of Commons urges the Government to revise Universal Credit rules which would see one-off bonus payments treated as capital rather than salary payments.

And the petitioners remain, etc.

[P002558]

## East Leake Health Centre

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

7.15 pm

**Ruth Edwards** (Rushcliffe) (Con): I am most grateful for the opportunity provided by tonight's debate to highlight the situation in East Leake health centre in my constituency, where patients are in great need of an upgraded new facility. I will highlight the problems and constraints that they face with the current building. I will also set out the huge opportunity we have to co-locate primary, social and community care services, offering patients a wider range of services in one place within their community and taking away the need for them to travel to Nottingham for out-patient services, and in doing so relieving pressures on nearby hospitals such as the Queen's Medical Centre, providing care for a much larger population, which will increase further in the next few years, and enabling the delivery of joined-up services in line with the Government's objectives for primary care networks.

I thank the Under-Secretary of State for Health and Social Care, my hon. Friend the Member for Bury St Edmunds (Jo Churchill) in advance for responding to the debate today. I would be grateful to hear what plans the Government have for investment in the primary care estate and the mechanisms and timetable by which such funds might be made available. I also invite her to see the strength of our bid in person by visiting East Leake health centre with me.

East Leake is a large village in the south-west of my constituency. It has seen significant growth due to the building of 1,300 new houses in recent years and is earmarked to take a minimum of 400 more in the current local plan period. Local people are worried about the fast rate of new housebuilding. They are concerned about whether the number of school places and GP appointments can keep up with demand. East Leake health centre is rated as outstanding by the Care Quality Commission and by its patients. Residents tell me that their care at the centre is excellent, but they are concerned about how busy it is becoming. I would like to take this opportunity to put on record my gratitude to the doctors, nurses and all the support staff for the excellent job that they do for their patients in challenging conditions.

The current health centre is owned by Rushcliffe clinical commissioning group. It is the oldest in Nottinghamshire. It is a prefabricated building constructed 60 years ago, and it is no longer fit for purpose. There are problems with the fixtures and the services on the site. There are constant leaks when it rains, leading to regular flooding. As a result, parts of the already overcrowded practice are often unsuitable for patient use and have to be closed off.

**Jim Shannon** (Strangford) (DUP): I congratulate the hon. Lady on getting her first Adjournment debate. It will be the first of many, I have no doubt. I congratulate her as well on fighting hard for her constituents. I spoke to her beforehand.

**Mr Speaker:** And she will always have Jim intervening.

**Jim Shannon:** To support the hon. Lady; that is why I am here.

[Jim Shannon]

Does the hon. Lady agree that a vibrant and smoothly functioning health centre is a key facet of any local community, that if more funding were given to this frontline service there would be less unnecessary pressure on A&Es and that we really must get back to having GPs and nurses in place and functioning to provide an acceptable standard of the national health service?

**Ruth Edwards:** I thank the hon. Gentleman for his sensible intervention and his points, which I completely agree with. I shall be going on to make those points myself in a couple of moments.

The Minister may have received a photograph from me showing half of the waiting room in East Leake screened off, the floor filled with buckets and water; we had leaks coming in through the ceiling. If a new building is not constructed, substantial sums will still be needed for essential maintenance just to keep the current one functioning. Simply maintaining what is already there will not offer the best value for money, given the huge increase in the number of patients the practice is now serving and will need to serve in years to come.

**Alicia Kearns (Rutland and Melton) (Con):** I commend my hon. Friend and neighbour for securing this important debate for her constituents. The issue she raises applies to many rural constituencies such as mine; the numbers are important. In Melton, 30,000 people in my constituency are served by just one GP practice. [Interruption.] I respect very much that gasp of awe, which I did not pay for or prearrange. In Oakham, 16,000 people are served by one GP service. Does she agree that if we are truly to be the party of the NHS, we need to invest in primary care, because that is what people feel and experience on the ground that makes them feel that the NHS is truly on their side and we are on their side? It will also get those numbers down, so that people get the fair, honest and decent primary healthcare they deserve.

**Mr Speaker:** Order. I just need to help a little. Unfortunately, I have been very soft with Mr Shannon in previous times. This debate is about the East Leake health centre and therefore we should not be widening it; the danger is that people's Adjournment debates are going to be captured. I understand why people want to raise these things, but I think we are going to have to tighten down in the future if people are going to start spreading the debate around everybody.

**Ruth Edwards:** Thank you, Mr Speaker. I completely agree with my hon. Friend's point; we need to invest in health centres in our rural communities, because that will also take the pressure off accident and emergency units, and hospitals

There has been a 25% increase in patient numbers at the East Leake practice in the past five years. With the new housing I referred to earlier being built in the next four or five years, an additional 3,000 patients—a further increase of 27%—are forecast. The medical team and services needed to effectively serve the growing population can no longer fit inside the building. At present, there are more doctors than consulting rooms, and the district nursing team has had to move out of the health centre due to a lack of space.

A few weeks ago, I visited the practice. I am hugely grateful to the practice manager, Nicky Grant, to doctors Neil Fraser and Nicolas Milhavy, and to Conrad Oatey, the chairman of the patient participation group, for showing me the great work done at the practice and the ingenious use they have made of their already limited space to try to accommodate growing demand. It is a rabbit warren of rooms, squeezed in to accommodate 45 members of staff, including nurses and 12 doctors. They are dispensing advice, immunisations, vaccinations, blood tests, treatment for minor injuries and illnesses, antenatal care and palliative care, and they are helping people to quit smoking—the list goes on. The building has already been expanded four times on the current site, and there is no further land for it to be expanded again. Having been there myself, I cannot see how a further 3,000 patients could possibly be served from the current practice building. As I mentioned in my opening remarks, I would like to invite the Minister to visit the practice with me, both to see the current conditions in which the team are working and to hear more about the exciting proposals for a new health centre.

The proposals are indeed very exciting. We will have a bigger, modern practice that is designed for the number of patients being served today, rather than 10 years ago, but it will be much, much more than that. The proposal is for the practice to relocate to a new site, still based in East Leake, which will accommodate a range of primary, social and community services. Those include community pharmacists, dentists, social services, the public library and the parish council, and the return of the district nursing team. It will also enable new diagnostic services and out-patient services, such as ultrasound and physiotherapy, to be located on site. Treatment will be delivered in the heart of the community, meaning that fewer people will have to make trips to already stretched hospitals. It will also provide a proper space from which local mental health services could be delivered—that is a priority that many of my constituents have raised with me.

This will mean that the elderly gentleman can collect his repeat prescription, take out a book from the library and talk to the parish council about an issue in his street all in one trip. It also means that the young pregnant mum who needs an ultrasound scan, but also a dentist's appointment for her eldest child, can access both on the same day in the same place. Someone who has been injured at work can see their physiotherapist and GP, and pick up their painkillers.

The cost of the new building will be £12.4 million. Rushcliffe clinical commissioning group is asking for £7.3 million in capital funding from the Government, which it will supplement with contributions from developers, plus investment from the other organisations that would co-locate into the building. The cost is therefore significantly less than if the co-location model was not pursued, and the primary care aspect of the health centre was moved to a refurbished site on its own. It will allow delivery of enhanced primary care services and community facilities in the most cost-effective way, serve as a model for modern delivery of multiple services in the community and relieve the huge pressure on the A&E department at Queen's medical centre.

Furthermore, this will help to deliver on many of the priorities for primary care networks, as set out in the NHS long term plan, providing better management of financial and estate pressures, a wider range of services

to patients and better integration of GP services with the wider health and care system. It will also enable better integrated care for people with complex needs, including many elderly residents, and better enable the provision of proactive, preventive measures and holistic solutions, such as social prescribing.

I strongly welcome the Government's focus on levelling up investment and opportunity across our country. For the benefits to be fully realised, this will also need to involve levelling up between urban and rural areas, as the latter have historically often seen lower investment. Investment in healthcare is one of the many levers for doing that. This Government's hospital building programme of 40 new hospitals and 20 upgrades—the first in a generation—is fantastic news for everyone. However, it needs to be matched with investment in primary healthcare, particularly in rural areas like many parts of my constituency, to offer better access to integrated healthcare services within rural communities. This will make it easier, more convenient and cheaper for patients to access healthcare services, drastically decrease the number of times people even have to go to a hospital for treatment due to better joined-up care and a focus on prevention, and help to care for elderly patients with complex needs in their homes for longer.

With its growing population, East Leake and the surrounding areas have growing need, but its health centre can no longer grow to match it on its current site. Its practice team have an exciting, forward-thinking vision for the future delivery of health and social care services. Its future provides us with a golden opportunity to invest in local, community-centred care. I thank the Minister again for taking the time to listen and to respond to this debate. I would be most grateful for any guidance on Government plans for future investment in primary care, and any reassurances she can give me about the bigger, brighter future for East Leake health centre. Once again, I reiterate my invitation to visit.

7.28 pm

**The Parliamentary Under-Secretary of State for Health and Social Care (Jo Churchill):** First, I congratulate my hon. Friend the Member for Rushcliffe (Ruth Edwards) on securing this debate, and on how passionately and eloquently she has spoken about the needs of East Leake and of her constituents. I am sure that she will serve her constituency well. She has big boots to fill, following the former Father of the House, who served in this place for 49 years. That length of time can only be admired, can it not?

As I said in a previous debate on GP provision in Derbyshire, we know that general practice sits absolutely at the bedrock of our NHS, and we understand the integral role that GPs play for all of us in the health system locally. This is particularly the case in a rural constituency. I represent a rural constituency, and my hon. Friend the Member for Rutland and Melton (Alicia Kearns) also represents a beautiful rural constituency.

I commend the outstanding work that is being undertaken by Nottinghamshire to improve its primary care estate, because there has been local investment, but continued investment in our primary and community care is vital. That is why the investment of £4.3 million in Rushcliffe CCG's Cotgrave surgery scheme has been most welcome, and I am sure that patients and NHS staff are benefiting from that scheme and the hub.

It serves to draw an even greater distinction between the facilities that my hon. Friend currently has at East Leake and the aspiration for what she would like her constituents to have.

It is reassuring to see that the CCGs in Nottingham and Nottinghamshire have built effective working relationships with all six planning authorities within their geographical area, and those on their boundaries as well. This includes engaging with local plans and strategic housing developments as they are going forward, as well as consulting on individual planning applications.

Ensuring that primary care develops as an area grows is of vital importance, but I would like to turn to the specific subject of East Leake. Improving the primary care estate is an enabler to boosting out-of-hospital care, as my hon. Friend the Member for Rushcliffe so well said. It is a key element in the long-term plan, and delivering our manifesto commitment to improve general practice lies front and centre of what we aim to do over the next four and a half years.

I am pleased to hear that my hon. Friend has made it one of her very first priorities as the new MP for Rushcliffe to drive forward the proposals to improve primary care in her area for her constituents and specifically in East Leake with its very specific needs. I do understand that the current surgery is in need of modernisation, as it is in an old building that is crumbling, and I would like to pay tribute, as she did, to all those members of staff who work there, both clinical staff and also the support staff, who back up practices in all our constituencies so that people can access the facilities they need on their doorstep, often working in difficult environments.

My hon. Friend's proposal to replace the current estate with a modernised health centre and community hub that can accommodate the local GP services, library, social services, dental practice, pharmacy, parish councils, district nurses, physios and mental health facilities—I do not think I have missed any out; I think that was just about the list—plus charities in the building has the potential to address the multifaceted needs that all our local populations have on one site. That co-location of both public service and charities offers the potential to ensure that our local communities' needs for accessible services are prioritised and well met.

I see that the Cotgrave model, which opened in November 2018, has inspired the new proposal for East Leake. The Cotgrave scheme has been highly successful, integrating primary and community healthcare services with other public sector organisations, and I encourage the local health economy to continue to develop very robust bids and submit them at the next available opportunity for capital funding.

The key reason behind the East Leake proposal was the steady growth in the patient list size, caused by a significant number of housing developments that are going on not only in my hon. Friend's constituency but across the locality. Ensuring that we have a planned approach so that the right facilities go in the right area is very important. For example, I know there is a planned development at Fairham Pastures of about 3,000 houses, and those 3,000 new homes will have constituents in them. It is incredibly important that when new housing developments are planned, local healthcare provision is in lockstep with it, and we plan that at the same time: we must develop in step with the changing population need so that existing and new residents have access to the healthcare that they need.



[Jo Churchill]

As my hon. Friend laid out so articulately, not everybody's needs are the same for their particular stage of life or the services they are trying to access. This requires strategic co-ordination at national and local levels, including early engagement between healthcare providers and local planning authorities. Our manifesto commitment to support access to primary care services in new housing developments stands. I will work closely with my colleagues across national and local government to deliver better primary care services.

It is pleasing to hear that in the case of East Leake, the CCG has a very effective process in place with Rushcliffe Borough Council regarding the local plan and subsequent housing developments, and that it has, through the borough council, secured section 106 money and other contributions which will help to offset some of the capital cost my hon. Friend outlined. I would say, however, that we are still looking at a large sum for East Leake, which is why the bid must be robust when it comes forward. As I have stated, improving the quality of general practice is a leading priority for the Government. Consequently, I have asked that I be kept informed about East Leake as we go forward.

Nationally, we recognise that improving the primary care estate is integral to strengthening general practice. Policies and funds will therefore be aimed specifically at improving the estate. The full amount of available sustainability and transformation partnerships has been worked through and allocated to those successful schemes that have been announced, but we will consider proposals from the NHS for the multi-year capital plan to support the transformation plans outlined in the long-term plan. Further capital funding for transformation will be confirmed in due course. The work my hon. Friend is doing now is therefore very important. Furthermore, the primary care estates and technology transformation fund aims to accelerate changes in general practice infrastructure to enable improvement in access and service quality, as we see more services delivered off-site and so on. The fund is investing £800 million in both capital and revenue between 2016 and 2021. That is in addition to annual investment in GP IT and business-as-usual capital.

The policy options to address the estate challenge have also been considered in the general practice premises policy review. NHS England and Improvement intends to develop an implementation framework following the outcome of capital decisions in the future spending review. The health infrastructure plan, published in September 2019, recognises that community care and primary care are critical to the delivery of personalised

and preventive health. This requires investment in the right buildings and facilities to enable staff to harness technology and deliver better care across the piece.

The plan will deliver a long-term rolling five-year programme of investment in health infrastructure, including capital to not only build the new hospitals we hear so much about, but to modernise our primary care estate, invest in new diagnostics—also part of the ask at East Leake—and technology, and help eradicate critical safety issues in the NHS estate. Future NHS capital funding, including for primary care, will be considered as part of the Department's multi-year settlement at the next capital review.

Improving the NHS primary care estate is only part of the transformation. It needs very close alignment with the workforce plan to ensure not just the buildings but the workforce and technology to back up delivery. As such, I want to reassure my hon. Friend that tackling these issues lies at the heart of our determination to strengthen general practice and primary care more broadly. We are committed to growing the workforce by 6,000 more doctors in general practice and 6,000 more primary care professionals for the services she is asking for, such as physiotherapists, physician associates, pharmacists and many others. She mentioned mental health, and access to a dietician can help those who are struggling with their weight. Allied health professionals can provide a great service in front-facing primary care. We are also looking to create an additional 50 million appointments a year in the next five years within primary care.

We are committed to delivering those ambitions. That will, of course, mean that we need a modern, dynamic and expanded estate that can fully accommodate the expanded workforce and deliver high-quality care for patients. That is why we need the local NHS, supported by dedicated MPs, to continue to develop robust and ambitious plans so that it is ready to benefit from the Government's ambitious capital spending programme when it is laid out.

I know that the Secretary of State and I will be hearing a lot more from my hon. Friend about East Leake and other needs in her constituency. I would be delighted to accept her kind invitation to visit East Leake and to talk more broadly about what the healthcare offer is in the locality, so that we can better understand how to provide effective, efficient and high-quality care for not only the residents of East Leake, but the broader constituency and area of Nottinghamshire.

*Question put and agreed to.*

7.41 pm

*House adjourned.*

# Westminster Hall

Tuesday 25 February 2020

[MR LAURENCE ROBERTSON *in the Chair*]

## UK Oil and Gas Industry

9.30 am

**Andrew Bowie** (West Aberdeenshire and Kincardine) (Con): I beg to move,

That this House has considered the UK oil and gas industry.

It is a pleasure to have you in the Chair, Mr Robertson, for this important and timely debate. It is important because the oil and gas industry is a major employer and a major contributor to the Exchequer, and its success is vital to the economic growth of not just my constituency but all those represented in the Chamber and indeed the entire country. It is timely because never before has an industry—indeed, a country—faced such challenges, had to react to such quick-changing expectations and move at such speed alongside an ever-evolving debate about our future energy needs and how we address the UK's contribution to anthropogenic climate change.

It was nearly two years ago, in April 2018, that the last debate on the UK's oil and gas industry was held in this place, led by my former colleague and constituency neighbour, the former MP for Gordon, Colin Clark, and responded to by the then Minister for Energy and Clean Growth, the former MP for Devizes, the right hon. Claire Perry—how times change! When I read that debate in *Hansard* at the weekend, what really struck me was how little reference there was to climate change: in fact, the phrase was used just four times. There was little comment from anyone on how the UK and indeed the world needed firm, ambitious action to reduce our climate emissions.

That is remarkable, given that but a year later, in May 2019, the UK Committee on Climate Change recommended a target of net zero carbon emissions by 2050. A month after that, the then Prime Minister Theresa May committed the UK to that target and, a month after that, on 27 June, the United Kingdom passed legislation committing us to net zero by 2050, making us the first, and as yet only, major economy to do that. I bet that no one in the Chamber for that debate two years ago—or here for this one—foresaw the speed of that change. No one could have envisaged Her Majesty's Government committing to such an ambitious and challenging target. Likewise, I bet that nobody could have ever imagined the chief executive officer of BP saying, as Bernard Looney did last week, that

“The world's carbon budget is finite and running out fast; we need a rapid transition to net zero. We all want energy that is reliable and affordable, but that is no longer enough. It must also be cleaner.”

He went on to say:

“This will certainly be a challenge, but also a tremendous opportunity. It is clear to me, and to our stakeholders, that for BP to play our part and serve our purpose, we have to change. And we want to change—this is the right thing for the world”.

He did that as he unveiled BP's commitment to be a net zero company by 2050.

Perhaps we should have foreseen such a speech from one of the world's largest and the UK's most successful companies, engaged in the extraction of fossil fuels and with a long history in the North sea; the UK oil and gas industry has, throughout its history, had to battle for its success, be that through economic slumps, environmental challenges, tragedy offshore or simply the difficulties that arise from extracting oil and gas from under the North sea. The industry has had to fight, develop, innovate, experiment and persevere to maintain its continued success. I know, from talking with men and women across the industry at all levels, that it stands ready to do all that again as it plays its part in our future energy mix, leading the way as we transition to net zero.

**Jamie Stone** (Caithness, Sutherland and Easter Ross) (LD): The hon. Member is making a knowledgeable and impassioned speech about a subject equally dear to my own heart. I would not have settled in Easter Ross and brought up three children if it had not been for the UK oil and gas industry; I owe it everything, as does my family.

More recently, we have assembled wind turbines in the Nigg yard in Easter Ross, which now make up the Beatrice field. The hon. Member talks of reaching targets—surely offshore wind farms such as the Beatrice farm off the coast of Caithness and Sutherland are the way forward.

**Andrew Bowie:** I thank the hon. Gentleman for his intervention and I could not agree more. The importance to the wider Scottish economy, and indeed the UK economy, is demonstrated by what we see going on in Caithness, Aberdeenshire and further south. Offshore wind is vital to our wider energy mix and meeting our target of net zero by 2050. We have seen such advances in that field over the last few years in terms of reducing the cost of producing energy through offshore wind, so it is incredibly promising and very good to see as part of a wider energy mix.

I represent a constituency in the north-east of Scotland: West Aberdeenshire and Kincardine—a part of the world synonymous with the oil and gas industry. According to the House of Commons Library, some 151,000 people are employed directly by the oil and gas industry across the UK. Of course, in reality, the number is much higher than that: Oil & Gas UK puts the figure at about 270,000, with many support, engineering, technology and even legal recruitment and accounting companies involved, engaged and reliant on a thriving oil and gas sector. Nowhere is that more apparent than in the north-east of Scotland. More than 68% of all direct employment in UK oil and gas is in Scotland and more than 80% of that is in the north-east of Scotland, in and around Aberdeen.

In Westhill, I have the privilege to represent the subsea capital of the world, with more subsea engineering companies per square mile than any other place on the planet. At Badentoy business park in Portlethen, at Blackburn, in the neighbouring constituencies of Aberdeen North, Aberdeen South, Angus and Gordon, and further north along the Banff and Buchan coastline—and even further north than that, in Caithness—there are hundreds of companies employing thousands of people engaged in every imaginable aspect of work in and for the oil and gas industry.

**Alex Cunningham** (Stockton North) (Lab): I congratulate the hon. Member on securing the debate, which is important for Teesside as well. I join him in paying tribute to the people who ensure that we keep oil and gas flowing and support our economy. Does he share my concern about helicopter safety? The Civil Aviation Authority recently published CAP 1877, its review of measures after the fatal crash in 2013. Is he surprised that 14 of the CAA's 20-odd recommendations from 2014 are still considered to be ongoing? The CAA really needs to get on with that so we can further reassure offshore workers about their safety.

**Andrew Bowie:** I thank the hon. Gentleman for his intervention. I am not surprised because I was aware of that, but it is regrettable. The CAA should, first, do much more to complete its findings and, secondly, move to reassure all of those who rely on helicopter transport out to the offshore rigs in the North sea.

It would be wrong to think of this solely as a north-east of Scotland industry; that has been demonstrated by the hon. Member for Stockton North (Alex Cunningham), whose constituency is in Teesside. This is a UK industry—indeed, a global one—that has contributed over £330 billion to the British economy, supports hundreds of thousands of jobs across the United Kingdom and has a supply chain worth nearly £30 billion, stretching into every nation, region and community across our islands, servicing both domestic activities and exporting almost £12 billion of goods and services to other basins around the world.

Globally, we see British energy companies engaged in work in Mozambique, where, with UK Government support, we are exploiting one of the largest and most recently discovered natural gas fields in the world. In the gulf of Mexico, in the Persian Gulf across the middle east and into the Mediterranean, from Vietnam to Australia, western Africa and the south Atlantic—all those places and more, we find people trained in using technology invented in and working for companies with bases in the United Kingdom.

However, the industry is not without its challenges. It is still emerging from one of the deepest and most sustained downturns in its history. The oil price crash of 2014 to 2016 saw an oil price drop of 70%, which had a huge effect on the industry, particularly in the north-east of Scotland, with many people retraining and leaving the industry altogether. Many of the smaller support companies struggled to survive; some did not. Some, particularly in the supply chain, are not out of the woods yet, but, as I said, resilience, inventiveness and ingenuity are bywords for the oil and gas industry in the United Kingdom and, alongside UK Government support to the tune of £2.3 billion, including investment in the Oil & Gas Technology Centre and the global underwater hub, the industry is confident about its future. We need it to be, for it is from this industry that the skills, technology and investment will come if we are to maximise economic recovery from the basin and reach our target of net zero carbon emissions by 2050.

Many people who do not know the industry—or, indeed, the people in it—might expect it to be averse, even hostile, to the Government's climate change targets, but nothing could be further from the truth. One need only speak, as I have in recent weeks, to companies such as Total, BP or Equinor, the people at the Oil & Gas Innovation Centre, the technologists and engineers of

the Oil & Gas Technology Centre, and the industry body itself, Oil and Gas UK, to learn that the industry is not only not averse to the challenge, but actively embracing it. I recommend the ambitious industry plan Roadmap 2035 to anyone who doubts the industry's commitment to leading the way, embracing the change and engaging with the challenge as we strive towards net zero, committing the UK continental shelf to be a net zero basin by 2050.

That will, of course, require significant investment and new technology, but it cannot happen in a vacuum and the industry cannot do it by itself. It is committed to developing carbon capture and storage, making it work and making it affordable. That needs to happen. According to the Committee on Climate change, some 175 million tonnes of CO<sub>2</sub> a year will have to be stored and captured in the UK alone by 2050 if we are even to come close to meeting our targets.

**Alex Cunningham:** Teesside is one of the preferred sites for carbon capture and storage, and we hope that the project will go ahead. I wonder what role the hon. Gentleman thinks the industry could play in making sure that the project comes together. To my knowledge, none of the major oil companies is actually involved in the project on Teesside.

**Andrew Bowie:** I was not aware that no major companies were involved in the project; I think it is important that they should be. If we are to try to engage Government and get governmental support, the industry must lead the way, to show that it has confidence in the technology first.

**Alan Brown** (Kilmarnock and Loudoun) (SNP): Far be it from me to override what the hon. Member for Stockton North (Alex Cunningham) says, but I have just come from a breakfast briefing on carbon capture and storage, and BP is involved in the Teesside cluster. Hopefully that addresses that concern.

On the vital need to develop carbon capture and storage, does the hon. Member for West Aberdeenshire and Kincardine (Andrew Bowie) agree that the UK Government cannot pick just one project? At least a few clusters must be given the go-ahead in the forthcoming couple of years.

**Andrew Bowie:** I thank the hon. Gentleman for his intervention and for enlightening Members about BP's involvement in the Teesside carbon capture and storage project. I agree with him. He has foresight, because what he said was exactly where I was going next in my speech. We need at least five projects across the UK if we are going to come anywhere near reaching our target in the next few years.

**Alex Cunningham:** Will the hon. Gentleman indulge me?

**Andrew Bowie:** I will, of course.

**Alex Cunningham:** I am grateful. I am always happy to be corrected on such matters, and I had forgotten that BP is involved, but of course there are many other companies—international companies—that could play a far greater role.



**Andrew Bowie:** I feel as if I am working as an interlocutor between the two hon. Gentlemen. The hon. Member for Stockton North is right. We need every company to be involved at every level to ensure that the projects are a success, but we also need Government.

**David Duguid** (Banff and Buchan) (Con): Having come from the same breakfast briefing as the hon. Member for Kilmarnock and Loudoun (Alan Brown), I was going to confirm that BP is involved in Teesside. Of course, Shell is involved in the so-called Scottish cluster, between Saint Fergus and Grangemouth. I just wanted to make the point that other clusters are available.

**Andrew Bowie:** I am glad that everyone enjoyed the breakfast and, yes, I was aware of Shell's involvement in what is known as the Acorn project, between Saint Fergus and Grangemouth. It is a really promising project and I hope it gets the support that it needs to move forward. However, we also need Government, and that is why I ask the Minister to commit to increasing Government support for the five current carbon capture and storage projects at work across the UK, one of which is the Acorn project in north-east Scotland, and to look to future investment in, and the creation of regulatory and commercial frameworks to support, the future transport and storage of CO<sub>2</sub>.

We also need the Government to commit to supporting the industry as it exploits the opportunities that it has through the expansion of hydrogen as a key element in the energy mix. According to research, 30% of the UK's gas supply can be replaced with hydrogen without any modification of domestic appliances, which is quite incredible. Scaling up investment in the creation of hydrogen from natural gas is crucial and shows the importance of natural gas to our future energy requirements as we move forward. I am sure that the Minister will confirm later that all those commitments and more will be outlined in the Government's forthcoming, soon to be unveiled and long-awaited oil and gas sector deal.

All those advances, however, and all the optimism for the future—embracing the challenge of net zero, investment in new technologies, maintenance of an indigenous energy production sector here in the United Kingdom, investing in British talent and maintaining and creating British jobs—are dependent on one thing: fiscal stability in the North sea.

**Alex Cunningham:** Teesside, of course, is the centre of the hydrogen production industry in this country. More hydrogen is produced there than anywhere else in the UK, so I thank the hon. Gentleman for encouraging the Government to recognise that they need to play a huge part not just in hydrogen but in carbon capture and storage. After all, the Government removed £1 billion of funding just a few years ago. We really need that to be reinvested, so that such projects can drive places such as Teesside and, of course, large parts of Scotland as well.

**Andrew Bowie:** I suspect it will come as no surprise to the hon. Gentleman that I could not agree more with what he said: we need Government investment to drive technology in relation to hydrogen. It is great to see Teesside following the north-east of Scotland in developing that technology.

As I was saying, to do any of what I have been describing, we need fiscal stability in the North sea. The North sea is at present one of the most attractive mature basins in the world in which to invest. That is largely because of the long-term and fiscally sensible approach that the Treasury has taken to the industry in recent years. With a Budget but days away, I urge the Government to avoid any abrupt action—any change in the tax regime—that would undermine investment in an industry that is not only embarking on its biggest and most challenging transition in history but still recovering from the shock of the downturn of 2014 to 2016.

We need the oil and gas industry to be a success. We need to maximise economic recovery and support the companies that are investing in our low-carbon future. We need to maintain a local supply chain, local capability and, ultimately, local jobs. The message from this Chamber and this Parliament, and, indeed, from Government, should be that we support the oil and gas industry in the United Kingdom—that it is an industry that we should champion and be proud of, that we understand, and will invest in and work with, as we ensure the North sea's attractiveness to investors through the maintenance of a steady and sensible fiscal regime for many years to come. It is the industry and the sector from which will come the talent, the ideas and the investment in technologies that are key to addressing the real issues of our age. It is up to us as legislators to support it.

**Mr Laurence Robertson (in the Chair):** It may help Members if I say that I want to call the first Front-Bench speaker just before 10.30 and to leave two minutes for Mr Bowie to wind up at the end.

9.47 am

**Jim Shannon** (Strangford) (DUP): It is a pleasure to speak in this debate, and I thank the hon. Member for West Aberdeenshire and Kincardine (Andrew Bowie) for bringing it forward. He has obtained other debates on this issue in Westminster Hall, and I have been here to support him in them because, as he says, it is not—with great respect—just Teesside and Scotland but the whole United Kingdom of Great Britain and Northern Ireland that benefits from the jobs that are created and from the spin-off to the economy.

We may not get the direct effect of having oilfields or rigs off the coast of Northern Ireland, but people from my constituency and from across Northern Ireland are involved in the work in the North sea. I am always mindful of that, which is why I want to make a contribution to the debate. The industry is important to the economy and to the future of the entire United Kingdom of Great Britain and Northern Ireland, so I am pleased we are discussing it today. It is always better when we have the four regions together working as one for the benefit of all. Quite clearly that can happen in this case.

Things have massively changed in the United Kingdom in past years. Having been a net exporter of oil and gas, we are now a net importer. As always, I thank the Library for its succinct briefing, which makes it clear where we stand. Oil and gas made up 75% of the energy supplied in the United Kingdom in 2018. Net imports made up 13% of the oil that the UK used, with the remainder coming from domestic production. Net imports of natural gas were 50% of UK supply. The majority of oil—77% of final consumption—is refined for use in

[Jim Shannon]

transport. Just over one third of the UK's total gas is used for domestic heating, and just under one third for electricity generation. The UK is also a net importer of petroleum products, such as petrol, diesel and heating oils.

The oil and gas industry, both onshore and offshore, employs 31,000 people directly and a further 121,000 in relevant supply chains in the United Kingdom. Right across the United Kingdom of Great Britain and Northern Ireland, we all benefit from the oil and gas industry, and we have constituents who make a contribution to this very important sector and industry.

According to estimates from the industry body Oil & Gas UK, overall employment in the industry has fallen by 35% since 2013. In 2016-17, Government revenues from oil and gas production were £1.2 billion, which was a slight increase on previous years, but overall tax revenue from oil and gas has declined sharply over the past decade. Again, we look forward to the Minister's response on that point.

We have a massive need for oil and gas to meet our energy and transport needs, and we must future-proof how we meet them, to be less reliant on other nations and to be self-sufficient. How do we do that? That is what the hon. Gentleman referred to. I often point to the energy that is all around us, which, if harnessed correctly, can meet our needs. I know it is not oil and gas, but it is energy. I think specifically of the SeaGen current turbine that was in Strangford lough in my constituency. At one stage, it had the capacity to supply one of my major towns with electricity. There were issues with SeaGen as it came to the end of its life, but the fact remains that there is potential there for us to become less reliant on overseas production and more reliant on what God has given us: a reliable, twice-daily tide and strong undersea currents.

**Mr Gregory Campbell** (East Londonderry) (DUP): My hon. Friend talks about potential; does he agree that the proposed oil and gas sector deal that we hear about from the Government gives them an opportunity to achieve the levelling up they have talked about, and that it should transcend north-east Scotland and cover the entire United Kingdom, so that companies and people involved in the energy sector can benefit from that new deal?

**Jim Shannon:** That is exactly what we need to do. Many of the debates we now have, as we are leaving the EU and looking towards a better and more prosperous future for the United Kingdom of Great Britain and Northern Ireland, are about levelling out. How can we all benefit? It is absolutely right that we should be trying to do that in every way we can. There are opportunities for economic boosts, for employment, for a better society and for people's quality of living to be increased.

While none of us advocates for endless money's being poured into research project after research project, the fact is that, for us to understand how best to meet energy needs, we must do the research. That leads me to the issue of exploratory fracking. There are obvious concerns about the impact that that has on the surroundings, and it is clear that we need to know what the impact would be before we could even consider implementing

fracking. I remain unconvinced of its safety. People are divided on whether fracking is good for the economy, the rural community or people, and there are concerns.

Back in 2016 I asked a question of the Minister then in place—not the Minister who is here today, by the way:

“To ask the Secretary of State for Communities and Local Government, if he will update national and planning policies to (a) account for shale operations and (b) introduce buffer zones between shale developments and local communities.”

At the time, I was not entirely convinced by the ministerial reply:

“The National Planning Policy Framework and supporting guidance sets out a comprehensive approach to planning for shale gas extraction in England.”

We had a potential shale exploration outside Larne in East Antrim. That did not go anywhere, because the opposition from people close by was very clear, but we need to find a balance in the process. The reply continued:

“Planning guidance includes the use of buffer zones in the determination of planning applications for hydrocarbon extraction, including from shale. This states that above ground separation distances are acceptable in specific circumstances where it is clear that, based on site specific assessments and other forms of mitigation measures (such as working scheme design and landscaping), a certain distance is required between the boundary of the minerals site and the adjacent development.”

We must try to develop a balance between meeting our constituents' high demand for energy and the need to address climate change, which the hon. Member for West Aberdeenshire and Kincardine referred to in his contribution—we cannot ignore that either. We are committed to the target of net zero carbon by 2045, and many organisations have signed up to it; the National Farmers Union has signed up to it and has come up with some great ideas on how to achieve it. We must ensure that we can deliver our own energy needs in a way that means we are not dependent on others.

I close with this point: it is clear that we have a duty of care to our constituents to protect their environment, but also to secure future energy provision. That is a very delicate balance, which needs to be carefully considered. I look forward to understanding more from the Government and the Minister about their plans for finding and sustaining that delicate balance.

9.55 am

**John Howell** (Henley) (Con): It is a pleasure to serve under your chairmanship, Mr Robertson.

Earlier in my career I was involved with the oil and gas sector as a taxation expert, dealing with the taxation of oil and gas companies. I echo the point made by my hon. Friend the Member for West Aberdeenshire and Kincardine (Andrew Bowie) that, in the Budget that is coming up, there should be no changes that rock the oil and gas industry. We do not need to throw bricks at an industry that is already doing so much to help with the net zero carbon targets that we are trying to achieve.

The context is the enormous decline in revenues from the oil and gas sector. Back in 2008-09, revenues were at something like £13 billion; they are now down to just over £1 billion. That is a colossal collapse, and we need to do something to encourage the oil and gas sector and to help it survive.

The sector also needs more capital investment. Capital investment has fallen to one of the lowest levels in history and is now down to about £5 billion a year. That

is coupled with a decline in drilling and an increase in the rate of decommissioning costs to almost £2 billion, which is quite a large increase—I see that the hon. Member for Caithness, Sutherland and Easter Ross (Jamie Stone) is about to intervene on me.

**Jamie Stone:** The hon. Gentleman read my body language extremely accurately. Contingent on what he has rightly said about how the industry is changing, thinking about the UK's future in what—whichever side of the argument we are on—is going to be a period of change, and having been in the industry myself, what worries me is that we do see a slight deskilling in terms of welding techniques and working in stainless steel. Those skills could be pertinent to the hydrogen industry, and they are very hard to replace. I am not saying there should be a fiscal change, but we must be aware of those skills and safeguard them for the future, whichever way this country goes.

**John Howell:** In just a second, I will tackle an issue that I hope will help with the hon. Gentleman's concerns.

The figures have already been quoted for the number of people employed in the oil and gas sector in the UK. Just over 30,000 are employed full time, but in the supply chain, which is the most important part and which I want to concentrate on, the number is close to 150,000. That is a phenomenal number of people to have to deal with.

I have been, and still am, the Prime Minister's trade envoy to Nigeria. The link here is in the Aberdeen sector of the supply chain, which I have been involved with, to try to get people to go to Nigeria. Why should they be interested in Nigeria? The skills that we have in Aberdeen are just the sort required to set the Nigerian oil and gas sector on the right course. Historically, a huge amount of the income from that sector has not even reached the Ministry of Finance; it has got nowhere near—it has simply been diverted. When so much of the industry is essentially black market, it is difficult to get efficiency, but we have all the expertise in Aberdeen and other places throughout the UK to be able to bring that.

**Kirsty Blackman** (Aberdeen North) (SNP): I have been told that Aberdeen has the highest percentage of Nigerians of any place in the world outside Africa, but we have a real problem in Aberdeen with the visa system. When people come over for university and things like that, actually staying afterwards is very difficult for them. I find the visa system incredibly obstructive for my Nigerian constituents. Does the hon. Gentleman think that the flow of information and expertise would work better if the visa system was a bit more flexible, allowing people to develop their expertise in Aberdeen before going back to Nigeria?

**John Howell:** I like to think that it is something to do with the activities I have been conducting on behalf of the Government that there are so many Nigerians in Aberdeen. I suspect I cannot claim full credit for that, although I have tried to encourage companies in Aberdeen to go out to Nigeria and encourage people to come back. Nigerians can learn a tremendous amount from companies in Aberdeen, and I think they recognise that. The commitment to the oil and gas sector shown by President Buhari is a good indication that he takes it

seriously. I hope we will be able to do something with that—something much better than we have done in the past—in order to take things forward.

This is all about getting better control, including over the net zero target set in not only the UK but globally as well, and our ability to see that target gain traction through what we do and the investments that we make. For somewhere like Nigeria, the ability to get to a net zero approach in the oil and gas sector at the moment is quite low. Again, the expertise that we have here is crucial to getting to that. My hon. Friend the Member for West Aberdeenshire and Kincardine mentioned two elements of that—carbon capture and storage and hydrogen production. The relevance of this to my constituency, which may seem a long way from Aberdeen and the companies I am talking about, is that Invesco, in my constituency, has a great interest in helping to fund hydrogen production as part of the energy mix here.

The other link to my constituency is a former Member and Minister, Tim Eggar, the chairman of the Oil and Gas Authority. I draw the House's attention to a recent speech in which he made important comments on how the industry could move towards a much better net zero target. This man knows the industry extremely well and has worked in it for much of his life, and I hold his comments in full.

If we keep in mind those remarks about how we are helping the oil and gas sector to stay profitable and to get out and sell its expertise around the world, that will keep us in good stead for the future.

10.4 am

**Stephen Flynn** (Aberdeen South) (SNP): Thank you very much for the opportunity to speak, Mr Robertson. I thank the hon. Member for West Aberdeenshire and Kincardine (Andrew Bowie) for bringing this important debate. Like me, he represents a fantastic part of the country. I have a lot more of the city than he does—in fact, very much more—but the issues that impact our constituents, certainly in terms of the oil and gas industry, are incredibly similar.

That trend exists right across the north-east of Scotland: quite frankly, there is not a family or individual who does not know someone directly linked to the oil and gas sector or indirectly linked through the enormous supply chain that we heard about. The effect and influence of the North sea oil and gas sector in the north-east of Scotland is something to behold, and we rightly debate it today. The industry impacts not only the north-east of Scotland and Aberdeen, but the entirety of Scotland and, indeed, this United Kingdom, through the skills and expertise that it puts forward and the economic benefit that it brings to these islands. That is an incredibly important topic that I will come to.

As we heard from the hon. Gentleman, as the Government move towards the Budget, we need stability—everyone in the oil and gas sector at this moment in time craves continued stability. As we heard, the crash had a devastating impact on the lives of so many people. Frankly, the city is still recovering; house prices and the like are still significantly below where they were prior to the crash. That, obviously, had an impact on so many individuals, so we need stability within the tax regime. I certainly hope the Minister will be able to provide clarity about that.



[Stephen Flynn]

However, this discussion should not only be about stability and the here and now; it also has to be about what the future entails for the oil and gas sector. As we heard—and rightly so—we want a net zero future for Scotland and the United Kingdom, and it is vital for all our future prosperity that we get to that point sooner rather than later. Perhaps the best way in which that could be achieved, certainly from my perspective, is through harnessing some of the economic gain from the oil and gas sector.

The Office for Budget Responsibility estimates that roughly £8.5 billion of revenue from the sector will be incoming in the years up to 2022. We should take some of that money—roughly 12%; £1 billion—and reinvest it into cities such as Aberdeen, to protect the workforce going forward as we make that transition. It should be a sustainable transition that reflects the fact that the industry has an incredibly important role to play in all our collective futures. Simply turning off the tap will not work, but we can ring-fence that money to protect cities such as Aberdeen, where energy is the key industry and where jobs are on the line. I sincerely hope that the Minister will be forthcoming in agreeing to such remarks.

Obviously, we have heard a lot about an oil and gas sector deal. I have heard questions in the Chamber about it and we saw it in the Conservative manifesto; in fact, we have heard it talked about for a number of years now, although I have yet to see any substantive detail. The Minister has the opportunity today to clarify the detail, including what will be in an oil and gas sector deal and whether it will include actions, rather than just a few words in a manifesto.

Hopefully, within the sector deal the Minister will take forward the proposal that I just suggested. It was overwhelmingly supported by the people of Scotland in the general election in December, as a key tenet of the Scottish National party manifesto. It will not have missed the gaze of Government Members that the SNP did extremely well in that election, based on that manifesto commitment. Indeed, there were changes in some seats, including that of my hon. Friend the Member for Gordon (Richard Thomson).

I will labour the point: we have an opportunity to ring-fence some of the income. We have, of course, heard words from the UK Government over many decades about how they will seek to protect the oil and gas industry, yet when we look across the North sea at Norway—enviously—we see a nation with a trillion-dollar oil and gas fund while we have nothing. It is perhaps too late to introduce an oil and gas fund, but it is not too late to ring-fence some of the income that will be generated, to protect the future prosperity of cities such as Aberdeen and, indeed, other energy hotspots throughout Scotland and the United Kingdom.

The issue is important because, as I have said, we need to make an energy transition. We heard earlier about BP wanting to make a rapid transition. I have had the opportunity to meet with BP, Shell and Equinor in recent weeks—since the election—to hear about what they are seeking to do to overcome the challenges that face them and, indeed, all of us. Equinor, I think, is heavily involved in the likes of the high wind turbine off the coast of the UK, which is a fantastic initiative.

As an Aberdonian—I point out that I am an adopted Aberdonian, but an Aberdonian none the less, before my hon. Friend the Member for Aberdeen North (Kirsty Blackman) says anything—I will labour the point that just off the coast of our city is the Vattenfall development. That single development has the energy capacity to provide for 88,000 homes, the entire population of Aberdeen. It is brilliant not just because it is able to do that; it has the added bonus of annoying the President of the United States, whose golf course has apparently been impacted.

Aberdeen is of course an oil and gas city, but, as I just mentioned, the Vattenfall development is off the coast and we are also a leader in hydrogen technology, which has a role to play as we seek to move into a more sustainable future. I am very fortunate in living extremely close to one of the hydrogen developments in Aberdeen, and I know that if we seek to build on that industry, it can be successful. I hope that the Minister, as he sums up the debate, will refer to the hydrogen industry with regard to where the future of the UK lies in terms of an energy transition.

My final comment is about what the hon. Member for Henley (John Howell) said about skills and harnessing them. I congratulate him on the work that he has done, which I am sure has benefited my city and my constituents. We need to harness skills, not just for export but to allow the sustainable transition to take place in the oil and gas sector. If we are to have a sustainable future, we need the expertise of individuals who have managed to build the oil and gas sector to transfer over and to lead that renewable future. We cannot have a sustainable future without the oil and gas sector; the people behind it have to be at the forefront.

10.12 am

**Peter Aldous** (Waveney) (Con): It is a pleasure to serve under your chairmanship, Mr Robertson. I congratulate my hon. Friend the Member for West Aberdeenshire and Kincardine (Andrew Bowie) on securing the debate. Two weeks ago, I was privileged to be re-elected chair of the British offshore oil and gas industry all-party parliamentary group; one of the first tasks that I was assigned was to secure a Backbench Business debate on this subject—my hon. Friend has eased my workload considerably.

The oil and gas industry has been an integral part of the East Anglian economy for more than 50 years. Until recently, the industry's sole focus was on maximising recovery from the UK continental shelf. That has changed as we set about decarbonising the economy and delivering on our legally binding target to reach net zero greenhouse gas emissions by 2050. Oil & Gas UK has published "Roadmap 2035: A blueprint for net-zero", which outlines the role that the industry will play in a net zero future. It is very welcome that the industry recognises the difficult and enormous challenge that we face, not just in the UK but all around the world. It is important that the industry steps up to the plate and plays a lead role in delivering the transformation. It should continually ask itself, "Can we do more? Can we do better?"

At the same time, it is important for the Government and policy makers to work with the industry, acknowledging the key role that oil and gas played in the UK economy in the second part of the 20th century and continues to

play in the 21st century. We must not unfairly stigmatise the industry and those who work in it, but should recognise that they are part of the solution and not the problem.

**Alex Cunningham:** I congratulate the hon. Gentleman on being re-elected chair of the APPG. He has had one burden taken off him; may I provide him with another by asking that the APPG start to look at some of the safety issues? He knows that I bang on about that. I hope that he will join me in welcoming the proposed wider review of the helicopter elements of the basic offshore and emergency training, given the distances that people have to travel offshore. Will he join me in encouraging the Minister to engage, like the RMT, Unite and the other unions, in that review, so that the recommendations we get out at the end actually enhance safety rather than diminishing it?

**Peter Aldous:** I welcome the hon. Gentleman's intervention and wholeheartedly endorse the point that safety is paramount. There have been some horrific accidents while we have been working on the UKCS; Piper Alpha comes immediately to mind. Post Piper Alpha, following Lord Justice Cullen's report, we did put in place a very good safety system, but we must never forget the vital importance of the responsibility that we owe to all those people who work in the industry.

**David Duguid:** Both hon. Members have made the excellent point that, like our environmental performance, health and safety in the oil and gas sector across the UK has been world class—in fact, world envied for a number of years—so that it is one of our exportable commodities as well. Does my hon. Friend agree that we and the Government need to continue looking at the export opportunities of not just the technology but the expertise?

**Peter Aldous:** My hon. Friend is spot on; I will make this point in the little time that I have. Extracting oil and gas from the UKCS has not been straightforward, but as a result this country has developed expertise and specialisations that we have been able to take all around the world. As we transform to zero carbon, to renewables, we must not lose sight of that: we must continue to play that world-leading role in energy production.

I shall briefly highlight what I see as the future features of the UK oil and gas industry. First, it has an ongoing key role to play in the country's energy security. The demand for petrochemicals will be with us for some time. It makes sense for that to be supplied, as much as possible, from our own resources, in as carbon neutral a manner as possible.

Secondly, the industry must be a bridge to a low-carbon future, promoting the use of gas, hydrogen and carbon capture, utilisation and storage. As the Committee on Climate Change has highlighted, the latter has a pivotal role to play if we are to achieve—and hopefully better—the 2050 zero carbon target. It is welcome that the Government recognise that, have published the CCUS action plan and have committed £50 million of innovation funding to drive down the costs.

Thirdly, the oil and gas industry has an important role to play in collaborating and working with its counterparts in offshore renewables. The skills required are in many respects transferable. Such work is already

taking place, with both oil and gas and offshore wind learning from each other and with opportunities emerging to pioneer inter-sector training and currency certifications. Gas-to-wire technology and gas platform electrification, powered by offshore wind, are emerging as new advances that provide additional resilience in supply, while assisting in decarbonising traditional methods of generation.

Fourthly and finally, it is vital that we do not forget the enormous amount of work that needs to be done in decommissioning oil and gas assets on the UKCS. In the southern North sea—that is what I am interested in, but it is a very small part of the basin—late-life and decommissioning expenditure is forecast at about £4.4 billion for the period up to 2027. That amounts to an average spend of about £445 million. It is important that we have a policy framework and investment strategy that ensures we secure as much of that work as possible for the UK and for East Anglian businesses.

For the oil and gas industry to deliver on those opportunities, Government and industry must work together. That will be done best through an oil and gas sector deal, which was included in the Conservative manifesto in the general election. I look forward to the Minister updating us on its preparation. I request, as have others, an assurance that the Government recognise the need for ongoing fiscal stability in the forthcoming Budget.

I conclude with a point that I have made during many debates on the oil and gas industry, in Westminster Hall and the main Chamber. One of the best features of the industry is the UK's ability to export skills and expertise, learnt on the UKCS, all around the world. In any oil and gas basin around the world, one can hear Scottish, Geordie, Norfolk and Suffolk accents. We must ensure that that remains the case, with the UK leading the world in the transition to and delivery of low-carbon energy.

10.21 am

**Kirsty Blackman** (Aberdeen North) (SNP): It is a pleasure to serve under your chairmanship, Mr Robertson. I congratulate the hon. Member for West Aberdeenshire and Kincardine (Andrew Bowie) on securing this debate. I was shocked to hear we have not debated this subject since April 2018—quite some time ago. I was present at that debate, and I was one of the few people the hon. Gentleman did not mention—perhaps because I am a constant in these oil and gas debates. I am afraid I will make the same, or a pretty similar, speech to the one I made last time, but the Minister was not here then, so it will all be new to him.

Previous debates on this issue have generally come in the run-up to a Budget, to try to make clear the asks of the oil and gas sector in the Budget. We were particularly successful around transferable tax history where we all worked together to push the Government to ensure that it was put in place so that new players could come into the oil and gas fields. That was incredibly useful and a good opportunity for us to work together.

We do not agree on everything, but we all feel strongly—I think everybody in this room feels strongly—that we should move towards a sector deal. If the Minister cannot give us full details of the sector deal, it would be helpful if he could at least let us know the timeline for announcements on it. The issue has been hanging around

[Kirsty Blackman]

for a long time, and the industry has been waiting quite some time to hear what will happen. The more certainty the industry has on the timeline, the better.

In the last debate on this issue, I mentioned Vision 2035, which has been followed by Roadmap 2035, both of which are about ensuring we move towards net zero while continuing to have a successful oil and gas sector in the UK for many years. We spoke about the importing of oil and gas to the UK to meet our energy needs, and that is a concern for a number of reasons. There is a carbon cost to importing oil and gas, because of the ships or however it gets here. There is also an additional carbon cost in its extraction. If we are moving to net zero extraction under Vision 2035 in the UK, we will ensure that as little carbon as possible is expended in the extraction process, but other countries that extract oil and gas may not be so far along that route, so there may be a differential in the carbon costs of extraction. If the Government intend to import more oil and gas in the future, I ask that they look closely at where we are getting it from and at the related carbon cost. We cannot say it is not our problem because it is being extracted somewhere else, so it is somebody else's problem; that is not how this works. If we are using that oil and gas, we need to own up to the carbon created in its extraction. That is incredibly important.

Vision 2035 and Roadmap 2035 also focus on the supply chain. Our supply chain is phenomenal. It is recognised as the gold standard across the world in several areas, but particularly safety. On safety, the UK continental shelf is absolutely up there—it is tip-top. Everybody does everything they can to ensure the highest possible levels of safety. If our supply chain is going to continue exporting around the world, we need to export that safety culture too. That relates not only to any oil and gas we import, but to ensuring that we lead the way on improving safety around the world.

We can also export our capability to move towards net zero extraction to ensure that we level up places around the world that extract oil and gas, and reduce the amount of carbon they create during the extraction process. We can be real world leaders not only, as I mentioned last time, in working in a super-mature basin, which we already are, but in exporting our safety culture and net zero culture in the extraction process.

Carbon capture and storage has been spoken about a number of times. Like many others, I am still sore about the previous Government's pulling of carbon capture and storage. While that was not done by this Government, there is a concern, and it is difficult for the Government to build trust in this place. I am pleased the Government have moved forward with commitments to carbon capture and storage. It is incredibly important that the UK Government support a number of carbon capture and storage clusters, as mentioned by my hon. Friend the Member for Kilmarnock and Loudoun (Alan Brown), and ensure they get off the ground as quickly as possible, with real projects that work, so that we can be world leaders in exporting our expertise in carbon capture and storage to the world and assisting the world by storing its carbon.

If we have surplus capacity in, for example, the Acorn system, once it is up and running, we should store carbon from countries around the world and

charge them to do so. That is a great way for us to make additional revenue. I hope that we will do what we can, and the Government will do what they can, to ensure that CCS gets off the ground and gets working as quickly as possible, and that the Government make it unequivocally clear that they support CCS and will not pull the rug out from under it again. We cannot afford to do that; we cannot afford to look at a net zero future without carbon capture and storage. We must make those moves.

Moving away from oil and gas at some point in the future means that we will need a transition in place. It means we will have to utilise the expertise in our industry to better harness our renewable capability. Those who work in subsea technologies, mostly in the constituency of the hon. Member for West Aberdeenshire and Kincardine, have a massive amount of expertise that can be utilised for tidal, wave and offshore wind power. We must ensure that we utilise those skills and transfer them to these emerging industries, and that those industries are made viable in the UK. If it requires Government support to kick-start them, that is fine with me. We will get to the stage where are exporting that expertise as well—we are good at exporting things.

In Scotland, we have the capacity to have lots more floating offshore wind and lots more offshore wind in general, but also lots more onshore wind. Again, we can utilise the skills we have. I urge the Government to reconsider whether they will have contract for difference support rounds for onshore wind and solar. We strongly feel that we can do more in that space in Scotland. About 75% of our electricity in 2018 was generated from renewable sources. We want to do better than that, but we can only do better if the Government reconsider their position on CfD support. We will continue to push strongly on that.

As I mentioned, there is a significant issue with visas for my constituents. In Aberdeen, we have people from the UK. The next nationality is Polish. I understand that the next is Romanian, and the next one after that is Nigerian. We have a significant percentage of Nigerians living in Aberdeen, and it is incredibly difficult for them to get visas, whether that is to work, to come as contractors or just to get their mum to come over to see their graduation. The knock-back in visitor visa numbers is significant. When the Government look at their new visa system, I urge them to think carefully about ensuring that we can access the expertise we need and that Nigeria and other Commonwealth countries, in particular, can access the expertise they need by having a flow of people between the two countries.

Brexit is also an issue in relation to visas. A significant number of people in the oil and gas industry are from the EU, and we need to ensure they can continue to move freely between the EU and Scotland. For example, Total has a presence in Aberdeen, and many people move between there and France. That movement needs to continue.

Lastly, on a just transition and net zero, my hon. Friend the Member for Aberdeen South (Stephen Flynn) mentioned that we want to ring-fence oil and gas revenues to ensure that we are moving towards net zero. That is not about changing the tax regime, but about hypothecating that tax. During the Budget process, we do not have the opportunity to make amendments to say that that is what we want. During the estimates process, there is not



the opportunity to make amendments to ask for hypothecation to happen. However, we can press strongly and say that that is what we want to happen. We want the money to be ring-fenced so that we can move towards net zero. We ask that 12% of the revenue is ring-fenced for places such as Aberdeen, Falkirk and Shetland, which rely heavily on oil and gas and will need assistance to make a just transition.

My constituency has one of the highest numbers of public sector workers of any constituency in the UK. There are two council headquarters, a major teaching hospital and a university in my constituency. For people working in the public sector, providing support in order that we have a successful oil and gas industry, issues such as housing costs have been significant. When we move towards the transition period and there is a reduction in oil and gas, I do not want the people who have not worked in that industry, and who have found it incredibly difficult to scrape by living in such an expensive city, to be hit again.

I want the entire city to be assisted in the transition process, and all the people in Aberdeen and Aberdeenshire, not just those who work in oil and gas, to be helped to access the services they need and housing they can afford. That goes for Moray, Banffshire and other places. The just transition needs to happen for people working in oil and gas, but also for our city and region as a whole.

10.32 am

**Dr Alan Whitehead** (Southampton, Test) (Lab): I congratulate the hon. Member for West Aberdeenshire and Kincardine (Andrew Bowie) on securing the debate. I follow the hon. Member for Aberdeen North (Kirsty Blackman), and I am also somewhat of a veteran in debates on this subject.

Cynics have mentioned that such debates are called on the cusp of a Budget to talk about why the oil and gas industry should have lots more support from Government. However, it is significant that the hon. Member for West Aberdeenshire and Kincardine did not talk just about that. I concur with the sentiment expressed around the Chamber that the Government should not continue to treat the oil and gas industry as a cash cow, as has happened on previous occasions. The industry has come out of a difficult period and is recovering, but it still has enormous challenges ahead and needs considerable support in the next phase of its development. That support will be of a different nature from that needed hitherto, because of the context mentioned by the hon. Gentleman: climate emergency, climate change and the challenge of net zero. Those issues suffuse our considerations of the future of the oil and gas industry.

Our considerations therefore need to be sober and varied in reach. For example, the North sea basin is a highly mature basin from which 43 billion barrels of oil have been extracted, and it is estimated that there are about 10 billion barrels left. There will probably not be any new oilfield discoveries in the North sea. However, a large number of small pools have been found. They remain unexploited and have not been developed for various economic reasons. The sector should perhaps concentrate on those in the future. The gains in efficiency in the industry in recent years, and the net reduction in

carbon intensity of production, suggests that small pool extraction could be a viable proposition in the not-too-distant future. The infrastructure already in the North sea needs to be available for small pool extraction, rather than being taken away and decommissioned, and then having to be recommissioned for those small pools to be developed.

Decommissioning is another enormous industry that the North sea oil and gas community can benefit from, not just in the North sea but worldwide. We can export the decommissioning expertise we have in the UK to projects elsewhere in the world. In the North sea, some 250 platforms, 10,000 km of pipelines and 50,000 wells are to be decommissioned. That is an enormous industry that needs to be taken forward solidly over the next period, notwithstanding the need to retain some structure for small pools and the other major potential industry, which is carbon capture and storage.

A number of hon. Members, including my hon. Friend the Member for Stockton North (Alex Cunningham), mentioned the possibility—indeed, I think, the absolute necessity—of developing not just carbon capture and storage capacity, but carbon capture and storage nodes. That would mean we could develop entire chain arrangements of CCS, from inland to nodes and out to the North sea, and that we could get involved in the production of hydrogen. All those exciting developments could provide an enormous and bright future for the North sea oil and gas industry. There should be better collaboration between the oil and gas industry and the offshore wind industry to look at the necessary skills, infrastructure and supply chains, so that the similar technologies involved can be better developed, which would be in the UK's interests.

In the context of climate change, we need to recognise not only that there is going to be a different future for North sea oil and gas, but that oil and gas will be needed in different forms in the UK over a long period. We are not simply going to dispense with oil and gas. All sorts of applications need oil and gas. For example, the production of hydrogen over the next period will conceivably substantially involve steam-methane reformation from gas. Even if we are bringing hydrogen forward with CCS, that will be a substantial part of the process.

We therefore cannot say that there will be no oil and gas in the future in the UK, but the projections by the Department for Business, Energy and Industrial Strategy on the amount of oil and gas we are going to use show a substantial decline up to 2035. That is the period of Oil & Gas UK's Vision 2035. I very much commend to hon. Members its approach to changing the nature of the oil and gas industry to be climate change-facing, as far as developments are concerned. We then have the prospect, as the hon. Member for Strangford (Jim Shannon) mentioned, of seeking self-sufficiency in a declining market for UK oil and gas products. That would be centred on those different uses for oil and gas, and it seems to me to be an essential part of the future of the oil and gas industry. That is what a bright future looks like.

My final thought is that the sooner we get a sector deal for the industry that recognises those imperatives and those particular ways forward, and that produces stability for the sector in the context of those changes, the better off we will be.

**Stephen Flynn:** The hon. Member mentions stability. The Labour party stood on a manifesto commitment for a windfall tax. Is that something it still supports?

**Dr Whitehead:** The question of a windfall tax depends to a considerable extent on the health of the industry as a whole. Members have mentioned what revenues may arise for development purposes, and that is essentially what we are talking about. I emphasise that the ability to provide revenue very much depends on whether the industry reshapes itself in the way I have described, and that is why a sector deal is imperative.

As a veteran of these debates—I am sure the hon. Member for Aberdeen North will recall this—I remember Richard Harrington, the then Minister, saying in October 2018 that we were at

“the final stage of the process”.—[*Official Report*, 9 October 2018; Vol. 647, c. 22WH.]

He said that we would be at the end of the process soon. In the debate in March 2019 on sector deals, he said:

“I am very much looking forward to advancing these proposals.”—[*Official Report*, 14 March 2019; Vol. 656, c. 222WH.]

We received a knock-back shortly after that, when the Government said they did not think it was such a good idea to have a sector deal after the Select Committee had produced its report. Then, the Conservative manifesto stated that there would be a sector deal after all.

I look forward to hearing from the Minister whether there is a sector deal in the pipeline, so to speak, in the way we are talking about this morning. If there is, when will that sector deal come out of the end of the pipeline and secure the industry for the future, in the way that every Member in this Chamber would want? The Minister could greatly advance our discussion—I am sure he will—by putting those points on the table today.

10.43 am

**The Minister for Business, Energy and Clean Growth (Kwasi Kwarteng):** It is a real pleasure to take part in this debate under your chairmanship, Mr Robertson. I thank my hon. Friend the Member for West Aberdeenshire and Kincardine (Andrew Bowie) for securing it. I was surprised to hear that we had not debated these issues since April 2018.

**Alan Brown:** Far be it from me to try to correct the record again, but there was a debate in this Chamber in October 2018, which was secured by my hon. Friend the Member for Falkirk (John Mc Nally). I spoke in that debate as well.

**Kwasi Kwarteng:** I am glad to hear we have debated these issues more recently. Certainly in my recollection, we have discussed this issue many times in this forum and in the main Chamber. The sector is vitally important. It has been for many decades now, and the Government take it extremely seriously.

My hon. Friend the Member for West Aberdeenshire and Kincardine used a phrase that struck me: “quick-changing expectations”. That is clearly what has happened. Where we are today is very different from where we were when we had the debate in April 2018 and where we were even last year. Some people have kindly observed that we have a new Government. We had a general

election at the end of 2019, and we now have a new Government with a new mandate who are very much concerned with this issue.

Oil and gas is an important sector not only for energy security but, crucially, for the economy and jobs. It has contributed something like £340 billion in production taxes over the past six decades, and it has added £570 billion of gross value added to the economy since 1990. Many speakers in the debate observed that in excess of 250,000 jobs across the UK are dependent on the sector, so there is no question but that the oil and gas sector is vital.

However, we have to deal with the conditions that we find ourselves in. As the hon. Member for Southampton, Test (Dr Whitehead) pointed out, the UK continental shelf is now a highly mature basin. We are looking to reduce our fossil fuel use, which is inevitable, given that in June 2019 we made the very significant commitment to achieve net zero carbon by 2050. It is important to stress that, as of today, we are the only nation in the world—certainly among the advanced economies—that has enshrined that aspiration in law, meaning that it is no longer an aspiration but the law of the land to reach that target by 2050.

One very useful phrase that came out of the debate and that we need to think about was from my hon. Friend the Member for Waveney (Peter Aldous), who suggested that the oil and gas industry could act as “a bridge” to a low-carbon future. That is exactly the right sentiment and expresses succinctly how the Government think about the sector and our future as a low-carbon economy.

**Alan Brown:** One of the key themes in the Just Transition Commission and the moves towards net zero has been carbon capture development. There have been requests that the Government support far more than one cluster. The suggestion from the Member for West Aberdeenshire and Kincardine (Andrew Bowie) was for five clusters. Can the Minister outline where the Government are going on that issue?

**Kwasi Kwarteng:** With permission, Mr Robertson, I will address carbon capture later in my speech. There is plenty of food for thought and actual policy that I would like to address, but I want to talk about the transition. It is important, as the hon. Member for Southampton Test suggested, that we get the message out that we do not see the end of the oil and gas industry in this energy transition. Oil and gas has a crucial part to play in that transition, not least because of some of the carbon capture issues I want to address later.

Let us be clear where we are today. Currently, 70% of primary energy demand in the UK is met by oil or gas. Some 85% of houses—I suspect this includes the houses, apartments and dwellings of most people in this room—rely on gas central heating. The Committee on Climate Change has said that there will be a continued need for oil and gas as we make our transition to net zero emissions. That is extremely important, and on that basis I would like to talk about some of the announcements we have made, particularly in regard to carbon capture, usage and storage.

We made a public commitment in the Conservative manifesto to invest £800 million in carbon capture, usage and storage. It could not be clearer than that. I

am very hopeful that we will be able to make a significant announcement along those lines in the Budget, to honour our manifesto commitment. It is important for my Department. However, Members will appreciate that I am not the Chancellor of the Exchequer, and that the Budget is a matter for him and the Treasury. In a former capacity, I served as the parliamentary private secretary to the Chancellor of the Exchequer for 18 months, which in the context of the political climate was a very long time.

**Kirsty Blackman:** I congratulate the Minister on his speech. A number of Ministers have had responsibility for this portfolio in recent times. Claire Perry was a very big supporter of CCUS and did what she could to push it forward. I know that the Minister cannot commit to money in the Budget, because that is not his role, but will he commit to personally championing CCUS and doing everything he can to retain the £800 million commitment or to increase it if possible?

**Kwasi Kwarteng:** I give the hon. Lady an absolute assurance that I have been totally committed to CCUS. In fact, one of the first conversations I had when appointed was with a leading industry figure, who called me to say, “I hope you will deliver on CCUS.” I was very pleased to say, “I will absolutely champion this. It is central to our strategy.” We have legislated for a net zero carbon emissions target by 2050. How we reach that without CCUS is a mystery to me. CCUS should be at the centre of any strategy to hit net zero carbon emissions by 2050. The Government are absolutely committed to that.

I assure the hon. Lady that I am as committed, if not more so, than my predecessor to landing the technology, because it is crucial. The net zero carbon legislation was passed in June 2019, and within three weeks I was the Energy Minister, so it has really shaped my entire experience of the portfolio. For most of my predecessor’s tenure, we still had the 80% reduction target. It is now a much more serious and pressing concern, and I hope that we will be able to deliver on that commitment. In our next debate on oil and gas, I hope we will be able to say that we have CCUS investment and potential clusters.

On the point made by the hon. Member for Kilmarnock and Loudoun (Alan Brown), it seems to me that if we are going to commit large amounts of capital to CCUS, there will be more than one cluster. There is a debate about where those clusters and that deployment of capital will take place, but my understanding is that if we are going to commit that capital, it will not be in just one area.

It is not just about CCUS. The net zero strategy encompasses a wide range of technologies. We committed in the manifesto to 40 GW of offshore wind capacity, which is a huge step from our previous 30 GW commitment. It is a very ambitious commitment, and there will be challenges in meeting it, but I am convinced that the industry, in co-operation with Government, will be able to do so. We have also committed to £9.2 billion to improve the energy efficiency of homes. We are particularly concerned about fuel poverty.

**Stephen Flynn:** This is slightly off topic, but on improving the energy efficiency of homes, will the Minister support lobbying the Chancellor for a reduction in VAT on repairs and renovations to existing properties?

**Kwasi Kwarteng:** The hon. Gentleman is making a successful bid to lure me away from the path of the debate. We are going down rabbit holes regarding the Budget and that sort of thing. He will be as interested as I am to find out what is in the Budget next month, and I am sure that we can resume such discussions then. On VAT, to draw on my previous experience, we are obviously still in the transition period, which means that even though we are out of the EU we will be bound in some ways by its VAT regime for the rest of the year. I therefore do not think that it is likely that there will be significant announcements on VAT in the Budget, but who knows? We wait with bated breath, as they say.

The hon. Member for Caithness, Sutherland and Easter Ross (Jamie Stone) made some interesting remarks regarding the hydrogen economy. For experts and people like ourselves who are interested in such subjects, it is difficult to see how we can have CCUS without hydrogen production, as they are linked. The chemical processes that lead to carbon capture also produce hydrogen, so any movement in the development of CCUS—any investment in improving capacity—will, I think, be a boon to the nascent hydrogen industry. That is one of the most exciting areas of my job. We are potentially at the beginning of a new industry in this country, and hydrogen generates a great deal of interest, debate and excitement in the sector.

**David Duguid:** On the different technologies for which carbon capture and storage is a critical factor, will the Minister consider talking to colleagues in the Department for Transport about alternative aviation fuel, some of which will also require carbon capture and storage for its creation?

**Kwasi Kwarteng:** Naturally—my hon. Friend appreciates that reaching the net zero carbon target is a cross-Government endeavour. The Department for Business, Energy and Industrial Strategy, for which I am responsible, and other Departments, including the Treasury, the Ministry of Housing, Communities and Local Government and the Department for Transport, must all be engaged to reach those targets. I am therefore happy to engage in such conversations; they are crucial to our ability to reach the target.

A lot has been said about the oil and gas sector deal. I am not bound by any promises made by previous Governments, but I assure Members that we are committed to an oil and gas sector deal in the course of this Parliament. It would be premature of me to go into details, because those are precisely what we are negotiating. I look forward, hopefully as Energy Minister, to being able to celebrate and launch the deal.

**Peter Aldous** *rose—*

**Stephen Flynn** *rose—*

**Kirsty Blackman** *rose—*

**Kwasi Kwarteng:** I see a forest of hands. I give way to the hon. Lady.

**Kirsty Blackman:** I appreciate that the Minister just said “in the course of this Parliament”, but the next five years is not the best timeline. Could he be a little more



[Kirsty Blackman]

specific? Will the deal come in the next year or in the next year and a half? Alternatively, perhaps he could let us know when he will be able to tell us when it will come. That would be really helpful.

**Kwasi Kwarteng:** I am not going to play the game of saying some arbitrary date. It is a serious, ongoing discussion. As I said, we will have a sector deal in the course of this Parliament. I will not be drawn any more on the timings.

**Peter Aldous** *rose*—

**Stephen Flynn** *rose*—

**Kwasi Kwarteng:** Time is short; I am afraid that I have to wrap up my remarks. I sincerely thank my hon. Friend the Member for West Aberdeenshire and Kincardine for raising this important issue for our economy. It was a full and comprehensive debate. I am sorry that we did not have time to deal with every point raised, but the debate was very constructive.

10.58 am

**Andrew Bowie:** I thank the Minister for his remarks. Indeed, I thank everybody for coming along and contributing to an important and timely debate. What has been demonstrated is that, although we are very proud of being home to the subsea capital of the world, and to the oil and gas and energy capital of the world, in Aberdeen and Aberdeenshire, it is a UK-wide industry. We have heard contributions from Strangford to Strathdon, and everywhere in between, down to Suffolk, Teesside and elsewhere.

The industry obviously faces challenges, but it is embracing the challenge of reaching net zero by 2050. Its commitment to being a net zero basin is world leading; we have not heard that from any other industry around the world. The Government must work with the industry to face its challenges, not least on visa issues. The hon. Member for Aberdeen North (Kirsty Blackman) talked about the visa problems in Aberdeen, but in Aberdeenshire, and especially in Portlethen, where we have a large Nigerian diaspora, I too have seen issues occur because of visas.

I am delighted to hear that the Government are committed to CCUS. I would have been even more delighted to hear a more detailed timeline for when we might see the oil and gas sector deal, but we live in hope, and we will be watching with bated breath for it to be very soon.

*Question put and agreed to.*

*Resolved,*

That this House has considered the UK oil and gas industry.

## Special Educational Needs: Isle of Wight

11 am

**Bob Seely** (Isle of Wight) (Con): I beg to move,

That this House has considered special educational needs on the Isle of Wight.

It is a pleasure to serve under your chairmanship, Mr Robertson, for what I think is the first time, and I am most grateful to the Minister and her team for being here. As she is aware, the purpose of Westminster Hall debates is often to raise issues that are of considerable importance in Members' constituencies or to groups of their constituents. I have secured this debate in order to discuss the Isle of Wight's needs in two areas that are important to many parents on the Island: special educational needs and disability, and education, health and care plans, which I know the Minister is familiar with and which she will become more familiar with in her new role. EHCPs outline the special educational needs a child has and the plan that a local authority has to put in place to support that child.

I will speak for probably no more than 10 minutes, just to outline some background and ask the Minister a series of questions. I am aware that she has not received a copy of my speech, for which I apologise—I do tend to write them at the last minute. I am not expecting specific verbal answers from her today, but it would be great to get written responses to some of the questions I raise, because as I say, they are important to my constituents and the children of the Isle of Wight.

Right from the outset, I want the Minister to be aware of the higher percentage of not only SEND provision but provision of EHCPs on the Island compared with the national average. On the Island, 4.4% of kids have an EHCP, compared with a national average of 3.1%, so our level is roughly a third higher. Some 12.7% of our school population has special educational needs or disabilities; the national average is 11.9%, so our level is nearly one percentage point higher.

Over the past decade, we on the Island have undergone quite substantial educational reforms, which were the right things to do but which have put education there under pressure. In November last year, Ofsted and the Care Quality Commission conducted a week-long joint inspection of the Isle of Wight to judge our effectiveness in implementing the disability and special educational needs reforms set out in the Children and Families Act 2014, with which I am sure the Minister is familiar. Overall, they were content with what they saw. In a letter to the Island's authority, they wrote that

“Children and young people were getting an improved deal on the Isle of Wight”,

which is excellent to know. They also wrote that

“Leaders across education, health and care are committed to tackling the historically poor support that these children have received.”

It is highly regrettable that there has been historically poor support on the Island, which may be one reason for the high level of EHCPs we now have. I will come on to the potential reasons for that in a little bit. Our strengths were seen to be

“Strong early identification and support in early years...A strong early help offer...Joint working supporting early identification...Increasingly effective identifying and supporting CYP”—

that is, children and young people—

“who may have Autism Spectrum Disorder”,

and generally,

“Well informed EHC Plans”.

As I say, education on the Isle of Wight has generally undergone significant reform and improvement. To an extent, we went backwards to go forwards a few years ago, which was highly regrettable, but our Ofsted reports are steadily improving. There have been difficulties, but our partnership with Hampshire is a good one; we are now in that partnership voluntarily, working to improve standards. On that point, I thank the Island’s teachers for the excellent work they do in helping to raise standards, as well as kids and parents on the Island. I also recognise the excellent work done by our education officers Brian Pope and Steve Crocker, as well as by Councillor Paul Brading, who leads on education for the council at the political level.

The inspection found three areas that needed improvement. First, although leaders were committed to putting the needs of children at the heart of their work, that was not always effectively communicated. Secondly, children and parents were not always able to influence the support that they received. Although there are good examples of that process—which, as I am sure the Minister knows, is known as co-production—that experience has not been consistently good for all parents, which is clearly regrettable. Thirdly, although EHCPs have improved, the targets that they had were sometimes imprecise and older plans were not always kept up to date. Those issues, particularly the first and third, have meant that some parents lack confidence in the system.

One of the groups of people who come to see me at my surgeries on the Island the most consistently are parents—almost always mums—of children with special educational needs and disabilities or with an EHCP. During the last Parliament, I held a roundtable for parents of kids with either SEND or EHCPs to meet council and education officers. It was clear that one of the parents’ main issues was that the council and the authorities needed to communicate more and engage in more joint working with officers, schools and parents, so that parents could fully trust in the system. That trust was sometimes lacking, especially because we were going through so many other reforms and improvements that needed to take place at the time. In fact, the Island being in the top half of last year’s review is testament to the fact that we are improving. Despite the upheavals that have taken place in Island education, we were still able to produce significant, decent work on SEND and EHCPs under the 2014 Act. Our education authority has pledged to work harder at creating a co-producing strategy with parents, and to communicate better.

More generally, I welcome much of what this Government are doing, and congratulate the Minister on it. They are boosting higher needs funding by over £750 million, an increase of 12%, to ensure that children can reach their full potential. Over the past decade, the number of teaching assistants has increased by 50,000 to over a quarter of a million—the figure is now 264,000. The Government have pledged that from September 2020, a further £31.6 million will be allocated for additional educational psychologists, who clearly play an important role in identifying children who may have SEND issues and may need to have care plans. On the Island, there has been considerable delay in assessing children for autism spectrum disorder because of a lack of appropriate qualified people. I know that problem has now been sorted out, but at the time, it caused considerable distress.

Most importantly in the context of this debate, I understand that a review has been launched into the 2014 Act and how we support children with special educational needs. The review will consider how to boost outcomes and ensure that the right support is in place for children with those needs. I remind the Minister of my key point: we on the Island have a considerably higher proportion of children requiring EHCPs than the national average—4.4%, compared with 3.1%—and children covered by SEND make up 12.7% of our school population, or nearly 13%, as opposed to nearly 12% nationally. Because we are getting EHCPs to children quickly, the costs kick in more quickly than they would in other authorities where the plans take longer to come to fruition. In effect, our efficiency in producing plans results in additional cost.

There are some theories that potentially explain the higher level of plans on the Island. I have been talking consistently to education officers and some headteachers over the past few years, and it seems that the previous gaps in educational attainment caused by some historically lower standards may be one reason for the higher level of EHCPs now. I have questioned whether we have a more paternal attitude on the Island that means that we want to not state, but identify kids with SEND or who may need education, health and care plans. In the last week, I have talked to headteachers, education officials and Councillor Paul Brading—in fact, we spoke last night—about whether there is a pushy parent factor, which could be an issue in some parts of the UK. They are all adamant that our standards for whether young people get EHCPs are consistent with the national average and that we on the Island are not stating—or whatever phrase the Minister is comfortable with—children to a higher percentage because we have a lower threshold or hurdle than elsewhere. Our assessment standards are consistent and produce higher numbers of children needing an EHCP.

Either way, it is important to say that, because we have higher than average requirements for SEND and EHCPs, there is greater pressure on our school system and on our funding, both the funding we get for specialised care and general funding. As my education authority explains, if a child has an EHCP, the school funds approximately the first £6,000, then the local authority finds the money from the higher needs block. As I am sure the Minister can see, the more children and young people we have with plans, the greater the cost to overall budgets and the greater the pressure on schools that are already under pressure to produce better results because of historical failings in the past decade.

The critical point is that the more children we have with EHCPs and a SEND statement or diagnosis, the more costs our schools have to bear. That will put our budgets under severe strain, despite the increased funding that I am sure the Minister will mention and that I am delighted about. It will mean that, certainly from next year, a primary school will have £4,000 per pupil and a secondary school will have £5,000 per pupil. Almost every school on the Island will benefit from those increases, which is excellent. We want to level up everywhere, not just in the north, which means helping poorer areas and constituencies in the south-east and the south-west. Importantly, the constituency of the Minister’s Parliamentary Private Secretary, my hon. Friend the Member for North Cornwall (Scott Mann), is not dissimilar when it comes to those issues.

[Bob Seely]

To come to the crux of what I want to ask the Minister, I have five questions. There is a rumour that the first £10,000 for EHCPs and SEND provision will have to be found from school budgets. Can she quash the idea that the commitment for the first £6,000 to be found by schools will go up to £10,000? Is she aware of the pressure that that would put schools with a higher commitment for EHCPs and SEND under everywhere in the UK, but especially in constituencies such as mine? The higher the number of EHCPs, the higher the pressure.

Does the Minister accept that the pressure on Island education resources is nearly 50% higher than on the mainland, because of the increased number of children with a education, health and care plan? Apart from general responses, what support can she offer to Island schools to cope with a case load that is significantly higher than the national average? If she is more comfortable writing to me on that, I would be delighted to receive a letter from her.

How will the review better support Island children and families? Can the Minister reassure me that the review will consider evidence from education authorities in places such as the Island, and from Members of Parliament who represent such constituencies?

11.14 am

**The Parliamentary Under-Secretary of State for Education (Vicky Ford):** It is a pleasure to see you in the Chair, Mr Robertson. I congratulate my hon. Friend the Member for Isle of Wight (Bob Seely). He is a passionate advocate for the Island and all its people.

Supporting children and young people with special educational needs and disabilities is one of the most important roles for the Government. It is our ambition for every child, no matter what challenges they face, to have access to the world-class education that will help to set them up for life. I welcome the opportunity to talk about our work on behalf of those children and young people.

As the new Minister for Children and Families, I will build on the work of my predecessors, who have all shown tireless commitment to the issue: my hon. Friends the Members for Chippenham (Michelle Donelan), for Saffron Walden (Kemi Badenoch), and, now, for Eddisbury (Edward Timpson), and my right hon. Friend the Member for Scarborough and Whitby (Mr Goodwill). I thank them all. I look forward to working in partnership with leaders from across education, health and care, and with fellow Ministers across Departments, to build on their progress.

Across England, more than 1.3 million pupils have special educational needs. On the Isle of Wight alone, more than 1,000 children and young people have education, health and care plans and a further 2,250 are in receipt of SEND support. As my hon. Friend the Member for Isle of Wight mentioned, in 2014 we introduced major reforms to improve and streamline the support provided to children and young people with SEND, and to put their needs, and those of their families, at the heart of the SEND system. Local authorities, clinical commissioning groups, parents, teachers, and health and care workers have worked to shape and implement the reforms. I put on the record my thanks for the vital contributions they continue to make to the lives of children, young people and families.

In October 2019, a detailed report from the Education Committee said that the 2014 reforms were “the right ones”. Most parents support them and, through parent carer forums, are providing a crucial voice in local SEND decision-making. However, the implementation of the reforms has been variable.

I thank Ofsted and the Care Quality Commission for their work on the inspections of SEND services, which were introduced in May 2016. All local areas in England will be inspected by 2021. The inspections have identified a range of strengths in the way that local areas are delivering the reforms, as well as areas for improvement. The inspections and reports are a key driver for change. Concerns remain in some areas, however, particularly from parents, about the way the reforms have been delivered across the country. Some 54 of the 108 reports published so far have required the completion of a written statement of action to set out how partners will bring about the required improvement. We are working with partners, including NHS England, to support and challenge local areas to address their areas for development, as well as areas of significant weakness that require an action plan.

Ofsted and CQC revisits to local areas show that progress is being made to improve services, but there is more work to do. In six of the 17 areas revisited so far, inspectors found that sufficient progress had been made against every area of weakness previously identified. Where progress had been strongest, the role of senior local leaders in driving improvement had been pivotal: leadership matters.

The Isle of Wight SEND inspection report was published earlier this month. Inspectors report that leaders across education, health and care are working hard to tackle the “historically poor support” received by children and young people with SEND. Leaders are complimented for having a “good understanding” of what is going well for children and young people with SEND; the early identification of SEND in babies and young children is strong; and there is a well-established model of early help.

The inspectors also highlighted positive employment outcomes for young people on the Island. Almost all young people with SEND go on to education, employment or training as a result of the support provided. The Island’s local council’s supported internship programme is worthy of specific note. I want to see more young people with complex needs getting that type of opportunity and being able to move into paid work, both on the Island and across England. These are all positive results for children and young people on the Isle of Wight and I do not underestimate the work involved in getting to that point. I congratulate local leaders across education, health and care on their commitment to improving the services.

However, as my hon. Friend pointed out, the inspectors identified some further areas of development, particularly around improving communications with parents and increasing opportunities for them to help shape local services in their local area—not just for their own children, but for the wider community. The Department has invested £2.3 million in the development of parent carer forums each year since the reforms were introduced. With the support of the charity Contact and the National Network of Parent Carer Forums, membership of parent carer forums has now risen to



more than 90,000. We are also supporting the Council for Disabled Children and the charity KIDS to improve participation by children and young people. Every local authority has in place an information, advice and support service, which provides free impartial advice for families.

We know that demand for education, health and care plans is high on the Isle of Wight. Some 4.4% of children have a plan, which puts them in the top quintile for all EHC plans. That can cause challenges in ensuring that every child and young person has the provision to meet their needs. A high level of EHCPs does not necessarily mean that that area has higher than average underlying need, and we do not allocate high-needs funding to local authorities just on the basis of the number of EHC plans they have. That would encourage local authorities to put more children and their parents through the statutory assessment process than is necessary to meet those needs. Our funding formula includes proxies that indicate relative levels of need, such as the numbers of pupils with low attainment at key stages of the education, the number of disabled children whose parents receive disability allowance and other factors.

We are planning to start a review of the high-needs funding formula later this year, which will include the £6,000 contribution as part of the call for evidence. We will comment on that in due course and I will write to my hon. Friend about that. In the review, we want to make sure that we fund local authorities using the most appropriate measures of need going forward, and every local authority will see an increase in high-needs funding. Next year, there will be an increase of 12%—£780 million—for those with the most complex special educational needs and disabilities.

We have invested a total of £365 million—£1 million for every day of the year—through the special provision capital fund from 2018-19 to 2020-21, to create places and improve facilities for children with SEND. That is a challenging issue for most local areas, perhaps even more so in an island context. The Isle of Wight has been allocated a total of £849,000 to review its special schools capital provision, which is a key part of making sure specialist school places are available where needed for those with the most complex issues.

However, it is worth remembering that most children with SEND are educated within mainstream schools and colleges. Children, young people and parents should and do have a strong say. Mainstream schools and colleges, with the right level of support and training, should be able to meet the needs of the vast majority of children with SEND without the need for an education, health and care plan. To support them in that, my Department has awarded a two-year contract to NASEN—the National Association of Special Educational Needs—and University College London to help embed SEND into school improvement. We are also funding regional SEND leaders to bring together local networks of schools in a community of practice and help schools to improve provision for children and young people with SEND.

Our ambitious vision for education must be backed with strong investment in schools, and that is why we have announced the biggest funding boost for schools in a decade. We have delivered on the Prime Minister's pledge to level up school funding, providing an increase for our lowest funded schools so that every child can benefit from an outstanding education. In 2021, every secondary school will be allocated at least £5,000 per pupil and every primary school will be allocated at least £3,750, setting those primary schools firmly on the path to receiving £4,000 per pupil the following year. On the Isle of Wight, that includes schools such as Cowes Primary School and Gurnard Primary School, which will see per-pupil funding level up to at least £3,750 per pupil next year. Through the national funding formula, mainstream schools on the Isle of Wight will attract 3.9% more per pupil in 2021. That is an additional £3.5 million in total cash funding.

We know that increasing the amount of funding cannot be our only response to the pressures that local authorities and schools are facing, which is why we concluded a children-in-need review last year. We are taking action to improve the outcomes of children in need of help and protection, as well as those with special educational needs and disabilities, making sure that their needs are recognised and that they are able to succeed through high aspiration and effective support in schools.

Furthermore, last year the Government launched a review of the special educational needs and disabilities system to see what further improvements are necessary to establish a sustainable and effective SEND system in the future. The review will look at how the system has evolved since the reforms were first introduced in 2014 and how it can be made to work better for all families and children. The review will ensure that quality of provision is the same across the country and is joined up across health, care and education. It will ensure that public money is spent in an effective, efficient and sustainable manner, placing a premium on securing high-quality outcomes for those children and young people who need additional support the most. The Government have invested heavily in reforms to the system of support for our most vulnerable children and young people, but we know that there is further to go and we are determined to tackle the issues that remain.

I thank my hon. Friend the Member for Isle of Wight for securing this important debate today. I know he cares passionately about all the people of the Island, and especially for those who need the most support. Improving the system is no easy task, but inspection reports such as that for the Isle of Wight show that services can work together to achieve real improvements. Working with my colleagues across Government, I am determined to ensure that they achieve that.

*Question put and agreed to.*

11.28 am

*Sitting suspended.*

## Equality of Funding: Post-16 Education

[PHILIP DAVIES *in the Chair*]

2.30 pm

**Lloyd Russell-Moyle** (Brighton, Kemptown) (Lab/Co-op): I beg to move,

That this House has considered equality of funding for post-16 education.

I am delighted to have secured this debate on the funding of post-16 education. I will focus on the critical phase of 16-to-18 education, which has been described by the Institute for Fiscal Studies as

“the big loser in the changes to education funding over the last 25 years.”

The IFS calculates that funding for 16 to 18-year-olds is now 6% lower than funding for students in secondary schools, having been 50% higher at the start of the 1990s.

**Sir Desmond Swayne** (New Forest West) (Con): When I did my A-levels, I had a full timetable. I reckon that we now fund two and half days’ tuition. Is that enough? If we consider it to be enough, should we not acknowledge that A-levels are part time and expect people to go out to work? I do not think that is realistic.

**Lloyd Russell-Moyle**: I agree that it is not realistic to expect A-level students to go out and work when they should be studying, although a part-time job during A-levels is always positive. I had one myself, and it does grow the person. I will come on to the fact that we are now effectively funding part-time study rather than full-time study.

In this debate, I will focus on the pathways that the vast majority of 16 to 18-year-olds follow: academic pathways through A-levels and the general applied pathways, mainly through BTECs. Technical education has dominated the debate over the past few years. It is a very important area of development and is now the subject of a lot of necessary focus and reforms. What has lacked focus, reforms and money are the A-level pathways and, as I said, the BTEC pathways.

Academic and applied general qualifications are delivered in the main by three institutions: sixth forms in schools, sixth-form colleges that are separate from schools, and general further education colleges. Along with specialist colleges and training centres, they make up the vast majority of the FE sector. I therefore hope that the Minister will focus on those pathways and not on T-levels, which we have debated previously in this place.

Since 2010, the pressure on 16-to-18 education has increased significantly. The coalition Government made the right decision to protect the education budget, but that applies only to students up to 16 years of age. That means that 16-to-18 education has shouldered the burden of the cuts that had to be made in the Department for Education. The three deep cuts to funding, combined with significant increases in running costs, mean that the purchasing power of 16-to-18 funding has declined sharply over the past decade.

I will come on to the impacts that the disproportionate funding arrangements have had on students and institutions, but first I want to highlight two key issues that must be

addressed if we are to ensure that the education of the 1.1 million 16 to 18-year-olds in England is properly resourced.

**Steve Brine** (Winchester) (Con): I think the hon. Member would acknowledge the very welcome recent funding announcement in this area. Peter Symonds College is in my constituency; it is one of the largest sixth-form colleges in England and has had a 30% increase in student numbers over the past decade.

Although the funding announcement is welcome, I am sure that the hon. Gentleman would agree that it is a long way short of what the Raise the Rate campaign asked for. More pertinently, the one-year stopgap funding settlement is the problem. The sector now needs—we are looking to the spending review for it—a much longer-term settlement, so that it can undertake strategic planning.

**Lloyd Russell-Moyle**: Quite right. I will come on to three things: sufficiency, equality and parity. Sixth forms are particularly disadvantaged in the current system, and we need to start fixing these things.

Fundamentally, the funding that sixth forms in schools, colleges, academies and sixth-form centres in general FE receive to educate 16 to 18-year-olds is not sufficient to provide the high-quality education that young people need, and that the economy needs to prosper. Cuts to courses, support staff and extracurricular activities mean that sixth form, by which I mean academic education and general education in England, is now a part-time endeavour for many students. Although a calculation based on part-time education in technical training may have made some sense in the past—such students spend significant amounts of time in the workplace or another training location—academic and general vocational education has never had that component, and all learning time is spent in the institution. The institution therefore needs the resources for that to happen.

The only way to address the key issue of sufficiency is to increase the national funding rate, which is by far the biggest element of 16-to-18 funding. It is extraordinary that the rate for 16 to 18-year-olds has remained frozen at £4,000 per student since 2013, whereas the rate for 18-year-olds who enter their third year of study—often the young people who require the most help—has fallen to £3,300.

**Dr Dan Poulter** (Central Suffolk and North Ipswich) (Con): I congratulate the hon. Member on securing the debate and making a very important contribution in his opening remarks.

Does he agree that a significant issue faces many further education colleges: some of them are left to pick up the pieces when young people do not have the numeracy and literacy skills that we would hope for by the time they are 16? The current underfunding and lack of funding for further education in such colleges is particularly impacting on the life chances of that group.

**Lloyd Russell-Moyle**: Exactly. That is why the cut to the third year of funding is particularly pernicious. A young person who comes in might need some extra support for a year before they can move on to their final stage of BTECs or A-levels, and the college is actually punished for doing that remedial work.

**Kate Green** (Stretford and Urmston) (Lab): I, too, congratulate my hon. Friend on securing the debate.

Does the perniciousness not work in two ways? Teachers in my constituency have pointed out that they are punished in terms of funding, and that the results they achieve for those students do not count towards their post-16 results.

**Lloyd Russell-Moyle**: Yes, it does. I hope the Minister will address that point.

I pay tribute to the work of the Sixth Form Colleges Association in co-ordinating the Raise the Rate campaign, which has been highly effective. As has been mentioned, the Government have responded by pledging an increase of £188 this coming September. That is still far below the £4,700 per student that Raise the Rate is asking for, and it is £822 below the £5,000 that schools receive for each pupil.

That brings me to the second key issue: equality. Young people are now required to participate in education and training until the age of 18, but education funding is reduced for students who have reached 16. This inequality is impossible to defend. It is worth noting that, in the independent sector, fees usually increase at the age of 16 to reflect the additional cost needed to train and educate 16 to 18-year-olds.

**Alex Sobel** (Leeds North West) (Lab/Co-op): The Yorkshire College of Beauty Therapy is in my constituency. It is suffering from the fact that the new T-levels in the relevant subjects are being introduced but are not yet ready. The whole area of vocational education is suffering from the same lack of sufficiency that my hon. Friend describes for academic subjects.

**Lloyd Russell-Moyle**: My hon. Friend is quite right. We have debated T-levels previously, and there is the difficulty of transition as we go forward. I hope that we will eventually get to a situation where we have A-levels; good general vocational training, with BTECs continuing as a strong component of that; and T-levels. They all offer something different and important.

Until 2011, the funding for a student at a sixth form in a school continued at the school rate, not at the college rate. Given the concerns about the inequality that that caused, there was quite rightly a campaign. Organisations such as the Institute for Public Policy Research said that we needed to equalise the funding. The Government did that but they equalised it down, meaning that we took away about £800 per pupil in today's terms from the budget, rather than adding to the college budget. That hurts sixth-form colleges even more, as they generally pay teachers' terms and conditions and do not get additional remuneration for it. For many years, general FE colleges have got away with underpaying their staff, or rather, the Government have got away without giving them additional resources.

**Debbie Abrahams** (Oldham East and Saddleworth) (Lab): Will my hon. Friend comment on the impact on the availability of science, technology, engineering and maths subjects and modern language courses, as well as on our competitiveness? The 15 hours per week contact time compares very poorly with, for example, the 25 to 30 hours per week in Canada, Singapore and elsewhere.

**Lloyd Russell-Moyle**: My hon. Friend is quite right; that is very worrying. A headteacher in my area talks about the difficulty of recruitment into the sector when there are far better options for pay within the wider teaching sector, let alone the idea that teachers of STEM subjects can often get better pay elsewhere. That seems wrong.

With the Budget and a spending review looming, the Government's short-term priority should be to raise the rate, but the long-term ambition must be to level up funding and undo the mistake of 2011 to ensure that 16 to 18-year-olds receive the same investment in their education as younger students. There is little point in investing heavily in pre-16 education and even more heavily in higher education at £9,000 per student—depending on current moves in the HE review—if the pivotal stage in the middle continues to be overlooked and underfunded.

Sixth-form colleges and general FE colleges also face a number of specific disadvantages that exacerbate the issue. For example, since incorporation, colleges cannot reclaim their VAT costs, but schools and academies can. The Sixth Form Colleges Association estimates that the average sixth-form college has to redirect around £350,000 per year—4% of their income—away from frontline education of students to pay the VAT “learning tax”. What sits behind that and many other funding inequalities is the inexplicable decision to classify colleges as private sector bodies. Even private schools and private sixth-form colleges are not classified in such a way because they are third sector charities

**Dr Rupa Huq** (Ealing Central and Acton) (Lab): My hon. Friend is making a passionate speech. I would add to his list another disadvantage to colleges. Ealing, Hammersmith and West London College was in massive arrears. The current principal, Karen Redhead, has turned it around towards being back in the black again, but the insolvency regime promises to punish her even further, while other people are being bailed out for not managing things as well as she has. Will my hon. Friend comment on that?

**Lloyd Russell-Moyle**: We need to look at those issues, particularly the way that we manage debts linked to buildings, which has got a lot of colleges into trouble in the past.

For sixth-form colleges in particular, the vast majority of their income comes from the Government, and a private sector classification is simply impossible to justify. A few years ago, the Government allowed a pathway for sixth-form colleges to become academies, but it is not right that the Government require a change of governance in the organisation for it to be classified as part of a particular tax band, rather than working out the best governance for the institution to give the best education, which is what we should focus on.

All colleges suffer when the Government decide to exclude them from initiatives such as early career payments, or funding streams such as the teachers' pay grant, which was afforded to schools. Their incorporation in 1983 by the then Secretary of State, Keith Joseph, removing them from local authority oversight—a historic mistake that has led to a widening of the gap since the 1990s. Only the equalisation of structures across the board will solve the problem.



[*Lloyd Russell-Moyle*]

Brighton, Hove & Sussex Sixth Form College—or BHASVIC—is one of the sixth-form colleges in my constituency. It has grown by 630 students since 2014, but its income has grown by £1.5 million only, meaning that the student body is up by 21.7% but the income is up by 13% only. The principal of BHASVIC wrote to me saying that

“Whilst the additional income for 2020-21 is welcome, it barely makes up for inflationary cost pressures over the last couple of years”.

BHASVIC will use the money simply to plug the gap, rather than actually investing in IT, teacher development and other things that are needed, particularly for student wellbeing—colleges also face the burden of rising rates of mental health problems.

BHASVIC is one of the lucky few. It has been able to bid and draw from a limited pool of funding for capital works on academies. Unlike school sixth forms, colleges do not have a dedicated pot of money and must bid against academies for building and maintenance. For general FE colleges, it is even more complicated in that they have to bid with local economic partnerships for funding. The myriad capital funding streams to pay for buildings leads to a lack of joined-up thinking and a postcode lottery of facilities in our education system.

The views of education providers, teachers and principals are unanimous: the funding gap has a devastating impact and is felt widely. When I secured this debate, the House of Commons digital engagement team posted on Facebook asking for feedback from students and staff. Abi, one of the respondents, said that her sixth form cannot even afford basic items such as extension cables for computers, and teachers are having to pay out of their own pockets for printing. That is totally wrong. A Reddit user said that A-level politics was dropped midway through their course because the teacher left and the school could not afford a new specialist in the department. Another student reported that their college has had to shut its canteen, which it cannot afford to maintain, so students now eat at the fast-food joints across the road, blowing out of the water any aspirations for healthy living and eating.

One way colleges have tried to manage those difficulties is through a flurry of mergers into super colleges in an attempt to pool costs or recreate the services that the local education authority provided before 1993, but such mergers often mean a centralising of course provision in just one or two campuses across the network, and lead to teachers and management being further away from the students and communities they serve. I do not want to say anything bad about any individual colleges—many have staff who do fantastic work—but the mergers render the Ofsted regime not fit for purpose. Multi-academy trusts are inspected per campus, but for a multi-campus set of FE colleges, there is only one inspection, so we have no idea of the differences between two campuses offering the same courses and options. That lack of granularity renders the Ofsted inspections almost worthless.

**Alexander Stafford** (Rother Valley) (Con): On the point about mergers, the Dinnington campus college recently merged with the RNN Group in Rotherham. Since then, it has had problem after problem. Currently, it is slated for closure, which would have a devastating

effect on my constituents. Does the hon. Gentleman agree that some mergers do not take into account some important aspects of colleges, such as location, teaching and staff, and that we need to ensure that colleges such as Dinnington campus remain open?

**Lloyd Russell-Moyle:** I totally agree. I was on the board of the corporation at one college that merged into a sixth-form college. I was one of the few corporation members who voted against that merger. I am afraid that sixth-form college has not prospered since the merger. I have been involved in other colleges that have merged. In Haywards Heath, just north of my constituency, the sixth-form college did not prosper following a merger into general FE and ended up shutting. The initiative has led to a number of campuses suffering and shutting and, although it has been successful in other areas, its record is not good enough, with a number of failures.

To solve the problem, will the Minister commit to sufficiency, to ensure that schools and colleges can continue to deliver a high-quality, internationally competitive education? The Government need to raise the national funding. There is no justification for a funding cut at the age of 18. The rate should be at least £4,760 per student per year in 2020, and it needs to increase in line with inflation in the rest of the sector. Will the Government ensure that providers of sixth-form education can operate on an equal basis and a level playing field by removing the imposition of VAT learning tax and allowing them access to all the funds available to other education providers?

I will end by asking the Minister three questions sent to me by the head of the other sixth-form college next to my constituency. First, Phil Harland, the principal of Varndean, said that by 2025 the number of Brighton and Hove 16 to 18-year-olds wishing to continue post-16 education will have increased by 500. Similar increases are expected elsewhere across the country. Without any additional buildings, the city and the college sector more generally will not be able to accommodate those students. Will the Minister confirm that his Department is working with colleagues in the Treasury to secure a dedicated post-16 capital expansion fund for those colleges to draw on when their numbers increase?

Secondly, the three Brighton and Hove college principals met the city’s chief executive just before half-term to talk about the growing mental health crisis. The meeting was helpful in finding ways forward, but all parties recognise that without additional funding dedicated to support the mental health and wellbeing of students in that vital period, little progress will be made. Is the Minister aware of the problem, and does she recognise that dedicated resources for in-house counsellors are needed, so that nothing is taken from teaching budgets?

Thirdly, the sixth-form college sector was identified by a previous Minister as the jewel in the crown of the UK’s education system. That jewel might have dulled slightly in recent years, caused in part by the difficulty of recruiting teachers to the sector. The difference between school teachers and college staff is increasing. The School Teachers Review Body is an independent body that sets the level of school teachers’ annual pay awards. The Government usually accept the recommendations and fully fund them, but they do not fund pay in the college sector. Will the Government commit to fund the STRB increases for colleges as well, so that they can pay their staff properly?

This year, 2020, is the year to raise the rate to at least £4,760 per student and to level up funding between different stages of education. Within 16-to-18 education itself, I hope that the Minister will agree that we need to invest in our college sector.

Several hon. Members *rose*—

**Philip Davies (in the Chair):** Due to the number of people seeking to catch my eye, I will impose an immediate time limit of five minutes on speeches. I might have to revisit that downwards, but I will start with five minutes and see how we go.

2.52 pm

**Jason McCartney (Colne Valley) (Con):** It is an absolute pleasure to serve under your chairmanship, Mr Davies. I congratulate the hon. Member for Brighton, Kemptown (Lloyd Russell-Moyle) on his wide-ranging comments and thoughts and on the feedback from his local sixth-form colleges about this subject. I also congratulate him on having secured this important debate.

I have just been elected co-chair of the all-party parliamentary group on sixth-form education, and very much to the forefront of my mind are the staff and students of Huddersfield New College and Greenhead College, which serve my constituents. In fact, none of my schools has sixth forms, but I have two sixth-form colleges, and both provide outstanding sixth-form education.

If you will indulge me for about 30 seconds, Mr Davies, I would like to highlight those two colleges. In August last year, 34 students from Greenhead College met their offer to study at an Oxbridge university. Based on the Department for Education school and college performance tables published in January last year, Greenhead College is the best performing sixth-form college in Yorkshire and one of the best such colleges in the country. The college claimed top spot in the prestigious *Sunday Times* “Parent Power” list back in 2014.

Meanwhile, Huddersfield New College also provides outstanding education. Last year, it was shortlisted for the prestigious Tes further education sixth-form college of the year award for the third year running. Last year, too, students achieved record-breaking results, confirming Ofsted’s judgment that learner outcomes at the college are outstanding. Also last year, the college was crowned the Tes national sixth-form college of the year—the Tes awards, of course, celebrate the extraordinary commitment, quality and innovation shown by teachers and support staff across the UK.

This debate is to highlight the campaign for improved education funding for the 1.1 million 16 to 18-year-olds across England. As the hon. Member for Brighton, Kemptown clearly demonstrated, the narrow funding rate for 16 and 17-year-olds has been frozen at £4,000 per student per year since 2013. Funding for 18-year-olds was actually cut to £3,300 in 2014, at a time when running costs have increased. That has put huge financial pressures not just on my local colleges but, I am sure, on the local colleges of all the Members present.

Last year, the Government made the welcome announcement that they will raise the rate to £4,188 per student by this year. That was a welcome first step but, as we heard, the Raise the Rate campaign is making a strong case for funding of £4,760 per student. However,

as my hon. Friend the Member for Winchester (Steve Brine) said, there is very much a need for a long-term settlement for sixth-form education for at least the length of this Parliament.

In addition to the rate, our sixth-form colleges need support with updating college estates. On top of the asks made of the Minister by the hon. Member for Brighton, Kemptown, may I call on the Government to commit to a capital expansion fund for FE and, in particular, my sixth-form colleges?

Unlike schools and academies, as we heard, sixth-form colleges are not eligible for the teachers’ pay grant, even though they have the same workforce pay rates as almost every 16 to 19-year-old academy. My colleges are ambitious in providing outstanding sixth-form education for local students, and I have clearly demonstrated how both Greenhead College and Huddersfield New College do that. In another ask from me, and to reiterate what we have already heard, will the Minister please look at the VAT rebate? That is important.

Finally—so other Members may have a say—school funding was a big feature of the general election campaign. Higher education featured heavily in the 2017 campaign and was looked at in the Augar review. We hope that the debate this afternoon highlights the value of sixth-form colleges. As we approach the Budget on 11 March, we call on the Government to raise the rate.

2.57 pm

**Yvonne Fovargue (Makerfield) (Lab):** It is a pleasure to serve under your chairmanship, Mr Davies, and I congratulate my hon. Friend the Member for Brighton, Kemptown (Lloyd Russell-Moyle).

I am always happy to speak up for my outstanding sixth-form colleges and to praise their achievements, but I also need to raise their issues. Peter McGhee, the head of St John Rigby College, puts their problems much better than I ever could. He says that we have outstanding provision in Wigan for school leavers, thanks to years and years of hard work dedicated to the needs of the young people in the community, but that is under threat due to chronic underfunding.

Peter is constantly in the difficult position of deciding between increasing the workload of staff members, who are paid £7,000 less on average than those in schools, reducing staff numbers, or restricting maintenance and equipment. What his college did was to restrict the maintenance and investment in equipment, despite the growth in student numbers. It prioritised teaching and staffing, and the essential support services that we hear so much about, because those enable students to learn successfully. However, it is now essential for the head to invest in equipment and in the estate. I support the need for some fund that colleges can make bids to, because they are now considering previously unpalatable decisions.

St John Rigby College is looking at the “Future Pathways” options, which inspire the next generation of scientists, leaders and teachers, and provide exceptional opportunities for young people to explore career options. However, they are not funded, and something has to give. In my area, where many young people traditionally have low aspirations, if those doors are closed, there will just be a further decline in the number of graduates, and young people’s horizons will be limited, just as we should be encouraging them to move forward.

[ Yvonne Fovargue ]

Peter says that the marginal increase in rate will do little to address the years of catch-up investment needed, never mind the opportunity to provide exciting unfunded enrichment programmes, to forward plan or to provide the facilities and investment that young people in Wigan richly deserve. The wider community loses out too. This community college meets the needs of the wider community because it has weekend community sports provision, but that is desperate for investment. Winstanley College has not been able to offer German A-level for the past couple of years. Every year, it pays £200,000 to the Government in VAT.

I want to finish with some questions and comments, not from me, but from someone much better placed to speak about this issue—the principal at St John Rigby, who said:

“Why are we presenting our college leaders with such unpalatable decisions? Why do they have to decide each year on getting rid of the next ‘best worst option’? These colleges function as a whole package for our young people, educating the whole person, providing a college experience which transforms lives. We can dilute this experience no more. We must invest in the futures of our young people and we must put their educational experience at the heart of this investment.”

Hearing such heartfelt questions and comments from a dedicated professional who has spent his life working to benefit young people, and who heads a college designated as outstanding, will the Minister not agree that it is time to raise the rate?

3.1 pm

**Peter Aldous** (Waveney) (Con): It is a pleasure to serve under your chairmanship, Mr Davies. I congratulate the hon. Member for Brighton, Kemptown (Lloyd Russell-Moyle) on securing the debate.

In my constituency, post-16 education is provided at East Coast College in Lowestoft, which incorporates Lowestoft Sixth Form College, Sir John Leman High School in Beccles, and Bungay High School. Lowestoft Sixth Form College has had to contend with the inequalities mentioned: the inability to reclaim VAT and ineligibility for both the teachers’ pay grant and early career payments. At East Coast College, there have been some significant recent investments, including the opening last November of the energy skills centre and the subsequent launch of the eastern civil engineering and construction campus at Lound, between Lowestoft and Yarmouth.

Those initiatives are extremely welcome and vital to the future of the area, but to be successful, revenue funding must be set at a realistic level, so that the college can deliver a high-quality competitive education. The sixth forms at Sir John Leman High School and Bungay High School both provide high-quality A-level education, with many students going on to top universities. However, it is a continual challenge to operate sixth forms that serve large rural catchment areas.

The increase in the 16-to-18 funding rate announced last September, from £4,000 to £4,188 per student, is welcome. However, it is only one step in the right direction. I fully support the Sixth Form Colleges Association campaign for the rate to be increased to £4,760.

**Royston Smith** (Southampton, Itchen) (Con): It seems perverse that children up to the age of 16 will receive one figure and young people beyond that will receive

another, and that schools can claim back VAT on costs but colleges cannot. Does my hon. Friend agree that, if nothing else, the Government should look at those two things and ensure that there is equality for FE and secondary schools?

**Peter Aldous:** I agree with my hon. Friend. A number of issues need to be raised, but those two appear to come out above all else.

The proposed rate increase has been endorsed by both London Economics and the Select Committee on Education. It will enable schools and colleges to provide high-quality education and training, and also the necessary support services, extracurricular activities, work experience and mental health support.

In my constituency, the increase is vital for three reasons. First, it will improve social mobility. Education from 16 to 18 is the bridge between school and the rest of one’s life, which may include further and higher education, before moving on to the workplace. If it is not properly funded, and a great gulf remains, many young people will face a struggle to realise their full potential. That is not only a grave social injustice, but means that the UK’s productivity gap will remain stubbornly in place.

Secondly, there is a need for economic regeneration in Lowestoft. To achieve that, some important developments are being put in place—not only the energy skills centre, but the redevelopment of the offices and laboratories of the Centre for Environment, Fisheries and Aquaculture Science at Pakefield, and Scottish Power’s new operations and maintenance base. Investment in buildings and infrastructure is vital, but for those initiatives to be fully successful, we must invest in our young people.

Thirdly, it is important to have in mind the particular challenges in coastal communities. There is a need to go that extra mile to overcome the obstacles that have become deeply embedded in so many seaside towns. That is a vital element of levelling up that must not be overlooked.

I am afraid that 16-to-18 education has been overlooked for too long. In the post-Brexit economy, there will be no hiding place. It is vital that we raise our game. A good way to do that is to raise the rate to £4,760.

3.6 pm

**Jim Shannon** (Strangford) (DUP): I thank the hon. Member for Brighton, Kemptown (Lloyd Russell-Moyle) for securing this debate. It is focused on post-16 education in England and, as a Northern Ireland MP, I do not have a role to play in it, but I want to offer the Minister some observations and a wee bit of perspective from Northern Ireland, to give a flavour of where we are. She will not have to answer the questions that I bring to her attention, because education is a devolved matter in Northern Ireland, but the issues are none the less important, and are certainly a UK-wide problem.

Let me thank the Library for the background information it has provided. Analysis published by the Education Policy Institute in May 2019 showed that funding per 16-to-19 student fell by 16% in real terms, from £5,900 to £4,960. That is twice the rate at which all school spending fell from 2009-10 to 2017-18. Funding per



16-to-19 full-time equivalent student in the FE sector fell by 18% in real terms, from £6,250 to £5,150. The fall was 26% in school sixth forms, from £6,280 to £4,680. Even more worrying, funding for student support, including bursaries to learners aged 16 to 18, fell more than other funding streams, by 71% in real terms. Funding for programme delivery decreased by 30%, while disadvantaged and high-needs funding combined grew by 68%.

As a Northern Ireland MP, looking at the information in front of us, I have to draw the conclusion that others have drawn: the figures are simply shocking and are replicated throughout the whole of the United Kingdom of Great Britain and Northern Ireland. We have held debates in which it has been highlighted that there are pockets of young men in this country who are unemployed and have no qualifications. Clearly, the root of the issue is inadequate funding of schools, and post-school funding is woeful. It is little wonder that young men and women cannot find anything to excel in—there is funding only for the bare essentials. That, along with the changes to apprenticeship funding, makes it clear that young men are being failed by the system.

In Northern Ireland, there is an abject failure of the education system to help young Protestants aged 16 to 19; they fail to get educational qualifications and apprenticeships, and society lets them down. I have been in touch with the Minister, Peter Weir, a colleague and friend who is a Member of the Legislative Assembly for Strangford, to see whether we can bring in the changes that we need. It is quite clear that we have to address that issue in Northern Ireland; we need to give people focus, vision and hope for the future. That is what I want to see.

This debate is about the fact that people are failing to be given the hope, vision, incentives and opportunities they need. The figures I cited show that it is not just young men being failed; put simply, it is any young person who does not have the desire or the ability to continue academically on the pathway from A-levels to university. How could that happen? How have society and the Department for Education allowed themselves to undo years of understanding that succeeding does not simply mean getting good A-levels and that there is not just one route for people to take to further education and their dream job?

Importantly, the Sixth Form Colleges Association states in the concluding paragraph of the information it provided for the debate:

“The post-Brexit economy will be driven by leaders, scientists, technicians, engineers and others who will all pass through the pivotal phase of 16 to 18 education, so we must ensure that funding is both sufficient and equal.”

We must be up to that challenge in relation to Brexit.

The Minister and the Government must take a real, sincere look at why funding has so consistently been cut and why these particular young people are worth less investment. They are not. We need that perception to change, and that can happen only through enhanced funding. I say with the greatest respect that we can accept no excuses from the respective Ministers. We must accept only change for young people. I look to see whether that change will come from this place and whether it will spread into a United Kingdom-wide system that invests in every young life equally, as it should.

3.11 pm

**Mr Virendra Sharma** (Ealing, Southall) (Lab): It is a pleasure to serve under your chairmanship, Mr Davies. I congratulate my hon. Friend the Member for Brighton, Kemptown (Lloyd Russell-Moyle) on securing this crucial debate.

Our children and young people are being let down by their Government yet again. Education funding for 16 to 18-year-olds has been slashed by the Tories since 2010. At the same time, the costs of teaching have soared and the needs of students have become much more complex. Research by London Economics shows that the Government have presided over a 22% decline in sixth-form funding since 2010, with a further pointless cut for 18-year-olds.

My constituency is home to some high-performing sixth forms, such as Featherstone High School, Dormers Wells High School, Elthorne Park High School and Villiers High School. Like so many other schools across the country, they have worked under tremendous financial pressure to deliver for our young people. With the population of 16 to 18-year-olds expected to grow in the next few years, it is vital that schools in my constituency are given the capacity they need to continue their great work.

Further education is a critical point in the life of a young person, whether they live in my constituency or in any other part of the country, and it provides many with the education and training they need to go on to skilled work or university. Although the Government have rightly required young people to continue their education until the age of 18, they have overseen swingeing cuts to further education. The Government's drastic funding cuts in that sector relative to secondary and higher education seem illogical, given that all students now move through that crucial stage in their development.

The impact of Government cuts on students could not be clearer. We see larger classes, fewer available courses, and poorer mental health and careers support, and foreign language and STEM tuition has been decimated. That is the legacy of 10 years of this Government's education policy, the consequences of which are declining social mobility for those in state education, and less hope and prosperity for children and young people.

Let us look at the Conservative Government's rhetoric versus their record. The Government aspire to foster an outward-looking global Britain, yet have caused 50% of colleges to drop courses in foreign languages. The Government pledge to develop a skilled workforce that is internationally competitive post Brexit, yet 38% of colleges have dropped courses in science, technology, engineering and maths. The Government say they take children's mental health and careers advice seriously, yet 78% of sixth forms have been forced to make significant cuts to those services. The Government speak of levelling up, yet inequality of funding between state and private schools means that 60% of private school students but just 18% in the state sector go to the UK's most selective universities. Tory rhetoric rings hollow.

If the Government are going to turn off the tap of international talent with their harsh new immigration regime, they must put their money where their mouth is when it comes to education funding. We will need many multiples of the paltry increase the Government announced

[Mr Virendra Sharma]

last September. Funding cuts in further education have undoubtedly led to greater inequality in society and hurt our hard-working schools and colleges. The Sixth Form Colleges Association has called for a reasonable increase in the rate to £4,800 per year for every student, and we should go further. In a post-Brexit economy, we will need to foster a new generation of home-grown scientists, engineers, technicians and skilled workers. That can happen only if the Government properly fund further education and give our children the chance to flourish.

3.15 pm

**Ms Marie Rimmer** (St Helens South and Whiston) (Lab): It is a pleasure to serve under your chairmanship, Mr Davies. I commend my hon. Friend the Member for Brighton, Kemptown (Lloyd Russell-Moyle) for securing this much-needed debate.

Many of these things have been said before, but they need to be repeated until we get the answers we deserve. Education is fundamental to our country; it is the beating heart of our economy and necessary for a functioning democracy and, arguably, society itself. It is therefore beyond disappointing that sixth-form education is so woefully underfunded by this Government.

I am proud of Carmel College in my constituency. The absolute commitment of its staff to serve its pupils with a good education makes it an outstanding college, despite the lack of funding from central Government; as my hon. Friend so clearly articulated, sixth-form education is one of the most underfunded areas of our education system. Carmel's funding issues are compounded by the fact that it is a Catholic college and therefore cannot access what extra funding—underwhelming though it is—is available to academy colleges.

As my hon. Friend clearly outlined, sixth-form colleges received £1,380 less per student in real terms in 2016-17 than in 2010-11. That is a 22% decline in funding while costs in other areas have increased year on year. That is a disgrace. We should be investing more in our children's futures, not less.

That underfunding has a number of detrimental effects on our society and economy. Most colleges have reduced drastically the number of extracurricular activities they provide, including sport, music, drama, educational visits and even debating clubs, to name but a few. That has a negative effect on equality and social mobility in our nation, since such activities help to provide the well-rounded education that is essential in the modern world. Privately funded colleges such as Eton continue to offer those extremely beneficial activities, while the colleges used by the majority of the population can no longer afford to do so.

Class sizes are increasing. Sadly, that is not limited to sixth-form education. The number of A-levels that young people study has reduced from four to three. The situation is worsened by the lack of student support workers and teaching support in schools; as schools' budgets are tightened, those immensely valuable roles are removed. Students with special educational needs get less of the support they need to be the best they can be, and young people in general are not provided with support at one of the most stressful times of their lives. We see all too

often in the media how that lack of support leads to negative outcomes, which extend to young people taking their lives.

When we look beyond the classroom, we see sixth-form provision that does not provide for the long-term needs of our nation. STEM subjects have long been the backbone of our economy. It was through those subjects that the United Kingdom began the industrial revolution and we became a leader in so many fields, such as pharmaceuticals. Yet, because of current funding arrangements, sixth-form colleges struggle to provide those subjects, as they are less popular. We risk a generational gap in the number of people learning those vital subjects.

Failing to invest in young people now is failing to invest in the future of the country. We will lose our edge in the global economy. Indeed, foreign languages are declining in sixth-form colleges. The Government has plans for a global post-Brexit Britain, in a landscape of growing economic giants such as China, Brazil, Japan, India and a resurgent Russia that will lead to more diversity in the language of business. Foreign languages are even more vital to British success following Brexit. I therefore call on the Government to raise the rate of funding for 16 to 18-year-olds to a minimum of £4,760. I also call on them to refrain from innovative accounting and to ensure that the rise is in addition to existing money, rather than shifting it around and rebranding it. Let us put a stop to smoke-and-mirrors funding. Education is vital to our country, community and society. Let us give young people the tools to revolutionise their futures and the country.

3.20 pm

**Rachel Hopkins** (Luton South) (Lab): It is a pleasure to serve under your chairmanship, Mr Davies. I congratulate my hon. Friend the Member for Brighton, Kemptown (Lloyd Russell-Moyle) on securing this important debate.

For the past five years, I have been a governor at Luton Sixth Form College, which is the oldest in the country and, with more than 3,100 students, one of the largest. It is the college that I am proud to have attended. I have seen how vital further education provided by sixth-form colleges is to improving young people's life chances and laying the foundations for a successful life. In deprived areas or places with limited employment opportunities, education is integral to setting young people up with the skillset to improve their living standards and their surrounding community.

I welcome the comments already made about ensuring that we retain a mix of A-levels, BTEC and T-levels to meet students' varied demands; that applies equally to the vital opportunities that some students at Luton Sixth Form College have to take the extended project qualification, for example, enabling them to broaden their horizons in independent study. Those things are at risk as a consequence of underfunding.

The fact that funding has been squeezed leads to pressures on both teaching and support staff, as has been said. It is absolutely unacceptable that since 2010 the Government have frozen the rate for 16 and 17-year-olds and cut it for 18-year-olds. As to funding for support staff, student services have been slashed in 78% of cases, and in 81% there are larger class sizes. The Home

Secretary yesterday said that the Government are levelling up our country's skills, but in reality that could not be further from the truth.

VAT is another point that it is vital to cover. Under the area-based review a few years ago, Luton Sixth Form College was commended and it was agreed that it would stand alone as a sixth-form college. However, it has to pay £350,000 to £400,000 in VAT. It was told that to consider becoming an academy, to claim that back for students, it could not be a stand-alone academy but would have to go into a multi-academy trust. We felt that that would detract from our core education mission, which had already been praised. We need a joined-up approach to all that.

The effect of underfunding on state schools and colleges is clear. Only 18% of state-schooled A-level students went on to attend the most selective universities in 2016-17, compared with students from the independent system. Another consideration that particularly affects my town and constituency is that the population is growing. The Office for National Statistics forecasts a 29% rise in the number of 16 to 18-year-olds in Luton by 2028, which equates to nearly 1,500 more students. Luton's sixth-form sector will struggle to accommodate that growth. Therefore, colleges such as Luton Sixth Form College, and other school sixth forms in my constituency, such as Stockwood Park Academy and Manshead Academy, will need additional funding to ensure adequate additional capacity for those students. The rate must be raised to £4,760 per student per annum, and yearly increases must be tied to inflation. The increase must be taken alongside the wider aim of achieving funding parity with secondary schools.

As colleagues have mentioned, the funding commitment constitutes only a one-year deal for 2020-21 for sixth forms and colleges, whereas schools in the five-to-16 sector received a three-year funding deal, with a further commitment to keeping pace with inflation. We want to hear from the Minister why five-to-16 education receives funding certainty but the 16-to-18 education sector does not. Properly funding sixth-form colleges creates a bridge between school education and higher education that facilitates effective social mobility. Ten years of underinvestment have damaged that bridge, but there is a clear way forward: raise the rate and set a sustainable further education funding model.

3.25 pm

**Karin Smyth (Bristol South) (Lab):** It is a pleasure to serve under your chairmanship, Mr Davies. I thank my hon. Friend the Member for Brighton, Kemptown (Lloyd Russell-Moyle) for securing the debate, which is timely given that the Budget is just a few weeks away. I sincerely hope that the Minister recognises that underfunding of post-16 education only undermines the Government's skills strategy. It is a serious loss of opportunity for young people and perpetuates a cycle of low-paid, insecure work, which, as Professor Marmot has reminded us today, devastates life chances. The eye-watering cuts to post-16 provision cause students to drop down, if not drop out of education entirely, which adds to the already wide skills gap that exists in Bristol South. Importantly, that is devastating communities and having a terrible effect on social mobility.

There is a lot of agreement in the Chamber this afternoon about the Raise the Rate campaign and the cuts it has identified. That matters in Bristol South

because many young people come from some of the most deprived wards in the country. Many care for other family members and some come from families where domestic violence is rife. Those young people are falling behind in GCSEs. Student support—so-called extracurricular activity or pastoral support—is not a “nice to have” for those families; it is how we nurture, protect and develop those young people before adulthood.

We have learned a lot in recent years about preparing children for reception class and for year 7. It is crucial to get things right at the next stage of the education journey, but we seem to have little regard for transition at 16. Often at that time parents are not as present in a young person's life. Sometimes, as I find in my household, that is the choice of the young person. They need other people to help them through that important opportunity. Post-16 provision offers, as we have heard, new paths, and for those who have done well at GCSE the opportunity to take the next step along the road to university.

In the recent Queen's Speech debate, I spoke about A-level provision in Bristol South, which is poor. We send the lowest number of people in the country to higher education. Research by the University of Bristol found many “gap wards” in Bristol South. The term refers to places where pupils are expected to continue to higher education based on GCSE results, but do not. They fall through the cracks—some dropping down and some dropping out altogether because of the difficulty of transitioning to college life. That is why this debate is so important.

Our main provider, City of Bristol College, has had an almost 40% cut in its funding in the past decade—no wonder it is struggling. It has done remarkable work, but the cuts are falling on student support and staff wages, so that it is now difficult to recruit the high-quality staff we need. Secondary school teachers, university lecturers and experienced electricians are all earning more than those college lecturers. Why do the Government seem so averse to levelling up post-16 education?

I went to an FE college, as I think did many of the Members present for the debate. So did the former Chancellor, the right hon. Member for Bromsgrove (Sajid Javid). His loss from that post is perhaps a problem for us, facing up to the Budget. I hope that the Minister is different. The Select Committee on Education has given some pointers about what needs to happen and what is wrong in the Department to explain why the colleges are not supported. A briefing by the Sixth Form Colleges Association points out that there is little point investing in pre-16 and higher education if the crucial middle sector is left out.

Of course, the Government could ask the experts. Like other Members, I am grateful to college principals—the principals of City of Bristol College and of St Brendan's College, which is in a neighbouring constituency—for the advice and support they give, for informing me of what is going on, and for the work they do. They do remarkable work and need our support. If the Government are serious about levelling up, they need to start with equality of funding post-16. Now that some form of education or training is compulsory until the age of 18 in England, the Government must stop refusing to fund the extension of the pupil premium to support 16 to 18-year-olds. They need to level up and recognise that transition into and through post-16 is as crucial as starting primary and secondary school.



3.29 pm

**Ms Lyn Brown** (West Ham) (Lab): It is a genuine pleasure to serve under your chairmanship, Mr Davies. Unusually for me, I want to start not by talking immediately about Newham—I shall get to it later: I want to talk about further education cuts and how they can affect our towns.

In my role as a shadow social justice Minister, I had the privilege of visiting Leigh and my friend Jo Platt, who was its MP until December. I heard how unless young people could afford to travel for hours every day once they left school, all they were offered were courses in beauty and social care at the local college. It is a bit like when my mum left school and was offered a choice of two careers—dressmaking or hairdressing. That was almost 100 years ago. I am not decrying those professions, which are both incredibly valuable, and many young people have a real passion for them, but others have different ambitions, and rightly so—they should not have to travel for hours to access the learning or training they need to achieve their dreams. There cannot be any doubt that putting these barriers to different careers in front of young people will hold them, their communities and our economy back.

As we know, across the country some crucial subjects are simply not available any more. We know that 50% of our schools have dropped modern foreign languages—global Britain? Almost 40% of schools and colleges have felt the need to drop STEM subjects, and almost 80% of schools have removed extracurricular activities and support services. More than 80% have to teach in larger classes. Does the Minister honestly believe that will not affect the quality of learning for those students? I do not. This is not global Britain; this is going backwards.

I see these struggles in the sixth-form colleges in West Ham, where there are fabulous teachers, bright young students and real, real ambition—there is no doubt about it—but those ambitions and aspirations alone cannot replace the money that has been lost. Newvic—Newham sixth-form college—is just down the road from where I live. The head, Mandeep Gill, the staff and the students are an inspiration. They work well together and they work so hard, but, as in so many sixth-form colleges around the country, it is having to make really difficult decisions.

I know how agonising the college's decision was to stop teaching modern foreign languages and the arts classes because there simply was not the money. Mandeep has also been forced into galling decisions about which students' services to cut. One of the toughest decisions was to cut back on some of the counselling and wellbeing staff, including very recently a mental health adviser. The college simply could not afford to keep that support, even though it recognises it is sorely needed. Many of its students will already have been let down by the waiting lists and absurdly high criteria to access child and adolescent mental health services in an area that has massive problems with youth crime and knife crime in particular.

Frankly, the failure to fund colleges properly is storing up problems for the future. It is not creating potential and it is not assisting the future of our society. The young people in my constituency are already suffering in so many ways after a decade of austerity. Child poverty is at 50% locally, youth services have all but disappeared and violent crime, as I said, is tragically a

common feature of our lives. College counselling services provide the only adults that some of our young people can have access to and confide in. Those have been cut away as well.

I genuinely believe that the Minister can recognise just how dire the funding situation is. It is helping to create geographical inequalities, and it is selling our future short. If my young people cannot access mental health services and other services to get themselves out of gangs, what will that do for their futures and our futures? For heaven's sake, raise the rate!

3.33 pm

**Catherine West** (Hornsey and Wood Green) (Lab): It is a pleasure to contribute to the debate under your chairmanship, Mr Davies, and to follow the excellent speech from my hon. Friend the Member for West Ham (Ms Brown), who represents so many young people in Newham—one of the youngest parts of the country. I want my voice to join those across the Chamber. It is great to speak last in the debate, because everyone is saying the same thing. We all support the call for per head funding to go up from £4,000 to £4,760 per student and I am pleased that the campaign enjoys the support of the Education Committee, Ofsted inspectors and the Social Mobility Commission. It has always struck me as perverse that, while the apprenticeship levy cannot seem to be spent locally and is being given back to the Treasury because of that, FE has experienced a 50% cut. Surely that needs swapping over.

I am a strong supporter of the campaign and want to bring three new points to the debate. The first is capital spend, which is perhaps not included in the £4,760 figure. Many Members will have visited facilities for 16 to 19-year-olds in their constituencies. I was recently in Highgate Wood School in my constituency where PE is taught at GCSE and A-level to such a high specification, with excellent teaching staff, supportive parents and fantastic families, that the young people are inspired to take up careers in sport. Tragically, however, the bathrooms and changing facilities are Dickensian, with almost no running water, rusty taps and toilets that girls do not like to use at certain times of the month. All those basics really put people off choosing PE.

I beg for an improvement in the capital budget because everyone has the right to learn in a high-quality facility. It is not just sport; other Members have mentioned science and technology, where we are seriously behind in terms of the hardware we need. In languages, we need not just teaching staff but up-to-date learning facilities—computers and so on. We need to see an improvement in our music. Tragically, while we have wonderful universal provision in the Haringey music service up to about year 8, suddenly there is a cliff edge. This year, despite being one of the most populous boroughs in London, with a lot of young people, only about a dozen are learning music at A-level. That is a real pity. At university level, music is the subject with the lowest proportion of state school students achieving admission into university. We have seen some progress in Cambridge and Oxford on the basic subjects—philosophy, politics and economics, and so on—but not music, because music teachers have to be paid properly, and it can cost up to £40 an hour to learn the saxophone or a particular instrument. That cannot be left only to certain parts of society; it must be provided to every single child who is gifted musically.

We have had many debates about education maintenance allowance since I became an MP in 2015. I want the Minister to look at that as well. Is EMA coming back? We know what a crucial lifeline it was for students, and particularly those in households with two or three teenagers who needed help getting to college. My hon. Friend talked about Leigh, and asked how do students get to college if they have not got money to get on a bus? We also need education maintenance allowance for things such as books—the cost of textbooks has gone up. We also need it for food, so young people can buy lunch at college.

Please can we have a response from the Minister on education maintenance allowance, capital funding and, finally, pay rates? Some other Members mentioned that, but at a recent lobby here in the last Parliament, an English as a second or foreign language teacher said that if she worked in one setting, she would have been paid £33,000, but because she is so committed to social justice and serving her community, she wants to work in a college, where she is paid £26,000. Please can we look at parity of esteem for teachers and lecturers within the college sector as a key driver of social mobility for all our communities?

3.38 pm

**Steve Reed** (Croydon North) (Lab/Co-op): It is a pleasure to serve under your chairmanship, Mr Davies. I congratulate my hon. Friend the Member for Brighton, Kemptown (Lloyd Russell-Moyle) on securing this important debate. The neglect of further education over many decades, but in particular since 2010, is a critical issue that is not given enough attention in this place, so I thank Members on all sides who have made excellent contributions to the debate.

As some said during the debate, if global Britain is to have any meaning at all, we cannot keep underfunding further education. The latest figures available show that OECD countries spend, on average, 8% more on vocational programmes than academic ones, while the UK spends 11% less. FE funding has been cut to the bone, with spending this year similar in real terms to levels in 1991, nearly 30 years ago. We are falling behind, which damages young people's futures and our economy in a way that affects every one of us.

The DFE's own report into the FE sector, which was published this month, lays bare the scale of the problem. It says that courses and apprenticeships continue to be reduced or lost, class sizes and teachers' workloads are increasing, while jobs are being cut and wages held down in a way that makes it difficult to retain staff or recruit new staff. One sixth-form college leader put it like this:

"If we do not receive additional funding in real terms...we will fail financially."

They went on:

"Our aim is for this college not to be in the half of SFCs that fail first in the hope that, once half have gone...something will have to be done."

How irresponsible that the Government have reduced our sixth-form colleges to this appalling state.

FE colleges complain that severe underfunding means much of what they can offer has become—in their own words—

"out of date and not relevant to what is current in the workplace."

I ask the Minister, can we allow our FE colleges to fall so far behind that they are unable to equip their students for the world of work?

I regularly speak to leaders at Croydon College, which many of my younger constituents attend. They are distraught at how self-defeating and short term the Government's approach to FE has been. Many young people growing up in places like Croydon fail to achieve their full potential at school, often because of challenging circumstances in the home that hold them back. Later on, they want to return to education and gain the basic qualifications they missed out on, in subjects such as English and maths, so they can get a better job, make themselves more employable and make a bigger contribution to society. It is inexplicable that this Government have chosen to close down these opportunities and leave young people to fail, when a little more investment at this crucial stage would pay dividends, not just to the young person affected, but to the public purse as they get jobs, earn more and pay taxes.

We should pay tribute to the Education Committee for its recent report into FE. The Committee was unable to discern overarching strategic objectives or funding prioritisation behind the Government's policy announcements. It could not find evidence that the Government's funding decisions were aligned with real-world costs. Instead of the blinkered short-termism that currently defines the Government's approach to spending, the Committee called for a 10-year plan for education funding, so schools and colleges can plan strategically in the future. I hope the Minister will abandon the failure that has characterised this Government's approach to further education and embrace a fresh approach that will equip the UK to compete globally.

Will the Minister confirm that per-pupil funding will rise, in real terms, every year of this Parliament? Will adult education and apprenticeship spending be maintained in real terms, in addition to the announced spending increase on education for 16 to 18-year-olds? When does she expect to raise the rate for funding education for 16, 17 and 18-year-olds to the £4,760 a year that the Sixth Form Colleges Association says is required and that Members on all sides have called for? When will she level up funding for 16 to 18-year-olds with funding for those under-16, and abolish the VAT on FE learning?

The high-skills economy that Britain needs to compete globally must draw on all routes through education, whether that is academic, technical or vocational. By failing to recognise and properly fund education, this Government are letting down Britain's young people, and failing to equip Britain to succeed in an increasingly competitive world. After a decade of failure, I hope today's debate will mark a turning point. It is time to raise the rate.

3.44 pm

**The Minister of State, Department for Education (Michelle Donelan)**: I congratulate the hon. Member for Brighton, Kemptown (Lloyd Russell-Moyle) on securing this important debate. It is fantastic to see so many colleagues from across the House here today. The subject is of great interest to a number of our constituents up and down the country, so I welcome the debate, and I have listened to Members' input.

[Michelle Donelan]

Our excellent schools and colleges deliver high-quality provision for 16 to 19-year-olds, often alongside vital lifelong learning for adults, providing opportunities to retrain. Employers also play a vital role in supporting this country's future, by preparing young people and adults to meet the challenges of the changing workplace. I pay tribute to the colleges and schools that have been mentioned throughout the debate.

**Catherine West:** Does the Minister accept that there is a co-ordinating role that should be played by local government in directing, and helping to bring together, the local picture around skills?

**Michelle Donelan:** There is indeed, but there is also a role for many different bodies and organisations to bring that picture together. Our colleges and schools should be at the heart of our local communities.

The Government are committed to improving the country's education system, and recognise the importance of equality of funding, particularly for sixth forms—I myself am the product of a sixth-form college. We have increased funding for education for 16 to 19-year-olds by £400 million for 2020-21—a 7% increase in overall funding, and the biggest injection of new money in a single year since 2010. While I have heard the challenges referenced today, it is important to note that funding has increased faster for 16 to 19-year-olds than for schooling for 5 to 16-year-olds. That will allow us to raise the base rate of funding for all types of institutions, from £4,000 at present to £4,188 for the next academic year. I reiterate that I have heard the calls made today.

As part of the extra funding, the Government have committed to providing £120 million for more expensive and high-value subjects, along with £35 million to support students on level 3 courses who did not achieve a grade 4 in GCSE maths and/or English. The additional funding will ensure that we are able to continue building the skills that our country needs, and to invest in the next generation of young people.

We are also introducing T-levels. I noted the comment by the hon. Member for Brighton, Kemptown that we have had several debates on the subject, but the issue was raised by the hon. Member for Leeds North West (Alex Sobel). T-levels will be offered by a number of colleges that were spoken about today. We will be spending an additional £500 million a year on these new programmes, once they are fully rolled out.

**Kate Green:** On the subject of T-levels, one issue is creating a pathway for students who have not obtained the grades necessary at key stage 4 to go straight into the T-level. Obviously, the Government are interested in opening up that pathway for those students, many of whom could massively benefit in terms of social mobility by being able to move on to T-levels. Can she say what the Government are doing to clarify the pathway for those students?

**Michelle Donelan:** There will be a one-year transition course designed to target those students and make sure they are ready for T-levels. A T-level will not be right for every student, but it will provide an excellent pathway for further education, higher education, apprenticeships

or going straight into the job market. We want as many people as possible to take T-levels, if those are suited to them.

To ensure that the institutions delivering T-levels have the up-to-date technical facilities and equipment required, we are also injecting capital funding. Earlier this month we announced up to £95 million for providers offering T-levels from 2021.

Capital funding was mentioned many times today. It is not just in relation to T-levels that we are increasing capital funding. We need to ensure local colleges are excellent places to learn, so we will invest £1.8 billion over five years to upgrade the FE estate. That was mentioned by the hon. Members for Brighton, Kemptown and for Croydon North (Steve Reed) among others. Sixth-form colleges and academies for 16 to 19-year-olds currently receive annual devolved capital allocations. They also either receive the school condition allocation or can bid for the condition improvement fund for larger projects. However, I have heard the calls today for a specific capital expansion fund, which came from my hon. Friend the Member for Colne Valley (Jason McCartney) and the hon. Member for Makerfield (Yvonne Fovargue), to mention but two. A full multi-year spending review is expected to be conducted in 2020, and that includes capital budgets for 2020-21.

The FE workforce is an important issue, because we need to secure the best outcomes for our students, and I always believe that that is reliant on the teachers who teach them. We need to give providers the ability to recruit, develop and retain the best staff. That is why we have invested more than £140 million in FE teachers and leaders since 2013-14. In the two years to March 2020, we will have invested up to £20 million to support providers as they prepare for the introduction of T-levels.

The hon. Member for Brighton, Kemptown and others, including the hon. Member for Croydon North, raised the issue of VAT. I recognise that that is a concern. As has been noted, sixth-form colleges can convert to 16-to-19 academies, which can resolve the issue, but we do keep it under review and will continue to monitor it.

Earlier this month, we announced a £24 million package for 2020-21 to strengthen the FE workforce. That includes a professional development offer for teachers delivering T-levels and funding to attract the best and most talented individuals, including industry professionals, into FE teaching.

The issue of mental health was raised by a number of hon. Members and, in particular, the hon. Members for Brighton, Kemptown and for West Ham (Ms Brown). I agree that we need to do more on that. It is a vital issue in our era. We have already provided more than £500 million to support disadvantaged students, but I can assure hon. Members here today that I will raise the topic with, and relay the concerns and comments to, the newly appointed Minister responsible for apprenticeships and skills—the Under-Secretary of State for Education, my hon. Friend the Member for Chichester (Gillian Keegan). My hon. Friend the Member for Rother Valley (Alexander Stafford), who unfortunately has had to leave the Chamber, mentioned the specific issue of a college closure in his constituency. Again, I will relay that issue to the Minister responsible for apprenticeships and skills and ensure that he has a meeting.



The issue of teacher pay came up. That is an issue when we are considering investment in our workforce and retention. It is not as simple as just ensuring that the teacher pay grant is in fact applied to colleges, because they are independent, so it is not necessarily appropriate, but we are concerned about this topic, and I know that the newly appointed Minister will be looking at it.

The hon. Member for St Helens South and Whiston (Ms Rimmer) brought up the issue of STEM and the fact that we need to be investing heavily in this sector to fill the skills gap. That is why, in 2020-21, we have made an additional £120 million available for the more expensive and high-value STEM subjects.

The investment that we are making in post-16 education will ensure that we can continue to develop a world-class education system to rival the systems of other countries, so that we have the highly skilled and productive workforce that we need for the future. The range and cost of the different programmes, the age and characteristics of students, and the types of institution that we fund all vary considerably. It is right that the amount of funding that different providers receive varies to reflect that.

**Catherine West:** The Minister is extremely generous in giving way. Will she just clarify the issue about education maintenance allowance?

**Michelle Donelan:** I will. Although we have moved away from that particular programme, the most vulnerable young people, in defined groups, do have access to up to £1,200 a year to support their participation costs, and I am happy to meet the hon. Member to discuss that in further detail.

It is a strength of our funding system that we are able to provide the funding for students and institutions when and where it is needed, to meet such a wide range of different circumstances and needs. The Government are doing much to level up funding for post-16 education, but I know that there is concern that it does not go far enough. The Raise the Rate campaign, especially in relation to sixth-form colleges, has done an excellent job in drawing attention to the financial pressures that some providers are experiencing. Sixth-form and wider post-16 education is incredibly important and something that we will reflect on in our input into the spending review.

A number of hon. Members mentioned that the settlement was only for one year. I point out that most areas of Government achieved only a one-year settlement and that this year's spending review offers many more opportunities.

I finish by thanking again the hon. Member for Brighton, Kemptown and all the hon. Members who participated in this extremely important debate.

3.54 pm

**Lloyd Russell-Moyle:** I thank the Minister, who has given a very good holding reply to most of the points. It was very skilfully done—to some extent. I will summarise by saying that there are lots of little pots around that colleges can probably bid for here and there, but there is

not yet a strategic view of how we will increase the money going into this sector and how we will equalise the funding between the different providers.

There is no real vision on how we will sort out the VAT problem, apart from by wanting to fiddle about with governance issues. Surely it would be easier and more cost-effective to rule these institutions out of VAT, rather than requiring them to go through the cost of converting, which is not necessarily appropriate in all cases. We have not really been offered an answer to the questions there. I hope that in the spending review the Minister will go back to the Department and there will be some more movement on these things. We were not expecting a pronouncement today.

We heard from many hon. Members. We heard about the work that the hon. Member for Colne Valley (Jason McCartney) continues to do with the APPG. The hon. Member for Winchester (Steve Brine) mentioned the need for long-term funding. My hon. Friend the Member for Makerfield (Yvonne Fovargue) talked about the need to catch up because of the cuts that have happened. My hon. Friend the Member for Ealing, Southall (Mr Sharma) talked about needing to put students first and was worried about the larger class sizes. My hon. Friend the Member for St Helens South and Whiston (Ms Rimmer) talked about the college in her constituency and the danger to STEM subjects. My hon. Friend the Member for Luton South (Rachel Hopkins), who serves on a board of governors and is a graduate of that sixth-form college herself, also talked about the need for long-term funding—over a number of years.

We heard from my hon. Friend the Member for Bristol South (Karin Smyth) about how young people are falling through the gaps because we do not have the resources to support young people, when they are moving on, between institutions. My hon. Friend the Member for West Ham (Ms Brown) talked about how the need to travel cuts people off from opportunities in which they might excel, but also about the mental health burden that has been put on our young people. There have not only been cuts to school counselling services; those have been exacerbated by the wider cuts that we have seen in youth services and elsewhere. My hon. Friend the Member for Hornsey and Wood Green (Catherine West) of course pushed again on capital grants and on EMA for young people.

I come from a family of people who have worked in sixth-form colleges. My mother worked all her life as a sixth-form college teacher—first at Taunton's in Southampton, then at Bexhill sixth-form college, then at Park sixth-form college and then at Lewes sixth-form centre—before retiring. My sister has just gone to start teaching A-levels in Essex and has worked at a number of sixth forms herself. I come from a family who care passionately about sixth forms, and I went to a sixth-form centre myself. I hope we can ensure that this vital pathway through education is properly resourced and funded, as it deserves to be.

*Question put and agreed to.*

*Resolved,*

That this House has considered equality of funding for post-16 education.

3.58 pm

*Sitting suspended.*

## Landfill Sites: Odour

[SIR CHRISTOPHER CHOPE *in the Chair*]

4 pm

**Aaron Bell** (Newcastle-under-Lyme) (Con): I beg to move,

That this House has considered odour emanating from landfill sites.

It is a pleasure to serve under your chairmanship, Sir Christopher. I thank Mr Speaker for granting this debate, and welcome the Minister to her place. I am pleased to have secured this debate on the important matter of odour emanating from landfill sites, which is an issue of great concern to a number of my constituents, particularly in Silverdale, Knutton and Poolfields—

**Sir Christopher Chope (in the Chair)**: Order. Because of a Division in the House, the sitting is suspended for 15 minutes.

4 pm

*Sitting suspended for a Division in the House.*

4.15 pm

*On resuming—*

**Aaron Bell**: The waste industry is one that most people would rather not think about, but that is not an option for people who live close to a landfill site, because of the impact that it can have on their lives. I am sure that other Members here will recognise some of the problems we face from experience in their own constituencies. It may come as a surprise to some that there was in fact a great deal of interest in the debate from other Members hoping to speak, but with it being only a 30-minute debate, unfortunately they will have to do so through interventions. It seems that the people of Newcastle-under-Lyme are not alone in their worries. I will give other Members the chance to put on the record their constituents' concerns, and I will share a few comments from Members who cannot be here today.

I commend the Department for Environment, Food and Rural Affairs for the incredible amount of work going on to reduce waste going to landfill. The Government are working hard to minimise waste and to promote recycling and resource efficiency. We are moving towards a circular economy in England, and I acknowledge that, as we actively encourage individuals and companies to recycle more and produce less waste, in time we will become less reliant on landfill. Nevertheless, for the time being, landfill sites remain an important part of waste management in this country.

In my constituency of Newcastle-under-Lyme, odour is not a new issue. It has been a problem for a number of years and causes a great deal of anxiety and stress for those affected. We have one landfill site in my constituency, the Walley's Quarry landfill in Silverdale. Problems arising from the site have been reported on and off for many years, but my constituents complain of the odour increasing during the last 12 months.

I will expand on the history of the site in a moment, but there is an important point that I highlight first: we must take into account the character of an area when

considering the issue of odour. In the countryside, for example, it is perfectly reasonable to expect a certain amount of odour from farming activities or similar. However, this landfill is not located in the countryside; it is in a built-up area, with residential properties within around 100 metres of the site boundary in multiple directions. True, some of these properties were approved and built in more recent years, and no doubt some will say that the principle of caveat emptor should apply in those circumstances, even if the odour issues have been getting worse. However, a number of longer standing properties belonging to people who have lived in their village and community all their lives are also badly affected, and it is in that context that the debate and the concern of my constituents should be understood.

The landfill has been in operation since 2007 and has planning permission for the tipping of non-hazardous waste until 2026, after which it will be capped with inert material. A number of improvements and technological advancements have been made to the landfill over the past few years, and I recognise that the operator, RED Industries, complies with the law as it stands, which requires it to use the best available technology to minimise emissions and odour. However, despite these best efforts, there remains a persistent odour issue affecting residents in neighbouring communities.

As the name suggests, Walley's Quarry is a former clay extraction quarry that was converted to landfill use. The local borough and county council objected to the original application in 1997 but were overruled by the then Secretary of State, John Prescott. Local campaigners have since raised this issue over a number of years, including the former county and borough councillor for the area, Alderman Derrick Huckfield, who convened many meetings with affected parties, his residents and the Environment Agency. More recently, local residents Graham Eagles and Steve Meakin established a local "Stop the Stink" group and Facebook page, and in around a fortnight secured 2,400 signatures on a petition that they set up. I have not been able to verify each and every signature, but I believe that this response and the response that I had on the doorsteps during the election campaign and on my own Facebook page are an accurate expression of the strength of feeling in these communities.

There is also a liaison committee for the landfill, which brings together the operator, the local community and the local council, which has been ably chaired by my council leader, Simon Tagg. However, the feeling among residents and many committee members is that it is too often just a talking shop. RED Industries attends the meetings and has supported a number of local projects with its communities fund. However, it has been unwilling to concede that the site does in fact smell, in spite of the Environment Agency's findings, which I will come to shortly. This has understandably led to an element of mistrust on the part of those affected.

**Mrs Maria Miller** (Basingstoke) (Con): I commend my hon. Friend on securing this important debate, which, as he has rightly said, has provoked a lot of interest from hon. Members. Does he agree that the issue is the threshold at which the Environment Agency can act, not only on landfill odour, but on biodigester odour, too? Residents near Kennel Farm in my constituency

are experiencing problems with biodigester odour. As I understand it, the Environment Agency can act to revoke the permit only if the operation poses a risk to human health or the environment. Why on earth are residents' needs not better taken into account?

**Aaron Bell:** I am sorry to hear that my right hon. Friend is having similar issues in her constituency. I agree that we should not be relying on World Health Organisation standards of danger to health as our minimum standard. We should take residents' concerns much more seriously. I believe odour can cause significant mental health concerns for residents.

**James Gray (North Wiltshire) (Con):** My constituents in Royal Wootton Bassett suffer badly from the Crapper & Sons Landfill Ltd site—the name, incidentally, is indicative—next to that great town. When I visited them last week, they told me that the rain has made the odour much worse. The site operators admit to the odour and are taking steps to put it right. The real way to put it right is by capping it off, which they are starting to do, and by reducing the amount we put into landfill. They are now bringing in innovative ways of recycling, reducing landfill, so that soon the people of Wootton Bassett will no longer suffer from the appalling smell, as they have for the past year or so.

**Aaron Bell:** My hon. Friend is absolutely right. I know of that case, as my father-in-law lives nearby in the village of Purton. Capping the sites off, as will eventually happen at Walley's Quarry, offers residents some hope in the end. I recognise that operators are employing better technology all the time, but that is no consolation to people enduring the smell now.

I asked my constituents to contribute their thoughts and I will quote from some of their emails. Some constituents report “retching” and feeling sick from the odour, with others describing feeling as though they can taste the smell and it is catching the back of their throat. One described the smell as

“a blight on our community.”

Many residents report that they can identify the smell further away, sometimes in the centre of Newcastle, which is bad for its nightlife and day activities, or further north in Wolstanston and Bradwell. Other constituents highlight that they feel unable to use their garden, to open their windows or to hang washing outside. Most worrying are the cases of those for whom the smell is persistent inside their homes. The odour is also worrying for those with existing breathing difficulties and conditions such as asthma. They believe it is making their health worse.

I myself smelt the tell-tale “rotten egg” odour at times during my canvassing and campaigning for the general election, though it was notable that residents on the same estate had vastly differing responses to the smell on the same day.

**Paul Girvan (South Antrim) (DUP):** I congratulate the hon. Gentleman on securing this debate. In my constituency there is a landfill site—which I call a dump—that deals with about 60% of all waste in Northern Ireland. Even after such sites are closed off, if the gas is not flared off, methane leaks into the atmosphere and still causes a problem years after. We have no way of

policing this. Minimum standards are employed by our Environment Agency, but we need to go way beyond that. We need to set higher standards and enforce them, so that operators abide by them. We do not currently see best practice.

**Aaron Bell:** I sympathise with the hon. Gentleman's constituents. In the case I am discussing, the operators do flare off the methane that has been produced and that will be an ongoing requirement for them after they start capping it off, but where the Environment Agency is not strong enough, we need to do more, as I will say in my requests to the Minister.

My hon. Friend the Member for Aldridge-Brownhills (Wendy Morton), who as a Minister cannot speak in this debate, told me of similar problems in her constituency. She relates that her residents have happily lived by a landfill site for many years, but in the last few months they have experienced a pungent egg smell, which has at times engulfed their homes. They have experienced inertia on the part of the Environment Agency in effectively managing their concerns.

My hon. Friend the Member for High Peak (Robert Langan) discussed with me the landfill site in Arden Quarry in Birch Vale, which is a major concern for many of his constituents, even though the operator is working hard to reduce odours. My right hon. Friend the Member for Cannock Chase (Amanda Milling)—a fellow Staffordshire MP, who as a member of the Cabinet also cannot speak in this debate, though she wanted to attend—has had similar problems in her constituency with landfills emitting odorous gases and she has worked hard to improve the situation for local residents. This is affecting constituents around the country and Members in all parts of the House.

Since being elected in December, I have held meetings with local campaigners, some of whom I mentioned earlier, the Environment Agency, and RED Industries Ltd, which runs the site. The Environment Agency is responsible for the regulation of the environmental permit for Walley's Quarry landfill site, and it carried out an ambient air monitoring study between 15 January and 25 June 2019. The objective of the study was to identify the local sources of air pollution and to quantify the environmental impact of the emissions on the surrounding area and the local community. The most recent survey demonstrated that there was a continuous source of methane and hydrogen sulphide—the latter being the “rotten egg” smell that people find so distasteful—coming from the direction of the landfill, and it found that hydrogen sulphide concentrations occasionally exceeded odour limits, though not health limits, which are measured against WHO guidelines, as I mentioned earlier.

Further, I find it disappointing that the Environment Agency does not go so far as to say that the smell is coming from the landfill in its report. Rather, it says:

“Directional analysis showed that there was a continuous source of CH<sub>4</sub> and H<sub>2</sub>S from the direction of Walley's Quarry landfill site and that a build-up of these compounds was seen under conditions of low wind speed and temperature and high pressure.”

It is disappointing that the agency that is supposed to be looking out for people cannot point the finger when it should.



[Aaron Bell]

What am I asking the Minister to do? First, it would be extremely helpful if the she or her departmental colleagues came to Newcastle-under-Lyme to see—or perhaps smell—the problem for themselves. I believe my residents and the operator would also welcome dialogue with the Department. The Environment Agency needs a stronger hand in dealing with operators. I think my constituents would agree with me when I say that at present the Environment Agency is a little bit toothless in dealing with issues as they arise. What is really needed is an empowered agency, able to properly hold operators accountable. Will the Minister consider giving the Environment Agency a broader range of powers to allow it to deal more quickly and effectively with minor and frequent breaches that do not necessarily lead to the revocation of a licence?

We also need to look at the role of local communities. Local communities have few options for remedy against a waste operator where the operator acts in compliance with its environmental permit and is not causing demonstrable adverse health effects. Odour is not something which can be measured objectively; quantifying and characterising odours is very challenging because each person's sensitivity to odours varies. Further, reaching a judgment on whether odour constitutes a statutory nuisance can take time, especially if the occurrence is unpredictable and only apparent for short periods, or is dependent on particular weather patterns. Local communities know best how their lives are affected. Their needs should be considered throughout monitoring and investigation, so that their concerns are taken seriously.

More generally, the regulations governing odour are not fit for purpose. A site that smells may not be causing health issues, as judged by World Health Organisation criteria, but that is not to say that it should be allowed to smell. The example of Walley's Quarry landfill site highlights that an operator may be compliant with its permit and planning permission, but that does not mean that it is not causing offence to its neighbours. As one of the richest and most developed countries in the world, we should aspire to higher standards than the bare minimum stipulations of WHO. I argue that the bar of statutory nuisance is too high. Will the Minister look again at whether that is the best measure to determine if a landfill site's smell is at an acceptable level in view of its location? The level of odour in Silverdale is not fair to residents. It has a significant impact on their quality of life, even though it is at a legally permissible level. That needs to change.

I also argue that the practices of the Environment Agency fuel a lack of trust between communities and the agency. Communities want to feel that they have been listened to; they want to know that their concerns are being taken seriously, and that they can trust that effective monitoring is taking place when they express concerns. The persistence of the problem of odour in Newcastle-under-Lyme has understandably created a sense of powerlessness in the community, and residents do not feel that their concerns have been taken seriously enough by the Environment Agency. It took nearly six months for the findings of the monitoring exercise last year to be made public, which contributed to a regrettable sense of suspicion among some of my constituents. Will the Minister consider asking the agency to make the

data from site monitoring more easily available to residents and the general public? If such data were made available publicly, live on a website or with a short delay for quality assurance, communities would be able to see directly for themselves that monitoring is taking place; they would be able to understand the levels of air pollution and odour being detected. That small change could go some way to help communities to feel less anxious, fitting in with the general agenda of the greater government transparency.

Finally, will the Minister work with her colleagues in the Ministry of Housing, Communities and Local Government to ensure that no future landfill sites are allowed to be built so close to where people live, as is the case in Newcastle-under-Lyme? Living next to a landfill site will never be pleasant, and the Environment Agency acknowledges that no landfill site will ever be odour-free. To avoid problems in the future, we should tighten up planning rules to ensure that landfill sites cannot be permitted within a certain distance of existing housing. I am grateful to the Minister for listening so attentively, and I look forward to her response.

4.29 pm

**The Parliamentary Under-Secretary of State for Environment, Food and Rural Affairs (Rebecca Pow):** It is a pleasure to serve under your chairmanship, Sir Christopher; I do not think I have had the pleasure of doing so before. I must congratulate my hon. Friend the Member for Newcastle-under-Lyme (Aaron Bell) on bringing this debate to our attention. I know that his predecessor worked hard locally with the Environment Agency and other partners to try to identify a solution for the problems that he raises, and I commend him for standing up vociferously for his constituency. It is absolutely the right thing to do.

I appreciate concerns about material entering landfill, and I have stressed in many other recent debates on landfill and incineration—it seems to be flavour of the month—that the Government's attention remains very firmly on reduce, reuse and recycle so that we can level up the country and move towards a much more circular economy with greater resource efficiency. My hon. Friend referred to that and acknowledged that we are moving in that direction. The measures set out in our ambitious resources and waste strategy and in our landmark Environment Bill, which will receive its Second Reading tomorrow in the Chamber, will minimise the amount of waste that reaches the lower levels of the waste hierarchy. That of course includes landfill, because that is right at the end of the chain.

**James Gray:** Does the Minister agree that Crapper & Sons Landfill is a classic example of what she is talking about? Of the 280,000 tonnes that arrives on its site every year, only 95,000 tonnes goes into landfill. In other words, 185,000 tonnes is recycled onsite.

**Rebecca Pow:** I thank my hon. Friend for that point; I thought he was going to make a negative intervention, but it was positive. The example he raises is the direction we are going in, and I commend the company on that figure. By reducing the quantity of waste through using it in other ways—recycling and all those things—we will end up with less going into landfill, and that is the intention.

The Environment Bill contains a whole range of measures, including a deposit return scheme and an extended producer responsibility scheme, and it will stipulate the much more consistent collection of waste, including food waste, by all our local authorities from the doorstep and from businesses. All those things will reduce waste.

**Mrs Miller:** Is the Minister not disappointed, as I am, that biodigesters, which should be part of the future of how we dispose of waste, are also part of the odour problem that my hon. Friend the Member for Newcastle-under-Lyme (Aaron Bell) has raised today? She has to act on that.

**Rebecca Pow:** I thank my right hon. Friend for her intervention, but I want to go on about landfill in particular, because we are desperately trying to reduce the amount going to landfill. The Environment Bill wants us to drive towards 65% municipal waste recycling by 2033, with no more than 10% going to landfill. I commend the people of the west midlands for assisting with that aim, because they only send 7.3% of their municipal waste to landfill. Aside from the issue being raised today, the west midlands is doing a good job.

Planning and deciding where landfill sites and waste facilities should go is very much a local decision. It is not a Government decision, but something to be talked about locally. If it is not considered a risk to the environment or to public health, it is very much for the local authorities to decide whether a site will be a statutory nuisance. It is for them to make these decisions when allocating sites.

I will move on to Walley's Quarry landfill. Obviously, I sympathise with residents who have raised complaints about the odour. No landfill will ever be completely odour-free, but the level and type of odour arising from such operations should not cause offence. I am sure that my hon. Friend is aware that Walley's Quarry landfill is operated under an environmental permit. Since 2005, it has been actively managed for municipal and industrial non-hazardous waste. Environmental permits of that type are regulated by the Environment Agency in England; to protect the environment and people, it sets the conditions for the permitted activities.

In response to odour complaints from my hon. Friend's constituents, from July 2017 to February 2018 and again from January to June 2019, the Environment Agency undertook specialist continuous air quality monitoring, including for hydrogen sulphide: the typical rotten egg smell that we all remember from our chemistry lessons—I am sure you do, Sir Christopher. The monitoring undertaken in 2019 found emissions to be within all relevant health and air quality limits; hydrogen sulphide exceeded an odour limit above which complaints would be expected for just 1% of the monitoring period. Contrary to my hon. Friend's information, the results of that monitoring are publicly available and were shared with Public Health England, which confirmed that the levels recorded were low and that it would not expect any long-term health consequences.

**Aaron Bell:** There was an initial monitoring period where odour limits were breached for 6% of the time. Residents feel that that measure is not an accurate reflection of what they are experiencing, and they feel

that the public health measure is not the one we should be testing against. We should be testing the experience they are having and the effect that is having on their quality of life.

**Rebecca Pow:** I get my hon. Friend's point, but the permit conditions require an Environment Agency officer to make a judgment about whether the odour is offensive. Enforcement action can be taken only when the odour is deemed to be offensive and the operator is not using all appropriate measures to control the odour.

The Environment Agency can make unannounced visits to the site to check what is going on. To date, it has not taken any enforcement action against the operator, as it considers the operator to be compliant with the permit conditions. For the odour to be deemed non-compliant, an Environment Agency officer would need to detect the odour and certify that the site operator had not taken steps to control it. As I said, it is up to the local environmental health practitioner to take action if it is deemed that the odour is a nuisance. If it is not a health issue or an environment issue under the Environment Agency criterion, it goes to the environment health practitioner—somebody based locally at the local council. That is how the issue is handled.

I understand that Newcastle-Under-Lyme Borough Council has undertaken its own investigations in response to its duty to investigate complaints that could constitute a statutory nuisance. It has stepped in, and the council's environmental health investigations have concluded that while odours have been detected and are likely to cause annoyance, they do not meet the threshold for statutory nuisance abatement action to be taken. However, in response to local concerns—I am sure my hon. Friend has also raised these—the council has decided to establish a scrutiny inquiry to provide a structured and publicly accessible forum to hear residents' concerns about how the site is managed and the Environment Agency's monitoring. I welcome that approach and I would be interested to be kept informed as to what is found as a result of that scrutiny.

While the Environment Agency has found Walley's Quarry landfill to be compliant with its permit conditions based on inspections and air quality monitoring, we must recognise that local residents are raising genuine concerns. The operator of Walley's Quarry landfill has taken some action already, which I am sure my hon. Friend knows about. In 2019, it installed an additional 19 gas extraction wells to help extract the gas produced from the treatment, which has helped to reduce the odours. I am told that the wells have made a difference. Given my hon. Friend's constituents' concerns, the Environment Agency also attends a quarterly local liaison forum with representatives from Newcastle-Under-Lyme Borough Council and Staffordshire County Council, parish councils, the operator of the site and residents. I am sure my hon. Friend is welcome to go to those as well. They discuss all manner of things, including dust, seagulls, noise and traffic, so it sounds very proactive.

The Environment Agency also runs a citizens information page, which is constantly updated. The details of its air quality monitoring are on there and regularly updated for all to see. It also provides a monthly community newsletter. I think there is a great deal going on, although that is not to say that people do not have concerns. All waste management facilities are required to have a

[Rebecca Pow]

written management system designed to minimise the risk of pollution and reduce the impact on local communities and the environment. Those management systems cover all the topics that I have just mentioned—odour, flies, noise and dust management—so they should be pretty inclusive.

Other commitments in our resources and waste strategy, which I mentioned, include work to strengthen the requirement for those operating permitted waste sites to be technically competent, and far-reaching reforms to the ways in which waste is transported and tracked in the UK. That will improve our understanding of how waste is managed and provide better data on the composition and the destination of waste that could be repurposed or recycled, in order to be sure about what is going to landfill. Measures to enable those reforms and others are included in the aforementioned Environment Bill, which is progressing through the House. I urge my hon. Friend to take part in that tomorrow.

I fully sympathise with my hon. Friend's constituents who have felt the need to raise their concerns about the odour. I am pleased that the Environment Agency and local partners are taking local action, and I hope that the introduction of additional gas wells demonstrates that the operator is trying to be proactive. I trust that Newcastle-Under-Lyme Borough Council's upcoming scrutiny inquiry will prove useful. I would be pleased to be kept updated about that, if it throws up any interesting areas that have not been considered.

I reiterate that the Government are committed to reducing the impact of waste in the long term across the board, and for less to end up ultimately in landfill. That is our intention through the waste and resources strategy and the Environment Bill. I know that the Environment Agency is committed to working locally with partners and my hon. Friend. The door to the Department for Environment, Food and Rural Affairs team is open should further advice be needed. I thank my hon. Friend for bringing the matter to our attention.

*Question put and agreed to.*

## UK Armed Forces: Wales's Contribution

4.42 pm

**Fay Jones** (Brecon and Radnorshire) (Con): I beg to move,

That this House has considered Wales's contribution to the UK armed forces.

I am delighted to serve under your chairmanship, Sir Christopher, and to have secured the debate. As the Member of Parliament for the Army's headquarters in Wales, I am hugely motivated to give the armed forces my full support.

The sons of Wales have a valiant history, marked with courage, bravery and a commitment to strengthening the United Kingdom and our armed forces. From Rorke's Drift, which saw seven Victoria Cross medals awarded to members of the second 24th Foot brigade, to gaining a battle honour at the Somme, and from the heroic landings on D-day to liberate our European allies to landing in Baghdad in support of Operation Telic, Welsh regiments have proudly contributed to every major campaign of the British Army over a 300-year history.

**Nick Thomas-Symonds** (Torfaen) (Lab): I congratulate the hon. Lady on securing the debate. She described the 300-year history. I am very proud of John Fielding from Torfaen, who is one of those who won a Victoria Cross at Rorke's Drift. He is commemorated every year in Torfaen. However, does she agree that, although there is great heroism on the battlefield, we must do more to ensure that veterans are looked after, particularly in terms of their mental health?

**Fay Jones:** I completely agree. I thank the hon. Member for raising that point, and I will return to it.

In addition to the celebrated military campaigns I mentioned, the Welsh Guards undertake countless public duties, such as standing guard at royal residences or at the trooping of the colour, which is of huge national importance. On Saturday, I had the pleasure of seeing Fusilier Llywelyn, the regimental goat of the Royal Welsh, lead out the Welsh rugby team to their Six Nations near-victory against France. I am confident that he will bring us much better luck in a couple of weeks against Scotland.

Right now, a battalion from the 1st Royal Welsh is travelling to Sennelager in Germany to take part in a four-week gun camp. Welsh warriors have ventured across the globe in support of our national interest. They have been integral to protecting the British way of life for generations. Welsh regiments contributed to the defeat of Nazism in Europe, as well as to maintaining the rule of law during the troubles of Northern Ireland.

**Jim Shannon** (Strangford) (DUP): I congratulate the hon. Lady on introducing the debate. Does she agree that the fact that the smaller regions, such as Wales and Northern Ireland, supply such a large amount of service personnel per capita to the UK armed forces, as she mentioned, shows the nature of our dedication to this great United Kingdom of Great Britain and Northern Ireland? That loyalty and dedication should be recognised.



**Fay Jones:** I certainly agree. I thank the hon. Member for raising that important point. I gently point out that Wales is a country—I do not wish to disagree with him on his use of the term “region”, but I gently stress that.

As well as the contribution made during the troubles in Northern Ireland, 32 Welsh Guards lost their lives following an attack on the Sir Galahad as they sought to uphold British sovereignty over the Falkland Islands. Welsh regiments have long stood with their brothers and sisters from across the Union as liberators of those who have been unable to liberate themselves.

**Mrs Maria Miller (Basingstoke) (Con):** It would be remiss of me not to intervene on my hon. Friend, having been in the Falkland Islands last week. There was a very moving service at the memorial to mark the events that she talks about. I put on record the thanks of the people of the Falkland Islands, who really underlined the debt of gratitude that they have to the Welsh Guards.

**Fay Jones:** I thank my right hon. Friend for that important point, and completely associate myself with her comments.

Wales supports the UK armed forces through all three services. More than 60 Ministry of Defence establishments and bases are currently in operation in Wales. RAF Valley in the constituency of my hon. Friend the Member for Ynys Môn (Virginia Crosbie) supports pilots from across the UK with low-flying and fast-jet training, in addition to the search and rescue operations undertaken from that base. Similarly, HMS Cambria near Cardiff is the location of the only Royal Navy reservists in Wales.

My constituency is home to a number of important military sites, particularly Sennybridge training area, which has been used to train soldiers since the outbreak of world war two. We are also home to the Infantry Battle School, which every year equips more than 3,500 men and women with the skills and tactical abilities they require to become exceptional soldiers in the UK armed forces.

Brecon is the location of HQ Wales and the 160th Brigade. Originally raised in 1908, the brigade saw service in both world wars, including in Operation Overlord, the allied invasion of north-west Europe. Today, the 160th is the link between the Army in Wales, the UK Government, the Welsh Government and wider Welsh society. This week, the 160th will see the retirement of its commanding officer. I put on record my thanks to Brigadier Alan Richmond for his three decades of service, the last four of which have been as the Army commander in Wales. I wish him and his family all the very best as he moves on to his next post in the Army. I look forward to working closely with his successor, Brigadier Andrew Dawes, as we move into a new era for our security and defence. The Army in Wales will no doubt have to contend with international challenges and challenges closer to home in the coming weeks and years.

The proposed closure of the barracks in Brecon, which is scheduled for 2027, would be a tragic loss to our community. I visited the barracks only yesterday and was given a tour by both brigadiers. One of the buildings they showed me is named after Sir Tasker Watkins VC, who is known by many—certainly by me—as the greatest ever Welshman for the bravery he showed in France in 1944. Closing Brecon barracks would close the door on an essential part of Welsh history. The history of Brecon is one of shared pride and intertwined heritage with the military. Many local

businesses are supported by the presence of the barracks, not to mention the revenues from tourism, which support local jobs and growth in the rural economy.

The loss of the barracks at Brecon would result in the headquarters for the Army in Wales being relocated from that site. In addition to its truly historical and social significance, it cannot be overstated how critical the facility is to our national security. During times of regional and national crisis, Brecon barracks is the location of the critical response unit, which co-ordinates the actions of the military. The equipment and expertise housed in Brecon are a source of pride and should be protected. Although I will do all I can to prevent the closure of the barracks, if a compromise cannot be found, I will be working closely with colleagues in both the Ministry of Defence and HQ Wales to ensure the impact on the local economy and local identity is minimal.

UK defence spending now supports over 7,700 jobs in Wales in the public and private sectors, an increase from 6,300 just a year ago.

**James Gray (North Wiltshire) (Con):** My hon. Friend mentioned Brigadier Andrew Dawes in passing. It is worth highlighting that when he was in the Ministry of Defence, he masterminded the link between Parliament and the MOD, and particularly the armed forces parliamentary scheme. He is an absolutely first-class individual, as is his twin brother Ed, who runs the Wiltshire side of things, and he will be a great asset.

**Fay Jones:** I very much agree with my hon. Friend. I do not want to prejudice my application to the armed forces parliamentary scheme by saying anything further, but I thank him very much.

The 2018-19 financial year was the first in history during which the UK spent over £1 billion on defence in Wales, so there has never been a better time to celebrate the prominence of Wales in the UK's defence estate. Wales is quickly becoming a defence industry hub: thanks to an expansion in cutting-edge innovation and pioneering technologies, the whole of the UK armed forces will benefit from research and development undertaken in Wales. It is encouraging that the MOD's Defence Electronics and Components Agency, based in Sealand in north Wales, has been selected as the global repair hub for the F-35 Lightning aircraft.

**Chris Elmore (Ogmore) (Lab):** I congratulate the hon. Lady on having secured this debate. I agree with her about additional defence spending, the need to have bases in Wales, and the need for that barracks to not leave Brecon, if she can negotiate that with the Minister. However, one of my concerns about spending is that, in my constituency and other constituencies across Wales, because of the austerity we have seen over the past decade, cenotaphs that need refurbishment or improved record keeping are falling behind on maintenance, rather than being kept to the good and proper standard that they should be. In my own constituency, the community in Gilfach Goch has come together to refurbish the cenotaph there. Does the hon. Lady agree that it is important that, while the MOD is moving forward with all this additional spending, it also makes sure that it marks those who died in conflicts and that we maintain cenotaphs to the very high standard the public expect?

**Fay Jones:** The hon. Gentleman makes a very good point. We need to make sure that we remember our war dead in every way possible.

**Mark Tami** (Alyn and Deeside) (Lab): The hon. Lady has mentioned the F-35. The work on that aircraft is based in Alyn and Deeside, which I obviously welcome; it is vital that we have it. However, over the years, there has been a lot of uncertainty regarding that site because of the chopping and changing that has happened, with the MOD changing how contracts are placed and moving work forward or back. We need longer-term planning if we are to maintain that important strategic work.

**Fay Jones:** I agree with the right hon. Gentleman, and I will be moving on to a related point in a few minutes.

Although investment in the regional defence industry is increasing, proportionately Wales continues to contribute more personnel to the UK armed forces than any other nation in the Union. Consequently, we have a high number of veterans in Wales. The Government have made huge progress in this area, including through the creation of the Office for Veterans' Affairs. However, when it comes to mental health, we can do more to ensure that returning servicemen and servicewomen can access the care they need. I am grateful that the veterans Minister, my hon. Friend the Member for Plymouth, Moor View (Johnny Mercer), has agreed to meet me to discuss this issue shortly.

**Stephen Crabb** (Preseli Pembrokeshire) (Con): Before my hon. Friend makes further progress, I want to return to the point about veterans. Does she agree that the Government's important proposal to roll out a veterans' card should encompass all veterans, wherever they are in the UK and regardless of devolution boundaries? A way must be found to ensure that all veterans across the UK can benefit at the same time.

**Fay Jones:** I absolutely agree with my right hon. Friend. I know that discussions are ongoing between the UK Government and the Welsh Government, and I am very optimistic that a way forward can, and must, be found.

Despite their admirable pride in being Welsh, none of our regular infantry units is permanently based in Wales. The 1st The Queen's Dragoon Guards is based at Robertson barracks, in Norwich in Norfolk. That barracks is scheduled for closure in 2031, which may present an opportunity to bring one of our regiments home to Wales—I know that my constituents in Brecon and Radnorshire would welcome it with open arms. I am confident that the Prime Minister's major security and defence review will seek to embolden and expand the armed forces presence in Wales. The most significant review for decades will no doubt further commit the UK to NATO's 2% of GDP spending target. The significance of that target and its impact on spending in Wales cannot be overstated.

With an evolving and complex international security situation, it has never been more appropriate to have the Welsh warriors take a leading role in promoting the UK's defence and forging policy priorities. Later this year, the Royal Welsh will be conducting joint training exercises with the US, Canada and France, our NATO

allies. In testing geopolitical times, that regiment will be underscoring its determination to strengthen the UK's bond to the alliance. The 1st The Queen's Dragoon Guards will be conducting pre-deployment training for operations in Mali, where it will hold the crucial role of supporting the significant peacekeeping effort in that country—a strategic priority for the UK's interests in the region. The Welsh Guards will be deployed to Kenya and Belize later this year, as well as taking part in the Queen's birthday parade in the spring. That international outlook should reassure us all regarding the UK's position as a global security leader.

The Welsh regiments have a brave history matched by few, and a future as bright as any, and it now falls to us all to ensure that our commitment to those regiments matches their commitment to supporting the UK's armed forces. As many generations before them have done, sons—and now daughters—with the red dragon on their arm will assume their place representing the very best of Wales and the very best of our Union.

**Sir Christopher Chope** (in the Chair): Before calling the next speaker, I should say that the winding-up speeches will start at 5.24 pm. Members will be able to do their own maths and work out how long each of them has to speak. We will start with Alex Davies-Jones.

4.57 pm

**Alex Davies-Jones** (Pontypridd) (Lab): Diolch, Sir Christopher. I thank the hon. Member for Brecon and Radnorshire (Fay Jones) for having secured this important debate. As a former air cadet with strong family connections to the military, I share her passion for Wales's proud military history. Only a few weeks ago, we in Parliament were lucky enough to be joined by the three principal Welsh regiments, the 1st The Queen's Dragoon Guards, the Welsh Guards and the Royal Welsh, and I thank my hon. Friend the Member for Cardiff South and Penarth (Stephen Doughty) for having sponsored that event.

All three of those Welsh regiments have a long and distinguished history and retain a significant footprint back home, in my constituency of Pontypridd and across Rhondda Cynon Taf. That local authority was one of the first in Wales to sign an armed forces community covenant, setting out the support it offers to serving and retired armed forces personnel. I put on the record my thanks to our deputy leader, Maureen Webber, for the massive amount of work she has done in this area. She has been a really strong champion for our armed forces.

Colleagues will be aware that the 1st The Queen's Dragoon Guards, formed in 1959, has roots in Cardiff, which is just down the road from my patch. These regiments work across the world: later this year, the Queen's Dragoon Guards will be conducting pre-deployment training for operations in west Africa, where it will provide expertise in an effort to keep peace. However, colleagues will also know that following the 2010 defence review, the regiment faced the threat of cuts and was reduced to one regular battalion.

In 2015, the 1st The Queen's Dragoon Guards returned to the UK from Germany, and is now based in Norfolk. I know Norfolk is a lovely part of the country, but it seems strange that our regiments are not located closer

to home. The journey from Wales to Norfolk is not a swift one, so I urge all Members present to support the case for moving the Queen's Dragoon Guards closer to Wales. Otherwise, the long distance will impact on recruitment and retention: the Ministry of Defence has confirmed that the number of personnel in Wales has already decreased by 900 since 2012.

**Craig Williams** (Montgomeryshire) (Con): I congratulate my neighbour and hon. Friend the Member for Brecon and Radnorshire (Fay Jones) on having secured this excellent debate, and on the manner in which she has opened it. I join the calls to move the 1st The Queen's Dragoon Guards to Wales, and add that doing so would benefit our cadets across Wales, who we have not mentioned. They do great things across our constituencies, both for civic pride and to encourage young people to get involved in what is a great profession.

**Alex Davies-Jones:** As a former air cadet, I totally agree with those points.

Our Welsh soldiers, who have families and partners in Wales, will find the cost of commuting prohibitive. We need to do all we can to encourage new recruits to join, rather than put up barriers to prevent new starters. The cadets have a great offer for people who want to join our Air Force, Army and Navy. We need to encourage those new starters.

The Welsh cavalry will be moved in the next decade due to the planned closure of the Robertson barracks in 2031, so this is the perfect time for the Government to consider moving the regiment to Wales. I hope that the Minister and his Department will support such a move and bring our cavalry home.

4.59 pm

**Stephen Crabb** (Preseli Pembrokeshire) (Con): I congratulate my hon. Friend the Member for Brecon and Radnorshire (Fay Jones) on setting out her case excellently and on securing this important and timely debate. I intend to speak for only a few moments; I will make a few brief points about Wales's contribution to the UK armed forces. Wales has been an important recruitment ground for soldiers for the British Army and for other branches of the armed forces over many generations and centuries. Long may that continue.

My first point relates to the recruitment of soldiers from Wales. The hon. Member for Ceredigion (Ben Lake) is present, but I want to address the long-running campaign that some Plaid Cymru politicians have run over the years to try to stop the armed forces from visiting schools in Wales for careers purposes and other events. It is a good thing that members of the armed forces visit schools and have a presence there, so they can demonstrate what excellent role models they are for young people and what interesting and rewarding career paths the armed forces can offer Welsh pupils.

I want Wales to continue to be an important recruitment ground into the UK armed forces. I have concerns, which constituents have raised with me in recent years, about the changes to the structure of recruitment in Wales, and about the move to the Capita contract. I was a Minister when those changes were happening. Concerns were raised internally in Government about the consequences of moving to the Capita contract. I

hope that the Minister can provide us with more upbeat information to dispel some of my concerns and gloom about recruitment in Wales. I hope that moving to the Capita contract has not resulted in a decline in recruitment to the armed forces from Wales.

The kinds of issues that constituents have raised with me relate to applications taking a long time; the website not working; and wasted visits to Swansea—a long journey there and back from Pembrokeshire—for meaningless recruitment discussions. I look forward to hearing what the Minister has to say to show that there have been improvements in the way that the recruitment experience works.

My second point also relates to recruitment, in a way. The armed forces play an important role in social mobility across the United Kingdom, but particularly in Wales. As I have said before in the House, no other institution in our national life comes close to what the British Army does in terms of taking young people from some of the most challenging communities and most difficult backgrounds, giving them excellent training and a career path and moulding them as leaders. The armed forces provide an incredibly transformational thing for young people from challenging and often disadvantaged backgrounds.

I am concerned, however, that when I see senior officers from our armed forces interviewed in the media, and when they come here to brief us as Members of Parliament, I never hear a Welsh accent among them. I meet soldiers from the other ranks with Welsh accents, as when the three Welsh regiments came to the House the other day, and when I visit other regiments I hear Geordie and Liverpool accents, but when I meet the senior officers, I do not hear those regional or other national accents. Much emphasis is being placed on demonstrating to people that they can go from the factory floor or the shop floor to the boardroom in other businesses and organisations. We want to demonstrate to people being recruited into the armed forces that there are not twin tracks—that they will not be labelled as “other ranks” and get stuck, while a separate officer track takes people to senior leadership positions.

**Carol Monaghan** (Glasgow North West) (SNP): I have an anecdotal story about my husband, who is a posh Dubliner. When he joined the Royal Navy, he was told that he had to get rid of his regional accent. There are people in the armed forces who are not celebrating regional or national accents in the way that the right hon. Gentleman would like.

**Stephen Crabb:** I thank the hon. Lady for that intervention. I do not want to overstate the point, but it needs to be made in the context of the social mobility that the armed forces provide for many young people. We want opportunities to provide a pathway right to the top of the organisation, and we are not seeing that at the moment.

Finally, as a trailer, my debate in this place tomorrow relates to the base in my constituency, Cawdor barracks, which has been home to the 14th Signal Regiment for more than 15 years. The Minister knows the argument that I will make tomorrow, but I want to flag that, as well as agreeing with the points made about relocating a historical Welsh regiment back to Wales, we already have a base in far-west Wales, in Pembrokeshire, that



[Stephen Crabb]

provides a home to a very important part of the armed forces. The 14th Signal Regiment has unique capabilities in the field of electronic warfare. Because of those capabilities and the kind of work it does, it was used heavily in Operation Telic and other operations that we do not hear about in the media. The soldiers and their families love being in Pembrokeshire. I will say more about that tomorrow.

It is important to maintain the military footprint across Wales. We use that phrase, but it must be meaningful, and we make it meaningful by keeping people and infrastructure in places that might not be convenient to the senior echelons of the armed forces but that, nevertheless, maintain historical roots and connections with local communities.

**Jim Shannon** (Strangford) (DUP): The right hon. Gentleman refers to local connections. I declare an interest as a former part-time soldier in the Territorial Army and the Royal Artillery. We trained in Wales every second year, so the connection between Wales and Northern Ireland is strong. It is important to have those connections.

**Stephen Crabb:** Absolutely. I understand that there are resource constraints, but having a wide and deep footprint across the United Kingdom provides the opportunity for connections between different parts of the United Kingdom, which fosters good relationships and is important for the Union.

5.7 pm

**Stephen Doughty** (Cardiff South and Penarth) (Lab/Co-op): It is always a pleasure to speak in a debate on the armed forces in Wales. I congratulate the hon. Member for Brecon and Radnorshire (Fay Jones) on securing the debate. I am sure that she will make an important contribution on these issues, particularly given the presence of the armed forces in her constituency, which I have had the pleasure of visiting.

It is partly through my experience of working with our Welsh regiments in the Army, and with the Royal Navy and the Air Force, locally in the constituency and more broadly, that I have learned to respect and be inspired by their work. I have also seen at first hand some of the challenging training that they undergo, particularly in locations in the hon. Lady's constituency. I had the pleasure of spending time there with the 3rd Battalion, the Royal Welsh, the reserve Army grouping, and with other Army formations, including the special forces, in some of the training areas that she mentioned. I absolutely agree with the hon. Lady about the importance of maintaining those areas in Wales and the crucial role that they play in preparing our armed forces for operations around the world.

As vice-chairman of the all-party parliamentary group for the armed forces, and having spent time on the armed forces parliamentary scheme, the crucial role that the Welsh contribution to our armed forces—the Army, Royal Navy, Royal Marines and Royal Air Force—has played is clear to me. That is particularly true in my constituency. We hosted a reception here a couple of weeks ago, as has been mentioned, where I met constituents from St Mellons and Splott who had just joined the Army and were excited about their future careers.

We have a proud Royal Navy and merchant navy tradition in Cardiff and Cardiff bay. As has been mentioned, HMS Cambria is located on the edge of my constituency, but will be moving into Cardiff bay as part of a new development, which we all fully welcome. Given that history, we look forward to seeing the progress of the Navy's work there to build a flagship for the Royal Navy as a base in Cardiff.

There is also a history with the Royal Air Force, particularly due to the location of St Athan down the road in the Vale of Glamorgan. The famous Guy Gibson, one of the Dambusters from 617 Squadron, spent time in Penarth. RAF Pengam Green was based in part of my constituency in the past. We have long been a recruiting ground for the armed forces and there continues to be a significant presence in the near vicinity.

I emphasise the point made by many colleagues: the Army in particular has historically recruited disproportionately from Wales—usually about 7% or 8% of the Army are recruited from Wales, which represents only 5% of the UK population. However, it has been mentioned that the presence of the armed forces in Wales is much lower than that, at just 2%, as highlighted by the Welsh Affairs Committee report, and it is potentially dropping to just 1%.

That is a real concern. I agree with many of the comments made by colleagues from across the Chamber about that presence. It is crucial to ensuring that Wales is properly represented in our United Kingdom armed forces, but also, given the importance of strengthening the Union, to ensuring that that contribution is recognised. We need to maintain that presence. I certainly support calls for the Ministry of Defence to look at rebasing some of the Welsh contribution to the armed forces in Wales itself, particularly through the Queen's Dragoon Guards, and to see the Army coming to Wales.

**Sarah Atherton** (Wrexham) (Con): As someone who undertook her Northern Ireland training in the Brecon Beacons back in the 1980s, I fully support what we all want here. Does the hon. Member—and does the Minister—agree that Wales deserves at least one garrison town, given its past and present commitment to the military?

**Stephen Doughty:** Effectively, we do already have one garrison town to a degree, through the presence in the constituency of the hon. Member for Brecon and Radnorshire, but I agree that we want to see more of the Welsh contribution stationed in Wales, and indeed other units. Given the wide range of training environments, it often makes more sense for forces, particularly Welsh-originating forces, to be located nearer to families so that they can get back at weekends and when they have time off on leave.

I will touch quickly on three issues. The first is recruitment; I am very proud of the history of recruitment from my own constituency, particularly to the Army, but when I have visited recruitment offices in Cardiff, and in the discussions I have had with officials from the Ministry of Defence and with Ministers on this, there does not seem to be the type of recruitment going on to bring in the diversity that I know that the Army wants to see in our armed forces.

The point applies particularly to the black and minority ethnic community. It is absolutely crucial that our armed forces of today, particularly our Army, represent the

country that they fight for and defend. We have a fantastic BME contribution in the Army, but that is often made up of Commonwealth contributors. They are absolutely fantastic and do a brilliant job—I have spent time with them out in a Warrior on Salisbury Plain with the Royal Welsh—but it is important that we also ensure that young people from communities such as Butetown, Grangetown and Splott in my constituency get the chances offered by the armed forces. I think there is a disjunct there in the levels of recruitment. I urge the Ministry of Defence officials to work closely with Members of Parliament and others who can ensure that the opportunities provided, including some of the fantastic opportunities offered by places such as Harrogate and Welbeck, are also available to people from my communities.

Secondly, on veterans, I work very closely with a number of veterans' organisations locally, including the Welsh Veterans Partnership, Woody's Lodge and many others. They do excellent work, but one of the frustrations that we often have is that there are national programmes announced at a UK-wide level, but when we ask, "What is the Welsh option? What is the Welsh contribution?" it is often not there. I know that has been the case with some of the local organisations. They are doing brilliant work on housing, for example, working with local veterans; yet, when they have approached UK-wide organisations that say, "We are working with Government money to provide housing for veterans," they are told, "Oh, well, that doesn't apply in Wales." There is a bit of a disjunct there. I would like to see the UK Government and the Welsh Government working as closely as they can on these issues.

I met with the Office for Veterans' Affairs the other day at a reception—the hon. Member for Wrexham (Sarah Atherton) was there too—and raised some of those issues. We need to ensure better joined-up working. It is not a competition between the Welsh Government and the UK Government, and we need to ensure that that work is joined up, so we can support all our veterans and all those who have supported our country over many years.

My final point is about the presence of the Navy. I mentioned HMS Cambria coming into Cardiff South and Penarth, which is fantastic, but it was also suggested by, I think, the former Defence Secretary that HMS Severn, which is one of the River-class patrol vessels, was going to be forward deployed, along with the other River-class patrol vessels, at locations near to their namesakes. I was hoping that HMS Severn would perhaps be spending time in Cardiff, Newport and other locations nearby. That seems to be in some doubt at the moment, so perhaps the Minister can provide some clarity.

We are looking forward to the new HMS Cardiff; I visited her previous iteration, but we welcome the naming of one of the new Type-26 frigates. Of course, that naval history was crucial during the NATO summit, which Wales hosted so admirably in Newport and which we all contributed to. It was a highlight for me to see naval vessels from around the world in Cardiff bay and for local young people to go on board to meet our armed forces personnel. I also spent time recently on HMS Monmouth when it was berthed in Cardiff bay; I spent time in the galley, cooking with the chef, and with the engineering teams, to really understand some of the realities and day-to-day experiences of our naval personnel.

The armed forces play a huge part in the history of Wales and in the history of Cardiff South and Penarth. They have a huge role to play in the future. I would not be here if not for the armed forces in Wales, because one of my dad's last postings in the Army was at Maindy barracks in Cardiff, where I will be returning this weekend for the St David's day dinner. I know the contribution that that has made in my life. My dad went on to serve in youth work in our communities in south Wales, through his involvement in the Army youth teams, which operated in communities across Cardiff in the 1970s and 1980s. It has made a huge impact in my family's life. I am sure it has a huge contribution to make in the future, but we need to ensure that Wales gets its fair share and fair representation in our armed forces family across the United Kingdom.

5.15 pm

**Jessica Morden** (Newport East) (Lab): I congratulate the hon. Member for Brecon and Radnorshire (Fay Jones) on giving us this opportunity today to thank our armed forces, who make such an important contribution to our national life. As she did so very eloquently, I would like to pay tribute to all those who have served, past and present, from my constituency and across Wales.

I will make a few mentions for my constituency, as my hon. Friend the Member for Cardiff South and Penarth (Stephen Doughty) has just done. Raglan barracks in Newport is an established base for several reservist units, including the 104th Regiment Royal Artillery, which is the only Army Reserve artillery regiment in Wales. The Gwent and Powys Army Cadet Force also has successful detachments in our area, including in Newport and in Caldicot. Llanwern High School in my constituency is one of the very few state schools to play host to the Combined Cadet Force, developing skills and qualifications that I know are valued both by employers and further education institutions, and it provides a brilliant experience. I also take this opportunity to pay tribute to the Royal British Legion, which has two branches in my constituency, in Caldicot and in Newport. They undertake great work all year round to support the forces community, including our veterans.

The Welsh Government have a strong track record in supporting the armed forces community in Wales, including through initiatives such as Veterans NHS Wales—we are the only part of the UK to have that. It has supported thousands of veterans since being set up in 2010. Every local authority in Wales has signed the armed forces community covenant, and last year Newport City Council was one of the employers to be recognised by the Ministry of Defence with the gold award.

There is also great work going on in the voluntary sector. Last month, Help for Heroes set up a new hub in Newport International Sports Village to promote sports recovery activities. Newport County AFC—no debate is without a reference to Newport County AFC—working with Newport City Council and veterans' charities, has helped to establish a local weekly drop-in for veterans at Bar Amber.

Although there is lots to celebrate and lots on offer, we need to reflect on what more can be done for veterans in Wales and across the UK. Service in our armed forces offers young men and young women from Wales a huge range of amazing careers and life-enhancing

[Jessica Morden]

opportunities, but for some, sadly, there are longer-term issues arising from their service experiences, including conditions such as post-traumatic stress disorder. I am indebted to my constituent Anthony Lock, who served with the Royal Welsh Regiment in Kosovo, Iraq and Afghanistan and who has campaigned tirelessly to bring about change and to help others. In his book "Broken by War" he harrowingly describes the life-changing injuries he sustained as a result of two improvised explosive device attacks during his service in Helmand, which left a long-term legacy of depression and PTSD and which, sadly and wrongly, damaged his employment opportunities. It is a really powerful book, which I recommend to others. His experience is not a positive one, but it has encouraged others to seek support and to campaign for change, which is really important. We need a joined-up and robust approach to signposting mental health support services within the community, as well as a better way of handling compensation and pension claims.

I know my hon. Friend the Member for Islwyn (Chris Evans) is keen to speak so I will just make a few final points. As has been mentioned, none of our Regular Army combat units are based in Wales. I too support relocating the 1st The Queen's Dragoon Guards, as do others.

Finally, as the title of today's debate is Wales's contribution to the UK armed forces, I want to mention a group of people who have made a huge contribution to the UK's armed forces. I have the great privilege of representing a number of Afghan interpreters who are settled in Wales and in Newport. They came here under the Government's scheme following the huge sacrifices that they made to help our armed forces. I very much value their contribution and pay tribute to them. I know there have been a few problems with the scheme in the past, but I hope the Government will do all they can to support them in the years ahead.

5.20 pm

**Chris Evans** (Islwyn) (Lab/Co-op): I congratulate the hon. Member for Brecon and Radnorshire (Fay Jones) on securing the debate. The last time I saw her, we had completed a 10-mile walk. I am glad the hon. Member for Ceredigion (Ben Lake) is present, because we walked in aid of his close friend, Steffan Lewis, the Assembly Member who sadly lost his life to bowel cancer. We raised a lot of money that day. We often argue about politics, but there is more that unites us than divides us.

I want to begin by talking about the British nuclear test veterans. Why am I talking about them? In 1993, Councillor Stan Jenkins was elected as the mayor for Islwyn Borough Council; in that role, he met some British nuclear test veterans and he was moved by their plight. Many of them were exposed to nuclear weapons testing in the 1950s and 1960s. They suffered a terrible ordeal; many had illnesses and problems throughout their entire life, but they were largely ignored by Governments throughout the years. In 1993, Stan decided to do something about it. It was one of my privileges when I was first elected to this place—as a very young boy—to walk through Risca town centre with British nuclear test veterans in order to lay a wreath in the memorial garden and to lower the standard, which was put in the local church until it fades away.

That was nine years ago, and the British test veterans still do not have justice. They have not been compensated and, more importantly, they have not been recognised. As we head towards Armed Forces Day on 27 June, what better way is there to celebrate their contribution than for the Government to finally recognise their service by striking a medal to thank them for what they have done? It is a small compensation, and as their numbers dwindle it would be very important to the families left behind. I hope the Minister will look favourably on that as we move towards June.

Time is of the essence and I want to be critical at this point. We have heard about garrison towns and service accommodation, but there is a scandal that goes back years and years: the state of our service accommodation. It has been an issue under Governments of all colours, but when I was a member of the Public Accounts Committee I was shocked by a report we had from the National Audit Office on the conduct of CarillionAmey. Carillion has gone bust, but its legacy should not be forgotten. The company left many of our service families without heating or hot water in damp and mouldy homes with stained carpets and faulty equipment. They tried to do something about it, but they could not get through for weeks. That says a lot.

This debate is about the respect we have for our armed forces. That respect should extend beyond our servicemen and women, to their families. If we expect people to put their lives on the line—it is not like working for a bank or building society—they should be respected, and their families should be honoured. When we allow them to live in substandard accommodation, we should be rightfully ashamed. The problem is that when the Secretary of State called in CarillionAmey about its performance, it said there had been a miraculous recovery, and then the Government renewed the contract. Carillion went bust, and still the problem continues.

I have two asks for the Minister. The first is on the nuclear test veterans: please give them a medal. Secondly, please—finally—do something about the scandal of service accommodation. I wish I had more time, and I place on record my personal thanks for all the hard work that brave men and women do in our forces. If we love freedom, we should thank our servicemen and women.

5.24 pm

**Carol Monaghan** (Glasgow North West) (SNP): It is a pleasure to be here for the debate, and I congratulate the hon. Member for Brecon and Radnorshire (Fay Jones) on clearly setting out the importance of the Welsh defence footprint. I totally endorse her remarks: Wales is a country, and one that, much like Scotland, has historically made a great contribution to the UK armed forces by providing bases, training grounds, recruits, and defence and aerospace developments.

We have heard contributions from the hon. Member for Pontypridd (Alex Davies-Jones), the right hon. Member for Preseli Pembrokeshire (Stephen Crabb) and the hon. Member for Cardiff South and Penarth (Stephen Doughty), who talked about his experience in the Navy. I was slightly concerned that he was let loose in the chef's area—maybe I can hear more about that after the debate.

The hon. Member for Newport East (Jessica Morden) talked about the veterans charities that do such great work, and about her constituent who had life-changing



injuries and faced various challenges. By total coincidence, I met British nuclear test veterans this morning, so it was really interesting to hear the hon. Member for Islwyn (Chris Evans) talk about them. I met Alan Owen, and I fully endorse the hon. Member's comments about medals: there is absolutely no reason why these people should not have some recognition of what they went through in the Pacific during the British nuclear tests.

It is disappointing that there has been a general declining trend in recent years in the presence of the armed forces in Wales. Although Wales represents 5% of the UK's population, only 2% of the armed forces are currently stationed in Wales. According to 2018 figures, there are approximately 3,250 MOD personnel in Wales—down 900 from 2012. The Government's proposals to further reduce the defence estate and to relocate personnel currently based in Wales is a major blow. If the closure of the Brecon barracks goes ahead, the percentage of UK armed forces stationed in Wales could drop to as little as 1%. That figure corresponds with the pattern of over-concentration of forces in England, with the clustering of bases.

The right hon. Member for Preseli Pembrokeshire mentioned the Capita contract. We have been complaining about that for many years now, and it is something that unites Members of different parties. The arrangement has been poorly administered and Capita has failed to meet targets for recruitment, yet it still blunders on.

Given that approximately one third of the defence pound returns to the local community through personnel spending, and that there is a multiplier effect as military families spend money near the base, local communities bear the brunt of bases being closed.

I can understand the frustration of Welsh Members who have noted the proposals to reduce the defence estate in Wales and to relocate personnel currently based there. In Scotland we have a litany of broken promises on this issue, on defence spending and on troop numbers. We were promised all sorts in the run-up to the independence referendum in 2014, including an increase in troop numbers and investment in Scotland's military footprint. We were told our numbers would increase to 12,500 personnel by 2020. Not only has that target not been delivered; it has actually moved backwards. In 2013 we had 10,600 defence personnel, but that has now fallen to 9,680—7% of the UK's total, and below Scotland's personnel share of 8%. To put it bluntly, we have been short-changed by approximately 3,000 full-time personnel.

Like Scotland, Wales needs a properly funded and maintained defence force. The UK Government have a duty to ensure that Wales contains a fair proportion of military presence for the size of its population. Following the recommendations of the Welsh Affairs Committee, will the UK Government reconsider their defence estate strategy to ensure that any base closures do not result in negative outcomes? We need explicit commitments from the Government on the number of personnel based in the other nations. Scotland and Wales need their fair share.

In addition, the UK Government need to protect the remaining bases in Wales and provide certainty about any changes to unit locations that could negatively impact the Welsh economy and local communities. The Government say that all UK countries are valued and

that opportunity and investment must be spread to every part, but we question that sentiment when looking at the defence figures, which show that, while the Government focus defence efforts, resources and investment in England, the other nations are being left behind.

Wales plays and wants to continue playing its role in the global community. The Government must support Welsh defence personnel and the Welsh defence industry to enable them do so.

5.30 pm

**Gerald Jones** (Merthyr Tydfil and Rhymney) (Lab): It is a pleasure to serve under your chairmanship, Sir Christopher. I congratulate the hon. Member for Brecon and Radnorshire (Fay Jones) on securing this important debate. We have had a very consensual and positive debate about the contribution that Wales makes to Her Majesty's armed forces.

The hon. Lady talked about the historic and significant contribution that Wales has made to the armed forces and highlighted her concerns about the future of the Brecon barracks, which I will come back to later in my remarks. My hon. Friend the Member for Pontypridd (Alex Davies-Jones) talked about bringing the 1st The Queen's Dragoon Guards closer, if not home, to Wales.

The right hon. Member for Preseli Pembrokeshire (Stephen Crabb) mentioned his concerns, which I am sure we all share, about the Capita contract and the recruitment issues that have beset the armed forces in recent years. My hon. Friend the Member for Cardiff South and Penarth (Stephen Doughty) talked about his vast experience of support for our armed forces and his constituency's historic links to the merchant navy and other parts of our armed forces.

My hon. Friend the Member for Newport East (Jessica Morden) spoke about the role of her constituency, particularly with the Royal British Legion, and about the need to offer better support to our veterans, with which I am sure we all agree. My hon. Friend the Member for Islwyn (Chris Evans) spoke about the need for justice and recognition for the nuclear test veterans, as well as about the issue of service accommodation, which is, I am sure, of concern to many hon. Members.

We in Wales have clearly punched above our weight in terms of our contribution to the armed forces across the United Kingdom. As we have heard, the armed forces—particularly the Army—have a long-standing and significant presence in Wales. Wales is currently home to 2,200 regular forces, 1,490 of whom are Army personnel.

Of the Welsh combat units, which recruit predominantly from Wales, the Royal Welsh Regiment is composed of 731 personnel; the 1st The Queen's Dragoon Guards has a current size of 403 personnel; and the Welsh Guards has a current size of 579 personnel. Wales therefore continues to contribute meaningfully to our armed forces and that is something to be celebrated.

I will be pleased and proud to be in Merthyr Tydfil town centre on Saturday as we welcome the 3rd Battalion, the Royal Welsh to the town for their St David's day parade, which the whole local community will support and enjoy. Across the House, we all share a pride in our armed forces, and that was demonstrated recently as

[Gerald Jones]

many—if not most—Welsh MPs attended the reception hosted by my hon. Friend the Member for Cardiff South and Penarth.

As we have heard, the MOD intends to close Cawdor barracks and Brecon barracks, two of the main Army bases in Wales, in 2024 and 2027 respectively, and to dispose of the Sennybridge storage compound in 2025. We appreciate that, as time passes, there is a need to modernise and adapt our defence estate to ensure that it is fit for the 21st century, but we are concerned that the closures will have a negative impact on Wales' military presence, with a negative spill-over effect on the Welsh economy and local communities. Will the Minister revisit the defence estate strategy to ensure that if the base closures go ahead, they do not result in a reduced military presence in Wales?

There has also been a lack of clarity over the future location of the 14th Signal Regiment based at Cawdor, as well as over the future of MOD St Athan and its No. 4 School of Technical Training. That contributes to significant uncertainty for all personnel, including MOD civilian personnel, as well as the local communities. I would be grateful if the Minister provided a much-needed update on that.

In 2013, the Army basing programme reorganised Army units in the UK to accommodate those returning from Germany and to consolidate their presence around seven major centres in the UK. None of those major centres was to be in Wales. The Welsh combat units that I and other hon. Members have mentioned all remain outside Wales. That is quite unlike Scotland, where the Royal Scots Dragoon Guards and several battalions of the Royal Regiment of Scotland are all based.

Given the association of the Welsh combat units with Wales, it makes sense for at least one of them to be based in Wales, as other hon. Members have highlighted. That is important not only for those units to retain their Welsh connections and identity, but for recruitment and retention. From the Robertson barracks to Cardiff is a five-hour car journey and a six-hour journey by rail via London, which no doubt has an effect on recruitment and retention of Welsh personnel. This is also about defence visibility; clustering our troops in certain areas means that fewer people are able to see them in action.

Will the Minister give an assurance that, when moving the Welsh dragoon guards from Norfolk in future, the Government will consider moving them to Wales and working with the Welsh Government, ensuring that the next base for the Welsh cavalry is in Wales?

5.36pm

**The Minister for Defence Procurement (Jeremy Quin):** I echo the remark made by the shadow Minister, the hon. Member for Merthyr Tydfil and Rhymney (Gerald Jones), that the debate has been very consensual. Looking around, I can see that no one in the Chamber would disagree that the first duty of Government is the security of the nation, and this Government are absolutely committed to maintaining a strong defence through well equipped and highly trained armed forces.

The UK's armed forces are rightly renowned and respected around the world. People from every corner of our country and our Union share pride in what the

armed forces achieve. Wales' contribution to our defence and to the ongoing success of our armed forces is immense. I am delighted that, for my first outing as a Defence Minister, I have the opportunity to reply to this debate, and I congratulate my hon. Friend the Member for Brecon and Radnorshire (Fay Jones) on securing it and on her excellent speech. I will respond by drawing out three themes: Wales' contribution to capability, to defence support, and to recruitment, which is the lifeblood of our armed forces, as many hon. Members have mentioned.

In determining the location of our armed forces, our priority is to have units that not only fight together, but live together and are based close to their training areas, generating centres of military specialisation, which gives the UK the best possible operational capability. Currently, there are 2,200 Regular Army forces personnel based in Wales, many at Brecon's Infantry Battle School and associated training facilities and the headquarters of 160th Brigade. I reiterate to my hon. Friend that 160th Brigade headquarters will remain in Wales. My Department is undertaking an assessment study to determine the precise location. She is lobbying hard for the Brecon area, and we hear her loud and clear. We are sympathetic, and I look forward to ongoing discussions.

On balance, the defence estate review is neutral for Wales, as my right hon. Friend the Member for Preseli Pembrokeshire (Stephen Crabb) mentioned and as was picked up by other Members including the shadow spokesman, the hon. Member for Merthyr Tydfil and Rhymney. Some planned defence closures are envisaged, including Cawdor barracks—I know I will hear a lot more about that from my right hon. Friend. Questions tomorrow will be interesting, although I would not say that I am anticipating them eagerly. We plan to relocate an infantry unit to Wales, however, and have identified our preferred location as MOD St Athan, on which there will be more to come.

In the air, RAF Valley is our Air Force's key Welsh location. All new fighter pilots pass through RAF Valley's fast jet course before reaching their frontline squadrons. Its runway was restored as part of a £20 million refurbishment.

**Nick Smith (Blaenau Gwent) (Lab):** May I press the Minister to revisit the estate strategy? Please will he ask his Department to produce a paper specifically looking at whether one of our Welsh regiments could be based in Brecon? This afternoon, we have heard cross-party support for that idea. It would be great if the Ministry of Defence and the Minister on his first outing—he is doing brilliantly—supported that consensus.

**Ben Lake (Ceredigion) (PC):** Will the Minister allow another intervention?

**Jeremy Quin:** I will allow the hon. Gentleman.

**Ben Lake:** At the risk of labouring the point, as the hon. Member for Blaenau Gwent (Nick Smith) mentioned, there is cross-party unanimity on that. The Minister would therefore not only ensure that a Welsh regiment was based in Wales, but succeed in getting the support of all parties represented Wales. He would also achieve the rare feat for a Minister of fulfilling a recommendation of a Welsh Affairs Committee report on the issue.

**Jeremy Quin:** I thank both hon. Gentlemen for their honeyed words and kind remarks. I am afraid that I will not respond with an answer to satisfy them fully. We have made clear our preference for the location of the extra infantry unit at St Athan. We recognise the case for Brecon as the ongoing location in some form—in that area—for the 160th Brigade headquarters. I cannot fully satisfy the hon. Gentlemen, but defence is always an area in which tough decisions have to be taken, and we will not always make the ones that either of them like, but we are where we are. There is a decision, in preference, for St Athan as the location for the new military unit.

We have discussed the RAF, so moving on to the Royal Navy, the £11 million Royal Naval Reserve base in Cardiff will be completed in 2020. I see that the hon. Member for Cardiff South and Penarth (Stephen Doughty) is pleased with that, and he referred to it in his speech.

In addition to the physical presence of thousands of armed forces personnel, vital elements of our military equipment capability are manufactured and maintained in Wales. For example, the Army's next generation of Ajax armoured fighting vehicles are made at General Dynamics UK in Merthyr Tydfil and Oakdale. The RAF's Shadow aircraft will be supported by Raytheon in Broughton for the next decade under a £250 million contract. Furthermore, MOD Sealand has been designated as the global F-35 component repair and maintenance hub. Sealand is also the home to the Defence Electronics and Components Agency which, as mentioned in the debate, makes north Wales a national centre of excellence in this field.

Not only does Wales supply invaluable equipment to the armed forces, but it generates prosperity and jobs. The F-35 programme alone will generate more than £2 billion in revenue over the next 30 years. I was delighted that my Department's procurement spend in Wales increased by 11% in the last financial year to £1.08 billion—the highest percentage increase in all the UK's regions and countries. That investment supports more than 7,500 jobs directly and thousands more across wider supply chains, including 1,150 highly skilled private sector jobs at RAF Valley, making it the second biggest employer on Anglesey. There is more to come, with 200 jobs on Shadow at Raytheon's intelligence and surveillance hub, additional Qioptiq personnel at St Asaph, and the new Cardiff Royal Naval Reserve centre supporting about 300 jobs locally.

Defence equipment investment supports vital roles across Wales, but all in the Chamber would agree that the most important jobs are those undertaken by the men and women who join our armed forces. Traditionally,

Wales has always been a strong recruiting area for our services, especially our land forces, and that proud tradition continues. I have some reassurance for my right hon. Friend the Member for Preseli Pembrokeshire. Capita was discussed during the debate but, over the past year, it has been reinvigorated and there has been a far better performance on the contract. I am delighted that 77,000 people applied to be regular soldiers alone in the course of the past year, which is a 33% increase. Change needed to be made, and we have made changes, so that contract is performing far better.

The hon. Member for Cardiff South and Penarth referred to the need to have diversity, and I could not agree more. It is absolutely the Army's intention to ensure that the armed forces reflect the country that they serve. If the hon. Gentleman looks at the most recent recruiting campaign, he will see that that is absolutely front and centre to how we perform.

I am afraid I cannot be precise about the numbers of recruits from Wales as we do not maintain regional recruitment figures, but given the strengths of the connections of the Welsh regiments—the Welsh Guards, the Royal Welsh and the Queen's Dragoon Guards—I am absolutely certain they will get more than their fair share.

I wish to say so much more in the debate, but I am being tugged down to allow my hon. Friend the Member for Brecon and Radnorshire to respond. I hope on other occasions we will be able to talk about veterans and service families accommodation. I would be delighted to speak to the hon. Member for Islwyn (Chris Evans) in particular on that issue. I apologise that I have not been able to respond to more of the points made in the debate, but I wish to allow my hon. Friend an opportunity to respond.

5.44 pm

**Fay Jones:** I very much welcome the Minister's reply and welcome him to his place—it was remiss of me not to do so in the first instance. I am extremely grateful for the assurances he has given and look forward to working with him over the next few weeks. He has kindly already agreed to meet me to talk about the future of the barracks, and I am grateful for that. I appreciate we may be far apart, but I will continue to do all I can to ensure that we get the very best outcome for Brecon. I am grateful to him, his Department and indeed all Members for their contributions to this important debate.

5.45 pm

*Motion lapsed, and sitting adjourned without Question put (Standing Order No. 10(14)).*





# Written Statements

Tuesday 25 February 2020

## TREASURY

### Finance Bill

#### **The Financial Secretary to the Treasury (Jesse Norman):**

The Finance Bill will be published on 19 March. Explanatory notes on the Bill will be available in the Vote Office and the Printed Paper Office and placed in the Libraries of both House on that day. Copies of the explanatory notes will also be available on [www.gov.uk](http://www.gov.uk).

As usual, a full copy of the Budget resolutions will be made available after the Chancellor's Budget statement on 11 March. This includes resolutions made under the Provisional Collection of Taxes Act 1968 for those measures that are expected to come into effect ahead of Finance Bill Royal Assent.

In line with the approach to tax policy making set out in the Government's documents "Tax Policy Making: a new approach", published in 2010, and "The new Budget timetable and the tax policy making process", published in 2017, the Government published draft legislation for Finance Bill 2020 on 11 July 2019, which is available at: <https://www.gov.uk/government/collections/finance-bill-2019-20>.

The Government remain committed to legislating those measures published in July 2019, subject to confirmation at Budget 2020.

[HCWS122]

### **Public Service Pension Scheme Indexation and Revaluation 2020**

#### **The Chief Secretary to the Treasury (Steve Barclay):**

Legislation governing public service pensions requires them to be increased annually by the same percentage as additional pensions (state earnings related pension and state second pension). Public service pensions will therefore be increased from 6 April 2020 by 1.7%, in line with the annual increase in the consumer prices index up to September 2019, except for those public service pensions which have been in payment for less than a year, which will receive a pro-rata increase.

Separately, in the career average public service pension schemes introduced in 2014 and 2015, pensions in accrual are revalued annually in relation to either prices or earnings depending on the terms specified in their scheme regulations. The Public Service Pensions Act 2013 requires HM Treasury to specify a measure of prices and of earnings to be used for revaluation by these schemes.

The prices measure is the consumer prices index up to September 2019. Public service schemes which rely on a measure of prices, therefore, will use the figure of 1.7% for the prices element of revaluation.

The earnings measure is the whole economy year on year change in average weekly earnings (non-seasonally adjusted and including bonuses and arrears) up to September 2019. Public service schemes which rely on a measure of earnings, therefore, will use the figure of 4% for the earnings element of revaluation.

Revaluation is one part of the amount of pension that members earn in a year and needs to be considered in conjunction with the amount of in-year accrual. Typically, schemes with lower revaluation will have faster accrual and therefore members will earn more pension per year.

The following list shows how the main public service schemes will be affected by revaluation:

Scheme	Police	Fire	Civil Service	NHS Teachers	LGPS	Armed Forces	Judicial
Revaluation for Active Member	2.95%	4%	1.7%	3.2%	3.3%	1.7%	4%

[HCWS123]

## DEFENCE

### Nuclear Deterrent

#### **The Secretary of State for Defence (Mr Ben Wallace):**

In 2007 the Government, endorsed by a parliamentary vote, began a programme to maintain the UK's nuclear deterrent beyond the early 2030s. The 2015 strategic defence and security review (Cm 9161) confirmed the UK's commitment to an independent minimum credible deterrent, reaffirmed in 2016 when the House voted overwhelmingly to maintain the continuous at sea deterrence posture. Our independent nuclear deterrent is essential to defend the UK and our NATO allies against the most extreme threats to our national security and way of life. The Government's 2019 manifesto pledged: "We will maintain our Trident nuclear deterrent, which guarantees our security". To ensure the Government maintain an effective deterrent throughout the commission of the Dreadnought class ballistic missile submarine we are replacing our existing nuclear warhead to respond to future threats and the security environment.

As set out in our annual updates to Parliament on the future of the UK's nuclear deterrent the Ministry of Defence's Defence Nuclear Organisation is working with the Atomic Weapons Establishment: to build the highly skilled teams and put in place the facilities and capabilities needed to deliver the replacement warhead; while also sustaining the current warhead until it is withdrawn from service. We will continue to work closely with the US to ensure our warhead remains compatible with the Trident strategic weapon system.

Delivery of the replacement warhead will be subject to the Government's major programme approvals and oversight. My Department will continue to provide updates through the annual report to Parliament on the United Kingdom's future nuclear deterrent.

[HCWS125]

## FOREIGN AND COMMONWEALTH OFFICE

### **Alleged Serious and Significant Offences (Diplomatic Immunity) 2018**

**The Secretary of State for Foreign and Commonwealth Affairs and First Secretary of State (Dominic Raab):** In 2018, three serious and significant offences allegedly committed by people entitled to diplomatic or international organisation-related immunity in the United Kingdom were drawn to the attention of the Foreign and

Commonwealth Office by Parliamentary and Diplomatic Protection of the Metropolitan Police Service, or other law enforcement agencies. All of these were driving-related. We define serious offences as those which could, in certain circumstances, carry a penalty of 12 months' imprisonment or more. Also included are driving under the influence and driving without insurance.

Around 23,000 people are entitled to diplomatic or international organisation-related immunity in the UK and the majority of diplomats and dependants abide by UK law. The number of alleged serious offences committed by members of the diplomatic community in the UK is proportionately low.

Under the Vienna convention on diplomatic relations 1961, we expect those entitled to immunity to obey the law. The FCO does not tolerate foreign diplomats or dependants breaking the law.

We take all allegations of illegal activity seriously. When the police or other law enforcement agency bring instances of alleged criminal conduct to our attention, we ask the relevant foreign Government or international organisation to waive immunity where appropriate. For the most serious offences, and when a relevant waiver has not been granted, we request the immediate withdrawal of the diplomat or dependant.

Listed below are alleged serious and significant offences reported to the FCO by UK law enforcement agencies in 2018.

*Driving under the influence of alcohol* <sup>(a)</sup> <sup>(b)</sup>

Saudi Arabia 2

*Driving under the influence of alcohol and dangerous driving* <sup>(b)</sup>

Saudi Arabia 1

<sup>(a)</sup> One person was responsible for the two allegations of driving under the influence of alcohol.

<sup>(b)</sup> Owing to the serious nature of the alleged offences, both individuals were expelled from the diplomatic mission.

Figures for the previous year are available in the written statement to the House by the Secretary for State for Foreign and Commonwealth Affairs' on 18 December 2018 (HCWS1197) which can be found at: <https://www.parliament.uk/business/publications/written-questions-answers-statements/written-statement/Commons/2018-12-18/HCWS1197/>.

[HCWS119]

### **Diplomatic Missions and International Organisations: Debts Owed in the UK 2018**

#### **The Secretary of State for Foreign and Commonwealth Affairs and First Secretary of State (Dominic Raab):**

Foreign and Commonwealth Office officials have held meetings with a number of diplomatic missions and international organisations about outstanding parking fine debt, outstanding national non-domestic rates payments and unpaid congestion charge debt, to press for payment of outstanding fines and debts. In 2019 protocol directorate wrote to diplomatic missions and international organisations with debts giving them the opportunity to either pay outstanding debts, or appeal against specific fines if they considered that they had been recorded incorrectly.

**Parking fines:** Parking fines incurred by diplomatic missions and international organisations in London are brought to our attention by local councils, Transport for London and the City of London.

The Foreign and Commonwealth Office has held meetings with missions which have substantial outstanding parking fine debts. In addition, in May 2019 we wrote to the debtors concerned giving them the opportunity either to pay their outstanding fines or appeal against them if they considered that the fines had been recorded incorrectly.

The table below details those diplomatic missions and international organisations which have outstanding fines from 2018 totalling £1,000 or more, as of 2 September 2019.

<i>Diplomatic Mission/International Organisation 2018</i>	<i>Amount of Outstanding Fines (excluding London Congestion Charge)</i>
High Commission for the Federal Republic of Nigeria	£47,165
Embassy of the Islamic Republic of Afghanistan	£19,765
High Commission for the Republic of Zambia	£17,000
Embassy of the United Arab Emirates	£11,565
Royal Embassy of Saudi Arabia	£9,785
Embassy of the Republic of Côte d'Ivoire	£6,405
Embassy of the Sultanate of Oman	£6,115
Embassy of Libya	£5,715
Malaysian High Commission	£4,900
Embassy of the Hashemite Kingdom of Jordan	£4,050
High Commission for the Islamic Republic of Pakistan	£4,000
Office of the High Commissioner for Ghana	£3,770
Embassy of the Republic of Lithuania	£3,731
Embassy of the Republic of Kazakhstan	£3,215
Embassy of the Republic of Iraq	£3,110
High Commission for Sierra Leone	£3,080
Embassy of the Federal Democratic Republic of Ethiopia	£2,750
Embassy of the People's Republic of China	£2,655
Embassy of the State of Kuwait	£2,600
People's Democratic Republic of Algeria	£2,420
Embassy of the State of Qatar	£2,280
Embassy of the Republic of Angola	£2,210
Embassy of the Republic of the Sudan	£2,150
Embassy of the Federal Republic of Germany	£2,005
Embassy of the Arab Republic of Egypt	£1,890
High Commission for the Democratic Socialist Republic of Sri Lanka	£1,885
High Commission for the Republic of Cameroon	£1,780
Embassy of the Republic of Indonesia	£1,630
Embassy of the Republic of Liberia	£1,445
Embassy of the Republic of Azerbaijan	£1,430
Office of the High Commissioner for India	£1,365
Uzbekistan	£1,315
High Commission of Canada	£1,260
Embassy of the Russian Federation	£1,235
Embassy of France	£1,200
Embassy of the Republic of Poland	£1,190
Embassy of the Republic of South Sudan	£1,145
Embassy of the Islamic Republic of Iran	£1,105
Embassy of the Kingdom of Bahrain	£1,085
High Commission for the Republic of South Africa	£1,085
Embassy of the Republic of Yemen	£1,080
Embassy of Brazil	£1,040
Royal Thai Embassy	£1,040
High Commission for Kenya	£1,020



<i>Diplomatic Mission/International Organisation 2018</i>	<i>Amount of Outstanding Fines (excluding London Congestion Charge)</i>
Embassy of the United States of America	£1,015
High Commission of the United Republic of Tanzania	£1,005

National non-domestic rates: The majority of diplomatic missions in the United Kingdom pay the national non-domestic rates due from them. Diplomatic missions and international organisations are obliged to pay only 6% of the total NNDR value of their offices. This represents payment for specific services received such as street cleaning and street lighting.

Representations by protocol directorate of the Foreign and Commonwealth Office to missions in 2018 led to the settlement of outstanding debts by a number of missions. £73,589 of the outstanding debt is owed by the embassy of the Syrian Arab Republic, which is not currently represented in the UK and we have therefore been unable to pursue this debt. We continue to urge all those with NNDR debt to pay their dues.

The missions listed below owed over £10,000 in respect of NNDR:

Embassy of the Republic of the Sudan	£164,178
Embassy of the Islamic Republic of Iran	£143,217
Embassy of the Republic of Zimbabwe	£124,175
Embassy of Libya	£94,519
Embassy of the People's Democratic Republic of Algeria	£92,830
Embassy of the Republic of Iraq	£88,568
High Commission for the Republic of Zambia	£74,794
High Commission for Sierra Leone	£70,088
High Commission for the Islamic Republic of Pakistan	£64,492
Malaysian High Commission	£59,578
Uganda High Commission	£52,254
Embassy of the Russian Federation	£47,642
Embassy of the Federal Democratic Republic of Ethiopia	£41,658
High Commission for the Democratic Socialist Republic of Sri Lanka	£37,001
High Commission for the Federal Republic of Nigeria	£36,975
Embassy of the Republic of Liberia	£36,149
Embassy of the Republic of Côte d'Ivoire	£32,525
Kingdom of Eswatini High Commission	£29,860
Embassy of the Republic of Korea	£26,896
Embassy of the State of Qatar	£25,028
Embassy of the United States of America	£23,694
Embassy of the Republic of the Union of Myanmar	£18,808
Embassy of Tunisia	£15,791
Embassy of Romania	£13,891
Embassy of the Republic of Equatorial Guinea	£13,300
Embassy of the Republic of Angola	£12,293
Embassy of the Republic of Lithuania	£12,143
Embassy of the Republic of Yemen	£11,964
The Gambia High Commission	£11,716
Embassy of the Republic of Haiti	£10,413

London congestion charge: The value of unpaid congestion charge debt incurred by diplomatic missions and international organisations in London since its

introduction in February 2003 until 31 December 2018 as advised by Transport for London was £116,868,825. The table below shows those diplomatic missions and international organisations with outstanding fines of £100,000 or more. FCO officials write to diplomatic missions and international organisations with large congestion charge debts annually, to encourage payment.

<i>Country</i>	<i>Number of Fines</i>	<i>Total Outstanding</i>
Embassy of the United States of America	102,255	£12,446,845
Embassy of Japan	69,690	£8,510,650
High Commission for the Federal Republic of Nigeria	58,102	£7,063,965
Office of the High Commissioner for India	47,654	£6,009,905
Embassy of the Russian Federation	48,535	£5,721,865
Embassy of the People's Republic of China	38,528	£5,051,880
Embassy of the Federal Republic of Germany	37,275	£4,373,170
Embassy of the Republic of Poland	35,020	£4,345,760
Office of the High Commissioner for Ghana	31,895	£3,959,775
Embassy of the Republic of Kazakhstan	26,717	£3,358,585
The Embassy of the Republic of the Sudan	28,155	£3,353,420
High Commission for Kenya	22,813	£2,750,760
High Commission for the Islamic Republic of Pakistan	18,197	£2,305,230
Embassy of France	18,783	£2,273,440
High Commission for the United Republic of Tanzania	17,038	£2,025,070
Embassy of the Republic of Korea	16,194	£2,020,120
Embassy of Spain	16,425	£1,979,560
Embassy of the Republic of Cuba	14,385	£1,806,960
Embassy of Algeria	14,206	£1,727,030
High Commission for the Republic of South Africa	13,931	£1,651,440
Embassy of Romania	13,579	£1,627,200
High Commission for Sierra Leone	13,148	£1,575,455
Embassy of Ukraine	12,310	£1,464,070
Embassy of Greece	12,261	£1,456,930
High Commission for the Republic of Cyprus	9,396	£1,152,870
Embassy of Hungary	9,508	£1,150,360
High Commission for the Republic of Zambia	8,333	£1,011,010
Embassy of the Republic of Yemen	7,879	£949,660
Embassy of the Republic of Bulgaria	7,139	£840,390
High Commission for Botswana	6,186	£768,040

<i>Country</i>	<i>Number of Fines</i>	<i>Total Outstanding</i>
Embassy of the Republic of Turkey	5,797	£768,040
High Commission for the Republic of Malawi	5,958	£722,145
High Commission for the Republic of Cameroon	6,117	£721,420
High Commission of the Republic of Mozambique	5,812	£706,960
Embassy of the Republic of Belarus	5,931	£700,965
Embassy of the Federal Democratic Republic of Ethiopia	5,631	£668,150
Embassy of the Slovak Republic	5,566	£653,980
High Commission for the Republic of Namibia	5,472	£646,070
High Commission for the Republic of Zimbabwe	5,561	£643,945
Kingdom of Eswatini High Commission	5,377	£636,350
Embassy of the Republic of Côte d'Ivoire	5,219	£635,660
High Commission for Malta	4,857	£596,975
Embassy of the Republic of Lithuania	4,694	£590,985
High Commission for Mauritius	4,655	£559,575
Embassy of Austria	4,584	£556,740
Embassy of the Republic of Liberia	4,332	£542,030
Embassy of the Republic of Equatorial Guinea	4,550	£537,690
Uganda High Commission	4,243	£519,580
High Commission for the Kingdom of Lesotho	4,157	£491,960
Embassy of Belgium	3,812	£463,220
Embassy of the Islamic State of Afghanistan	3,512	£427,840
Embassy of the Czech Republic	3,648	£426,270
Embassy of the Socialist Republic of Vietnam	3,556	£425,800
Embassy of the Kingdom of Morocco	3,228	£423,790
High Commission for the Democratic Socialist Republic of Sri Lanka	3,043	£397,480
High Commission for Jamaica	3,173	£385,020
Royal Danish Embassy	3,076	£370,555
Embassy of the Democratic Republic of the Congo	2,932	£369,440
Embassy of the Republic of South Sudan	2,759	£357,990
Embassy of Tunisia	2,798	£357,840

<i>Country</i>	<i>Number of Fines</i>	<i>Total Outstanding</i>
Embassy of the Republic of Iraq	2,467	£323,920
Embassy of Portugal	2,357	£292,280
Embassy of the Republic of Latvia	2,332	£285,870
High Commission for Antigua & Barbuda	2,277	£281,795
Embassy of Finland	2,273	£278,010
Embassy of the Democratic People's Republic of Korea	2,297	£267,640
Embassy of the Republic of Slovenia	2,072	£260,930
Embassy of Luxembourg	2,031	£245,155
Embassy of the Arab Republic of Egypt	2,299	£243,220
High Commission for Belize	1,906	£243,090
Royal Embassy of Saudi Arabia	1,845	£204,980
Embassy of the Republic of Guinea	1,731	£192,030
Embassy of Estonia	1,461	£181,140
Embassy of the State of Eritrea	315	£158,950
High Commission for Guyana	1,262	£154,010
Embassy of the Dominican Republic	1,245	£150,090
High Commission of the Republic of Seychelles	1,127	£145,455
Embassy of the Hashemite Kingdom of Jordan	1,052	£139,750
High Commission of the Republic of Maldives	1,086	£136,130
Embassy of El Salvador	996	£126,445
Embassy of the Islamic Republic of Mauritania	1,060	£115,170
Embassy of the Republic of Albania	839	£108,800
Embassy of the Republic of Moldova	876	£106,630

Figures for previous years are available in the Secretary for State for Foreign and Commonwealth Affairs' written statement to the House on 18 December 2018 (HCWS1204) which can be found at: <https://www.parliament.uk/business/publications/written-questions-answers-statements/written-statement/Commons/2018-12-18/HCWS1204/>

[HCWS120]

## HEALTH AND SOCIAL CARE

### Draft Human Tissue (Permitted Material: Exceptions) (England) Regulations: Government Response

**The Minister for Care (Helen Whately):** The Organ Donation (Deemed Consent) Act 2019 heralds a new system of consent for organ and tissue donation in

England. Subject to Parliament's approval of the secondary legislation and code of practice for healthcare professionals, the new system is intended to start in England from 20 May 2020.

Under the new system, known as "opt out" or "deemed consent", people over 18 in England will be considered to have agreed to donate their organs and tissue after death, except where:

- they made a decision to not donate their organs and or tissue, i.e. they have opted out;
- they have nominated a representative to make a decision on their behalf after death about whether to donate; or
- they are in one of the excluded groups: under the age of 18; ordinarily resident in England for less than 12 months before their death; lacked mental capacity to understand the new system for a significant period before their death.

The Government held a 12-week public consultation from 29 April to 22 July 2019 to seek views on a proposed list of organs, tissues and cells to exclude from deemed consent and which should therefore continue to require express consent before they can be removed, stored or used for transplantation. The list of organs, tissues and cells to exclude from deemed consent was set out in the draft Human Tissue (Permitted Material): Exceptions (England) Regulations. The Government received over 3,200 responses across different demographics which provided rich data on the questions asked.

The Government response to the consultation on the regulations has been laid before Parliament today (CP 224), alongside the revised draft Human Tissue (Permitted Material): Exceptions (England) Regulations 2020 and the Human Tissue Authority's codes of practice for healthcare professionals setting out practical guidance about deemed consent. Copies of the Government response, the regulations and the codes of practice are available to hon. Members from the Vote Office and to noble Lords from the Printed Paper Office, along with the Government response being published on gov.uk at the following link:

<https://www.gov.uk/government/consultations/opt-out-organ-donation-organs-and-tissues-excluded-from-the-new-system>.

To address the issues raised in the consultation, the Government have:

- updated the list of what is excluded from deemed consent to clarify further that tissue from sexual and reproductive organs (including skin) will not be transplanted without express consent;

expanded the list featuring the parts of the male and the female reproductive system;

reviewed the list to clarify further that specific tissues (for example bone, skin and muscle) will be transplanted under deemed consent if the tissue is to be used for a routine transplant. As now, if the tissue is needed for a rare transplant this will require express consent; and

expanded the list of proposed advanced therapy medicinal products (ATMPs) to exclude from deemed consent. Although the Government recognise the benefits of ATMPs, use of ATMPs from deceased donors is novel and it is appropriate that express consent is in place when cells are donated.

To make the public aware of the new system of consent, NHS Blood and Transplant (NHSBT) launched a communication campaign on behalf of the Government in April 2019. A number of platforms have been used since then to raise public awareness of the new system, more recently through TV and radio adverts, along with public advertising with specific targeting of people with different backgrounds, faith and beliefs. NHSBT will continue their awareness campaign, also working with GP practices, schools and BAME communities to address barriers to organ donation.

[HCWS121]

## HOME DEPARTMENT

### Independent Inquiry into Child Sexual Abuse Report on Westminster

**The Secretary of State for the Home Department (Priti Patel):** Today the Independent Inquiry into Child Sexual Abuse has published its latest report, which can be found at [www.iicsa.org.uk](http://www.iicsa.org.uk).

This report relates to its investigation into Westminster. I pay tribute to the strength and courage of the victims and survivors who have shared their experiences to ensure the inquiry can deliver its vital work.

The Government will review this report and consider how to respond to its content in due course.

I would like to thank Professor Jay and her panel for their continued work to uncover the truth, expose what went wrong in the past and to learn the lessons for the future.

[HCWS124]





# Petitions

Tuesday 25 February 2020

## OBSERVATIONS

### HOUSING, COMMUNITIES AND LOCAL GOVERNMENT

#### Gasification plant in Hillthorn Park, Washington

*The petition of residents of Washington and Sunderland West constituency,*

Declares that the petitioners oppose the building of a Gasification plant in Hillthorn Park, Washington.

The petitioners therefore request that the House of Commons urges the Government to recognise the opposition to the planning application; and calls on the Secretary of State for Housing, Communities and Local Government to reject the planning application 17/02085/MW4.

And the petitioners remain, etc. — [*Presented by Mrs Sharon Hodgson, Official Report, 21 January 2020; Vol. 670, c. 274.*]

[P002551]

*Observations from the Minister for Housing (Christopher Pincher):*

The application referred to is now the subject of a planning appeal to the Secretary of State. The appeal inquiry opened on 18 February 2020 and it was attended by approximately 250 people. Before any evidence was heard, the main parties submitted an application to the Inspector to adjourn the inquiry to allow time for confidential commercial negotiations to take place the outcome of which was expected to be the withdrawal of the appeal. The request was endorsed by all objectors and by the MP who was present. The Inspector found the application represented exceptional circumstances and agreed to the request. The inquiry will resume on 18 June 2020 if the negotiations falter and the appeal is not withdrawn before then.

The Planning Inspectorate has received a request from the hon. Member for Washington and Sunderland West (Sharon Hodgson) that the appeal be recovered by the Secretary of State on the grounds that it conflicts with national policies on important matters and raises significant questions regarding the interpretation of those policies for RDF-based gasification plants. The Secretary of State will consider and respond to this request as soon as possible.

While the Government recognise the opposition to the planning application/appeal, it would not be appropriate to comment further on the eventual decision as to do so could prejudice the Inspector's or Secretary of State's (if the appeal were to be recovered), consideration of the appeal prior to having heard and then considered all the evidence, both for and against the proposal.

#### Minerals quarry in Barford, Warwickshire

*The petition of residents of the constituency of Warwick and Leamington,*

Declares that Warwickshire County Council's plans for a minerals quarry in Wasperton, near the village of Barford, should be withdrawn.

The petitioners therefore request that the House of Commons urges the Government to ensure that Warwickshire County Council's plans for a minerals quarry in Wasperton, near the village of Barford, should be withdrawn.

And the petitioners remain, etc. — [*Presented by Matt Western, Official Report, 4 February 2020; Vol. 671, c. 285.*]

[P002554]

*Observations from the Minister for Housing (Christopher Pincher):*

Warwickshire County Council, as the mineral planning authority, is responsible for the preparation of its mineral local plan. All local plans, including mineral local plans, must be independently examined in public and found sound before they can be adopted by the Council. That examination is conducted on behalf of the Secretary of State for Housing, Communities and Local Government by the Planning Inspectorate. The purpose of the independent examination is to assess whether the Warwickshire Mineral Plan has been prepared in accordance with legal and procedural requirements and if it is sound based on the criteria set out in paragraph 35 of the National Planning Policy Framework 2019. The Inspector will review the submission version of the plan, all the relevant supporting evidence and representations received.

The Warwickshire Minerals Plan was submitted to the Secretary of State for Housing, Communities and Local Government for independent examination on Friday 29 November 2019. A Planning Inspector has been appointed and will now conduct an examination into the Warwickshire Mineral Plan's soundness. Hearing sessions have been scheduled to commence on the 3 June 2020. At the end of the examination, the Inspector will prepare a report to the Council with precise recommendations, these recommendations may include modifications to the Plan, if such a request is made by the Council.

Given the Secretary of State's quasi-judicial role in the planning system as outlined above I am unable to comment on the detail of the Warwickshire Minerals Plan and in particular the merits or otherwise of the proposed plans for a minerals quarry in Wasperton, near the village of Barford. I appreciate that your constituents have concerns about this proposal but would seek to reassure you that the local plan preparation and examination process gives them opportunities to raise these concerns. I hope you will appreciate that it is not appropriate for me to comment further since this could interfere in the completion of a fair and impartial examination by the appointed Inspector.





# ORAL ANSWERS

Tuesday 25 February 2020

	<i>Col. No.</i>		<i>Col. No.</i>
<b>MINISTRY OF JUSTICE</b> .....	159	<b>MINISTRY OF JUSTICE—continued</b>	
Custodial Sentences: Non-UK Citizens .....	169	Rape and Sexual Abuse Victims .....	172
Deradicalisation of Prisoners: Longer Sentences ...	161	Reoffending Reduction .....	162
Domestic Abuse .....	167	Retail Crime: Sentences .....	166
Early Legal Advice .....	172	Stillbirths .....	159
Istanbul Convention .....	160	Topical Questions .....	174
Prison Capacity .....	165	Veterans .....	171
Public Protection Sentences: BAME		Violence in Prisons .....	170
Backgrounds .....	169		

# WRITTEN STATEMENTS

Tuesday 25 February 2020

	<i>Col. No.</i>		<i>Col. No.</i>
<b>DEFENCE</b> .....	6WS	<b>HOME DEPARTMENT</b> .....	14WS
Nuclear Deterrent .....	6WS	Independent Inquiry into Child Sexual Abuse	
<b>FOREIGN AND COMMONWEALTH OFFICE</b> .....	6WS	Report on Westminster .....	14WS
Alleged Serious and Significant Offences			
(Diplomatic Immunity) 2018.....	6WS		
Diplomatic Missions and International			
Organisations: Debts Owed in the UK 2018 .....	7WS	<b>TREASURY</b> .....	5WS
<b>HEALTH AND SOCIAL CARE</b> .....	12WS	Finance Bill .....	5WS
Draft Human Tissue (Permitted Material:		Public Service Pension Scheme Indexation and	
Exceptions) (England) Regulations:		Revaluation 2020 .....	5WS
Government Response .....	12WS		

# PETITIONS

Tuesday 25 February 2020

	<i>Col. No.</i>		<i>Col. No.</i>
<b>HOUSING, COMMUNITIES AND LOCAL</b>		<b>HOUSING, COMMUNITIES AND LOCAL</b>	
<b>GOVERNMENT</b> .....	1P	<b>GOVERNMENT—continued</b>	
Gasification plant in Hillthorn Park, Washington..	1P	Minerals quarry in Barford, Warwickshire.....	2P

No proofs can be supplied. Corrections that Members suggest for the Bound Volume should be clearly marked on a copy of the daily Hansard - not telephoned - and *must be received in the Editor's Room, House of Commons,*

**not later than  
Tuesday 3 March 2020**

STRICT ADHERENCE TO THIS ARRANGEMENT GREATLY FACILITATES THE  
PROMPT PUBLICATION OF BOUND VOLUMES

Members may obtain excerpts of their speeches from the Official Report (within one month from the date of publication), by applying to the Editor of the Official Report, House of Commons.

---

## CONTENTS

Tuesday 25 February 2020

**Oral Answers to Questions [Col. 159] [see index inside back page]**  
*Secretary of State for Justice*

**National Health Service Expenditure [Col. 181]**  
*Bill presented, and read the First time*

**Hong Kong [Col. 182]**  
*Motion for leave to bring in Bill—(Mr Carmichael)—agreed to  
Bill presented, and read the First time*

**Opposition Day [4th allotted day]**

**Tax Avoidance and Evasion [Col. 185]**  
*Motion—(John McDonnell)—on a Division, negatived*

**Social Care [Col. 242]**  
*Motion—(Barbara Keeley)—on a Division, negatived  
Amendment—(Matt Hancock)—agreed to  
Motion, as amended, agreed to*

**Petition [Col. 291]**

**East Leake Health Centre [Col. 292]**  
*Debate on motion for Adjournment*

**Westminster Hall**  
**UK Oil and Gas Industry [Col. 1WH]**  
**Special Educational Needs: Isle of Wight [Col. 24WH]**  
**Equality of Funding: Post-16 Education [Col. 31WH]**  
**Landfill Sites: Odour [Col. 55WH]**  
**UK Armed Forces: Wales's Contribution [Col. 64WH]**  
*General Debates*

**Written Statements [Col. 5WS]**

**Petitions [Col. 1P]**  
*Observations*

**Written Answers to Questions [The written answers can now be found at <http://www.parliament.uk/writtenanswers>]**

---