

Thursday  
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**HOUSE OF COMMONS  
OFFICIAL REPORT**

**PARLIAMENTARY  
DEBATES**

**(HANSARD)**

**Thursday 2 July 2020**

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# House of Commons

Thursday 2 July 2020

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

## PRAYERS

[MR SPEAKER *in the Chair*]

*Virtual participation in proceedings commenced (Order, 4 June).*

[NB: [V] denotes a Member participating virtually.]

## Oral Answers to Questions

### TRANSPORT

*The Secretary of State was asked—*

#### **Covid-19: Economic Recovery**

**Brendan O'Hara** (Argyll and Bute) (SNP): What recent discussions he has had with the Chancellor of the Exchequer on the Government's plans to support economic recovery from the covid-19 outbreak. [904120]

**Allan Dorans** (Ayr, Carrick and Cumnock) (SNP): What recent discussions he has had with the Chancellor of the Exchequer on the Government's plans to support economic recovery from the covid-19 outbreak. [904126]

**Patrick Grady** (Glasgow North) (SNP): What recent discussions he has had with the Chancellor of the Exchequer on the Government's plans to support economic recovery from the covid-19 outbreak. [904151]

**The Secretary of State for Transport (Grant Shapps)**: I have frequent conversations with the Chancellor about the vital role that transport plays in our economic recovery.

**Brendan O'Hara**: Yesterday, I met the Argyll and Bute climate change group, which is dismayed by the recent report showing that the UK Government have missed almost all their own climate change targets. Given that transport accounts for about a quarter of UK carbon emissions and that there are growing calls to link the economic recovery to meeting emissions targets, does the Secretary of State agree that only by enshrining annual targets in legislation will this Government be able to hope to meet their legally binding net zero emissions target by 2050?

**Grant Shapps**: I thank the hon. Gentleman for his question, but I take issue with his numbers: I think that transport accounts for about a third of greenhouse gases, rather than just a quarter, so he is right about the urgency of the situation. We absolutely believe in tackling this problem. That is why this country has legislated to be zero-carbon by 2050. When it comes to transport, he will be interested to hear that I am setting up the net zero board to push forward with all these important targets.

**Allan Dorans**: The Secretary of State will be aware that British Airways continues along its Dickensian path of threatening to fire staff and rehire them on

substantially poorer pay and conditions, which affects many of my constituents in Ayr, Carrick and Cumnock. Does he accept that the conduct of British Airways executives such as Willie Walsh is bringing the industry into disrepute at a time when support for public transport is critical if we want an aviation industry in the future?

**Grant Shapps**: I am very concerned about the plight of aviation employees not just at British Airways but at other companies. I urge British Airways and the unions to sit down to talk this through, which I know is not happening—the British Airline Pilots Association has done that, but the other unions have not. Important support has been in place through the furlough scheme, and I want to ensure that people are treated fairly and properly throughout this crisis.

**Patrick Grady**: The constituents I met as part of The Time is Now climate lobby on Tuesday want Government at all levels to move further and faster to tackle the climate emergency and build back better from the covid pandemic. Will the Secretary of State join me in welcoming the decision in Glasgow to make the hire of nextbikes free for the coming months, so that people can reduce emissions, keep fit and get about in a safe and socially distant manner, and we can learn lessons across the United Kingdom for the future?

**Grant Shapps**: The hon. Gentleman will be familiar, I am sure, with the £2 billion announcement I made at a Downing Street press conference for cycling and walking, of which £250 million was made available immediately in England. Through the Barnett consequentials, that will allow for a massive expansion of cycling across the whole United Kingdom.

**Huw Merriman** (Bexhill and Battle) (Con): Given the restrictions on public transport at the moment, it is vital that we look for alternative forms of transport to boost our economic activity. I welcome the news that e-scooters will be rolled out. The Transport Committee began its inquiry on that yesterday, so the timing is appreciated. There was some confusion as to whether driving licences will be required for e-scooters, which I believe may be due to a technicality. It would be a great shame if e-scooters were available only to those who drive a car.

**Grant Shapps**: My hon. Friend is right: the e-scooters brought forward due to the pandemic will be an excellent and eco-friendly way of getting around—I can see that many Members across the House are looking forward to getting on their e-scooters. They will, I am afraid, in the first place be available to those with driving or provisional licences. That is not through desire, but because of a quirk in the law—we are tackling a law from, I think, 1880, which, with great foresight, banned e-scooters long before they were invented. That was one way to allow trials to go ahead right now.

**Jim McMahon** (Oldham West and Royton) (Lab/Co-op): I pay tribute to our transport workers and reflect on those who have lost their lives to the coronavirus. Our economy is experiencing major shock. There is no doubt that the foundations were weakened after a lost decade of austerity and the failure to invest properly in our regions that make up the northern powerhouse. Had the north seen the same per-person investment as London

over the past decade, it would have received £66 billion more. Even before the pandemic hit, estimates by the UK2070 Commission recommended investment of £15 billion each year for 20 years. Will the Secretary of State outline how much capital investment has been awarded to the north?

**Grant Shapps:** As the hon. Gentleman will know, I am the northern powerhouse Minister in the Cabinet, so I take this very seriously indeed. I do not want to disappoint him, but there are so many different elements of funding going into the northern powerhouse right now that it is difficult to provide an immediate figure for the total. I would be happy to undertake to write to him with those precise details, but I can tell them that it is billions.

**Jim McMahon:** I am not sure that my pre-prepared response quite expected the Secretary of State not to know the answer to the question about how much money has been allocated, but we can guess: it is a drop in the ocean. It will be a drop in the ocean when compared with the historic funding gap of £66 billion. It will be a drop in the ocean when compared with the £15 billion annual allocation, as recommended by the Commission.

We were promised a plan to level up Britain. We were told that we were at war with the virus, yet when it came to a Marshall fund, the nation was failed. The Government failed on ambition; they failed on scale; and in doing so they failed the hard-working people of the north. Let us be generous and accept that what has gone has gone. Today, will the Secretary of State commit, in future allocations, to the north receiving no less than the capital?

**Grant Shapps:** That is a lot of rhetoric, but, if the hon. Gentleman likes, I will go into some of the money that is being spent. For example, there is the trans-Pennine route, a multi-billion pound upgrade of the route from Manchester to Leeds. Then we have an extra £10 million initially to sort out the Manchester corridor, which was announced by the Prime Minister on Tuesday. There is the High Speed North project, which runs into multi-billions. I will write to him, and I hope that he will come back to the Dispatch Box surprised and perhaps withdraw his words when he sees the multi-billion pounds that are being spent in the north right now.

**Gavin Newlands (Paisley and Renfrewshire North) (SNP):** Swissport, 321; Rolls-Royce, 700; Menzies Aviation, 160; and hundreds and hundreds more between British Airways, NCP, easyJet, Ryanair, Jet2, Flybe, BA CityFlyer, TUI and SSP. These are not national statistics, but the aviation job losses in my constituency alone. Might this sector finally get some good news in the Chancellor's statement next week? If the Secretary of State will not comment on specific aviation companies, will he tell us in general whether he personally thinks it fair that employees can be fired and rehired on slashed terms and conditions?

**Grant Shapps:** As I mentioned in my previous answer, I think the hon. Gentleman is right to be concerned. We need to ensure that there is fair play for employees. Everybody understands that it has been an incredibly tough time. Everyone knows the furlough scheme and

many other measures—£330 billion-worth of measures—have been there to support the sector. There has also been an individual process that companies—whether ground handlers, airlines or airports—have been able to go through with the Treasury to access additional money. I would appreciate the hon. Gentleman's help in ensuring that air bridges can get going as quickly as possible and be reported to the House. I am very keen to get the devolved Administrations, including the Scottish Government, on board so that we can get this thing announced.

**Gavin Newlands:** Alexander Dennis is a world-leading bus manufacturer, but that sector is also on its knees due to the coronavirus crisis. I welcome the Prime Minister's re-announcement on bus investment, but it needs to be brought forward in full now. I ask the Secretary of State not to rule out investing in low-emission Euro 6 diesel buses to replace some of the older high-polluting models, helping to reduce carbon emissions more quickly and saving thousands of highly skilled jobs across the industry to boot.

**Grant Shapps:** Absolutely. The £3 billion, which is going into new buses, will help us to produce 4,000 additional buses. We want them to be low and zero-carbon electric buses, of course, but also hydrogen buses, so we will certainly be taking that forward. I will be saying more about that very shortly.

#### Covid-19: Bus Routes

**Chris Loder (West Dorset) (Con):** What steps he is taking to support commercial bus routes that are in service during the covid-19 outbreak. [904121]

**Sir Christopher Chope (Christchurch) (Con):** When he next plans to meet with representatives of bus and coach operators. [904123]

**Anthony Mangnall (Totnes) (Con):** What steps he is taking to protect rural bus routes. [904147]

**The Parliamentary Under-Secretary of State for Transport (Rachel Maclean):** The Government are providing significant funding for the bus industry at this time. Our covid-19 funding package for England's buses totals £651 million. The Government provide £43 million annually to local authorities for supporting socially necessary services, plus £30 million of additional funding in 2021 to support, improve or restore services. Ministers and officials meet regularly with key stakeholders, including local transport authorities and operators to discuss a wide range of matters.

**Chris Loder:** The Government's public messaging to discourage the non-essential use of buses, and of open-access trains for that matter, is deeply damaging commercial routes that rely on public fares to remain viable. Will the Minister commit to reviewing that message and to safeguarding those commercial routes, such as the rural bus routes in my constituency of West Dorset?

**Rachel Maclean:** My hon. Friend is right. We obviously keep all measures under review at all times, but our priority is always to keep the public safe. Thanks to the

support that the Government have put into the bus industry, the vast majority of bus services in England are currently running.

**Sir Christopher Chope:** My hon. Friend failed to respond to the question about coach operators, which rather indicates that, as the coach industry feels, the Government regard them with contempt. Will she now tell us when there is going to be a meeting, and a response to the request first made by the coach industry more than two months ago and repeated in a letter signed by 550 coach operators to the Chancellor of the Exchequer? When are the Government going to do something to help our coach industry?

**Rachel Maclean:** I assure my hon. Friend that the Government take the concerns of the coach industry incredibly seriously, recognising the key part it plays in the tourism industry. That is why it has been able to access £330 billion of Government support, along with all parts of our economy. We are working extremely hard to get tourism up and running, and the coach industry will benefit from that.

**Anthony Mangnall:** A number of bus routes in my local towns, including Brixham and Dartmouth, have been cancelled or reduced in the past few weeks, which is, obviously, a massive disservice to the residents. The Government have announced a supreme package of support for our bus networks, with grants and the forthcoming review. I urge them to put a long-term strategy planning mechanism in place to allow bus companies to plan their future for many months to come.

**Rachel Maclean:** The Government absolutely recognise the crucial role bus services play in rural communities, such as those in my hon. Friend's constituency, up and down the country. That is why we are providing a five-year, £5 billion funding package for buses and cycling. That will include a £20 million demand-responsive transport scheme. We are also bringing forward a national bus strategy to address exactly these concerns about rural services, which play a vital role.

**Matt Rodda (Reading East) (Lab):** I wish to start by paying tribute to our bus workers for keeping a vital public service running, in rural areas and across the country, during the coronavirus crisis. Bus drivers and other transport workers have made a very significant contribution—indeed, a number of drivers have died in the epidemic. We owe all these key workers a huge debt of gratitude for their service at this difficult time. As a sign of the Government's support for our bus services, will the Minister now commit to properly funding buses, both in the next few months and in the longer term? Will she also offer financial support to the families of the staff who have died, to bring this in line with financial support for NHS and care workers?

**Rachel Maclean:** I join the hon. Gentleman in the comments he has made, and Conservative Members, too, pay our tribute to those key workers—those bus workers—who have played a vital part in keeping goods, services and passengers moving around the country. We want to thank them from the bottom of our hearts for their service. We work closely with the Department of

Health and Social Care to ensure that they are kept safe throughout the pandemic. As bus services start to recover, we are working closely on a bus recovery and restart package, as well as the £5 billion we have pledged to put in to keep bus services on a sustainable footing for the long term.

### Direct Rail Services

**Sir Edward Leigh (Gainsborough) (Con):** If he will introduce a direct service between Cleethorpes and London through Market Rasen. [904122]

**The Minister of State, Department for Transport (Andrew Stephenson):** I recognise and pay tribute to my right hon. Friend's campaign. He has raised this issue with me on a number of occasions. London North Eastern Railway and Network Rail continue to assess how the service could operate.

**Sir Edward Leigh:** I apologise to the Minister for banging on about this, and so do my hon. Friends the Members for Cleethorpes (Martin Vickers) and for Great Grimsby (Lia Nici), but we are talking about a catchment area of 100,000 people with no direct train to London. LNER, which we own, is prepared to give us our direct train for just £1 million, which compares with the £80 billion-plus we are spending on HS2. So we beg the Minister to do this for Lincolnshire, and we promise that if he gives us our train, we will make him an honorary yellowbelly.

**Andrew Stephenson:** That would indeed be a great honour. Before a final decision can be taken, we need to review a business case from LNER. Sadly, some of the surveys have been delayed because of coronavirus, but they will be taking place later this summer. I am happy to commit to writing to my right hon. Friend setting out the schedule for that work, and to keeping him and his colleagues updated.

### Active Travel

**Fleur Anderson (Putney) (Lab):** What support the Government are providing to local authorities to promote active travel. [904124]

**Simon Fell (Barrow and Furness) (Con):** What steps his Department is taking to increase levels of cycling and walking. [904129]

**James Daly (Bury North) (Con):** What steps his Department is taking to increase levels of cycling and walking. [904135]

**Lloyd Russell-Moyle (Brighton, Kemptown) (Lab/Co-op):** What support the Government are providing to local authorities to promote active travel. [904136]

**The Secretary of State for Transport (Grant Shapps):** The Government have provided £250 million of funding to local authorities this financial year to increase levels of active transport.

**Fleur Anderson:** Will the Secretary of State join me in congratulating teachers, parents and volunteers who are opening school streets such as that for Albermarle

Primary School in Putney, which are making streets cleaner, safer, greener and more cycle-friendly? On cycling, when will the Government publish their updated cycle infrastructure guidance for local authorities and the much promised cycling and walking plan or investment strategy, and will it be before recess?

**Grant Shapps:** I congratulate the initiative on the roads, which is fantastic. My hon. Friend will know that I have announced £2 billion, and nearly £50 million of that has been made available to local authorities straightaway. I can also inform the House that a further tranche of money will be made available over the summer as well, along with the plans that she refers to.

**Simon Fell:** I thank my right hon. Friend for his commitment to cycling and his investment in it. In my constituency of Barrow, we have the opportunity now to create a safe cycle route from Walney Island all the way up the A590 to Ulverston across some abandoned railway bridges. Making that work means getting Network Rail, Highways England and our county council to pull together. What advice and support can he give me to make that happen?

**Grant Shapps:** It sounds like a terrific scheme, and my advice to my hon. Friend is to have the local authority work with all those other bodies, including Network Rail, Highways England and the county council. I will join him in pushing from my end to ensure that can happen.

**James Daly:** Bury Council has outlined plans for 70 new or upgraded crossings and five miles of protected cycle routes on busy roads, which if completed, would allow 88% of the population to use the Greater Manchester Bee Network. Implementation of those plans, however, has stalled, despite funding being in place. Will the Secretary of State meet me to ensure Bury North residents have the benefit of those improvements at the earliest opportunity?

**Grant Shapps:** My hon. Friend is absolutely right. The Manchester Bee Network is extremely important. I can inform him that the Greater Manchester Combined Authority has already had £3.174 million to assist in projects such as this and, of course, either myself or the Minister with responsibility for cycling will be absolutely delighted to meet him.

**Lloyd Russell-Moyle:** I thank the Department for the support it has given Brighton and Hove Council to move forward on some of its street schemes, but the developing lungs of children are the most vulnerable, so air quality around schools is important as is, of course, the fitness that we want to encourage in children. As we have heard, London has already started taking action on school street schemes, so will the Secretary of State bring into effect part 6 of the Traffic Management Act 2004 to enable local authorities outside London to start to enable school street schemes to keep our children safe and reduce the 40,000 deaths because of poor air quality every year?

**Grant Shapps:** I will.

**Kerry McCarthy (Bristol East) (Lab):** I thank the Secretary of State for that very direct answer. Around 40% of the lowest income households do not have access to a car, but we know from the Government's own research that because they tend to live in more hazardous environments—so more traffic, more on-street parking, more pollution and little space for cycling and walking—they are deterred from active travel. Can we have a national strategy from the Government, not just money being sent down to local councils, to try to increase cycling and walking in our more deprived communities?

**Grant Shapps:** As the hon. Lady will know, the Government are very much in favour of people being able to take active transport, but we are not against the car. That is why we are investing £27 billion in roads, but I can tell her—I am sure she will welcome this—that we think the priority for walking and cycling is absolutely essential. I think she will be very pleased with what we have to say in forthcoming guidance on the subject.

#### **Public Transport: Face Coverings**

**Sir David Evennett (Bexleyheath and Crayford) (Con):** What assessment his Department has made of the level of compliance of public transport users with the requirement to wear a face covering. [904125]

**The Secretary of State for Transport (Grant Shapps):** We are working closely with transport operators and the police to monitor compliance. Initial reports from operators suggest very high compliance.

**Sir David Evennett [V]:** Wearing a face covering is an easy way to help protect us all from coronavirus, especially in more confined spaces such as public transport. Will my right hon. Friend join me in urging my constituents in Bexleyheath and Crayford to make that small change which can help us to control the virus and save lives?

**Grant Shapps:** My right hon. Friend is right about the importance of face coverings. We have seen very high levels of compliance. According to the Office for National Statistics, on the week of 26 June, it looks like 86% compliance was in existence. We did say that in the early days we would ensure compliance was enforced gently, but I inform the House that TfL, Network Rail and British Transport police will be tightening up on that. I have just signed the Health Protection (Coronavirus, Wearing of Face Coverings on Public Transport) (England) Regulations 2020, which under regulation 8 give powers to TfL to increase enforcement.

#### **Aviation: Decarbonisation**

**Henry Smith (Crawley) (Con):** What steps his Department is taking to decarbonise the aviation sector. [904127]

**Saqib Bhatti (Meriden) (Con):** What steps his Department is taking to decarbonise the aviation sector. [904145]

**The Secretary of State for Transport (Grant Shapps):** I recently announced the Jet Zero Council, which will provide UK leadership and strategic direction to cut emissions.

**Henry Smith [V]:** Britain has the potential to be world leading in sustainable aviation fuels, but for that we need to act fast. Will the Secretary of State therefore consider a request from the industry for £500 million of match funding to achieve that?

**Grant Shapps:** My hon. Friend is right in his question, and he will be interested to hear that we set up the Jet Zero Council specifically to take forward the objective of being the first country to develop a jet commercial airliner to fly at zero carbon across the Atlantic. That will involve not just investment in sustainable aviation fuels, in which money has already been invested and more was announced by me at one of the press conferences, but work on electric planes, hybrid planes and hydrogen planes. He can expect to hear a lot more as we join with industry to help deliver on that ambition.

**Saqib Bhatti:** I thank the Secretary of State for that answer. He will be aware that Birmingham airport in my constituency of Meriden will be key to the economic recovery of the region after the devastating impact of covid-19. Will he confirm that decarbonising the aviation sector is an economic opportunity as well as a green one? Will he join me in commending Birmingham airport on its commitment to achieving net zero carbon emissions by 2033?

**Grant Shapps:** My hon. Friend is right, and I absolutely join him on Birmingham's commitment to that. It is joining other airports including, I think, Bristol, which has already achieved zero carbon, as well as Farnborough and some of the larger airports. What I have been most impressed with is the way in which the industry has embraced the Jet Zero Council and the idea of getting to zero carbon, signing its own pledges to get there. We are determined to meet this commitment, which we will hear a lot more about in the coming weeks and months.

### Rail Service Frequency

**Suzanne Webb (Stourbridge) (Con):** What steps his Department is taking to increase the frequency of rail services following reductions in those services as a result of the covid-19 outbreak. [904128]

**The Minister of State, Department for Transport (Chris Heaton-Harris):** The rail industry will deliver an uplift in services on Monday 6 July to respond to an increase in post-4 July demand. Service levels will be close to 85% of pre-covid levels.

**Suzanne Webb:** The Prime Minister is a big fan of buses, just as I am a big fan of trains—I do not make model trains yet, though—so I am proud to support a Government who are investing £48 billion into railways, giving them the biggest upgrade since Victorian times. Will my hon. Friend assure me that such funding will be used to ensure that communities across all parts of the country such as mine in Stourbridge, have access to reliable, punctual railways?

**Chris Heaton-Harris:** I had already noted that my hon. Friend has a passion for rail as she has sponsored a bid to reinstate a railways fund for the “Stourbridge Dasher,” which I look forward to examining shortly. Yes, the Government are investing £48 billion in our

railways in the period 2019 to 2024—that figure does not include HS2—with the intention to use that money to deliver a reliable rail service that helps to level up our country.

**Mr Tanmanjeet Singh Dhesi (Slough) (Lab):** I pay tribute to our wonderful rail workers, who have played a vital role in keeping our nation moving in the midst of a pandemic. As we come out of lockdown, I welcome the Government's plans to increase the frequency of rail services as, indeed, I wholeheartedly welcomed the Government's plans and efforts to effectively nationalise our rail services at the start of lockdown. It is disappointing to note, however, that other operators such as Hull Trains have been refused the exact same support from the Government, thereby risking hundreds of jobs.

There is no point in having lots of trains running if people are not using those services because they fear it is not safe to do so. Given the Government's mixed messaging, with weakening social distancing requirements on the one hand and patchy compliance with the new face-covering law on the other, how does the Minister propose to protect passengers and rail workers while restoring public confidence in our network?

**Chris Heaton-Harris:** I welcome the hon. Gentleman to the Front Bench. We have had a conversation already and I look forward to working with him. Our railways are a very important part of bringing our nation's economy back. It is quite straightforward: we will have a reliable train service that will be one of the cleanest on the planet. We want to get customers back when they are able to travel, given the appropriate guidance. Working together, I think we can do that.

### Public Transport Access: Sight Loss

**Kate Osamor (Edmonton) (Lab/Co-op):** What recent discussions he has had with transport providers on safe access to public transport for people with sight loss as covid-19 lockdown restrictions are eased. [904130]

**The Minister of State, Department for Transport (Chris Heaton-Harris):** The Government remain committed to delivering inclusive transport for all passengers. My officials and I meet regularly with transport providers and make it clear that they must consider the needs of all passengers as transport restarts. My most recent meeting involving a sight loss charity was last Friday.

**Kate Osamor [V]:** I thank the Minister for his answer. My constituent Janice, who is blind, is anxious about how to keep safe and stay socially distant on public transport, and she is not alone. The Royal National Institute of Blind People's director of services, David Clarke, said:

“Social distancing is near-impossible for...blind and partially sighted people which makes it difficult to go out and get food...exercise or attend medical appointments”.

Will the Minister take this opportunity to reassure the RNIB and my constituent by acting early to ensure that all transport providers in England have the funds available for new accessible signage, so that social pressure to keep to the rules does not have an unfair impact on blind and partially sighted people?

**Chris Heaton-Harris:** I thank the hon. Lady for her excellent question. She is absolutely right in everything she says. I have been working with a whole range of accessibility groups and disability charities to try to make sure that we get our messaging right, because we want to welcome everyone back to our rail system eventually and we want it to be the most accessible in the world. We have a long way to go, but we are working with those groups to deliver that service as best we can.

### Leaving the EU: Road Haulage

**Nick Smith** (Blaenau Gwent) (Lab): What assessment he has made of the potential effect on the (a) freight logistics and (b) road haulage sector of not reaching a deal on the future relationship with the EU by the end of the transition period. [904131]

**The Parliamentary Under-Secretary of State for Transport (Rachel Maclean):** The UK continues to work constructively towards a trade agreement with the EU. Whatever our trading relationship with the EU after 31 December, the UK logistics and haulage sector will play a critical part.

**Nick Smith:** The Dover port is used by 10,000 trucks every day. If we end up with no deal, the slightest delay means that just-in-time systems fall apart. The logistics sector says that it needs a credible plan to cover that high-risk situation. When will we see such a plan?

**Rachel Maclean:** The hon. Gentleman touches on an important point that I as a Minister and my Department as a whole are focusing on. We are working through detailed plans to ensure that traffic flows smoothly through Kent, so that goods and services can continue to flow to the EU and elsewhere, as they do at the moment.

### Hydrogen Vehicles

**Greg Smith** (Buckingham) (Con): What steps he is taking to increase the use of hydrogen vehicles. [904132]

**George Freeman** (Mid Norfolk) (Con): Whether the transport decarbonisation plan will support the UK to become a world leader in hydrogen technology. [904139]

**The Parliamentary Under-Secretary of State for Transport (Rachel Maclean):** We are accelerating the use of hydrogen vehicles through demonstration and R&D projects to fulfil our ambitions for greener transport and to level up the country. Decarbonising transport requires the sector and users to embrace new technology and innovations such as hydrogen like never before.

**Greg Smith:** I welcome the Minister's answer. Given that hydrogen technology presents such an enormous opportunity for clean UK-made transport of the future, will she ensure that hydrogen gets an equal billing in that R&D in future as we deliver the green revolution in transport?

**Rachel Maclean:** I entirely agree with my hon. Friend's comments. We are totally well placed to be a leader in clean hydrogen and fuel cell technology, and that is down to our high-quality engineering and manufacturing capability. This Government, I as a Minister and the

whole Department are working at pace to develop our green recovery plan, and hydrogen will form a key part of that.

**George Freeman** [V]: I thank the Minister and the Secretary of State for the work that they are doing, in particular, on the transport decarbonisation plan that he and I started together. Does the Minister agree that to make the post-covid recovery a real catalyst both for levelling up and sustainable growth, an industrial strategy for hydrogen fuel with four, five or six green hydrogen transport hubs, from Aberdeen to Teesside, Norfolk, Bristol and Northern Ireland, and a major procurement package for hydrogen buses would really help the UK to take a lead, drive down the cost, and lead in the science and R&D of hydrogen fuel?

**Rachel Maclean:** I will take this opportunity to thank my hon. Friend for his valuable contribution in driving forward this vital agenda. We are a world leader in technology, innovation and R&D and, as he will know, we have invested £121 million in UK hydrogen technology to make sure that it plays a key part in our green recovery and achieving net zero carbon emissions by 2050. He is also right that this has the potential to drive a fantastic flourishing and see levelling up across our whole country. We are working to include hydrogen and ensure that it plays a key part in the green recovery and our levelling-up ambitions.

### Aviation Sector: Worker Protection

**Barbara Keeley** (Worsley and Eccles South) (Lab): What steps he is taking to help ensure that the terms and conditions of workers in the aviation sector are protected during the covid-19 pandemic. [904133]

**James Murray** (Ealing North) (Lab/Co-op): What steps he is taking to help ensure that the terms and conditions of workers in the aviation sector are protected during the covid-19 pandemic. [904143]

**The Parliamentary Under-Secretary of State for Transport (Kelly Tolhurst):** The Government remain committed to an open dialogue with the sector as we work towards our shared ambition of getting aviation up and running again. We encourage the industry and unions to engage constructively with each other.

**Barbara Keeley** [V]: British Airways is proposing to lay off 12,000 staff and is using this pandemic as cover to put its remaining 30,000 staff on inferior contracts. Using a global health crisis to force through such changes is a national disgrace, yet British Airways still enjoys preferential treatment as our flag carrier, with a dominant position on slots at Heathrow. If it fails to treat its staff properly, surely it is time to review whether it is fit to be our national carrier and time to reallocate those slots.

**Kelly Tolhurst:** All redundancies or any threat to jobs in this unprecedented pandemic is incredibly worrying for all workers, and my sympathies are with all those affected at this time. I have spoken to Willie Walsh and encouraged BA and the unions to engage constructively with each other. Employees should be treated fairly and in the spirit of partnership and we are working with the aviation sector on a restart and recovery plan. Of course, we will be looking at all regulations at our disposal.



**James Murray** [V]: A constituent of mine who started working for British Airways more than 20 years ago faces losing their job or being rehired on worse pay and terms than when they started work. BA needs to halt its plans and the Government have still not brought forward an aviation sector deal, as promised three months ago. Will the Minister therefore confirm when an aviation deal will finally be announced and whether any deal will both extend the job retention scheme for aviation workers and include firm conditions to help to protect jobs, firms and pay?

**Kelly Tolhurst**: The Chancellor announced an unprecedented package of measures to support business and particularly the aviation sector. The Chancellor and my right hon. Friend the Secretary of State have been clear that we stand ready to talk to and hear from businesses that need further support. Of course, my absolute sympathies are with everybody affected with regards to redundancies or any kind of change within their terms and conditions. It is absolutely right that those employees should be treated fairly, and I hope that the unions and BA continue to work together to come to a proper resolution.

#### Decarbonisation

**Marco Longhi** (Dudley North) (Con): What steps his Department is taking to decarbonise the transport sector. [904134]

**The Secretary of State for Transport (Grant Shapps)**: We are creating a transport decarbonisation plan, to be published by the end of the year, setting out a bold and ambitious pathway for the decarbonisation of transport.

**Marco Longhi**: Will the Secretary of State please do all he can to bring forward the very light rail scheme in Dudley so that we can benefit not just from the environmental impact that the scheme will bring, but from the economic benefits as we bounce back from covid-19?

**Grant Shapps**: I am aware of my hon. Friend's enthusiasm and support for the very light rail scheme in Dudley, and we are keen to support it. It is important to get Dudley Council working with the West Midlands Combined Authority and the local enterprise partnership. We very much look forward to receiving the detailed business case.

#### Electric Cycles

**Royston Smith** (Southampton, Itchen) (Con): What steps his Department is taking to encourage people to use electric cycles. [904137]

**The Minister of State, Department for Transport (Chris Heaton-Harris)**: The Government have simplified their cycle to work scheme guidance to help employers to access e-bikes at a discount.

**Royston Smith** [V]: Southampton has received Government funding for additional cycle lanes, many of which lie unused for most of the day. My constituency is surrounded by hills, which is quite a deterrent for people on cycles. E-bikes and e-scooters could make a significant

difference. I welcome the news that e-scooters will become legal this weekend, but without relaxing the regulations for privately owned e-scooters, a city centre hire scheme will make little or no difference in Southampton. Will my hon. Friend look again at privately owned e-scooters to encourage more of my constituents out of their cars?

**Chris Heaton-Harris**: My hon. Friend is right to say that we need to capitalise on the unprecedented growth in active travel that we have seen recently, especially on bicycles and e-bicycles. He is completely correct about e-scooters; these trials will only include rental scooters. This will allow them to take place in a controlled manner while we assess the safety and other impacts. A wide range of e-scooters are available, building to different standards. I would like to think that the trials will demonstrate how useful they are in the mix for active travel.

#### Local Sustainable Transport Plans

**Mr Barry Sheerman** (Huddersfield) (Lab/Co-op): Whether the Government plan to make a sustainable transport plan implementation strategy mandatory for every local authority. [904138]

**The Parliamentary Under-Secretary of State for Transport (Rachel Maclean)**: Local areas have a key role to play in decarbonising transport and stimulating a green recovery. We welcome plans from local authorities, and have supported their shift to cycling and walking with a £250 million emergency active travel fund.

**Mr Sheerman** [V]: Will the Minister ratchet up the sense of urgency on this? We need sustainable towns right across the country, and sustainable transport is at the heart of that. We could already transform taxis to electric or hybrid, and change our buses. We can do so much now. Will she put more pressure on—and give more resources to—local authorities so that they lead the way, and will she support our new commission on road air quality?

**Rachel Maclean**: I assure the hon. Gentleman that I completely share his desire to do things faster than they have been done to date. We have brought forward the e-scooter trials, which will see e-scooters being rolled out in Tees Valley and across the country to immediately harness the benefits of the green air that we are seeing as a result of the pandemic lockdown situation. A whole host of other measures are coming onstream, all backed up by £2 billion of Government support for active travel including cycling and walking. We will continue to work on this through our transport decarbonisation plan.

#### Maritime Sector Jobs

**Karl Turner** (Kingston upon Hull East) (Lab): What steps he is taking to help protect jobs in the maritime sector. [904141]

**The Parliamentary Under-Secretary of State for Transport (Kelly Tolhurst)**: My officials and I engage extensively with the maritime sector on the support that it needs, including unprecedented financial assistance.

**Karl Turner [V]:** P&O Ferries, which is owned by the Government of Dubai, has pocketed millions from the British taxpayer during the covid crisis. It is now intending to make British seafarers redundant and replace them with low-paid, badly treated Filipino crews, because it says that the routes are not viable when using British seafarers. The Secretary of State told the Transport Committee that there is nothing he can do because his hands are tied by international agreement. It is not good enough. Will the Minister commit to levelling up employment conditions to prevent the likes of P&O from destroying seafarer jobs, and to unleash the potential of this brilliant maritime city of Hull?

**Kelly Tolhurst:** I note the hon. Gentleman's particular interest in this policy area. We have had many discussions on this issue and he knows that I am committed to doing what I can as the Minister responsible for maritime to increase the ability of UK seafarers to work on our routes. We have supported the ferry sector with a with a freight support package to protect what we needed within the UK, but the hon. Gentleman is absolutely right: we want to make sure that we are able to create an environment in which we can increase the number of seafarers operating around our coastal shores.

#### Railways: Passenger Confidence

**Mohammad Yasin (Bedford) (Lab):** What recent steps the Government have taken to increase passenger confidence in the railway. [904142]

**The Minister of State, Department for Transport (Chris Heaton-Harris):** The Government have provided guidance to transport operators and the public so that they can travel safely. We have made it mandatory for passengers to wear face coverings on public transport in England and, pleasingly, compliance is growing every day.

**Mohammad Yasin [V]:** Covid-19 has had a profound impact on the railways, but my constituents in Bedford and Kempston have been particularly hard hit. The Bedford-to-Corby electrification is now delayed; the long-awaited return of the East Midlands Railway service is delayed until May next year; the current Thameslink service is slow; and the Bedford-to-Bletchley trains have been stopped altogether. Does the Minister agree that this is a far cry from the transport revolution that his Government promised?

**Chris Heaton-Harris:** I thank the hon. Gentleman for his question, but I think he is mixing up the reaction to the obvious pressures we have had because of the pandemic with our plans for the future. Some of the plans that he outlined are delayed, yes, but that is because people were not able to work safely during the pandemic. The train line that he mentioned is no longer serving Bletchley because nobody was using it. These services will all return and they will be reliable and cleaner than ever before.

#### Transport Project Construction

**Andrew Jones (Harrogate and Knaresborough) (Con):** What steps his Department is taking to fast-track construction on transport projects while fewer passengers are using the transport system during the covid-19 outbreak. [904148]

**The Minister of State, Department for Transport (Andrew Stephenson):** In May, we announced £190 million-worth of investment in our road and rail networks to take advantage of lower demand.

**Andrew Jones:** My hon. Friend is aware of platform capacity issues at Leeds station; will he provide an update on the construction of platform 0, which will service rail connections from Harrogate and Knaresborough?

**Andrew Stephenson:** I pay tribute to the work that my hon. Friend did when he was a Department for Transport Minister. Work is now under way on platform 0 at Leeds and is expected to be completed by early next year. It will enable Northern to operate services more reliably.

**Mr Speaker:** Sounds like Harry Potter, doesn't it?

#### UK Seafarers

**Mr Alistair Carmichael (Orkney and Shetland) (LD):** What steps he is taking to protect the rights of UK seafarers during the covid-19 pandemic. [904172]

**The Parliamentary Under-Secretary of State for Transport (Kelly Tolhurst):** We recognise our international obligations, our borders remain open to seafarers, and we are enforcing their rights under the maritime labour convention.

**Mr Carmichael:** Some 400,000 sailors around the world are stranded as a result of covid restrictions. That requires international action and our country needs to take a lead. Will the Minister do that?

**Kelly Tolhurst:** I very much thank the right hon. Gentleman for his question. I happen to be able to inform him that next week I will be holding an international summit with a particular focus on crew change and how we can do our best for seafarers internationally.

#### Topical Questions

[904179] **Jacob Young (Redcar) (Con):** If he will make a statement on his departmental responsibilities.

**The Secretary of State for Transport (Grant Shapps):** With your permission, Mr Speaker, I wish to say a word about how we would like to pay tribute to the transport workers who have, as Members have mentioned, lost their lives during this crisis. Many of them are providing the food on our tables and helping the key workers in the NHS and care workers to get to work to support us all. We would therefore like to set up a commemorative memorial for transport workers, and I can think of no better location than Victoria station, where Belly Mujinga was an employee who sadly lost her life.

**Jacob Young:** UK steel producers, including British Steel in Lackenby, are able to supply more than 90% of HS2's phase 1 steel requirements. Does the Secretary of State agree that we should do all we can to support UK manufacturing in the construction of HS2? If we are going to build, build, build, let us make it British, British, British.

**Grant Shapps:** My hon. Friend has absolutely nailed it; he is spot on. That is of course what we must do. I can report to him that 98% of the purchasing for HS2 so far been from British suppliers. There is of course a supply chain involved, but I absolutely support my hon. Friend's ambition and I know he will do what Network Rail does—it buys nearly all its steel British.

**Mike Kane** (Wythenshawe and Sale East) (Lab): British, British, British Airways, easyJet, Airbus and Jet2—every day we get more news of staggering job losses across the aviation industry. Our world-class airports and their supply chains are at critical. The US, Spain, Germany and France have all agreed specific aviation deals so that their countries bounce back more strongly. If not now, when will the Government implement a comprehensive package for our aviation sector matching Labour's commitment?

**Grant Shapps:** The hon. Gentleman is absolutely right about the critical importance of our aviation sector, which is the third biggest in the world. These are extremely worrying times. As the air bridges start to unlock, that will help, and we will hear more about those soon. It is not the case that there has not been a massive package. He forgets the £330 billion to support the economy, which has included a number of measures that the aviation sector has been able to take specific assistance from. It is okay to discount it, but that is money it has been using all the way along. In addition, the aviation sector has been able to access a process that other sectors have not necessarily been able to, putting it directly in talks between the Department for Transport and the Treasury. It has been accessing money and cash through that process, as well.

[904180] **Chris Green** (Bolton West) (Con): The Government have devolved a great deal of responsibility to the Mayor of Greater Manchester, who has to deliver on the Greater Manchester spatial framework and a transport infrastructure required to meet the demands of increased house building. The whole project has suffered delay after delay, so vital infrastructure such as the Westhoughton bypass is not being delivered. What can my right hon Friend do to remove the roadblock in the Mayor's office?

**The Minister of State, Department for Transport (Chris Heaton-Harris):** We have devolved significant power and funding to metro mayors, including to the metro mayor of Manchester, to ensure that he can deliver the transport schemes needed to unlock housing and growth, so that Greater Manchester's economy can thrive as the heart of the northern powerhouse. The bypass is one scheme for the Mayor to consider prioritising and thereby, we hope, deliver. We will happily work with him to ensure that conversation continues at pace.

[904181] **Stephanie Peacock** (Barnsley East) (Lab): Funding for buses in South Yorkshire has been cut by 40% in the past decade. Will the Minister commit to the additional funding needed to implement the recommendations of the South Yorkshire bus review?

**Chris Heaton-Harris:** I thank the hon. Lady for her question. Actually, £504,000 has been provided to Sheffield City Region Combined Authority to date through the

covid-19 bus service support grant. In addition, we are spending a huge amount of money—£3 billion—on a bus strategy going forward. I would like to think we can work together to deliver the service that her constituents require.

[904182] **Dame Cheryl Gillan** (Chesham and Amersham) (Con) [V]: As the Secretary of State will know, many of my constituents in Chesham and Amersham depend on Heathrow for their work. Do the Government plan to introduce a covid-19 testing programme at airports, and is he working with our trading partners to establish a common international standard for health screening to accelerate the recovery of the aviation sector and rebuild consumer confidence in our airports and our aviation industry?

**Grant Shapps:** My right hon. Friend is absolutely right. It is important to ensure we can provide reassurance for passengers, but also do something useful with the screening, perhaps beyond what just asking people to take a temperature check provides. We are actively working with Heathrow and other airports to put exactly those types of schemes in place, and I will be saying more about those in time for the following review of air corridors.

[904184] **Debbie Abrahams** (Oldham East and Saddleworth) (Lab) [V]: Our transport sector has been devastated by the covid-19 pandemic. Out of this human tragedy, there is an opportunity not just to build, build, build, but to build back better, with health and wellbeing for all at the heart of it. Will the Transport Secretary commit to "The Time is Now" pledge and ensure that any Government investment in the transport sector announced next week will be conditional on the early decarbonisation and increased accessibility of fleets and infrastructure?

**Grant Shapps:** The hon. Member will be interested to hear about the transport decarbonisation plan, which I think she will find goes way beyond even the ambitions that she has set out. She will not have to wait too much longer to see that in detail, but I have already mentioned the net zero board, which is driving exactly the change she seeks.

[904185] **Felicity Buchan** (Kensington) (Con): I welcome my right hon. Friend's comment in response to the previous question that he is considering introducing testing at airports. Will he consider backing the scheme that Swissport and Collinson are proposing as a pilot?

**Grant Shapps:** My hon. Friend will be interested to hear that I am in touch with Swissport and I am following those proposals carefully. As I said in response to an earlier question, we believe that it is important to provide international standards, which may well include specific types of testing. So the answer is yes.

[904187] **Bambos Charalambous** (Enfield, Southgate) (Lab): The Secretary of State is determined to remove free travel from children and young people in London—a move that is opposed by the Mayor, London councils, many in the education sector and at least 160,000 Londoners who have put their name to a public petition. Can the Secretary of State confirm that

there will be a public consultation before these controversial changes are made, especially with regard to travel arrangements for 16 to 18-year-olds who will need to get to their colleges when courses resume later this year?

**Grant Shapps:** It is indeed very frustrating that so much revenue failed to be collected in the previous four years because prices were not changed to keep up with inflation. There were no changes in the congestion charge either. Effectively, £700 million of take was left on the table by the London Mayor, meaning that the Government have had to come in and bail out Transport for London for £1.6 billion. A large chunk of that is uncollected revenue, and changes are having to be made for youngsters' travel. Members across the House must recognise that it is fair that people in other parts of the country do not unduly subsidise the Mayor, who failed to collect the funds.

[904186] **Marco Longhi** (Dudley North) (Con): As I am sure my right hon. Friend will be aware, a number of local authorities, such as Dudley Council, can derive a significant income from their shareholding in local airports. Will he and his colleagues in government do all he can to mitigate the negative impact of a substantive loss in income during the pandemic, as that income would have paid for services?

**Chris Heaton-Harris:** The Government recognise the impact on many local authorities that the hon. Gentleman has outlined. We have announced a vast package of support for local authorities, and we are consulting across government on the issues that he has raised today.

[904188] **Richard Burgon** (Leeds East) (Lab) [V]: A worried constituent of mine who has worked for BA for 30 years has helped the Government with vital repatriation flights, which put him at risk and meant heartbreaking self-isolation from loved ones between flights. BA has paid my constituent and his colleagues back with a jobs betrayal that the Transport Committee has called

“a calculated attempt to take advantage of the pandemic”.

Unite and the BA Betrayal campaign have called on the Minister to act if BA continues with these plans by amending BA's access to lucrative UK landing slots. Please will the Government agree to this?

**Grant Shapps:** The hon. Gentleman reflects a concern that we have heard expressed across the House today and previously, and the Transport Committee has done excellent work. The Government are concerned about this. We have put in a lot of money through the furlough scheme to support jobs. We now expect British Airways, other companies and the unions to sit down and sort this out properly.

[904189] **Greg Clark** (Tunbridge Wells) (Con): My right hon. Friend may be the northern powerhouse Minister, but he knows that when it comes to levelling up, towns such as Hastings need to be part of such measures too. The A21 is the principal link between London and Hastings, but between Pembury and Lamberhurst it is

like a country lane. To upgrade it, plans need to be made. Will he bring forward plans so that Hastings is not left behind?

**Grant Shapps:** I am aware that my right hon. Friend and other colleagues met the roads Minister recently on the important subject of the A21. I absolutely share his passion. I know that it is currently earmarked for RIS 3, but we are setting up the speed unit in DFT—the acceleration unit—to try to ensure that we can deliver this important infrastructure faster. We undertake to work with him to bring forward what I know is not an enormous scheme but would make a huge difference.

[904198] **Dr Philippa Whitford** (Central Ayrshire) (SNP) [V]: NATS air traffic control centre in my constituency has invested millions in modernising flight path management to cut fuel usage and reduce carbon emissions. Without action, covid threatens thousands of jobs in UK aviation and aerospace, so will the Secretary of State commit to a sector-specific package to protect jobs and promote a green aviation recovery?

**Grant Shapps:** As I mentioned in an answer a few moments ago, we have already put billions of pounds into supporting this sector. The hon. Lady may be pleased to hear that there is something she can do, and that is to ask the Scottish Government to join with us to ensure that we can have air bridges in place nationwide as quickly as possible.

**Mr Speaker:** We are now on the flightpath to Harrow East and Captain Bob.

[904190] **Bob Blackman** (Harrow East) (Con) [V]: Thank you, Mr Speaker; what else would you put on for Transport questions?

My right hon. Friend the Transport Secretary has already outlined the concerns about Transport for London's finances. Will he update the House on his discussions with Transport for London and the Mayor of London about the long-term issues with TfL's finances? Will he also nail the lie that it was a Government requirement to extend the congestion charge to seven days a week from 7 am to 10 pm, which will strangle London's recovery from this pandemic?

**Grant Shapps:** My hon. Friend is absolutely right. As I explained a few moments ago, after failing to collect £700 million of fares in various forms and then coming to Government with a request for £1.6 billion, it stands to reason that something has to give. He is absolutely right to mention that it is the Mayor's decision to extend the remit and the time of the congestion charge, although I have to say that the Mayor left himself with precious few options, having failed to collect that money for all those years.

[904191] **Joy Morrissey** (Beaconsfield) (Con): Will my right hon. Friend assure me that transport infrastructure will be at the heart of this Government's levelling up agenda, and that the £100 million that was announced for roads in the Prime Minister's new deal for Britain is only the start? May I also ask the Minister to spare a thought for the roads and potholes of Beaconsfield?

**Chris Heaton-Harris:** The Government have a massive agenda of levelling up this country and providing transport infrastructure that is fit for years to come. We are doing that, and we are investing in it. We look forward to supporting my hon. Friend in filling potholes in her constituency, too.

**Mr Speaker:** In order to allow the safe exit of hon. Members participating in this item of business and the safe arrival of those participating in the next, I am now suspending the House for three minutes.

10.32 am

*Sitting suspended.*

## Business of the House

10.36 am

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

**The Leader of the House of Commons (Mr Jacob Rees-Mogg)**: The business for the week commencing 6 July will include:

**MONDAY 6 JULY**—Remaining stages of the Domestic Abuse Bill.

**TUESDAY 7 JULY**—Estimates day (1st allotted day). There will be debates on estimates relating to the Department for Education; Her Majesty's Revenue and Customs; and the Department for Business, Energy and Industrial Strategy.

**WEDNESDAY 8 JULY**—My right hon. Friend the Chancellor of the Exchequer will make a statement, followed by a general debate on the economy.

**THURSDAY 9 JULY**—Estimates day (2nd allotted day). There will be debates on estimates relating to the Department for International Development and the Foreign and Commonwealth Office; and the Ministry of Housing, Communities and Local Government. At 5 pm, the House will be asked to agree all outstanding estimates.

**FRIDAY 10 JULY**—The House will not be sitting.

**Valerie Vaz**: I thank the Leader of the House for the business for next week. May I just say that the voting on Tuesday and Wednesday was absolutely appalling? I cannot think of anything less productive than Cabinet Ministers queueing up in the way that they had to—and all of us, for that matter; we have better things to do. Also, there is still the exclusion of hon. Members from taking part in debates on legislation. I plead with him again to return to hybrid proceedings for substantive business.

Silence—that is the sound of the Prime Minister coming to the Chamber to announce the £5 billion financial package. I had not realised that Parliament had moved to Dudley. And that is slightly less than they have announced in Germany, which is £50 billion. It would have been nice for hon. Members to be able to question the Prime Minister. Is this new money or old money? Is it money that has been previously been announced, or new money? I note that the Leader of the House has mentioned the financial statement on Wednesday. Can he tell us whether there will be a money resolution attached to that?

The Leader of the House will know that the Housing, Communities and Local Government Secretary said on 18 March:

“The government is clear—no renter who has lost income due to coronavirus will be forced out of their home...These are extraordinary times and...we are urgently introducing emergency legislation to protect tenants in social and private accommodation from an eviction process being started.”

Given the masses of job losses in every sector—retail, food services, aerospace, hospitality, arts and music—and with the emergency legislation coming to an end and the furlough scheme winding down, this is going to be a perfect storm and people are going to be caught up in it. The shadow Housing Secretary, my hon. Friend the

Member for Bristol West (Thangam Debbonaire), wants to co-operate with the Government, so could the Leader of the House ensure that she and the Secretary of State talk about bringing back emergency legislation before it runs out in August? It cannot be in the renters' rights Bill, because that is not coming to Parliament until the end of the year. We need to help people in this situation.

The shadow Public Health Minister, my hon. Friend the Member for Nottingham North (Alex Norris), has reminded me that the independent medicines and medical devices safety review led by the noble Baroness Cumberlege will report its findings next Wednesday. Those who have suffered from Primodos, sodium valproate and surgical mesh have campaigned for this. I pay tribute to those campaigners and to hon. and right hon. Members from across the House who have ensured that we have this review. Will the Leader of the House find time for an oral statement to allow colleagues to discuss the next steps?

The Prime Minister said yesterday that the information on testing is provided. What he did not say was that it is provided two weeks later, making it impossible for any local authority to react in time. Labour in Wales publishes both pillar 1 and pillar 2. The Leader of the House will know that pillar 2 is provided to officials only if they sign the Data Protection Act, and only within their area because it is collected commercially. What was in the contract about releasing the data immediately, and why are the Government sitting on this data? Apparently Walsall is on the list for lockdown, but officials say that they are not considering a lockdown. So can we have an urgent statement on exactly what information is available, when it is available, and to whom?

I know that the Leader of the House is comfortable in various different centuries, but I am not sure how he can sit back and watch the destruction of the civil service. They are a professional civil service, they understand the public interest, they abide by a code, they follow policy set by the Government, and they act within the law. Instead, Whitehall is threatened with a hard rain. Could the Leader of the House tell the special special adviser that Malcolm Tucker is actually a fictional character? I think he has already been done—and he is not Alastair Campbell, who is in fact a pussycat.

A national security adviser has been appointed with no proven experience. The Intelligence and Security Committee still has not been set up. As I asked last week, and as many other Members have also asked, why are the Leader of the House and the Government taking a risk with our national security?

I know the Leader of the House keeps saying to hon. Members, “Don't forget to ask that at Question Time”, but at FCO questions on Tuesday there was nothing about Nazanin, Anousheh, Kylie, who is still a British citizen, or Luke Symons. Could we have an update, please?

I want to join the right hon. Member for Maidenhead (Mrs May), the former Prime Minister, in thanking Sir Mark Sedwill, and other civil servants who have been ousted from their jobs, for all their many, many years of public service.

After last week—I am sorry that hon. Members are having a difficult time—this week our thoughts and prayers are for the hon. Member for Hexham (Guy Opperman) and Flora.

I hope that all hon. Members will think about the NHS on Sunday and thank the NHS for 72 brilliant years and many more to come.

**Mr Rees-Mogg:** The right hon. Lady is always so difficult to follow because she so often ends with sad news. The news from my hon. Friend the Member for Hexham (Guy Opperman) was the saddest. There is so little one could say that could possibly give any comfort, other than for him to know that he has many friends in this place, and our hearts bleed for him. It is the saddest, the hardest, the most unbearable news, and we wish him and his wife every condolence and sympathy that we can.

To move on to politics, let me start with the right hon. Lady's tribute to Mark Sedwill. She is obviously right to pay tribute to him—he is an enormously distinguished public servant—and to the civil service generally. The team that supports the Leader of the House is something that—dare I say?—the shadow Leader of the House should be enormously jealous of; I have a feeling she may be. I am brilliantly supported by extremely hard-working people who do a fantastic job. I have no idea of what their political opinions are at all, but they back the Government in what the Government are trying to do. The Northcote-Trevelyan approach to the civil service is one that has served us well for a very long time, but it sometimes needs a degree of updating. Even I am not so wedded to the 19th century that I feel nothing can be improved.

The appointment of David Frost as National Security Adviser is an utterly brilliant appointment. He is an enormously qualified man and a very distinguished diplomat, and many people are beginning to say that he is the Henry Kissinger of our time. He is a great and distinguished public servant, who will serve enormously well.

**Chris Bryant** (Rhondda) (Lab): There is a lot of irony in that.

**Mr Rees-Mogg:** The hon. Gentleman is quite incapable of keeping quiet, even for a moment. His agitation and his degree of excitement may be slightly theatrical on this occasion.

On the ISC, as always, that will be set up in due course. It would be wrong to be “Russian” these things—*[Laughter]*—as I am sure the right hon. Member for Walsall South (Valerie Vaz) appreciates. *[Interruption.]* No, it was not, actually; it was quite deliberate.

On the Cumberlege review, I actually gave evidence to that review in relation to Primodos. This is an opportunity for me to pay the greatest tribute to the hon. Member for Bolton South East (Yasmin Qureshi), who has campaigned absolutely tirelessly. I first met the hon. Lady when we were both elected in 2010 and had offices opposite each other, and she took up this issue when nobody else was really interested. She has transformed people's thinking about it, and I look forward with great interest to what Baroness Cumberlege has to say about Primodos. It is a very important issue.

Going back to some of the other questions, the right hon. Member for Walsall South is a kind and generous person, and her sympathy for Cabinet Ministers having to queue is much appreciated by my right hon. Friends, who have to take on these onerous things which are otherwise unknown across the country. Our constituents

never have to queue for anything because life is so smooth and easy, but she appreciates that right hon. Ladies and Gentlemen having to queue is so burdensome and tough, and makes us realise that we are really earning our living as we stand in a queue. Remarkably, it takes almost exactly the same time to pass through the Division Lobbies as it does when we are using the Lobbies without social distancing. The speed with which we got through them earlier this week was pretty much the normal speed and therefore things are working: Government business is getting through and scrutiny is taking place. I am not as kindly or as soft-hearted as the right hon. Lady, and I think a Cabinet Minister queuing for a few minutes is no bad thing, and probably spiritually enlightening and uplifting.

The right hon. Lady referred to renters who have lost income. Emergency provisions were made: £1 billion has been made available to help people who are renting. The Government are very conscious of the need to protect people who are in the private rented sector.

The right hon. Lady also mentioned the Prime Minister not making a speech in the House, but making it outside the House. However, the Prime Minister came to the House just a week before and made a statement. We are having a statement on Wednesday next week from the Chancellor of the Exchequer. The Government have been assiduous in maintaining the ministerial code's requirement to make major announcements to the House first, and this is part of the natural process of government.

**Damian Hinds** (East Hampshire) (Con): I know the whole House will want to join the Leader of the House and the shadow Leader of the House in their thoughts and prayers for our hon. Friend the Member for Hexham (Guy Opperman).

A lot has changed since plans were first put forward for Parliament's restoration and renewal, and it is appropriate for the newly formed sponsor body now to review those plans. May we have a debate on the plans before the recess as a means for all hon. and right hon. Members to take part fully in that process?

**Mr Rees-Mogg:** I am very grateful to my right hon. Friend for taking responsibility by joining the board. He is right that this House ought to have an opportunity to have its say on the future of the Palace of Westminster, which it is right to protect and safeguard for future generations. When the last Parliament considered this matter, it did so on the basis of assumptions that are now five years old, and it is absolutely proper that the sponsor body and delivery authority are conducting a strategic review to reconsider their approach. I would urge Members to consider submitting evidence to the review, and to be mindful that the price tags widely reported are also now five years old. There are rumours that the potential costs now far exceed the £4 billion estimate made in 2015. We must be clear that when Parliament takes its final decision on how to proceed, there can be no blank cheque for this work. The Parliamentary Buildings (Restoration and Renewal) Act 2019 specifically requires the sponsor body to have regard to value for money.

**Tommy Sheppard** (Edinburgh East) (SNP) [V]: Will the Leader of the House ensure that the Chancellor understands that we are still in the middle of this

[Tommy Sheppard]

pandemic, and that before considering recovery after covid, we should ensure the survival of as many companies and jobs as possible? The Government will reduce payroll support to firms from 1 August, but how does the right hon. Gentleman expect companies that remain closed to find the money for wages? Does he agree that support must continue for those sectors of the economy that are unable safely to open in the autumn? Will he press the Chancellor to be more ambitious than the Prime Minister, who underwhelmed us all earlier this week? The PM's package, based on accelerating existing capital projects, involved no new money whatsoever. The sum involved totalled about one fifth of 1% of the UK's annual production. Compare that with the German Government, whose stimulus package is fully 20 times that amount.

The Prime Minister's package contains not a single penny extra for Scotland, so I must ask again when we can debate the necessary changes to the fiscal framework of devolution. When I asked about that before, the Leader of the House simply referred to the sums that the Scottish Government are spending under the Barnett formula. It is as if Scotland's getting its share of UK spending is the result of Westminster generosity, rather than the return of taxes that people in Scotland pay to the United Kingdom. The question is not about amounts; it is about powers, and about changing the rules so that, for instance, the Scottish Government can do exactly what the PM is proposing for England, and bring forward future capital spending. Will the Leader of the House please answer that question about rules?

I appreciate that the Government are led by someone who thinks that the border does not exist, and who does not even recognise that the term "Scottish Government" was introduced in section 12(1) of the Scotland Act 2012. Grasping the subtleties of devolution may be difficult for him, but the problem of Scotland's financial straitjacket will not go away, and we need to discuss it.

**Mr Rees-Mogg:** What a pleasure it is to see the hon. Gentleman looking as cheerful as ever. With his fine smile, he always manages to brighten up the whole House. He mentions borders, and I note that Nicola Sturgeon wishes to have a wall between England and Scotland—perhaps she is modelling herself on other leading political figures. As my right hon. Friend the Prime Minister said, there is no border between England and Scotland, and it was shameful to call for a border of that type to be erected to stop people travelling freely between the constituent parts of the United Kingdom. One never thought that Nicola Sturgeon would model herself on American political figures and want to build a wall—at least a metaphorical wall, if not actually like Hadrian, with bricks and mortar.

We will hear the Chancellor's proposals for recovery on Wednesday, but the Government have already been enormously ambitious with the scale of the furlough scheme: 9.3 million people, as well as 2.6 million self-employed people, have benefited and are being kept in employment. That is crucial, but it has to be phased, and we must move into the recovery stage. The hon. Gentleman wants to stay unreconstructed, and not to take advantage of things changing and opening up so that we get an economic recovery. That is what the

Chancellor is doing, and I refer to the enormous amount of money that goes to all parts of the United Kingdom, because we are a single United Kingdom. The £3.8 billion that has gone to Scotland is because the UK is better together.

**Fay Jones** (Brecon and Radnorshire) (Con): My constituency seems to be largely ignored by the Welsh Government. We receive one of the lowest local government allocations in Wales, and we are bottom of the league table for things such as NHS dentistry and broadband speeds. That was before covid-19 hit. The UK Government have made an unprecedented amount of financial support available, but I am deeply worried about how rural areas such as mine will recover. Like me, the Leader of the House represents a rural constituency, so may we have a debate on rural recovery, and how rural areas such as mine will recover from covid-19?

**Mr Rees-Mogg:** My hon. Friend is absolutely right. She represents a particularly beautiful constituency, which, through its beauty, suffers from the difficulties that rural economies have. Many other Members with rural constituencies appreciate that and the great contribution that rural areas make to our national life. They are home to a quarter of the country's businesses. The Government are committed to helping them get back on their feet as a matter of priority. Some of the measures already taken have benefited rural businesses, such as furloughing, the small business grant fund and the retail, hospitality and leisure grant fund. Some 244,000 grants, with a value of £2.8 billion, have been delivered to vulnerable rural businesses, and £5 billion of public funding has been announced to support the roll-out of gigabit broadband in the hardest-to-reach 20% of the country. That will be fundamental to rural economies, because it brings them into not just the national but the global economy.

**Mr Speaker:** Let us head to Gateshead and a very happy Chair of the Backbench Business Committee, following last night's result.

**Ian Mearns** (Gateshead) (Lab) [V]: I am grateful, Mr Speaker. I thought we were not allowed to have parties in Bournemouth, but Newcastle United managed to do that last night.

On a much more serious note, I want to express my sincerest condolences and deepest sympathy to the hon. Member for Hexham (Guy Opperman) and his wife Flora for their devastating loss. It is so deeply sad. Guy is a near neighbour of mine in constituency terms, and we are all deeply sad for him.

We have a queue of over 20 Backbench Business debates that are currently untabled and unheard, with a number of widely supported debate applications on subjects such as support for the tourism industry after covid-19; the future of and redundancies in the aviation sector; the spending of the Department for Digital, Culture, Media and Sport, with a focus on the arts; and shorter, geographically focused debates on important subjects such as the west bank, Yemen, Sudan and the plight of the Rohingya—many of those debates might fit nicely into any end-of-day 90-minute slots that become



available. Will the Leader of the House think about a way that he could shoehorn in time for Backbench debates?

I have raised the issue of information flow to public health bodies with the Leader of the House previously. It seems that the covid-19 testing contract with Deloitte does not require the company to report positive cases to Public Health England or relevant local authorities. Is the contract not therefore contrary to the Public Health (Control of Disease) Act 1984 and the Health Protection (Notification) Regulations 2010? That is not a partisan point, but a crucial point to the safety of the public we serve.

**Mr Rees-Mogg:** The hon. Gentleman is right that, in the current circumstances, there have not been as many Backbench Business debates as there would otherwise have been. Westminster Hall, where a number of the debates would normally be held, is not an operation, for good reason. [HON. MEMBERS: "Why?"] The reason is to do with staffing of the House. It is not to do with the Government's reluctance to be held to account. It is a question of ensuring that there are sufficient Committee Rooms with social distancing that can be used to make sure that Government business can make its progress in the normal way. Westminster Hall was removed before Easter and has not been back. Obviously, there is a desire to bring it back, which will provide more time for Backbench Business debates.

The Floor of the House is being used to catch up with the backlog of business, which is going well. I am glad to say that the supply days next week are being used to debate subjects recommended by the Backbench Business Committee, so that is effectively Backbench Business. We tried, before the Backbench Business Committee was established, to provide Government time for debates that were requested by the hon. Gentleman on behalf of his about-to-be-formed Committee. With regard to Deloitte and contracts, that is a detailed, technical question which I think is best referred to the Department of Health and Social Care.

**Andy Carter** (Warrington South) (Con): I am sure that my right hon. Friend, like me, has heard from many constituents over the last few weeks about the need to preserve monuments and statutes around the country. I know that constituents also want us to protect the historical buildings we have across the United Kingdom. I was concerned to see on social media earlier this week that masonry was reported to be falling from this building. Can the Leader of the House update us on plans to ensure that this remains a safe workplace and that it is restored for future generations?

**Mr Rees-Mogg:** I completely endorse what my hon. Friend has just said. We should be enormously proud of the great figures of our history. I am tempted to run through some of them, but we will get more people in if I do not start—I would begin with Alfred the Great, as usual. I am grateful to my hon. Friend for raising the issue of the closure of the St Stephens and Cromwell Green entrances on 30 June, because of what is described as "light debris" falling off; it was not any structural part of the House. I believe it was some wood left behind by people who had been working there, which blew off in the high winds. So it was not falling masonry

and, fortunately, nobody was injured. As always, it is worth paying tribute to the police, who stood there guarding the entrance in soft caps, rather than the traditional policeman's helmet, which one thinks might have given slightly more protection against anything falling. This does emphasise the need for improving the condition of this building. There is no question but that works need to be done. The question is: how, and at what expense?

**Tracy Brabin** (Batley and Spen) (Lab/Co-op): Last week, we had a covid outbreak in Cleckheaton, in my constituency, and this week we have a covid outbreak in a bed manufacturer in Batley. We know from the Government that companies can now re-furlough staff, but my colleague the shadow Economic Secretary asked in yesterday's Finance Bill debate whether companies that re-furlough staff are going to have to start paying contributions and, unfortunately, received no answer. So may we have a statement from the Government that will give us more clarity, so that we can encourage companies that have an outbreak to work with councils and not offset economic downturn for the business against health implications for our wider community?

**Mr Rees-Mogg:** I am grateful to the hon. Lady for raising this important question. The Government have given unprecedented support to businesses. Obviously, questions arise in relation to areas that have had localised shutdowns and what the considerations around that will be. The good news is that the Chancellor will be here to make a statement on Wednesday, which will be the right point at which to ask these detailed questions.

**Dame Cheryl Gillan** (Chesham and Amersham) (Con) [V]: May I echo the request for the Leader of the House to reconsider on shielded Members such as myself being able to participate in debates? If he did so, I would be able to participate in a debate I would like to see on education, which would allow us to pay tribute to those teachers who have valiantly been providing lessons throughout the lockdown period, either remotely or where the schools have remained open. Perhaps that would also give us the opportunity to look at the exam timetable and get some certainty for parents and children, particularly in Buckinghamshire, as to whether the 11-plus exams will be held in October. Of course, I cannot take part in that debate unless he reconsiders the position of shielded Members such as myself.

**Mr Rees-Mogg:** My right hon. Friend has already managed to make the point that she might have made in the debate, so I am glad to say that our hybrid procedures facilitate the involvement of all Members. On debates more generally, I know that the Procedure Committee is looking at that question. The issue is: how do we allow debates to run properly and in a free-flowing way, with interventions and so on, with people who are not present? We await with interest what the Procedure Committee has to say. I know that there are tremendous grammar schools in her constituency, and this country has been very well served by grammar schools over the years, decades and centuries. The Government are working with the sector to provide guidance, and I hope she will join me in welcoming the Education Secretary's statement later today on further measures on the autumn opening of education settings.

**Liz Twist** (Blaydon) (Lab): Two weeks ago, I held a virtual meeting with constituents working in the creative sector, many of whom have fallen through the cracks of Government support systems. The cultural and creative sector is a huge part of our cultural identity, in the north-east and across the country, so may we have a debate in Government time on a strategy for supporting the cultural and creative industries, and on their future, both in the north-east and across the UK?

**Mr Rees-Mogg:** This is a very important point, and I know that many Members are concerned about it. The Government recognise the huge contribution the arts and culture sector makes, not only to the economy and the international reputation of the United Kingdom, but to the wellbeing and enrichment of the British people. The general package of support has been unprecedented, but in addition to that, the sector has drawn down £653 million from the job retention scheme, and Arts Council England announced a £160 million emergency response package. But that does not answer the reopening question, and the Government want to support our vital cultural sectors to reopen as soon as it is safe to do so. Sector-wide guidance for the performing arts to return to rehearsal and performance safely will be published in due course. These matters are worthy of debate during the general economic debate next week, but the Government are very much on the same side as the hon. Lady.

**Caroline Nokes** (Romsey and Southampton North) (Con): Since the weekend, the parish of Nursling and Rownhams has seen acts of vandalism and revoltingly, as one of my constituents emailed me this morning, defecation in public places. That will cost the parish council thousands and thousands of pounds for the clean-up, which is absolutely essential not only to replace security fencing around the recreation ground, but to make sure it is safe for children and families to use in future. Will my right hon. Friend consider giving time for a debate on whether trespass should be a criminal rather than a civil offence?

**Mr Rees-Mogg:** I am very grateful to my right hon. Friend for raising this point—that type of trespass is absolutely revolting. The commitment to make trespass a criminal offence was in the 2019 manifesto, and the Government intend to deliver on that particular commitment. I understand the Home Office has recently concluded a consultation on this matter, and the Government will publish a response in due course. That will give Members the opportunity to discuss this issue in greater depth, but the Government are on the same side as my right hon. Friend.

**Chris Elmore** (Ogmore) (Lab): Analysis by the Women's Budget Group shows that women will be disproportionately affected by the ending of the furlough scheme later this year, and that the half-heated plan that the Prime Minister announced earlier this week did nothing to address the disproportionate impact on sectors that often employ more women. I am aware there will be a statement next week and a debate. Will the Leader find time for a specific debate on the need for more support from the Government for those sectors that will not be looked after and supported following the Prime Minister's statement? It is not fair on the women of this country and it is time that Ministers stepped up to offer that support.

**Mr Rees-Mogg:** What we need is an overall economic recovery. The number of women in employment in this country has been at record levels as a percentage and as the actual number. If we both protect the economy, which the emergency package has done, and manage to achieve a recovery that comes sooner rather than later—which the chief economist, the very distinguished figure of Andy Haldane, has said now looks likely—it will help everybody in the economy and will protect the people that the hon. Gentleman is most concerned about.

**Lee Anderson** (Ashfield) (Con): I notice that the Solicitor General has recently had some good results in court by increasing sentences in very serious cases. That is good news for my constituents in Ashfield who wholeheartedly approve of those increased sentences for some of the worst criminals in society. Will the Leader of the House allow a debate in this Chamber to highlight some of those cases and the increased sentences passed?

**Mr Rees-Mogg:** I am grateful to my hon. Friend for raising this issue and for the tribute he paid to the Attorney General and the Solicitor General, who work extremely hard to ensure that just sentences are passed. I seem to remember—others may correct me—that the law that allowed that to happen was introduced when Margaret Thatcher was Prime Minister, so it is another Conservative success. My hon. Friend is right to highlight it and raise it in the House: perhaps he should ask for an Adjournment debate to discuss specific cases where the punishment is fitting the crime.

**Chris Bryant** (Rhondda) (Lab): It is very clear now that if the easing of the lockdown is to be effective in tackling coronavirus, it will happen at different paces in the different nations of the United Kingdom but also in different parts within those nations. We see the situation in Leicester, and there may be others—who knows—and we know that some sectors will be affected for longer than others. The Leader of the House rightly said that where the state says a business cannot operate, the state should step in to provide financial assistance. I heard what he said to my hon. Friend the Member for Batley and Spen (Tracy Brabin), but I do not understand whether the statement from the Chancellor next Wednesday will be just a 10-minute statement with questions for perhaps an hour—in that case, I urge him to make it more like three hours—or one with a proper series of debates so that we can get into the nitty-gritty. By the way, can I still have my £2.5 million for the tip in Tylorstown?

**Mr Speaker:** May I help a little? It will be a minimum 20 minutes from the Chancellor, and it will be run long, with many more questions than normal.

**Mr Rees-Mogg:** Mr Speaker, you have answered the hon. Gentleman's question. I am not sure there is much I can add.

**Theresa Villiers** (Chipping Barnet) (Con): Schools in the Borough of Barnet are among the best in the country, and I pay tribute to all the teachers who have been doing brilliant work in difficult circumstances during this emergency. Can we have a debate on the

return of children to school in September to ensure that Ministers are engaging with teachers and unions such as the National Education Union so that we have a clear plan to bring children back to the classroom safely?

**Mr Rees-Mogg:** My right hon. Friend raises one of the crucial points of current political debate. It is important to emphasise that going back to school for children is safe. I think we are still waiting for the Opposition to make it clear that they agree it is safe, though perhaps they will eventually get to saying that clearly, boldly and loudly. The Government strongly encourage eligible children to attend their school, nursery or college unless they are self-isolating or clinically vulnerable. It is very disadvantageous for children to miss out on education, particularly for those who are most disadvantaged to start with, so getting children back to school is a matter of urgency. My right hon. Friend the Education Secretary will make a statement following this, where he will be able to provide more details on our plans for schools in September.

**Sarah Owen** (Luton North) (Lab) [V]: People in Luton are rightly proud to welcome leading businesses such as easyJet and Vauxhall, but 4,500 easyJet staff face losing their jobs and Vauxhall PSA needs reassurances now on recovery from the pandemic and on the threat of walking away with no deal. If the Government are serious about saving jobs in Luton and other airport towns, there should already be a plan in place. Does the Leader of the House know if the Government even have one? Will he make time for them to present detailed plans to save both aviation and manufacturing jobs?

**Mr Rees-Mogg:** The Government have made enormous steps to protect jobs with more than £124 billion of support from taxpayers' money, which I will reiterate just in case the hon. Lady was not listening earlier. The job retention scheme is supporting 9.3 million jobs at a cost of £25.5 billion, and 2.6 million self-employed people are being supported at a cost of £7.7 billion. There have been 52,000 loans through the coronavirus business interruption loans scheme for small and medium-sized enterprises at a cost of £11 billion. There have been 359 loans for larger companies at a cost of £2.3 billion. There have been more than 960,000 bounce-back loans, worth over £29.5 billion, plus £10.57 billion for business grants for 861,000 firms. What the Government have done is to ensure that the economy lasts through the crisis so it may recover when the crisis ends. That has been the right thing to do.

**Joy Morrissey** (Beaconsfield) (Con): Will my right hon. Friend join me in paying tribute to the courage and bravery of the staff who work within this House who, during covid-19, carried on the traditions of this House despite that risk? I pay special tribute to the Doorkeepers, the Serjeant at Arms and his team. Even when we did not know what the outcome would be, they were here, bravely carrying on. We would not have had the House of Commons and its traditions without them. I also pay tribute to your team, Mr Speaker, of Helen, Ian and Jim, to the catering, security and Estate managers, and to the Norman Shaw North team. I also pay tribute to you, Mr Speaker, for carrying on. Thank you. I say thank you on behalf of all Members.

**Mr Rees-Mogg:** My hon. Friend is so right, and it is a bit sorrowful, isn't it, that the hon. Member for Rhondda (Chris Bryant) titters when we are thanking people who have done their duty? I agree with my hon. Friend that the commitment to this House and to Parliament of the Doorkeepers, the caterers, the cleaners and, Mr Speaker, your team, is quite remarkable. May I be indiscreet? I asked a senior member of your team yesterday—and this will give the game away—whether she was pleased to be back, and she said:

“How could you be away from doing something that is so important?”

Being in Parliament is fundamental to the governance of the nation and people have made sacrifices to be here, and, on behalf of Her Majesty's Government, I am grateful.

**Lloyd Russell-Moyle** (Brighton, Kemptown) (Lab/Co-op): The Environment Bill was delayed because we had an election and we need to restart it again. It has now been delayed because of covid, and has been put back until September or perhaps even later. I am sure that we would all agree that the world has changed in those six months, particularly around covid and the relation to air quality where we now know that a 1 microgram increase in air pollution increases covid deaths by 15%. Will the Leader of the House speak with his colleagues and see whether we can organise additional evidence sessions before the Committee starts its line-by-line scrutiny again, so that we can take the additional evidence about covid and air quality and other areas around the environment, so that we ensure that the law is right and that it reflects the world in which we now live?

**Mr Rees-Mogg:** The hon. Gentleman is right to say that there have been delays in the progress of legislation, though we are getting back on track, and we have lots of Bill Committees now up and running and that makes it possible to work through. The question he raises is an interesting one, because the longer a Committee takes evidence for, the more it is delayed. We have to balance the need to get legislation passed in a timely way with evidence. In some ways, Select Committees are better placed to take evidence over longer periods. If the Bill Committee were to take evidence it might merely delay the process further.

**Jack Brereton** (Stoke-on-Trent South) (Con): I am delighted that Meir station in my constituency is one of the 10 successful projects moving forward as part of the Government's Restoring Your Railway Fund. Does my right hon. Friend agree that we should have a debate in Government time about reopening rail stations and lines to help aid the recovery of our economy from coronavirus?

**Mr Rees-Mogg:** Yes. My hon. Friend makes a very good point. There is a wonderful Flanders and Swann song about the old railway stations that were closed by Beeching, and it includes, of course, Midsomer Norton in my own constituency. I am delighted to hear that my hon. Friend's constituency—[*Interruption.*] The shadow Leader of the House says, “Sing it”. I think I had better not. Meir station is one of those that will benefit from the Government's determination to improve infrastructure around the country. The Restoring Your Railways Fund

[Mr Rees-Mogg]

idea is about levelling up and improving connections between communities. It is inspired by communities affected by the Beeching cuts, but not limited to Beeching line restoration. If we can improve a service and provide a solution to a transport problem that involves levelling up the economy, that is exactly the kind of proposal that the ideas fund is interested in.

**Andrew Gwynne** (Denton and Reddish) (Lab) [V]: On 5 March, I started to feel unwell. A week later, I was in self-isolation with suspected covid-19. The reason I mention this, Mr Speaker, is that the virus passed, but the illness did not. It is now well known and well recorded that many end up with a debilitating chronic post-covid fatigue. I am on week 16 in a very large group of people now known as long covid. Can we have a statement or a debate on long covid to ascertain what research the Department of Health is carrying out into this new syndrome and the possible longer-term impact covid-19 may have on a growing number of the public's health?

**Mr Rees-Mogg:** May I begin by wishing the hon. Gentleman a swift recovery, and I am sorry to hear that he is suffering from these debilitating after-effects of covid-19. The Health Secretary makes regular appearances at the House, and I am sure it would be suitable to raise this question with him, and I am sure it is among many other things that are being looked into as people learn more about this disease.

**Mr Ian Liddell-Grainger** (Bridgwater and West Somerset) (Con) [V]: Can we please have a debate about local government restructuring? In Somerset, the county council has unfortunately been far too busy looking for unitary instead of attacking covid-19. Believe it or not, it is now trying to persuade the Government to let it become a huge new unitary. Does my right hon. Friend agree that the timing of this bid is at least insensitive and that the future of our other two struggling unitary councils in Somerset must be included in any future reviews of Government restructuring in Somerset?

**Mr Rees-Mogg:** My hon. Friend tempts me when he asks for a debate on Somerset. Dare I say that I feel that all parliamentary time could well be devoted to discussing the virtues, joys and successes of our great county, which has been a county since antiquity. I think that the county of Somerset was formed in about the eighth century; it was certainly a very important county in the time of Alfred the Great, so debating it is something that is close to my heart. My hon. Friend raises an important point about local government reorganisation, of which the Secretary of State is well aware, as my hon. Friend and I both know.

**Patrick Grady** (Glasgow North) (SNP): If the Prime Minister and the Leader of the Opposition believe that there is no border between England and Scotland, perhaps we can have a debate on the Scottish Adjacent Waters Boundaries Order 1999, which took 6,000 square miles of fisheries territory from Scottish jurisdiction and moved it to English jurisdiction just before devolution

began. If there are no borders in the United Kingdom, I think that might be a surprise to the people of Leicester, who have discovered that they have to respect internal boundaries pretty strictly. I wonder whether the Leader of the House can tell us when the powers to deal with the financial implications of enforcing these measures are going to be provided to the relevant authorities throughout the United Kingdom. In particular, what would happen if there were a spike or an outbreak in the City of Westminster? What implications would a lockdown here have on the operation of this place?

**Mr Rees-Mogg:** I never realised that our separatist friends would model themselves on an Ealing comedy. It seems to have become "Passport to Pimlico". There are no internal borders in the United Kingdom; it is one country, I am glad to say. [Interruption.] There is a difference between borders, and districts and areas. That is self-evident. A border is something that one may stop people crossing. Even I am not suggesting that we make people from Gloucestershire present their passports before coming into Somerset.

**Chris Bryant:** Then why mention Pimlico?

**Mr Rees-Mogg:** As the hon. Member for Rhondda will remember, in the film "Passport to Pimlico" Pimlico was thought to have belonged to the Duke of Burgundy or some such, and therefore had become an independent state within the United Kingdom. Our separatist friend wants to do the same by insisting on passports to Scotland, and Mrs Sturgeon wishes to build a wall. [Interruption.] Unfortunately Mrs Sturgeon's policy is not fictional. Many of us wish that it were and that the separatists were a bit more fictional, but they are not. They are here and they bang on about it constantly, but we are still one country and Scotland benefits enormously from being part of the United Kingdom.

**Sir Oliver Heald** (North East Hertfordshire) (Con): Has my right hon. Friend had a chance to see early-day motion 675, which is sponsored by me, my hon. Friend the Member for Maidstone and The Weald (Mrs Grant) and other hon. and right hon. Friends, and which is attracting all-party support? It calls for the Government to include in their general review of equality issues an assessment of whether to set up a national museum of black, Asian and minority ethnic history and culture, somewhat similar to the National Museum of African American History and Culture in Washington. Could we have a debate in Government time to set out the benefits of such a decision? [That this House recognises the important role played by the Smithsonian National Museum of African American History and Culture in Washington DC since it opened its doors to the public on 24 September 2016, documenting and enabling the study of the life, history and culture of African Americans; notes that it serves as a place of collaboration to work with many other museums and educational institutions that have explored and preserved this important history; asserts the national importance of the life, history and culture of Black, Asian and minority ethnic communities in the UK and their global influences; believes that there should be a DCMS-sponsored national UK museum for the study of Black, Asian and minority ethnic history and culture on a similar scale and model to the Washington

*Museum; and calls on the Government, whilst reviewing inequalities' issues generally, to make an assessment of the potential merits of such a national museum.]*

**Mr Rees-Mogg:** I am grateful to my right hon. and learned Friend for highlighting his early-day motion to me in advance. He raises an interesting and important subject that is worthy of fuller debate. I am afraid that I am going to have to refer him to the Backbench Business Committee, when that is back up and running. With so much cross-party support, as he indicates, that may well be a topic that the Committee will smile favourably on in terms of granting a debate when there is more time available to it.

**Debbie Abrahams** (Oldham East and Saddleworth) (Lab) [V]: May I first send my sincere condolences to the hon. Member for Hexham (Guy Opperman) and his wife? I can only imagine what they are going through.

Oldham Council has estimated an in-year deficit of over £19 million as a result of covid spending to support our communities and businesses, as well as a loss of income. Across Greater Manchester, this deficit is £368 million. Will the Leader of the House ensure that this issue is conveyed to the Chancellor, and that he does whatever it takes to address the needs of all local authorities and the communities they serve in next week's financial statement?

**Mr Rees-Mogg:** The Government are well aware of the difficulties that councils have faced up and down the country, and each individual council has suffered in particular ways, depending on the structure of its financing. That is why £3.2 billion of extra funding has been made available to support councils, in addition to a £900 million fund for what are referred to as shovel-ready local infrastructure projects to ensure that they can take place, plus £600 million for infection control. There will be a debate on Wednesday where those issues can be raised and the Chancellor can be questioned on them to ensure that all that can be done, is being done. The Government's record so far is very good.

**Robert Halfon** (Harlow) (Con) [V]: Can we have a statement on what the Government are doing to improve the treatment of domestic abuse victims through the court system in the UK and to end stalking? My constituent Charlotte Budd suffered unnecessary, unacceptable and avoidable trauma both as a victim of stalking and through her experience in the family court system. Will the Leader of the House ask the Home Office what steps are being taken to ensure that the correct guidance and education is in place for members of our judiciary when dealing with domestic abuse cases, such as that of my constituent?

**Mr Rees-Mogg:** I am grateful to my right hon. Friend for raising that deeply troubling matter in the House, particularly with reference to his constituent. The constituents of Harlow are lucky to have him as such a champion fighting their causes and taking up their grievances. Tackling domestic abuse is one of the Government's highest priorities. I know that he will welcome the rapid progress of the Domestic Abuse Bill through Parliament in recent weeks.

As Ministers in the Ministry of Justice recently confirmed, the Government are making progress to support victims of domestic abuse in the courts. The

Department is overhauling the family courts following an expert-led review into how they handle domestic abuse that raised concerns that victims and children were being put at unnecessary risk.

Furthermore, new stalking protection orders will allow courts in England and Wales to move faster to ban stalkers from contacting victims or visiting their homes or places of work or study. That will grant victims more time to recover from their ordeal. I am sure that my right hon. Friend will continue to campaign on the issue, but I hope he feels reassured that the Government are making every effort to support victims of those terrible crimes.

**Cat Smith** (Lancaster and Fleetwood) (Lab): As chair of the all-party parliamentary group for valproate and other anti-epileptic drugs in pregnancy, I take a huge interest in the Cumberlege review, which will be published on Wednesday. Members on both sides of the House have campaigned on sodium valproate, surgical mesh and Primodos for many years. Can the Leader of the House reassure us that, on Wednesday, we will receive an oral statement on the Floor of the House? The outcome of the review will have huge implications for many victims who have suffered for far too long.

**Mr Rees-Mogg:** As I said earlier, the Cumberlege review will be extremely important. I already mentioned the efforts of the hon. Member for Bolton South East (Yasmin Qureshi) in that regard. I am looking forward to the review, because I actually gave evidence to the committee. Wednesday may not be the best day for a statement, because there will be the financial statement and debate afterwards, but I hear what the hon. Lady has said in regard to the interest in the House on the issue.

**Robert Courts** (Witney) (Con): As the chairman of the all-party parliamentary group on small and micro businesses and in west Oxfordshire, I have seen the challenges that small businesses are facing and the extraordinary efforts and imagination that they are using to continue trading as we build from covid. Can we have a debate in Government time to share best practice and consider what they need, as we build back better and reignite the economy after this terrible crisis?

**Mr Rees-Mogg:** My hon. Friend is absolutely right that small businesses are the heart of the economy. They are the engine and the creators of new jobs. The Government have done a lot to support small businesses during the pandemic, beyond the furlough scheme, as I have outlined before. We do now need to think about how we move to the future and get the economy going again. The Prime Minister made an excellent speech on Tuesday and we will get more information from the Chancellor next week. My hon. Friend is right to champion small businesses.

**Mr Alistair Carmichael** (Orkney and Shetland) (LD): The BBC has been reporting all morning that it has been told by Government sources that there will be an announcement today or before the end of the week of the list of countries to which air bridges will be established. I hope that the Leader of the House will ensure that that announcement, when it is made, is made here first.

[Mr Alistair Carmichael]

In fact, that announcement could be made by the Prime Minister, who could then explain his views on the fact that his father has apparently jetted off to Greece in defiance of the guidance. It may be—I do not know—that he needed an eye test or something like that, but we would all welcome an explanation.

**Mr Rees-Mogg:** I seem to remember that it says somewhere in the Bible that the sins of the fathers will be visited upon the sons, but I do not remember it ever being the other way around, so I think the right hon. Gentleman is fishing desperately to try to make any criticism of the Prime Minister in that regard. As regards the countries that we may or may not have on a list, information is given to Parliament when Parliament is sitting. Parliament will not be sitting tomorrow, so I cannot promise that there will be a statement if the information comes out at a time when the House is not sitting.

**Neil O'Brien** (Harborough) (Con) [V]: Slightly more than half my constituents live in Oadby and Wigston so are included in the Leicester lockdown area. I support the lockdown because it is essential to stop this killer virus in its tracks, but there are lots of things that we need to make it successful. For example, we need urgent publication of timely data for lower-tier local authorities, and while the extra money for our local authorities is very welcome, if the lockdown goes on for longer than the two weeks that are planned, more may be needed, so can we have an urgent debate on how we make local lockdowns work well?

**Mr Rees-Mogg:** My right hon. Friend the Secretary of State for Health and Social Care made a statement on Monday and was questioned at length on this, and my right hon. Friend the Prime Minister was questioned about it yesterday, so I think the Government are doing everything they can to provide information to keep people fully informed and are working very closely with local authorities to help them through this difficult period.

**Alex Norris** (Nottingham North) (Lab/Co-op): One year and four days ago, the Government's call for evidence about violence and abuse targeted at shop workers closed, and in that one year and four days we have heard absolutely nothing from the Government. However, during that time there have been 153,000 incidents of violence and abuse against our shop workers, who have done so much for us during this challenging period. Can I have a commitment from the Leader of the House that that call for evidence will be published immediately and that we will get an oral statement and have a debate in Government time on the matter?

**Mr Rees-Mogg:** Criminal activity is always wrong, and the police need to have the resources to enforce the law. Therefore, I can give the hon. Gentleman the good news that of the commitment to employ 20,000 more police officers we now have achieved 3,005 of them, so the numbers are going up. This is about enforcing the law as it exists and we could not have a more doughty champion of law and order than my right hon. Friend the Home Secretary.

**Sir Christopher Chope** (Christchurch) (Con): May I ask my right hon. Friend whether it is possible to have an early debate on the importance of regulatory impact assessments in public policy making? As he knows, social distancing rules have a different impact in different sectors of the economy and on different activities, and we would be able to get a lot more consistency in Government advice on this if we had regulatory impact assessments, which seem to have been ignored, not least in relation to social-distancing rules in this House.

**Mr Rees-Mogg:** The problem is that if we spend too long doing all this, by the time we have done it we have moved on to the next stage of the lockdown. We have to move at a pace to ensure that things happen in a timely manner, and I am a bit surprised that my hon. Friend is calling for bureaucratic folderol, rather than getting on with things—this is out of character for him. We need to do things properly and one sector or another will do it differently, but, as the opening up takes place, people must to some extent use their own wisdom to work out what they have to do.

**Kevin Brennan** (Cardiff West) (Lab): I thank the shadow Leader of the House for mentioning Luke Symons's case and I hope at some point to secure an Adjournment debate on that.

Following on from last week, I raised with the Leader of the House the need for a statement from the Culture Secretary about the reopening of venues, or support if they cannot be reopened, and today we have seen the launch of the "Let The Music Play" campaign by UK Music, the Music Venues Trust and so on in order to get more support from the Government. All we have had from the Culture Secretary is a road map, and I am afraid a road map will get you nowhere when you are running on empty. Next week, let us have that statement from the Chancellor and let us have substantial, not just minor, support to make sure that we do not lose this important part of our cultural landscape.

**Mr Rees-Mogg:** I refer the hon. Gentleman to the answer I gave earlier, because I gave some detail on this, but the Chancellor's statement will be a further opportunity to raise this issue.

**Kerry McCarthy** (Bristol East) (Lab): The Prime Minister's comments about newt counting earlier this week suggest that he is prepared to let developers ride roughshod over environmental concerns, so can the Leader of the House offer me some reassurance that this is not the case? If the Environment Bill is not due to come back into Committee until September, which I understand is the case, how on earth is the Bill going to get through both Houses to enable the Office for Environmental Protection to be established in Bristol before we end the transition period? Will there not be a regulatory gap as far as environmental protections are concerned?

**Mr Rees-Mogg:** The two great newt fanciers were Gussie Fink-Nottle and Ken Livingstone. They were always interested in newts, and I am sure that they are—

**Chris Bryant:** One of those is fictional.

**Mr Rees-Mogg:** The hon. Gentleman is really alert this evening. He has pointed out that Gussie Fink-Nottle is fictional—

**Chris Bryant:** It is morning, not evening!

**Mr Speaker:** It is usually afternoon when the House sits. Carry on!

**Mr Rees-Mogg:** Gussie Fink-Nottle is indeed fictional, and he was not really arrested in the fountains in Trafalgar Square when he thought that there were newts there after boat race night. It is important both that we protect the environment and ensure that building takes place. What my right hon. Friend the Prime Minister was saying was that it is a question of doing this in a timely manner and not allowing research on newts to be a delay to projects. That does not mean that research does not need to take place. It merely means that it must not be an excuse for delay and preventing things that ought to happen from happening.

**James Daly (Bury North) (Con):** Will the Leader of the House find time for a debate on Gizmo's Legacy, founded by my constituent Helena Abrahams? Gizmo's Legacy has developed into a national campaign calling on local authorities to scan microchips in cats if they are found deceased, as they would do with dogs. This would allow much loved pets to be reunited with their owners.

**Mr Rees-Mogg:** I am grateful to my hon. Friend, and I commend the work of Gizmo's Legacy and its national campaign. The Government have said that they will bring forward cat microchipping in England, and we will publish the summary of responses to our call for evidence on this subject in due course. This is a worthy subject for an Adjournment debate under the right concatenation of circumstances, and I hope he will avoid catastrophic issues occurring.

**Sir Robert Syms (Poole) (Con):** May we have an urgent debate on the aviation sector? First, we need to discuss air bridges, and the sooner we get them the better. Secondly, we need to discuss BA's treatment of its staff, which is a disgrace. Thirdly, we need to look at the whole sector and the support available, particularly for those in engineering who are going to suffer. I notice that the French Government have supported their sector.

**Mr Rees-Mogg:** In general terms, I would reiterate the points I have made about the support that the Government have provided for all industries. My hon. Friend is not alone in having constituents who have been poorly treated by British Airways; I have one myself. Treating people who have worked for a firm for very long time unfairly is not a way that reputable companies should behave, and bringing this to the attention of the House is therefore the proper thing to do. I would suggest that most of what he is asking for can be brought up in the economic debate next week.

**Lilian Greenwood (Nottingham South) (Lab):** On Saturday, pubs and restaurants will reopen, and that is welcome, but if they are to remain safe, the number of customers will be far lower than usual and the need for Government support has simply not gone away. For

other businesses that bring life and soul, and revenue and jobs, to Nottingham, including the Arena and numerous live music venues, nightclubs and theatres, the recovery stage that the Leader of the House referred to earlier is nowhere in sight. When will we hear from the Government on action to save our cultural sector, and when can we have a proper debate on this? Surely this is too important to be relegated to a footnote in a general economic debate.

**Mr Rees-Mogg:** I refer the hon. Lady to the answer that I gave earlier on the cultural sector, which is of great importance. I welcome her good cheer about the pubs opening on Saturday. Last week, I suggested that people use a yard of ale to measure their social distancing, and I am glad to say that I have had a yard glass delivered. I am looking forward to visiting the Crown in West Harptree on Saturday to see whether I can get in the two and a half pints that I believe a yard of ale contains. Whether I then drink the same is another question.

**Mr Speaker:** You will be timed!

**Anthony Mangnall (Totnes) (Con):** My right hon. Friend's downing-in-one of a yard of ale is a very good idea, and I am happy to try to match him. Could he consider more time for Backbench debates, not least so that we can discuss the fine merits of Somerset and perhaps Devon as well, but also so that we can discuss the UK's role in tackling gender-based violence and ending the silence that so many suffer?

**Mr Rees-Mogg:** It is important that we get back to having the more general debates that my hon. Friend calls for. We have in the Standing Orders the number of debates that we must provide in this Session, and we will work with the hon. Member for Gateshead (Ian Mearns) to ensure that the Backbench Business Committee can schedule its debates when things are more back to normal. I commend my hon. Friend for his campaign on gender-based violence, which is important for us to highlight and to try to eradicate.

**Deidre Brock (Edinburgh North and Leith) (SNP):** Many people are rightly concerned about the implications of the Leicester lockdown and quarantine and how any future outbreaks might be handled. They are concerned about travel to, from and within that fine city, the health of individuals there and how the outbreak might affect others. Will the Leader of the House schedule a debate in Government time on what powers there are for travel and other restrictions to be imposed on specific areas and the people from those areas? In particular, we need to know what powers some parts of the UK have to protect themselves against the virus being imported.

**Mr Rees-Mogg:** The import of the virus is an issue that the Government have tackled with the quarantine, which has been an important step in trying to deal with that. Certain powers are available, but most of what is being done is relying on people to use their good sense. The British people should be very proud of the way they have coped with the crisis. They have not needed to be harried and arrested as they went about their business—

[Mr Rees-Mogg]

they had the sense to decide to stay at home and follow guidance, which is a much better way to proceed in a free country.

**Mr Speaker:** We have the runway cleared for Bob Blackman to land his final question.

**Bob Blackman** (Harrow East) (Con) [V]: I warmly welcome the comments from the Prime Minister and the Foreign Secretary on offering support to the citizens of Hong Kong, but the existential threat from China still exists. It threatens Taiwan. It has military involvement in Sri Lanka. It attacked Indian soldiers in Ladakh—in Indian territory—and it is setting up atolls across the ocean and then claiming territorial waters. Can my right hon Friend arrange for a statement from the Foreign Secretary on what further work we will do to combat this threat from China and what we can do in the UK to ensure that the citizens of Hong Kong are protected?

**Mr Rees-Mogg:** The Foreign Secretary made a statement on that issue yesterday, but my hon. Friend is right: we must stand up for British citizens. As always, we should quote Palmerston, who said:

“as the Roman, in days of old, held himself free from indignity, when he could say *Civis Romanus sum*; so also a British subject, in whatever land he may be, shall feel confident that the watchful eye and the strong arm of England will protect him against injustice and wrong.”

British nationals overseas are British nationals. The Government are right to protect Her Majesty’s subjects wherever they happen to be, and not, in the Foreign Secretary’s words, to “kowtow” to foreign powers, however powerful they think they are.

**Mr Speaker:** In order to allow the safe exit of Members participating in this item of business and the safe arrival of those participating in the next, I am suspending the House for three minutes.

11.43 am

*Sitting suspended.*

## Education Settings: Autumn Opening

11.47 am

**The Secretary of State for Education (Gavin Williamson):** With permission, Mr Speaker, I would like to make a statement regarding the full opening of our schools and colleges to all pupils in September.

I know that these past three months have been some of the most challenging that schools, parents and, most of all, children have faced. What schools have achieved to make sure that children and young people are kept safe and can continue to learn during this period is remarkable, and I think all of us in this House are deeply grateful for those efforts. But we all know the impact that lost time in education can have on our children’s outcomes.

Every child and young person in the country has experienced unprecedented disruption to their learning as a result of coronavirus, with those from the most vulnerable and disadvantaged backgrounds among the hardest hit. Education recovery is critical for this generation of schoolchildren. Returning to normal educational routines as quickly as possible is critical to our national recovery, too. That is why we have been working to ensure that all pupils will be able to go back to schools and colleges full time in September, with covid-secure measures in place, so that they have the opportunity to thrive and fulfil their full potential.

Today, the Government have published detailed plans for nurseries, schools and colleges that set out what is needed to plan for a full return, as well as reassuring parents and carers about what to expect for their children. The guidance has been developed with medical experts from Public Health England and follows regular engagement throughout the outbreak between the Government and the education sector.

We continue to work closely with the country’s best scientific and medical experts to ensure that both children and staff are always as safe as possible. Schools will continue minimising contact between children, including through grouping children together in bubbles and encouraging older children to distance. At a minimum, this will mean keeping whole year groups in schools and colleges separate. This is in addition to the other protective measures that we know are so important for infection control, such as regular cleaning and hand washing. We are also ensuring that testing is readily available, so that parents, teachers and students can return with confidence. All staff, pupils and their families will continue to have access to testing if they develop covid-19 symptoms.

By the start of the autumn term, we will provide all schools and colleges with a small number of home testing kits, which will be taken home by children or staff who develop symptoms while on site but who would struggle to access a testing centre. This is so that they can have a test quickly and get the results back quickly. All schools will have access to direct support and advice from their local Public Health England health protection team to deal with any cases that may occur. They will be advised on what steps need to be taken.

In these challenging times, we are committed to ensuring that the nation’s children have not only a safe education, but an excellent one. From September, we are asking schools and colleges to return to a broad and balanced



curriculum, so that all pupils continue to be taught in a wide range of subjects, maintaining their choices for further study and employment. We expect exams to go ahead in the summer of 2021. We understand the additional pressures on teaching staff to deliver such high standards of education in this difficult period. As such, as Ofsted inspectors are preparing to visit schools in the autumn, it will be to discuss how they are managing the return to full education of all their pupils. The insight that inspectors gather will also be aggregated nationally to share learning with the whole sector, the Government and the wider public. It is our intention for full inspections to return from January.

We are also providing significant financial support to help pupils catch up on lost learning. As I announced in June, we will be providing a £1 billion covid catch-up package, including a £650 million catch-up premium for state-funded primary, secondary and special schools, and a £350 million national tutoring programme for the most disadvantaged pupils. Evidence shows that six to 12 weeks of tutoring for a disadvantaged pupil can result in five months of catch-up. Schools are held accountable for the outcomes they achieve with their funding, including through Ofsted inspections, and the covid catch-up funding will be no exception to this.

It is critical to ensure that no child loses more time in education and that, from September, all children who can be at school are at school. Schools and colleges will need to work with families to secure regular attendance from the start of the new academic year, with the reintroduction of mandatory attendance. Our intention is that those with education, health and care plans or special educational needs will also be back in school or college in September. Since May, as a result of the pandemic, it has been necessary to modify the duty on local authorities and health commissioners so that they could use their reasonable endeavours to secure or arrange the provision for those on EHC plans. I am committed to removing these flexibilities as soon as possible, so that children and young people can receive the support they need to return to school. As such, unless the evidence changes, I will not be issuing further national notices to modify the EHC duties. We will, however, consider whether any such flexibilities may be required locally, to respond to outbreaks in different parts of the country. In addition, I am pleased to announce that, as we continue on the road to recovery and infection rates continue to fall, from 20 July nurseries, childminders and other childcare providers will no longer be required to place limits on the group size of children who can play and learn together.

I would like to take this opportunity to thank those parts of the sector that have already opened their doors to more children and who are doing a phenomenal job to help our children and young people settle back into their usual routines. Since schools and nurseries began to open more widely on 1 June, we have seen the number of children attending school steadily rise, with over 1.6 million pupils already back in school. I am sure, Mr Speaker, that I will be joined by the House as I express my thanks to all childcare, school and further education staff who have gone above and beyond since March, and who will continue to do so as we prepare to welcome all of our children and young people back to school and college in September. I commend this statement to the House.

**Mr Speaker:** I welcome the new shadow Secretary of State for Education, Kate Green.

**Kate Green** (Stretford and Urmston) (Lab): Thank you very much, Mr Speaker. I thank the Secretary of State for his statement and for an advance copy of it. I also thank him for his call last night. I very much look forward to working with him.

Mr Speaker, every child must be safely back in school in September. By then, many children will have experienced nearly six months' gap in their education. Some have been able to maintain their learning during that period, but there has been a huge gap in learning for others, especially the most disadvantaged. A senior official in the Secretary of State's own Department has warned that the attainment gap could widen by as much as 75% as a result of the crisis. Today's announcement finally recognises the desperate pleas of heads, staff and governors for information and certainty about plans for the next academic year. For too long, the Government have been asleep at the wheel. The announcement today comes just three weeks before the end of term, and an immense amount needs to be done to prepare.

Staff have been working flat out since February half term and I, too, want to thank teachers, school leaders and everyone who works in our education settings for their exceptional efforts during these unprecedented times. Over the summer they will need a break, and as they prepare plans for return, they will also need the active support of the Department. It cannot be left to heads to struggle through on their own. So I have a number of questions for the right hon. Gentleman. What consultation has been undertaken in preparing this guidance with heads, teachers and school staff, governors and unions, who have made many sensible and practical suggestions for students' return? The Government need to learn from their previous mistakes. That is why Labour suggested a taskforce of school leaders, which would have meant we could bring children back to school sooner.

Can the Secretary of State guarantee that every school will have full access to testing and tracing, and all the personal protective equipment and other resources that they need to open safely? The Government's track record has not been impressive so far, and we cannot allow any further failure to supply the safety essentials to prevent children's return. I support the Secretary of State in reintroducing compulsory attendance, but fining poor parents will not serve the best interests of their children. Parents need reassurance that their children will be safe, especially in communities, including ethnic minority communities, where the prevalence of covid is higher. Many children will have found the past few months unsettling, even traumatic. What is needed is a trauma-informed approach to school and to families.

Staggered starts may present difficult challenges for parents. Can the Secretary of State say more about wraparound care for families and about transport arrangements for children to travel to school? Can he confirm that all children are expected to be safe in school in September? Will there be a delay in incoming reception children starting school?

In relation to early years, what financial support will be available for parents or childcare providers to protect their viability if children cannot attend, or if settings are forced to close?

[Kate Green]

I welcome the recognition of the needs of children with special educational needs and disabilities, and the assurances on education, health and care plans. Will the Secretary of State guarantee to the House that the needs of those children will be met in full?

Does the Secretary of State agree that a broad curriculum, including arts and humanities, supports children's attainment in the core subjects, too? What discussions have taken place with further education providers about how they will provide the "full education" envisaged?

Will the Secretary of State say a little more about plans for students who are due to sit exams? What about home-schooled children whom schools refuse to assess? A huge divide is opening up between children who have had a good study experience at home and those who have lacked the resources to learn. Ofqual must address that in its recommendations for arrangements for exams next year.

The announcement of the £1 billion of catch-up funding is welcome, but can the Secretary of State confirm that it is all new money and will not be funded by cuts elsewhere? What guarantee can he give of the availability of sufficient high-quality tutoring capacity with tutors expert in the subjects they will teach? Does he share my concern that requiring schools to contribute 25% of the cost of the national tutoring programme advantages the better-off schools? Why have post-16 students been excluded from catch-up funding support?

On Tuesday, it was reported that the 230,000 laptops that had been promised for children who lacked full digital access had not been delivered in full, as promised, by the end of June; when will they arrive?

Finally, the six-week-long summer holiday always widens the attainment gap, and this year that will be exacerbated by the time already spent out of school. What activities and support are being put in place for the summer break? The funding for pupils on free school meals is welcome, but what about children who become eligible for free school meals during the summer holiday? Will the Secretary of State guarantee that no eligible child will miss out?

**Gavin Williamson:** I congratulate the hon. Lady on her new role. I very much look forward to working with her on some of the great challenges that our nation faces over the coming months as we focus on the recovery for our education sector after this pandemic.

I assure the hon. Lady that it is important that the curriculum is full, broad and balanced and includes the arts and humanities, sports and so much else, because we recognise that to give children the best opportunity to succeed in life, they have to have that breadth of curriculum. We should not be seen to be dumbing down or reducing it. We have to give children choices; it is good for their future attainment and life chances, and for their mental health as well. They should have that breadth that is so vital for them to succeed.

The hon. Lady is absolutely right to highlight the importance of those children with special educational needs and how we need to support and help them. We have seen some brilliant examples, especially in some of our special schools, which have gone so far and above in terms of help not just for children but for parents at this

most difficult and challenging time. As all schools return, it is vital that it has to be clear that education, health and care plans are properly adhered to by local authorities. That is why we have got to have the proper and full return of those obligations that local authorities have to be held to.

I assure the hon. Lady that there is new money for the covid catch-up fund. We are looking forward to sharing more details on that with schools and will be looking forward to working with schools, as we have been working with the Education Endowment Foundation, to make sure that that money is properly channelled into the areas that are going to make a real difference to children.

It is right that everyone in the House recognises the challenges and the significant loss that children have suffered as a result of not being in school. That is why we have to bring all children back into school at the earliest possible opportunity. Equally, it is about making sure that the £1 billion is properly spent. That is why £350 million of it is being specially ring-fenced to make sure that it is going to children from the most disadvantaged backgrounds. It will be focused on the evidence-based actions that we know will make a difference for those children.

In terms of consultation, we have and will continue to consult widely within the sector. We have established a school stakeholder group with the Trades Union Congress and other unions, but, more importantly, we have had a much wider dialogue with people, not just trade unions. We have consulted many other stakeholders and, most importantly, those who are delivering education on the ground. That is something we have continually been doing ever since the moment we had to close schools, and we will continue to do so as we move forward.

**Robert Halfon (Harlow) (Con) [V]:** I strongly welcome the statement today and the guidance to help schools open fully in September. The plans for children with special educational needs are very good news, as is the £1 billion catch-up fund. We need to get our children learning again. Given that University College London has said that 2 million children during the lockdown have done virtually no school work and that the National Foundation for Educational Research has reported that four in 10 pupils are not in regular contact with their teacher, will the Secretary of State examine why that has occurred and look to Ofsted and local authorities to work closely with schools and set clear guidance on online learning, homework and contact with teachers?

**Gavin Williamson:** My right hon. Friend is right to point to the importance of accountability measures that need to sit with schools at all stages. I will be asking Ofsted to look at the issue and examine closely what schools are doing in terms of actions in order to ensure that we have continuity of education at all stages. It will continue to be important to do that, because we will see situations in this country where we have local lockdowns, and we need to ensure that there is always continuity of education in those communities.

**Matt Western (Warwick and Leamington) (Lab):** I add my voice to those who have congratulated my hon. Friend the Member for Stretford and Urmston (Kate

Green) and welcomed her to her new position. I just want to pick up on a point that she raised, which is the issue of laptops. We are well aware that the most disadvantaged children in our schools are at such a disadvantage in the educational setting. We know, though, that all children have been impacted by the failure to provide laptops. In answer to my written question on 10 June, I was told that 230,000 laptops had been ordered on 19 April. Government documents as of this week show that the first order was in fact placed on 15 May. Which is correct?

**Gavin Williamson:** I will write to the hon. Gentleman with clarification on that matter.

**Gareth Davies** (Grantham and Stamford) (Con): The new shadow Education Secretary used her first public statement to say that she looks forward to working with the unions. She talks about delays. Does my right hon. Friend know whether that means she agreed with the National Education Union's orders to not engage with the Government's plan to get children back to school?

**Madam Deputy Speaker (Dame Rosie Winterton):** Order. These are questions that should be directed to the Secretary of State. Secretary of State, I am sure you will find a way of answering that appropriately.

**Gavin Williamson:** I know that my hon. Friend shares my passion to see every child back in school and every school right across the country getting their full curriculum in every class. I hope that those people who have occasionally been tempted to try to block the full return of schools and those who have tried to frustrate the best efforts of headteachers and so many other teachers in their desire to see every child back will recognise that it is important and absolutely vital that we do everything to see all children enjoying that first-class education that we all want them to have.

**Helen Hayes** (Dulwich and West Norwood) (Lab): The coronavirus pandemic threatens to undo 20 years of hard work by teachers, parents and governors in my constituency in successfully narrowing the attainment gap. It is widening and deepening existing disadvantage and disproportionately impacting BAME communities. The number of laptops so far provided by the Government to enable online teaching barely scratches the surface of digital exclusion in Lambeth, Southwark and across the country. How will tutoring take place over the summer months when many of the most disadvantaged children still do not have access to home IT equipment?

**Gavin Williamson:** Conservative Members have always been clear that we want to see every child back in school at the earliest opportunity, because we know that the best way of delivering education is in the classroom with the teacher at the front. Not only have we had the incredibly ambitious plan to roll-out laptops—202,000 of those laptops have already been provided—but we accept that we want to do more. That is why have the covid catch-up premium, and tutoring plans, and those are to be conducted within schools and with the support of teachers, all based on the Education Endowment Foundation's clear evidence on how we can deliver change and improvement for those children.

**Clive Efford** (Eltham) (Lab): I am delighted that the Secretary of State is now talking to teachers' representatives and their trade unions, but for too long Ministers have denigrated teachers from the Dispatch Box, which has led to people not believing the Government when they talk about people being safe to return to schools. If the Secretary of State is now consulting with the wider school community, will he say whether he has spoken to headteachers about the practicalities of every child going back, which must happen in September, and about children being able to stay in bubbles and separate year groups? What is the practicality of that in our schools?

**Gavin Williamson:** I assure the hon. Gentleman that we have had extensive discussions with headteachers about those plans, and consulted widely. I also assure him that I have met unions every week all the way through this crisis, and made sure that we have had a regular dialogue to share our plans. This should not be about trade unions dictating what we are doing that is best for our children. We want to work with trade unions and the whole sector, including staff, to deliver the best education for all children. We will continue to have that dialogue. We have done that in the past, and we will in the future.

**Dr Caroline Johnson** (Sleaford and North Hykeham) (Con) [V]: I welcome my right hon. Friend's statement that all children will be back in school in September. Despite the valiant efforts of parents, pupils and teachers, the majority of children have fallen behind, at least to some extent, especially those with special educational needs or from disadvantaged backgrounds. Will my right hon. Friend outline how he intends to help those children to catch up, while ensuring that those who made more progress can continue to do so, so that every child can reach their full potential?

**Gavin Williamson:** That is why we took the decision to ensure that in our covid catch-up plans there was money specifically targeted at the most disadvantaged children and those who are the greatest challenge for schools. We are working closely with the sector to ensure targeted interventions for children with special educational needs, while equally recognising that all children, whatever their background and wherever they come from in the country, will face challenges in terms of the loss of education. That is why we have done such an extensive £1 billion package to support schools in doing that.

**Layla Moran** (Oxford West and Abingdon) (LD): Will the Secretary of State guarantee that every child who needs a laptop will have one? Does he recognise that to create high-quality online lessons takes skill? What is he doing to ensure that best practice is spread among all schools before the summer holiday, so that as teachers make their plans, we know that in September high-quality learning will be available to all?

**Gavin Williamson:** I absolutely assure the hon. Lady of the work to endeavour to ensure that that high-quality online teaching is there. We have seen that through the creation of the Oak National Academy. She may have noticed the announcement a few days ago about the expansion of that academy, so that it can continue to

[Gavin Williamson]

provide a full and total curriculum across all year groups and every subject. That is a brilliant innovation, and I very much encourage the hon. Lady and her constituents to take advantage of it.

**Virginia Crosbie** (Ynys Môn) (Con): Our teachers are critical if we are to look after the next generation and deliver our levelling up agenda. How is the Secretary of State supporting our hard-working supply teachers at this exceptional time, and how is he ensuring that our supply teachers are receiving appropriate remuneration?

**Gavin Williamson:** My hon. Friend has raised with me the concern that a number of supply teachers in her constituency of Anglesey have suffered as a result of not being able to access the furlough scheme. In England, many agencies have been working closely with the Treasury to access the furlough scheme. I encourage the Welsh Government to support agencies to help their supply staff to be able to access that as well.

**Andrew Gwynne** (Denton and Reddish) (Lab) [V]: I agree that all who can be at school should be. St Anne's Primary School in Denton was built in 1888. It is a small single-entry school. There are no spare classrooms, and its rooms all open on to the small school hall, which is also used as the dining area. It has a very small outside yard, and no playing fields where temporary classrooms can be located. It is one example of many similar across England. What assessment has the Secretary of State made of the number of schools that will physically struggle to accommodate all their pupils under the social distancing or educational bubble rules, and how does he plan to help them educate all children, and do so safely?

**Gavin Williamson:** When the hon. Gentleman has the opportunity to read the guidance, he will see the importance of having flexibilities for schools, such as the one he outlines, that are operating in a very different type of estate from that in which larger schools may be able to operate. We are trying to create a clear framework of how we can give schools good advice so that they can ensure the education of every single pupil, but if he has particular issues or is particularly concerned about any of his schools, I know that the Minister for School Standards would be happy to discuss them with him.

**Andy Carter** (Warrington South) (Con): Schools in my constituency of Warrington South are some of the best in England, and I join my right hon. Friend in paying tribute to the work that heads, teachers and support staff have done over the lockdown period to care for and support children. I know that parents and children in my constituency, particularly the children, will really welcome the steps that are being announced today—children want to get back to school. However, can the Secretary of State confirm that his approach is in line with that of other countries around Europe that have begun to bring pre-school and younger children back first, in a phased way?

**Gavin Williamson:** My hon. Friend is absolutely right to pay tribute to the teachers and all the staff in schools, nurseries and colleges in Warrington South. They have

been doing a fantastic job. The approach that we are taking is very much in line with that of other nations. We all understand that, within education settings, there are constraints and restrictions under which teachers and headteachers have to operate, and we have to find practical solutions for that. That is why we have taken a lot of time to look at how this is being done in other countries and copy the very best practice as a result.

**Liz Twist** (Blaydon) (Lab): Primary headteachers in my constituency tell me that there are pinch points at the start and end of each school day as children and parents come together. Our school leaders are planning how to mitigate this problem, but it may require adaptation, so they are asking: will the Secretary of State set aside funding to ensure that schools can access money to avoid the problem of people coming together?

**Gavin Williamson:** The hon. Lady raises an important point about reducing the chances of people meeting and increasing the likelihood of transmission. That is why we have asked schools to look at the option of staggered starts for year groups to mitigate those chances.

**Gary Sambrook** (Birmingham, Northfield) (Con): Birmingham, Northfield has the highest proportion of free school meals of any constituency across the country. That is why it is so important that young people are back in school and back in colleges learning again. Can I ask my right hon. Friend to ensure that as many young people as possible benefit from the covid-19 catch-up package to make sure that some of our most disadvantaged pupils are given the greatest gift of all, which is a quality education?

**Gavin Williamson:** My hon. Friend, in his many conversations with me, has been a great champion of his schools and what is happening in his constituency. He is right about the importance of making sure that this money is properly targeted at the children who most need it. That is why £350 million of it has been ring-fenced for the most disadvantaged, and his constituency will be one of the biggest beneficiaries of that.

**Mary Kelly Foy** (City of Durham) (Lab): In my constituency, Durham University is a major player and it contributes massively to the local economy, the culture of our city and the community. So far during this crisis, the lack of Government support for universities has been scandalous, quite frankly. Universities, the staff who work for them and current and future students need to know that higher education is valued by this Government and will be protected by them. What financial aid will the Government be offering universities like Durham so that they can survive the coronavirus pandemic?

**Gavin Williamson:** We continue to work very closely with the higher education sector. We recognise the important role that it has in many communities, including the city of Durham. A number of weeks ago, we announced a stabilisation package. We have also set up a taskforce on research funding with the university sector, the Treasury, the devolved Administrations, the Department for Business, Energy and Industrial Strategy, and the Department for Education. We continue to work closely with the sector to make sure that there is stability within it but it also has the ability to recover and thrive in the future.

**Bob Blackman** (Harrow East) (Con) [V]: [*Inaudible*]—across Harrow have continued to remain open so that children of key workers and those with special educational needs can continue their education, but there are still large numbers of children whose education has slipped. Will the Secretary of State join me in congratulating and thanking the teachers and headteachers who have carried out and continued to provide education throughout this period? Will he set out what assessment is going to be made of those children who have fallen behind so that the catch-up package is used to their best possible advantage to get them back to where they should be?

**Gavin Williamson:** I apologise to my hon. Friend: I missed the very start of his question because he was on mute, but it was without doubt the best part of it, I am sure. I would very much like to join him in thanking all the teachers, teaching assistants and school support staff who, through the very height of this pandemic, went into school every single day, opened the doors and welcomed the children of critical workers and the most vulnerable children. He picks up on a really important point. This is why we are working so closely with headteachers and teachers on making sure that we identify the real needs of every single child so that the catch-up package and the tutoring is absolutely targeted at their needs and delivers what they need in order for them to be able to catch up. We need the class teachers to be able to make those assessments for children in order to make sure that there is the most effective delivery for them.

**Richard Burgon** (Leeds East) (Lab) [V]: We all want schools to reopen in September, but only if it is safe for pupils, teachers and the wider community. Only this week, the Health Secretary acknowledged that an unusually high rate of coronavirus infections among children in Leicester was part of the reason for reimposing restrictions there. In my constituency, there have been reports of coronavirus in three primary schools. School reopening must be safe and led by the science, so can the Secretary of State confirm that the measures he has announced today will be signed off as safe by the Government scientists?

**Gavin Williamson:** Sadly, the hon. Gentleman was not on mute. I can absolutely assure him that Public Health England has signed off all this advice. He might take the opportunity to read what Public Health England recently said about Leicester. It stated that while there had been

“good provision of primary school access for children”

since the beginning of June, researchers said they could find no “analytical link” between this and

“any real or apparent rise in new infections”

in Leicester. Conservative Members are all committed to opening all schools for all children of all year groups. I look forward to working with the hon. Gentleman and many Opposition Members who are equally committed to doing the same. We are only doing this because we know it is safe to do so.

**David Simmonds** (Ruislip, Northwood and Pinner) (Con): Recognising, as my right hon. Friend says, the evidence shows that the risks to and connected with children are very low, mums and dads around the

country will have noticed the very stringent protective measures that are being put in place in education and childcare settings, supported by his Department and implemented by multi-academy trusts and local authorities. Could my right hon. Friend enlarge a little on his comments in his opening statement about further measures that he might have in mind to ensure that those risks are effectively managed when children return to their educational settings in September?

**Gavin Williamson:** Absolutely, I certainly can do. We have created a strict set of controls that we expect schools to follow as an absolute minimum, as children return. We have worked closely with Public Health England on those measures, which include making sure that schools have good hygiene and good cleaning, and reduce the amount of contact between pupils. The creation of bubbles has worked successfully and, as a result, as I have touched on, we have seen over 1.6 million children benefit from returning to school from 1 June. But we do accept that more needs to be done with every child coming back, and that is why we have produced such detailed guidance and will continue to support schools to bring every child back in a safe way—not just safe for the children, but safe for those who work in schools.

**Alison McGovern** (Wirral South) (Lab): May I ask the Secretary of State about the broad and balanced curriculum, specifically the physical education and sport premium and whether this will be guaranteed for September? It is July. Decisions needed to be taken before now about sport and PE. If headteachers and parents find out that that financial commitment has been held up for purely political reasons—so that the Chancellor can announce it next week—I cannot imagine how cross they will be.

**Gavin Williamson:** Speaking for myself, one thing I know I certainly gained during the lockdown was, sadly, weight. I recognise that, as children get back into school, it is incredibly important to make sure that they have that broad and balanced curriculum and proper and full access to sporting activities. The hon. Lady will just have to pause a little, because we will be bringing absolute clarity for all schools on this issue exceptionally shortly.

**Andrew Griffith** (Arundel and South Downs) (Con): Parents across West Sussex will welcome today’s announcement, particularly as it relates to children with special educational needs. Can I also congratulate the shadow Education Secretary on her recent appointment? Does the Secretary of State agree that no one wants to see children used as political pawns and that we may now see a more constructive approach from the Opposition?

**Gavin Williamson:** I very much hope that we have a broad and exceptionally constructive approach from all sectors of society. We are all united in the desire to see that every child gets the brilliant education that so many of us have benefited from, and we will always work together, and my door is always open to anyone, to ensure that we deliver the very best education for every child. That is what I will continue to do.

**Munira Wilson** (Twickenham) (LD): I would like to pay tribute to the heroic teachers who have been working so hard across schools in my constituency of Twickenham, and to the September for Schools campaign, led by my constituent, Fiona Forbes, who has tried to make the voice of parents heard in this whole debate. Many of those parents are wondering what provision and plans will be made for wraparound care.

They are on their knees, juggling work and home schooling and wondering whether after-school clubs and other such provision will be available come the autumn.

**Gavin Williamson:** The hon. Lady raises an important point and, as part of the guidance that we have issued, we have set out clear guidance about schools being able to offer wraparound care, because we know how incredibly important that is for so many working parents and how it supports them in being able to do their work.

**Tom Hunt** (Ipswich) (Con): As the Member of Parliament for Ipswich and an avid Newcastle United fan, I cannot think of a better name for a school than the Sir Bobby Robson School, which will open its doors in September. I have become an associate governor. It will specifically support children with complex emotional and mental needs. Its approach will be to have a transition period, almost a therapeutic approach, where it will try to re-socialise vulnerable young adults so that they can reintegrate and catch up. Will my right hon. Friend join me in wishing the Sir Bobby Robson School all the best for the future and provide it and other special schools with the support and external expertise they need to make sure that vulnerable young adults have the best chance to crack on and have a bright future?

**Madam Deputy Speaker (Dame Rosie Winterton):** Order. If we are going to get everybody in, it is important that we have short punchy questions to the Secretary of State, and short answers too.

**Gavin Williamson:** I congratulate my hon. Friend on his work with the Sir Bobby Robson School although, as a Wolves fan, I am not sure if he was quite the right person to name it after. I look forward to working with him and the school to make sure that, as it brings children back, they have the best education, and assisting it and him in terms of delivering that for those children.

**Sir Geoffrey Clifton-Brown** (The Cotswolds) (Con): I am sure that the Secretary of State agrees with the 15,000 parents in the Rock of the Cotswolds group, who will be disappointed if any of their children cannot go back into school in September. Will he therefore consider doing two things? As well as issuing the comprehensive guidelines, he should ask every head to produce a back to school plan, preferably by the end of the summer term.

**Gavin Williamson:** My hon. Friend raises an important point. That is very much what heads will be doing to ensure that there is full education across all year groups in all classes for every child, including in his constituency.

**Alex Norris** (Nottingham North) (Lab/Co-op): Further education institutions were already struggling prior to the crisis, and that will only have become worse in recent months. Those same institutions will have to

make a Herculean effort if they are to get their learners ready for those vital qualifications in the next academic year. Can the Secretary of State explain to further education leaders in my community why they were excluded from the covid catch-up fund and what support will be available instead?

**Gavin Williamson:** We continue to work closely with the vital sector as we look towards the economic recovery that we are going to be building towards as we come out of the pandemic. We will work closely with it in terms of the actions and support it needs to help youngsters who need to catch up, but equally, to ensure that every further education college is fully open for September.

**Jeremy Wright** (Kenilworth and Southam) (Con): My right hon. Friend has already made the point that our schools make a significant contribution to the general wellbeing of our children, as well as to their academic education. I ask him to recognise the sad likelihood, however, that as children return to school in September, more of them than usual will report to teachers and others in school the disturbing or abusive experiences, physical or virtual, that they have had during the lockdown period. Can he confirm that our schools will have the support they need to deal effectively with those reports?

**Gavin Williamson:** My right hon. and learned Friend touches on an incredibly sensitive and important issue. We have been working closely with not just schools but local authorities and the police to establish local partnerships to support schools as they deal with some of the consequences of children not having the protection that schools have often wrapped around them. We recognise the sensitivity of the issue. I pay tribute to the Home Office and the work that the police have done in terms of forging new partnerships with schools and local authorities, so that action can be taken much swifter where there are fears and concerns about the wellbeing of children.

**Vicky Foxcroft** (Lewisham, Deptford) (Lab) [V]: As more children return to school, what extra support is being provided to disabled children, so that they can catch up following the covid-19 pandemic? Can the Secretary of State confirm whether assistive technology is being offered as part of the distribution of laptops and tablets to pupils working from home? If he is unaware, can he follow up and commit to writing to me with an answer?

**Gavin Williamson:** We have had a broad range of measures to assist all children, including children who have special needs. Many children in the sector have benefited from free laptops, and key elements of a covid catch-up will be about helping those children to catch up on what they have lost. I will happily write to the hon. Lady with further details, as she appears to be signalling to me to do.

**Edward Timpson** (Eddisbury) (Con): Fully reopening schools in September is absolutely the right thing to do. For some children, the experience of lockdown will have been characterised by social isolation, lack of routine and, in some cases, trauma. What is my right hon. Friend doing, through the guidance published today and other measures, to help schools with an increase in

poor behaviour from September? May I encourage him to bring forward recommendations in the Timpson review of school exclusion so we do not see children removed from school when they have only just returned?

**Gavin Williamson:** That review did have a very thoughtful author, and we will certainly move forward on that. Our guidance does recognise some of the real challenges that many children will face as they come back into school as they will not have had the same structures of behaviour and discipline built around them. It is vital that we re-establish proper behaviour and discipline practices for all children, and I know schools are working closely on how they build that around those children, but we must understand that where there are good behaviour and discipline policies, there are vastly reduced numbers of those children excluded from schools. We will work with schools to deliver that. I pay tribute to Tom Bennett and the behaviour hubs for the work they do to establish strong behaviour practices in some of the most challenging schools.

**Sir David Evennett** (Bexleyheath and Crayford) (Con) [V]: I welcome my right hon. Friend's statement on the autumn opening of education settings. Going to university is an important milestone for many of our young people, but there are real worries about starting or restarting courses this autumn. What measures is he taking and what reassurance can he give to those students?

**Gavin Williamson:** I reassure both my right hon. Friend and students who are looking forward to the prospect of going to university in the next academic year about the importance we place on not just the educational offer of universities but the whole experience of going to university. We are working closely with Universities UK and the whole sector to ensure that we have a full and wide, proper opening of all universities so that they can welcome students through their gates. We are seeing a positive increase in the number of young people applying to go to university, and we will work with the sector to deliver on that. As a point of note, revised guidance for the HE sector will be issued later today.

**Mrs Emma Lewell-Buck** (South Shields) (Lab): At the outset of the pandemic, the Government ignored the warnings from other countries about the seriousness of coronavirus. As a result, measures implemented were too late and cost lives. The World Health Organisation director for Europe has said that schools reopening has led to local flare-ups of cases right across member states, even with social distancing in place. Will the Secretary of State publish the scientific advice he is relying on that states that social distancing is not needed any more in our primary classes?

**Gavin Williamson:** As the hon. Lady will probably know, the Scientific Advisory Group for Emergencies regularly produces and publishes its advice and evidence, and we have been completely open on that. I am not quite sure what she is suggesting. Should we never open schools? Will we deprive our children forever more of an education and accept that, until there is a vaccine, children will not be able to go back to school? We recognise there are big challenges ahead, which is why we have worked closely with the sector, because we

understand the consequences to children of not getting back into school are great. That is why we will continue to strain every sinew to ensure that every child is back in school.

**Peter Aldous** (Waveney) (Con): I welcome the Secretary of State's statement, but I would be grateful if he could set out the financial support that will be provided to further education and sixth-form colleges such as East Coast College in my constituency. That is vital, particularly to coastal towns, if we are not to let down a whole generation.

**Gavin Williamson:** As I am sure my hon. Friend will be aware, over the last year we have seen lots of additional support going into the college sector, including an increase of £450 million for this financial year in the basic level of money that every college gets, plus the £1.5 billion that is going into capital funding in the college sector, £200 million of which has been brought forward into this financial year. We will continue to work closely with the college sector—both further education colleges and sixth forms—on what additional support we can give it as we move into the next phase of dealing with this global pandemic and ensuring that every child is able to catch up.<sup>1</sup>

**Barbara Keeley** (Worsley and Eccles South) (Lab) [V]: I welcome my friend and neighbour the hon. Member for Stretford and Urmston (Kate Green) to her new role. For families who qualify, free school meal vouchers will be a crucial lifeline across the summer, but a school in my constituency faces having to pay for the cost themselves because they are using vouchers from the Co-op rather than the Edenred scheme. Will the Secretary of State guarantee that every school is reimbursed for the full cost of providing free school meal vouchers to their pupils this summer, wherever they get their vouchers from?

**Gavin Williamson:** We have set up a wide-ranging system of support for schools to access through the Edenred scheme. If there are exceptional circumstances where there are no local supermarkets included in the Edenred scheme that a school can access, we are able to look at how we can support the school and reimburse their costs if there are no alternatives.

**Tim Loughton** (East Worthing and Shoreham) (Con): I reiterate the many calls from Members today and from our heads that they really need clear, unambiguous and timely guidance. Linked to that, is not one of the biggest scandals of recent months how few children on education, health and care plans have been accepted back into school, even when their parents want them to go? For that cohort, catch-up will be crucial, particularly to regularise being back in a school environment after six months out of it. The Secretary of State talked about tutors. Will he also consider the idea that I put forward—to use the cohort of students who are deferring going to university, so that they can come into schools to work alongside those children and give them intensive mentoring, not just academically but to get them back in the habit of being in school and learning again?

**Gavin Williamson:** As my hon. Friend is probably aware, in the first guidance that we issued on school closures, we highlighted that children with EHC plans

1. [Official Report, 9 July 2020, Vol. 678, c. 6MC.]

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would have continued access to schools all the way through this. I would be happy to organise a meeting between him and the Education Endowment Foundation, which is working with us to stand up our tutoring programme and looking at a whole range of options to mobilise that.

**Kerry McCarthy** (Bristol East) (Lab): What extra support can the Secretary of State give to holiday schemes—not the free school meal side of things, but things such as Bristol's healthy holidays scheme, which involves play schemes, forest school and physical activities? That would be an excellent way of children socialising again and becoming acclimatised to the idea that they are going back to school. Can he try to support some of those local initiatives?

**Gavin Williamson:** The hon. Lady raises a valuable point. We often talk about the learning loss, but there are other things that children have missed out on, such as the socialisation, physical activity and sports that they would have so often enjoyed. We have invested £9 million in a holiday activity plan, which we rolled out across a large number of local authority areas. We have also been working closely with the National Citizen Service to repurpose a lot of the activity it does through its traditional schemes for local schools. I would be happy to put her in touch with the National Citizen Service, to see whether it could work closely with some of her schools on that.

**Christian Wakeford** (Bury South) (Con): I thank the Secretary of State for his statement. It is certainly very welcome news that schools will be reopening, especially for those with special educational needs and disability, and the most disadvantaged pupils. The National Education Union threatened to name and shame headteachers who were working to reopen their schools previously. Will my right hon. Friend join me in condemning this attitude, and ask Labour Members if they will condemn it too?

**Gavin Williamson:** As I am sure that my hon. Friend, who has a deep knowledge of the education sector, knows, this is the time for every person to come together and work together to ensure that every child is back. We have seen headteachers under incredibly great pressure from certain levels of activism. As we look forward to full opening in September, I hope that everyone comes together to work out how we can get every child—in every class and every year group—back in school. I have no doubt that every union will also be doing that and working with us.

**Lloyd Russell-Moyle** (Brighton, Kemptown) (Lab/Co-op): I am glad that the Secretary of State has bothered to start engaging with frontline staff via their representatives in the unions. But Britain will face a huge economic downturn, and many parents may have lost their jobs or have reduced salaries. Will the Secretary of State follow

the leadership of Brighton & Hove City Council, which has issued guidance on school uniforms and other costs so that no parent is forced into poverty and no child is excluded from school because they cannot afford the right equipment? Will the Secretary of State give guidance to all schools to ensure that those costs are capped?

**Gavin Williamson:** The hon. Gentleman obviously has not noticed that we have already issued guidance about keeping uniform costs low, but I would be happy to share it with him so that he can take the time to read it.

**David Johnston** (Wantage) (Con): Does my right hon. Friend agree that getting all children back to school in September is particularly important for the poorest children, and that if people try to obstruct that return, they are standing in the way of both social mobility and social justice for our most disadvantaged?

**Gavin Williamson:** My hon. Friend is absolutely right. Those who stand in the way of children being able to return to school are standing in the way of the best interests of children from the most deprived backgrounds, who need the most help and support. That is why we will get every child back in the new term.

**Gareth Johnson** (Dartford) (Con): Clearly it is vital to get children back into school now that the infection rates of this virus are falling, but will the Secretary of State inform the House of what preparations the Department for Education is carrying out in case there is a second wave of the virus? We all obviously hope and pray that that does not happen, but how is the Department preparing should that happen in the autumn or winter?

**Gavin Williamson:** The guidance that we have issued includes a heavy emphasis on continuity of education so that children would not suffer any form of disruption to learning patterns if we were in a position of having to put in place local lockdowns in different communities or areas that would mean schools were not able to remain open.

**Madam Deputy Speaker (Dame Rosie Winterton):** I have to announce a correction to the Division result. I have received a report from the Tellers in the Aye Lobby informing me that there was an error in the result announced to the House of the Division held yesterday on new clause 1 to the Finance Bill. The number of Members who voted Aye was 252, not 232 as reported. The discrepancy was a result of human error by the Tellers. It was not related to the pass reader recording system. There is no change to the outcome of the Division. I will direct the Clerk of the House to ensure that the Journal is corrected accordingly.

I shall now suspend the House for three minutes to allow the safe exit of Members in this piece of business and the safety entry of those in the next.

12.49 pm

*Sitting suspended.*



## Finance Bill

[2ND ALLOCATED DAY]

*Further consideration of Bill, as amended in the Public Bill Committee*

### New Clause 27

#### REVIEW OF TAX RELIEFS

“The Chancellor must lay before the House of Commons within a year of Royal Assent a review of the tax reliefs contained in this Act which must contain the following—

- (a) the number of tax reliefs;
- (b) the effect on taxation revenue of each of the tax reliefs; and
- (c) an assessment of the efficacy of systems for designing, monitoring and evaluating the effect of the tax reliefs.”—(*Bridget Phillipson.*)

*This new clause would require the Chancellor of the Exchequer to report to Parliament on the number and revenue effect of the tax reliefs contained in the Bill; and on the efficiency of systems for designing, and assessing the effects of, those reliefs.*

*Brought up, and read the First time.*

12.53 pm

**Bridget Phillipson** (Houghton and Sunderland South) (Lab): I beg to move, That the clause be read a Second time.

**Madam Deputy Speaker (Dame Rosie Winterton):** With this it will be convenient to discuss the following:

New clause 2—*Review of changes to entrepreneurs’ relief*—

“(1) The Chancellor of the Exchequer must review the impact on investment in parts of the United Kingdom and regions of England of the changes made to entrepreneur’s relief by section 23 and Schedule 3 of this Act and lay a report of that review before the House of Commons within six months of the passing of this Act.

(2) A review under this section must consider the effects of the provisions on—

- (a) business investment,
- (b) employment, and
- (c) productivity.

(3) In this section—

‘parts of the United Kingdom’ means—

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

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

*This new clause would require a review of the impact on investment of the changes made to entrepreneurs’ relief.*

New clause 4—*Structures and buildings allowances: review*—

“(1) The Chancellor of the Exchequer must review the impact on investment in parts of the United Kingdom and regions of England of the changes made by section 30 and Schedule 5 of this Act and lay a report of that review before the House of Commons within six months of the passing of this Act.

(2) A review under this section must consider the effects of the provisions on—

- (a) business investment,
- (b) employment,
- (c) productivity, and
- (d) energy efficiency.

(3) In this section—

‘parts of the United Kingdom’ means—

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

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

*This new clause would require a review of the impact on investment of the changes made to structures and buildings allowances in Schedule 5.*

New clause 17—*Review of geographical effects of provisions of Sections 28 to 31*—

“The Chancellor of the Exchequer must within twelve months of the passing of this Act lay before both Houses of Parliament a report assessing the differential geographical effects, broken down by nation and NUTS 1 statistical region, of the changes made by sections 28 to 31 of this Act.”

*This new clause would require a geographical impact assessment of the clauses of the Bill relating to reliefs for business.*

Amendment 1, in clause 36, page 34, line 29, at end insert—

“(13) The Chancellor of the Exchequer must, no later than 5 April 2021, lay before the House of Commons a report—

- (a) analysing the fiscal and economic effects of Government relief under the Enterprise Investment Scheme since the inception of the Scheme, and the changes in those effects which it estimates will occur as a result of the provisions of this Section, in respect of:
  - (i) each NUTS 1 statistical region of England and England as a whole,
  - (ii) Scotland,
  - (iii) Wales, and
  - (iv) Northern Ireland;
- (b) assessing how the Enterprise Investment Scheme is furthering efforts to mitigate climate change, and any differences in the benefit of this funding in respect of—
  - (i) each NUTS 1 statistical region of England and England as a whole,
  - (ii) Scotland,
  - (iii) Wales, and
  - (iv) Northern Ireland;
- (c) evaluating the lessons that can be drawn from the effects of the Enterprise Investment Scheme with respect to the encouragement of both private and UK Government-backed venture capital funds in the devolved nations of the UK.”

*This amendment would require the Chancellor of the Exchequer to analyse the impact of the existing EIS and the changes proposed in Clause 36 in terms of impact on the economy and geographical reach; to assess the EIS’s support for efforts to mitigate climate change; and to evaluate the Scheme’s lessons for the encouragement of UK Government-backed venture capital funds in the devolved nations.*

**Bridget Phillipson:** New clause 27 calls on the Government to lay a review before Parliament considering all the tax reliefs within this Act, their effect on taxation revenue and the effectiveness of systems to evaluate these reliefs and to ensure value for money. We know that there are real problems with how the Government monitor tax reliefs. Thanks to the outstanding work of the National Audit Office and its report from February this year, we can see how unwieldy the system has become over the past decade and how much this is costing the public purse. It shows that there are currently 362 tax reliefs, which support Government economic

[Bridget Phillipson]

and social objectives. This is a huge financial undertaking. The cost of tax reliefs for 2018-19 is estimated to be £155 billion.

The National Audit Office notes that this is not money that would simply be recouped in tax if these reliefs were abolished, but that is not the point that we are seeking to make. We on the Opposition Benches do not doubt that sometimes the outcomes from tax reliefs can be positive and that they can drive positive social and economic behaviour. The problem, as the NAO's report makes plainly clear, is that we simply do not know enough about this, because the Government are failing to properly monitor and evaluate their effectiveness.

Of the 362 tax reliefs, only 111 have been costed by Her Majesty's Revenue and Customs, and only 15 have had published evaluations since 2015. At the same time, on the Government's watch, their cost has been rising since 2010. In normal times, such an enormous cost, without corresponding effective oversight, would be an area of real concern. As the Office for Budget Responsibility identified in July 2019, tax reliefs are considered to be a new fiscal risk to public finances, due to the Government's not knowing their full cost and the lack of transparency built into the system. But of course we are not in normal times; we are living through an incredible economic crisis. The lack of effective monitoring and evaluation is hard to justify when our public services are under such enormous strain. The inattention shown by Ministers over the past decade must change and we need a much greater focus on ensuring value for money.

In Committee, we touched on one area where I ask the Minister to respond further today, namely the social investment tax relief, an area also pressed by my hon. Friend the Member for Ilford North (Wes Streeting) and my Front-Bench colleague my hon. Friend the Member for Liverpool, Walton (Dan Carden). What further consideration has the Minister given to extending this relief from April 2021 to April 2023? Will he update us on what further consideration the Treasury has given to this arising from discussions we held in Committee? This important aspect has been raised by many charities. I know that the Minister is sympathetic to the concerns they raise and I am sure they will be grateful for any further updates he might be able to provide in this area.

Our new clause paves the way for a greater focus on value for money, by establishing a more systematic and transparent way for the Government to evaluate the cost of tax reliefs and to empower Parliament to scrutinise this more effectively. The limiting scope for amendments to the Finance Bill set by the Government means that we have been able to opt only for a review of the tax reliefs contained in the Bill. Many changes to tax reliefs—for instance, on the entrepreneurs' relief and the annual allowance—will potentially have a significant impact on tax revenues. In other areas, there are concerns about whether tax reliefs are being abused.

TaxWatch UK has highlighted particular concerns about the future of research and development tax credits, given the evidence of abuse in recent years. It is therefore right that there is greater transparency and that Parliament can properly scrutinise whether the measures proposed by Government are having their intended effect. The Minister attempted to address some of these concerns in Committee, saying that the Government kept all

these reliefs under review and that he has proposed a more systematic evaluation programme for tax reliefs. We would welcome any progress towards such a system. However, if the picture was so rosy, I doubt whether the National Audit Office would have painted such a concerning picture in its report. I also look forward to the Public Accounts Committee's report on this issue to find out whether it agrees with his assessment or what further insight it might be able to offer.

None the less, this amendment attempts to get to a wider point, which is that Parliament currently has few proper and meaningful opportunities to scrutinise tax reliefs on an ongoing basis. The Minister will know of the 2017 joint report by the Institute for Fiscal Studies, the Institute for Government and the Chartered Institute of Taxation entitled "Better Budgets: Making tax policy better". It states that the information publicly available to Parliament on the costs and benefits of tax expenditure is not sufficient for it to assess their value for money, pointing out:

"Although taxes constitute almost 40% of national income, Parliament has little standing support to help look at tax legislation, support general inquiries on tax issues or help with post-implementation reviews."

The report had a clear recommendation:

"Increase support to Parliament on tax issues".

That means going beyond the support currently available and the opportunities that exist, in Finance Bill Committees, through the Treasury Committee, through Public Accounts Committee and through other work in this House, and instead embedding a proper system so we can assess the value for money of past tax measures. That is hardly controversial. As the Resolution Foundation points out, the Governments of Canada, Australia and New Zealand produce annual tax expenditure statements, which can be accompanied by parliamentary debate.

We want to see improved scrutiny of whether money is being well spent, to ensure that the system is fair and helps those who need it most. When all the benefits and tax reliefs are taken into consideration, the Government provide more support to the richest fifth of non-retired households than to the poorest fifth, and that gap has grown since 2010. This is in part due to the system of tax reliefs that has flourished under this Government and previous Conservative Governments and is clearly not based on any genuine notion of fairness.

Today, as we grapple with the looming jobs crisis, the question of fairness is paramount. We need to create a recovery from coronavirus that benefits everyone in our society, from young to old and right across every region and nation. The Opposition do not doubt the scale of the challenge. Our public finances are enormously stretched, our public services have been pushed to the brink by the pandemic, and there is a risk of unemployment on a scale not seen since the 1980s. We have yet to hear anything about the economic support package that we need: a back-to-work Budget to help those at the sharp end of the looming jobs crisis—a Budget that creates jobs, supports people back into work and properly invests in our young people so that they have the opportunities they deserve at this challenging time.

1 pm

When our public finances are under such enormous pressure, we can only do our best to ensure that there is genuine value for money and that every penny is spent

fairly and wisely. A review of tax reliefs in the Bill is just the starting point. It is a step towards what we on the Opposition Benches want to see, which is a broad review of all tax reliefs. That will help us to know for sure who is benefiting from the hundreds of tax reliefs that exist, whether they are fair, whether they represent good value for money and whether they are having their intended effect. I hope that the Minister will respond to these points and give us some assurances that the Government will do a lot more in this area, so that as we start to emerge from this crisis we can have confidence that taxpayers' money is being spent well.

**Kevin Hollinrake** (Thirsk and Malton) (Con): I am keen to talk briefly about the future fund, which is dealt with in new clause 22. The new clause covers those who have benefited from tax relief under the enterprise investment scheme and the seed enterprise investment scheme, to ensure that those tax reliefs are not withdrawn. These are important tax reliefs. I have set up a number of companies—I declare my interest, Madam Deputy Speaker—and some of the capital needed to invest in them was solicited through the EIS and the SEIS. Those schemes are very effective in encouraging high net worth individuals and angel investors to invest in small start-up and scale-up businesses.

The future fund is really for bigger, high-growth businesses wanting to attract capital. It is a very effective scheme, in that the Government match the funding that is attracted from individual investors—often venture capital investors. It is incredibly important, as we start to recover from this crisis and seize the opportunities ahead, that we encourage more equity investment. The UK is particularly reliant on debt financing in how our businesses start up and scale up, whereas other countries are much more effective at delivering equity finance solutions. This is important because at the moment the Government are investing a huge amount—about £35 billion—through guaranteed loans in the bounce back loan scheme and the coronavirus business interruption loan scheme, which businesses are making decisions on in terms of debt finance.

However, on equity finance, the Government do not always have the best record on deciding which businesses to support. That is why the future fund is a good scheme, in that it fund-matches private sector investment, which is much better at determining which businesses are the right ones to support. Individual investors are much better at picking winners than are Governments. As we move forward, there are going to be some huge corrections in the private sector. Lots of businesses have borrowed money to get through this crisis and it is fair to say that many of them will not be able to pay that money back. My all-party parliamentary group on fair business banking has contributed to a report by the Recapitalisation Group, a consortium headed by Ernst & Young and TheCityUK, which states that there will be about £100 billion of unsustainable debt—not all connected to the Government schemes—by this time next year because of borrowing by businesses hit by the recession caused by the covid crisis.

To get us through that period and the subsequent period, and to prevent business failures—there is no question but that some businesses will fail and jobs will be lost as a result—we need to understand that it cannot be all about debt financing. The Government cannot be

expected simply to give grants to keep businesses going. We need to find a different route to encourage private sector investment, which is good at picking winners, to invest in small and medium-sized enterprises and scale-up businesses. Equity finance will be critical to that. We need something different from the future fund, which is there to help to scale-up, high-growth businesses. Instead of the growth capital that characterises the future fund, we need equity finance for the restructuring, rescue and turnaround of good businesses that could get through this, but that are not big scale-up businesses. In the past, equity finance has been used for high-growth businesses rather than for restructuring and turnaround, and most equity finance is focused on London rather than the regions. I know, Madam Deputy Speaker, you are as keen as I am to ensure that our regions are well served by equity finance and support.

We need a discussion about the schemes that we could introduce. I am a big fan of the seed enterprise investment scheme and the enterprise investment scheme, and I think the tax incentives around them should be enhanced for a time. Clearly, the temptation for high net worth individuals will be to keep their money in the bank for 12 months rather than investing, and wait to see what happens the other side of the crisis. We have to encourage them to put money into businesses today. A doubling of the incentive for EIS relief would be very welcome, and a loosening of the restrictions on EIS investment—such as by enabling relatives to invest in businesses—would be appropriate for the next 12 months.

We need to relax some of the restrictions on venture capital. There are annual and lifetime limits on venture capital in businesses, and they should be doubled, because lots of businesses need extra support at the moment and the venture capital companies that sit behind them did not expect to have to see them through this crisis. I am keen for the Treasury to relax some of the unreasonable restrictions on the amount of money that can be invested in those businesses.

We should perhaps consider loans that are based on a contingent tax liability—a kind of student loan system, whereby the loan is repaid through future profits. I know that Lord Bilimoria is keen to see a new 3i scheme, in which the Government put a significant amount of money—in his view, it should be £5 billion—into several different private equity organisations to sit behind UK businesses.

I will touch on something that is not directly related to tax reliefs, but that is very important in relation to finance. The Minister has been very good at engaging with me on clause 95, which I think unreasonably restricts the opportunity for businesses to get finance by putting HMRC up the ladder as a preferred creditor. That may mean that some lenders are less likely to lend, and I caution the Treasury to keep a close eye on that to make sure that debt finance is still made available to SMEs. I am very supportive of what the Government are doing with the future fund, but we need to go a bit further in certain other areas.

**Stephen Flynn** (Aberdeen South) (SNP): I rise to speak in support of the amendments tabled in my name and in those of my SNP colleagues. It is important to state from the outset that we hear regularly from across the Chamber—albeit not today, given that it is quite empty for this discussion of tax—that the UK's tax relief system is full of inefficiencies.

[Stephen Flynn]

Our core aim with the proposed new clauses is to be constructive and get to the root of that problem in respect of entrepreneurs' relief by asking the Government to undertake a review of the impact on investment of the changes to the relief. As I said in Committee, that can only be a positive thing. After all, there remain varying views on the effectiveness and efficacy of entrepreneurs' relief, and whether it delivers the necessary economic objectives or whether that could be done by other means. Those varying views are clear for all to see. For example, the IFS has been quite critical of the relief, highlighting that it is poorly targeted. On the converse, the Federation of Small Businesses has emphasised the importance of the relief for the retirement of business owners.

I have no doubt that we will hear much from the Minister about the fact that a review has already been undertaken. It has, but that was an internal review, which is not good enough. That is of particular importance when we consider that there was much talk in the public domain of entrepreneurs' relief being scrapped entirely at the Budget. A Back-Bench revolt ensued and that position swiftly changed, so instead of the relief being scrapped, it has gone from £10 million back to the £1 million introduced by the Labour party in 2008. I am sure that even the Minister would agree that the tail should not be wagging the dog on such important matters. What we need is clarity—clarity on effectiveness, clarity of efficacy and clarity on direction. Those points have perhaps never been as important as they are now. As we rebuild our economy following covid-19, it is more important than ever that tax incentives go to those entrepreneurs who we know will rebuild the economy.

That takes me on quite neatly to the further new clauses that we have tabled in respect of tax avoidance, for as we rebuild the economy, the very last thing that we need is individuals and organisations dodging what they are due. On the Scottish National party Benches, we have been clear and consistent in highlighting our profound concerns relating to Scottish limited partnerships, yet despite the obvious manner in which these can be abused, we are yet to see any real action. I sincerely hope that in his contribution, the Minister will make a commitment to end the avoidance practices of such partnerships, but I hope he can go further, too.

For decades, we have seen consecutive UK Governments talk the talk on ending tax avoidance, but in 2017-18, HMRC still put the tax gap at £35 billion. I have some sympathy for the Government in this regard, for just as they legislate to close one gap, another one is opened by those who wish to cheat both the system and the public, but there is scope for a comprehensive anti-avoidance rule to be introduced. The Government will point to the general anti-abuse rule introduced in 2013, but this has been heavily criticised, not least by the TUC. What we need is workable general anti-avoidance rules that tackle avoidance in all its forms, including international tax abuse, and more than ever, we need real action to combat Scottish limited partnerships.

I am conscious of the fact that you wish to finish before 2 o'clock, Madam Deputy Speaker, so I intend to keep my contribution brief. I will move on to my closing remarks, in which I wish to highlight that more

can be done to incentivise energy efficiency through tax reliefs and, similarly, to meet the needs and demands of the Scottish economy.

In respect of structures and buildings, it is clear that the Government are making an attempt to amend the system to incentivise capital investment, but they can and should go further. At the risk of repeating myself once again, the easiest step they could take is to scrap VAT on building repairs. In my constituency of Aberdeen South, I have been struck by just how many homeowners, who often live in some of the most beautiful granite buildings, are unable to undertake the repairs and improvements that they either want or need due to the high costs involved. As we seek to improve energy efficiency in our homes, particularly in often old and cold buildings, surely the Government should be assessing every measure to incentivise progress, not just to help rid us of fuel poverty, but to protect both the environment and the future of our planet. Cumulative action to combat climate change is needed, and I would welcome a firm commitment from the Minister in this regard.

On the issue of tax reliefs, it would be remiss of me not to highlight to the Chamber the proposals put forward in recent days by my colleagues in the Scottish Government. I think that everyone—even the most ardent of UK Government supporters—was deeply underwhelmed by the plans announced by the Prime Minister to restart the economy, and that collective sigh from across the UK was entirely justifiable, because £5 billion will likely work out to be less than the cost of renovating the very building that we are in, and it is a far cry from the £80 billion of investment called for by the Scottish Government. Importantly, however, my colleagues called not just for capital investment, but for tax relief. Indeed, they were clear that reducing VAT must be an urgent act of this Government, both in terms of reducing the general rate of VAT from 20% to 15% for six months and, importantly, reducing tourism and hospitality VAT to just 5%. On top of that, a 2p cut in employers' national insurance contributions to reduce the cost of hiring staff was also identified.

Unfortunately, as with all too many matters, the hands of the Scottish Government are tied on such issues. The power lies with the UK Government, a Government who Scotland neither supports nor votes for. I hope that the Minister is listening and the wider Government are listening too, because now is the time for them to introduce the tax incentives that the Scottish economy needs; to deliver the investment that the Scottish economy needs; and to provide the Scottish Parliament with the borrowing powers that it so desperately needs. If they do not, they should be ever mindful that they are only doing further damage to the very Union that they claim to support.

1.15 pm

**Ben Lake** (Ceredigion) (PC): Diolch, Madam Deputy Speaker, for calling me to contribute to this important debate, the importance of which is perhaps not reflected in the attendance in the Chamber today, but as the shadow Minister, the hon. Member for Houghton and Sunderland South (Bridget Phillipson) rightly said in her opening remarks, reviews of tax reliefs tend to be important not just for improving the transparency of their effectiveness but, as the hon. Member for Thirsk and Malton (Kevin Hollinrake) said in relation to the enterprise investment scheme and the future fund, for

their transformative impacts on policy. I agree with him that one of the key things that we need to consider as we move ahead is how we can encourage greater investment, especially equity investment, in regions other than London. I hope to dwell a little on that point later in my remarks.

It is a pleasure to follow my hon. Friend the Member for Aberdeen South (Stephen Flynn), who not only laid out effectively the inefficiencies of the tax reliefs system but raised the important question, which I would like to address, of whether reliefs achieve their economic objectives in the current climate and context, as we try to rebuild or at least begin to consider how we can rebuild after covid-19. Tax reliefs will have an important part to play, and it will be vital that they are channelled to those who will rebuild the economy.

I wish to speak at greater length to amendment 1 and new clause 17, both of which are tabled in my name. Both are probing amendments. I seek to probe the Government's commitment to levelling up every nation and region of the UK by requiring them to report on the differential territorial impacts of the changes that the Bill introduces to certain reliefs and tax incentives.

Most hon. Members will welcome the Conservatives' efforts to see balanced economic growth throughout the UK and in particular to move away from what I consider to be a hub-and-spoke approach to economic development. Over the past decade, the Government have mainly concentrated on improving connectivity between rural areas and smaller towns and the supposed economic engines of the larger cities, as opposed to incentivising and supporting economic growth in those areas themselves.

Such a centralised model has inevitably concentrated economic activity in London and the south-east. As a consequence, Wales' potential and that of other regions and nations of the UK has been overlooked. That is perhaps most apparent when we consider the way in which public funding for certain development has been allocated. Between 2001 and 2017, London R&D funding per head totalled almost twice the UK average—£3,900 per head compared with a national average of £2,300. What is more, the trend worsened in that time. The share of the core research budget spend across the three cities of Oxford, Cambridge and London—also known as the golden triangle—rose from 42.1% in 2002-03 to 46% in 2017-18.

Perhaps just as relevant to this debate is how public spending on transport infrastructure is allocated. I note that per-head spending in London in the past decade has averaged nearly three times that spent in the rest of the UK. During the same period, the city has received five times the average per-head spend on culture. It is perhaps unsurprising, therefore, given that disparity, that the golden triangle of London, the south-east of England and the east of England also attracts the lion's share of venture capital. Indeed, the region received 73% of all venture capital between 2016 and 2018, according to the British Private Equity and Venture Capital Association. When we reflect on this concentration of venture capital in one region of the UK, as with R&D, not only are the failings of past economic development policy laid bare, but it is difficult to deny a popular saying in Ceredigion, "I'r pant y rhed y dŵr"—or in English, "To the hollow the water runs".

It is clear that as the world moves increasingly to a knowledge-driven economy, expenditure on R&D will be vital not only as a source of innovation that can be

commercialised to form the basis of the next generation of business, but as a means of equipping people with the requisite skills for the new economy and, as my hon. Friend the Member for Aberdeen South said, the post-covid economy. It follows, therefore, that the economy of any nation or region that does not receive the right level of support will be hindered in its attempt to adjust to the challenges of tomorrow. Government support for R&D is essential for Wales in particular, to address problems that range from a low-wage economy to a looming demographic time bomb, while also building an economic platform to take advantage of trends, including automation, that could otherwise cause quite a serious long-term social risk.

New clause 17 would require the Chancellor to report on the geographical impact of changes to several tax rules, including R&D expenditure credit. It would ensure that the UK Government consider how different geographic areas benefit from taxpayer-funded reliefs so that the financial incentives can be better tailored to overcome the UK's chronic regional inequalities. I have previously drawn attention to the concentration of R&D funding in the golden triangle, but assessments might also provoke a debate within Government about how public spending on other priorities is allocated.

In a similar vein, my amendment 1 would require the Government to consider the unsustainable concentration of private investment in one region of the UK at the expense of the devolved nations and other regions of England. As the UK Government narrow the applicability of the enterprise investment scheme, they need to consider how that will affect firms in different areas of the UK. The EIS benefits us in a great many ways—the hon. Member for Thirsk and Malton outlined them effectively in his remarks. The ways in which the UK Government can encourage the establishment in the devolved nations of venture capital funds, and therefore private investment, is so important. The geographic disparities to which I have already referred are reflected in the EIS. To pick just one example, between 2015 and 2018, only 210 Welsh firms benefited from EIS, receiving just 1.3% of the total investment. By contrast, to pick on the golden triangle again, that area received 67% of all investment. The average UK business angel investment per firm has been some 40% greater than that in Wales.

Modern advanced economies such as Germany, the Netherlands and even the USA have ensured a better geographic spread of economic prosperity, so the Government's intention to address this policy failure is to be welcomed. However, we must make sure that the rhetoric is backed up by the reality and that the measures designed to realise such lofty ambitions are fit for purpose. My amendment and new clause would require the Government to report on the effectiveness of some tax relief schemes in this regard, and I hope that the Minister can give them some serious consideration.

**The Financial Secretary to the Treasury (Jesse Norman):** I am grateful to everyone who has contributed to this short but interesting debate. As colleagues have noted, when we think about tax transparency, we are in what might these days be referred to as a niche area of taxation—technical, but no less important. In some respects, it is more important that we do not get lost in the detail but can come back and talk about the issues

[*Jesse Norman*]

more widely. If I may, I will address the different clauses and then come to the specific points raised in the debate.

New clause 27 would require the Government to review all

“tax reliefs contained in this Act”.

It states that the review must contain

“the number of tax reliefs...the effect on taxation revenue of each of the tax reliefs...and...an assessment of the efficacy of systems for designing, monitoring and evaluating the effect of the tax reliefs.”

It asks the Government to publish the number of tax reliefs in the Bill and their effect on taxation revenue.

As the House may be aware, the Government already publish tax changes and estimates of the Exchequer impacts of policy changes in the Budget documents at each fiscal event. Moreover, Her Majesty’s Revenue and Customs monitors the effect on taxation revenue of tax reliefs after they are introduced and issues an annual tax relief statistics publication—I am sure that is closely scrutinised by all Members—which includes estimates of the costs of tax reliefs. Building on this, HMRC is also undertaking a project to expand its published costs information. I remind the House that in May HMRC published cost estimates for a further 47 previously uncosted reliefs.

New clause 27 also asks for an assessment of the efficacy of systems for designing, monitoring and evaluating the effect of a relief. As the House will know, the Government consult on new tax reliefs and proposed changes to tax reliefs, bringing in external expertise as part of the policy making cycle wherever possible. Officials are constantly working on ways to improve the policy on development, administration and continuing management of reliefs. As colleagues will know, the Government, and particularly the Treasury, keep all reliefs under review.

The Government also do evaluations of different forms. This work has included evaluations of a number of significant reliefs—some 15 since 2015. These include our R&D tax credits and entrepreneurs relief, on both of which I will say a few words later. In 2015, HMRC published an evaluation of R&D tax credits. In 2017, it commissioned an evaluation of entrepreneurs relief that led to a series of reforms, most recently the significant reduction of its lifetime at spring Budget 2020, which is legislated for in this Bill. The hon. Member for Aberdeen South (Stephen Flynn) picked up on the point about entrepreneurs relief, which he somehow regards as “the tail wagging the dog”. What he calls “the tail wagging the dog” other people would call consultation across Parliament and discussion with stakeholders. Since the measure resulted in a 90% reduction in the scope of the relief, I do not think he can claim that there is any lack of ambition in it.

HMRC will continue to monitor and evaluate reliefs and will bring forward a pipeline of further evaluations in due course. It will also consider a proposal to which I have already said I am quite sympathetic—I thank the hon. Member for Houghton and Sunderland South (Bridget Phillipson); we have discussed this before: a more systematic evaluation programme for reliefs. In the light of all this, the Government do not believe that the new clause is necessary.

New clause 2 would require the Chancellor of the Exchequer to review the impacts of the reduction in the lifetime of entrepreneurs relief that is being legislated for in this Bill within six months of Royal Assent, and specifically to review the impacts on business investment, employment and productivity in the constituent nations and English regions of the United Kingdom. I would first highlight to hon. Members that the Government have already conducted an internal review of this relief that built on the 2017 independent research commissioned by HMRC. That review considered the distributional effects and benefits of the relief against its cost in order to better understand the targeting of the relief. This, in turn, has been used to inform the reform that is being legislated for in this Bill. It ensures that the majority of entrepreneurs are unaffected. A lot of the concern about entrepreneurs relief historically has been that it is not well targeted, and this measure greatly improves the targeting. Unfortunately, the effects of the changes to the relief will not be visible in six months’ time, and for that reason I urge the House to reject new clause 2.

New clause 4 concerns the structures and buildings allowance. It would require the Chancellor to review the impacts of clause 30, which makes miscellaneous amendments to the SBA, within six months of the passing of the Finance Act. Specifically, it would require the Chancellor to review the impacts on business investment, employment, productivity and energy efficiency. Again, I reassure Members that both HMRC and the Treasury already monitor tax reliefs according to the level of risk that they are deemed to pose. It is in the nature of a structures and buildings allowance that it is configured to reflect the fact that it can take many years to erect new buildings. Claims under the SBA are ordinarily settled when businesses bring buildings into use and submit tax returns at year end. For that reason, it would be neither possible nor appropriate to try to draw conclusions on the productivity or energy efficiency impacts of these changes within such a short period.

New clause 17 would require the Government, within 12 months, to assess and report on the geographical effects of changes to business reliefs across a variety of areas. There is a concern, which I recognise, that there are geographical disparities that reflect the historical evolution of our economy in different areas. It is by no means a uniform picture, even outside London.

HMRC does not routinely require businesses to provide geographical information about where expenditure is incurred as part of claims for the R&D expenditure credit, structures and buildings allowance or intangible fixed assets. To do that, changes would be required that would create additional burdens on businesses. Those claiming the reliefs, of course, could only provide information after the year end. For that reason, it would not be possible for HMRC to have information within the 12 months stated in the amendment, even if the amendment were passed. It is not capable of being fulfilled.

1.30 pm

HMRC does, in fact, already publish annual statistics on many tax reliefs, including a detailed breakdown of R&D tax relief claims, that analyse both by region and by sector the number of claims and the amount of relief received. That said, this regional analysis is based on companies’ registered offices, not necessarily where

expenditure is incurred, and although HMRC will publish the next set of annual R&D relief statistics in the autumn, companies can claim R&D tax relief for up to two years after the end of their accounting period. For that reason, the 2020 release will only include claims up to 2018-19 and therefore will not include claims for the increased 13% rate.

As the House will know, the Government remain firmly committed to levelling up across the regions and nations of the UK, and the spring Budget provided a £1.14 billion increase to block grant for the devolved Administrations to spend on their own priorities, in addition to £2.7 billion invested in city deals, of which £800 million will support four deals in Wales alone, and a further £1.4 billion provided for 10 deals in Scotland. We fully recognise the importance of supporting regional and devolved Administration growth.

Finally, on the enterprise investment scheme, amendment 1 to clause 36, would require the Government to review the economic and geographical impact of the existing EIS. We considered this in Committee, of course, and I appreciate the intention of hon. Members to use the EIS more strategically, but it has been specifically designed to address a market failure for young innovative UK companies that seek to obtain patient equity finance in order to grow, and we would not wish to pull it away from that important national function. Companies that use the EIS can register wherever they please in the UK, and again the registered office does not need to be in the same place as where the bulk of the staff are employed.

With permission, Madam Deputy Speaker, I will spend another minute or two addressing the specific points. The hon. Member for Houghton and Sunderland South described the tax relief system as unwieldy. It is a view I would share. It is unwieldy. I think more work needs to be done. It has grown up over time. Certainly no one in government would regard the position as rosy. The House will know that we received many billions of pounds, including one just recently, in requests for VAT relief alone. Everyone seems to be terribly keen on improving tidying up reliefs, but they are also terribly keen on increasing the number of reliefs in their particular area or sector—for perfectly good, democratic reasons, we understand, but it does create a natural tension. As relief costs rise, of course, that is sometimes a very good thing—for example, with R&D expenditure credits, which we know support high value for money investment—but sometimes it might not be such a good thing.

I will just pick up on the point made by my hon. Friend the Member for Thirsk and Malton (Kevin Hollinrake)—[*Interruption.* ]—before he intervenes. He has jumped the gun a little bit on me, because we will be discussing new clause 22 in the next debate, so if he really wishes to land his point, he only has to hang around a little bit longer. I can give him a sneak preview, though, by saying that new clause 22 makes sure that people who have made investments under EIS or SEIS schemes do not lose reliefs on those investments. Recapitalisation is an important issue that the Government are closely attending to, and my hon. Friend is right to focus on it.

Finally, the hon. Member for Ceredigion (Ben Lake) made a point about the importance of greater equity investment in the regions. I very much agree with him.

**Kevin Hollinrake:** Will the Minister give way?

**Jesse Norman:** With permission, Madam Deputy Speaker, I will give way to my hon. Friend.

**Kevin Hollinrake:** I declare an interest as somebody who has benefited from entrepreneurs' relief in the past. Is the Minister considering extending the reduction in entrepreneurs' relief, which I support, to investors' relief, which currently stands at the same figure as entrepreneurs' relief used to stand at—£10 million?

**Jesse Norman:** If my hon. Friend is asking questions, he ought to stay for the next debate, because he is abusing the privilege of this debate. I thank him for his suggestion of a revenue-raising possibility for the Government; we take all those in great heart.

**Bridget Phillipson:** Could the Minister say a little more about the social investment tax relief? I am not aware that he responded on that point.

**Jesse Norman:** The hon. Lady is absolutely right. Let me address that. As she knows, the relief remains in place until next year. Even its doughtiest supporters would agree that so far it has not been anything like as effective as anyone would have liked or as had been projected or anticipated. Only £11.2 million has been raised under it in the period 2014 to 2018-19.

We are looking at it closely. As I mentioned in Committee, I am in discussions with leading figures across the social investment world about whether we can get some more visibility on the sources of funds that would use such a relief and the sources of projects that those funds would support. If we do not get that and we cannot have that in a slightly more concrete form, it looks like quite an empty request, but there may be other things that we can do to support social investment. As the hon. Lady knows, I have written a book on the big society. It is an area that I care deeply about, so I am happy to respond and I am grateful for her question.

**Bridget Phillipson:** We do not intend to divide the House on the new clause, but I will make a few brief points in response to what the Minister has said. I am glad that he shares our assessment that the current situation and system are unwieldy, and therefore we look forward to seeing real progress in that area. Frankly, it is not good enough that of those 362 tax reliefs, only 15 have had published evaluations since 2015, at a time when costs have risen.

During these extraordinary times, we need to see much more from the Government, not just on tackling tax avoidance, as we discussed at some length yesterday. There needs to be a renewed focus on taxpayer value for money, with greater opportunities for scrutiny of tax reliefs in this place and from external experts. Although we are not seeking to divide the House, I hope that we will see progress in that area. It is an issue to which we intend to return. I beg to ask leave to withdraw the motion.

*Clause, by leave, withdrawn.*

**Madam Deputy Speaker (Dame Rosie Winterton):** We will have a three-minute suspension.

1.37 pm

*Sitting suspended.*

## New Clause 19

### TAXATION OF CORONAVIRUS SUPPORT PAYMENTS

(1) Schedule (Taxation of coronavirus support payments) makes provision about the taxation of coronavirus support payments.

(2) In this section, and in that Schedule, “coronavirus support payment” means a payment made (whether before or after the passing of this Act) under any of the following schemes—

- (a) the coronavirus job retention scheme;
- (b) the self-employment income support scheme;
- (c) any other scheme that is the subject of a direction given under section 76 of the Coronavirus Act 2020 (functions of Her Majesty’s Revenue and Customs in relation to coronavirus or coronavirus disease);
- (d) the coronavirus statutory sick pay rebate scheme;
- (e) a coronavirus business support grant scheme;
- (f) any scheme specified or described in regulations made under this section by the Treasury.

(3) The Treasury may by regulations make provision about the application of Schedule (Taxation of coronavirus support payments) to a scheme falling within subsection (2)(c) to (f) (including provision modifying paragraph 8 of that Schedule so that it applies to payments made under a coronavirus business support grant scheme).

(4) Regulations under this section may make provision about coronavirus support payments made before (as well as after) the making of the regulations.

(5) In this section, and in that Schedule—

“coronavirus” and “coronavirus disease” have the meaning they have in the Coronavirus Act 2020 (see section 1 of that Act);

“coronavirus business support grant scheme” means any scheme (whether announced or operating before or after the passing of this Act), other than a scheme within subsection (2)(a) to (d), under which a public authority makes grants to businesses with the object of providing support to those businesses in connection with any effect or anticipated effect (direct or indirect) of coronavirus or coronavirus disease;

“the coronavirus job retention scheme” means the scheme (as it has effect from time to time) that is the subject of the direction given by the Treasury on 15 April 2020 under section 76 of the Coronavirus Act 2020;

“the coronavirus statutory sick pay rebate scheme” means the scheme (as it has effect from time to time) given effect to by the Statutory Sick Pay (Coronavirus) (Funding of Employers’ Liabilities) Regulations 2020 (S.I. 2020/512);

“employment-related scheme” means the coronavirus job retention scheme or the coronavirus statutory sick pay rebate scheme;

“the self-employment income support scheme” means the scheme (as it has effect from time to time) that is the subject of the direction given by the Treasury on 30 April 2020 under section 76 of the Coronavirus Act 2020.

(6) Examples of coronavirus business support grant schemes as at 24 June 2020 include—

- (a) the small business grant fund that is the subject of the guidance about that scheme and the retail, hospitality and leisure grant fund published by the Department for Business, Energy & Industrial Strategy on 1 April 2020;
- (b) the retail, hospitality and leisure grant fund that is the subject of that guidance;

(c) the local authority discretionary grants fund that is the subject of the guidance about that scheme published by the Department for Business, Energy & Industrial Strategy on 13 May 2020;

(d) the schemes corresponding to the small business grant fund, retail and hospitality grant fund and local authority discretionary grants fund in Scotland, Wales and Northern Ireland.”—(*Jesse Norman.*)

*This new clause introduces Schedule (Taxation of coronavirus support payments) and provides for definitions of the various coronavirus related support schemes to which it applies. It also allows for secondary legislation to specify further schemes to which the Schedule will apply, as well as to modify the effect of the Schedule in relation to particular schemes.*

*Brought up, and read the First time.*

1.40 pm

**Jesse Norman:** I beg to move, That the clause be read a Second time.

**Madam Deputy Speaker (Dame Rosie Winterton):** With this it will be convenient to discuss the following:

Government new clause 20—*Protected pension age of members re-employed as a result of coronavirus.*

Government new clause 21—*Modifications of the statutory residence test in connection with coronavirus.*

Government new clause 22—*Future Fund: EIS and SEIS relief.* Government new clause 23—*Interest on unpaid tax in case of disaster etc of national significance.*

Government new clause 24—*Exceptional circumstances preventing disposal of interest in three year period.*

Government new clause 25—*HGV road user levy.* Government new clause 32—*Enterprise management incentives: disqualifying events.* Government new schedule 1—*Taxation of coronavirus support payments.*

New clause 29—*Review of impact of Act on poverty—*

(1) The Chancellor of the Exchequer must conduct an assessment of the impact of this Act on poverty and lay this before the House of Commons within six months of Royal Assent.

(2) This assessment must consider—

- (a) the impact on absolute poverty,
- (b) the impact on relative poverty, and
- (c) whether such a study should in future be a regular duty of the Office for Budget Responsibility.’

*This new clause would require the Chancellor of the Exchequer to review the impact of the Bill on poverty and consider whether the OBR should conduct such assessments as a regular duty.*

New clause 10—*Impact of provisions of the Act on child poverty—*

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

(2) A review under this section must consider the impact on—

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

(3) In this section—

“parts of the United Kingdom” means—

- (a) England,
- (b) Scotland,
- (c) Wales, and



- (d) Northern Ireland;  
and “regions of England” has the same meaning as that used by the Office for National Statistics.’

*This new clause would require the Chancellor of the Exchequer to review the impact of the Bill on child poverty.*

**New clause 3—Review of changes to capital allowances—**

‘(1) The Chancellor of the Exchequer must review the effect of the changes to chargeable gains with respect to corporate capital losses in this Act in each part of the United Kingdom and each region of England and lay a report of that review before the House of Commons within two months of the passing of this Act.

(2) A review under this section must consider the effects of the changes on—

- (a) business investment
- (b) employment, and
- (c) productivity.

(3) A review under this section must consider the effects in the current and each of the subsequent four financial years.

(4) The review must also estimate the effects on the changes in the event of each of the following—

- (a) the UK leaves the EU withdrawal transition period without a negotiated comprehensive free trade agreement,
- (b) the UK leaves the EU withdrawal transition period with a negotiated agreement, and remains in the single market and customs union, or
- (c) the UK leaves the EU withdrawal transition period with a negotiated comprehensive free trade agreement, and does not remain in the single market and customs union.

(5) The review must also estimate the effects on the changes if the UK signs a free trade agreement with the United States.

(6) In this section—

“parts of the United Kingdom” means—

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

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

*This new clause requires a review of the impact on investment, employment and productivity of the changes to chargeable gains with respect to corporate capital losses over time; in the event of a free trade agreement with the USA; and in the event of leaving the EU without a trade agreement, with an agreement to retain single market and customs union membership, or with a trade agreement that does not include single market and customs union membership.*

**New clause 6—General anti-abuse rule: review of effect on tax revenues—**

‘(1) The Chancellor of the Exchequer must review the effects on tax revenues of section 99 and Schedule 14 and lay a report of that review before the House of Commons within six months of the passing of this Act.

(2) The review under sub-paragraph (1) must consider—

- (a) the expected change in corporation and income tax paid attributable to the provisions in this Schedule; and
- (b) an estimate of any change, attributable to the provisions in this Schedule, in the difference between the amount of tax required to be paid to the Commissioners and the amount paid.

(3) The review under subparagraph (2)(b) must consider taxes payable by the owners and employees of Scottish Limited Partnerships.’

*This new clause would require the Chancellor of the Exchequer to review the effect on public finances, and on reducing the tax gap, of Clause 99 and Schedule 14, and in particular on the taxes payable by owners and employees of Scottish Limited Partnerships.*

**New clause 7—Call-off stock arrangements: sectoral review of impact—**

‘(1) The Chancellor of the Exchequer must make an assessment of the impact of section 79 on the sectors listed in (2) below and lay a report of that assessment before the House of Commons within six months of the passing of this Act.

(2) The sectors to be assessed under (1) are—

- (a) leisure,
- (b) retail,
- (c) hospitality,
- (d) tourism,
- (e) financial services,
- (f) business services,
- (g) health/life/medical services,
- (h) haulage/logistics,
- (i) aviation,
- (j) transport,
- (k) professional sport,
- (l) oil and gas,
- (m) universities, and
- (n) fairs.’

*This new clause would require the Government to report on the effect of Clause 79 on a number of business sectors.*

**New clause 8—Review of effects on measures in Act of certain changes in migration levels—**

‘(1) The Chancellor of the Exchequer must review the effects on the provisions of this Act of migration in each of the scenarios in subsection (2) and lay a report of that review before the House of Commons within one month of the passing of this Act.

(2) Those scenarios are that—

- (a) the UK leaves the EU withdrawal transition period without a negotiated future trade agreement,
- (b) the UK leaves the EU withdrawal transition period following a negotiated future trade agreement, and remains in the single market and customs union, and
- (c) the UK leaves the EU withdrawal transition period following a negotiated trade agreement, and does not remain in the single market and customs union.

(3) In respect of each of those scenarios the review must consider separately the effects of—

- (a) migration by EU nationals, and
- (b) migration by non-EU nationals.

(4) In respect of each of those scenarios the review must consider separately the effects on the measures in each part of the United Kingdom and each region of England.

(5) In this section—

“parts of the United Kingdom” means—

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

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

*This new clause would require a Government review of the effects on measures in the Bill of certain changes in migration levels.*

**New clause 9—Review of effects on migration of measures in Act—**

‘(1) The Chancellor of the Exchequer must review the effects on migration of the provisions of this Act in each of the scenarios in subsection (2) and lay a report of that review before the House of Commons within one month of the passing of this Act.

(2) Those scenarios are that—

- (a) the UK leaves the EU withdrawal transition period without a negotiated future trade agreement

- (b) the UK leaves the EU withdrawal transition period following a negotiated future trade agreement, and remains in the single market and customs union, and
- (c) the UK leaves the EU withdrawal transition period following a negotiated trade agreement, and does not remain in the single market and customs union.

(3) In respect of each of those scenarios the review must consider separately the effects on—

- (a) migration by EU nationals, and
- (b) migration by non-EU nationals.

(4) In respect of each of those scenarios the review must consider separately the effects in each part of the United Kingdom and each region of England.

(5) In this section—

“parts of the United Kingdom” means—

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

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

*This new clause would require a Government review of the effects of the measures in the Bill on migration levels.*

**New clause 11—Assessment of equality impact of measures in Act—**

‘(1) The Chancellor of the Exchequer must lay before the House of Commons a report assessing the effects on equalities of the provisions of this Act within 12 months of the passing of this Act.

(2) The review must make a separate assessment with respect to each of the protected characteristics set out in section 4 of the Equality Act 2010.

(3) Each assessment under (2) must report separately on the effects in in each part of the United Kingdom and each region of England.

(4) In this section—

“parts of the United Kingdom” means—

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

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

*This new clause would require the Chancellor of the Exchequer to review the impact of the Bill on equalities.*

**New clause 15—Sectoral review of impact of Act—**

‘(1) The Chancellor of the Exchequer must make an assessment of the impact of this Act on the sectors listed in (2) below and lay a report of that assessment before the House of Commons within six months of Royal Assent.

(2) The sectors to be assessed under (1) are—

- (a) leisure,
- (b) retail,
- (c) hospitality,
- (d) tourism,
- (e) financial services,
- (f) business services,
- (g) health/life/medical services,
- (h) haulage/logistics,
- (i) aviation,
- (j) transport,
- (k) professional sport,
- (l) oil and gas,
- (m) universities, and
- (n) fairs.’

*This new clause would require the Government to report on the effect of the Bill on a number of business sectors.*

**New clause 16—Review of effect of Act on tax revenues—**

‘(1) The Chancellor of the Exchequer must review the effects on tax revenues of the Act and lay a report of that review before the House of Commons within six months of Royal Assent.

(2) The review under (1) must contain an estimate of any change attributable to the provisions in this Act in the difference between the amount of tax required to be paid to the Commissioners and the amount paid.

(3) The estimate under (2) must report separately on taxes payable by the owners and employees of Scottish Limited Partnerships.’

*This new clause would require the Chancellor of the Exchequer to review the effect on public finances, and on reducing the tax gap, of the Bill; and in particular on the taxes payable by owners and employees of Scottish Limited Partnerships.*

**New clause 30—Review of rates of air passenger duty—**

‘(1) The provisions of section 88 shall not come into effect until the Treasury has carried out and published a review of the likely effect of changes to rates of air passenger duty on the aviation sector.

(2) The review must take into account the effects of Covid-19 on the sector.

(3) The review must be published no later than 1 October 2020.’

*This new clause would require that the changes to APD in clause 88 not come into force until a review of the effect of changes to APD has been published by the Treasury.*

**Amendment 2, in clause 80, page 68, line 2, at end insert—**

‘(3) The Chancellor of the Exchequer must review the expected effects on public health of the changes made to the Alcoholic Liquor Duties Act 1979 by this Section and lay a report of that review before the House of Commons within one year of the passing of this Act.’

*This amendment would require the Government to review the impact of the proposed changes to alcohol liquor duties on public health.*

**Amendment 3, in clause 81, page 68, line 21, at end insert—**

‘(3) The Chancellor of the Exchequer must review the expected effects on public health of the changes made to the TPDA 1979 by this Section and lay a report of that review before the House of Commons within one year of the passing of this Act.’

*This amendment would require the Government to review the expected impact of the revised rates of duty on tobacco products on public health.*

**Amendment 4, in clause 86, page 73, line 20, after “supplies” insert “, including human breastmilk”**

*This amendment would ensure that vehicles carrying human breastmilk would benefit from the exemption from Vehicle Excise Duty.*

**Amendment 5, page 77, line 10, leave out Clause 95**

**Amendment 6, in clause 95, page 77, line 14, at end insert—**

‘(2) The Government must lay before the House of Commons by 9 September 2020 a statement of the conditions under which it would consider it appropriate to vary rates of import duty under this Section.’

*This amendment would require the Government to state the conditions under which it would consider it appropriate to vary rates of import duty in an international trade dispute.*

**Amendment 7, page 77, line 14, at end insert—**

‘(2) No regulations under this section may be made unless a draft has been laid before and approved by a resolution of the House of Commons.’

*This amendment would require the Government to seek the approval of the House before making regulations varying rates of import duty in an international trade dispute.*

Amendment 8, page 77, line 14, at end insert—

‘(2) The Chancellor of the Exchequer must, no later than a month before any exercise of the power in subsection (1), lay before the House of Commons a report containing the following—

- (a) an assessment of the fiscal and economic effects of the exercise of the powers in subsection (1);
- (b) a comparison of those fiscal and economic effects with the effects of the UK being within the EU Customs Union;
- (c) an assessment any differences in the exercise of those powers in respect of—
  - (i) England,
  - (ii) Scotland,
  - (iii) Wales, and
  - (iv) Northern Ireland; and
- (d) an assessment of any differential effects in relation to the matters specified in paragraphs (a) and (b) between—
  - (i) England,
  - (ii) Scotland,
  - (iii) Wales, and
  - (iv) Northern Ireland.’

*This would require a review of the economic and fiscal impact of the use of the powers in clause 95 including comparing those effects with EU Customs Union membership.*

Amendment 9, in clause 96, page 77, line 26, after “tax” insert

‘which is due at the relevant date from the debtor and which became due in the 12 months immediately preceding that date, and/’

*This amendment seeks to limit the extent of HMRC’s status as a preferential creditor in insolvencies by preventing the policy from being applied retrospectively and by limiting that preference to only those taxes which became due in the 12 months before the relevant date as given in the Bill (1st December 2020).*

Amendment 10, page 77, line 27, after “deduction”, insert

‘from a payment made by the debtor in the period of 12 months immediately preceding the relevant date.’

*This amendment seeks to limit the extent of HMRC’s status as a preferential creditor in insolvencies by preventing the policy from being applied retrospectively and by limiting that preference to only those taxes which became due in the 12 months before the relevant date as given in the Bill (1st December 2020).*

Amendment 11, page 78, line 11, after “tax”, insert

‘which is due at the relevant date from the debtor and which became due in the 12 months immediately preceding that date, and/’

*This amendment seeks to limit the extent of HMRC’s status as a preferential creditor in insolvencies by preventing the policy from being applied retrospectively and by limiting that preference to only those taxes which became due in the 12 months before the relevant date as given in the Bill (1st December 2020).*

Amendment 12, page 78, line 12, after “deduction”, insert

‘from a payment made by the debtor in the period of 12 months immediately preceding the relevant date.’

*This amendment seeks to limit the extent of HMRC’s status as a preferential creditor in insolvencies by preventing the policy from being applied retrospectively and by limiting that preference to only those taxes which became due in the 12 months before the relevant date as given in the Bill (1st December 2020).*

Amendment 13, page 78, line 35, after “tax”, insert

‘which is due at the relevant date from the debtor and which became due in the 12 months immediately preceding that date, and/’

*This amendment seeks to limit the extent of HMRC’s status as a preferential creditor in insolvencies by preventing the policy from being applied retrospectively and by limiting that preference to only those taxes which became due in the 12 months before the relevant date as given in the Bill (1st December 2020).*

Amendment 14, page 78, line 36, after “deduction”, insert

‘from a payment made by the debtor in the period of 12 months immediately preceding the relevant date.’

*This amendment seeks to limit the extent of HMRC’s status as a preferential creditor in insolvencies by preventing the policy from being applied retrospectively and by limiting that preference to only those taxes which became due in the 12 months before the relevant date as given in the Bill (1st December 2020).*

Amendment 15, page 79, line 10, at end insert—

‘(8) The amendments made by this section do not apply to any debt secured by a floating charge in respect of monies were advanced to the debtor before 1 December 2020.’

*This amendment seeks to limit the extent of HMRC’s status as a preferential creditor in insolvencies by preventing the policy from being applied retrospectively and by limiting that preference to only those taxes which became due in the 12 months before the relevant date as given in the Bill (1st December 2020).*

**Jesse Norman:** The Government have tabled eight new clauses to the Bill, the majority of which are in response to the covid-19 pandemic. I would like to start by offering Members an explanation for why these new clauses are being brought forward on Report. The Government have been working very hard to combat the pandemic, as the House will know, and these measures are just a small part of a much more extensive and wide-ranging response. I am sure that colleagues across the House will appreciate that Ministers and civil servants have been working in extraordinary circumstances in the past three months. As I often do, I again pay great tribute to officials at the Treasury and Her Majesty’s Revenue and Customs. Without their work, it would not have been possible to deliver many, if any, of these aspects of this extremely comprehensive response, let alone in such a rapid timeframe as, for example, with the coronavirus job retention scheme.

We have brought forward these new clauses at the earliest possible opportunity, and for technical reasons, it is on Report. We have also been slightly limited by the fact that to table each new clause requires a new Ways and Means resolution to be agreed by the House. Report was the first amendable stage of the Bill to take place after the Government had been able to agree the necessary Ways and Means resolution on the Floor of the House. I hope the House will agree that there is a clear need for each of these new clauses to stand part of the Bill.

I will touch on each new clause briefly. New clause 19 seeks to do two things. First, it confirms that grants made under covid-related schemes—for example, the furlough scheme, the self-employment scheme, the small business grant fund, the retail, hospitality and leisure grant fund, the local authority discretionary grant fund and schemes corresponding to those grants within the devolved Administrations—are subject to tax. The new clause also includes a delegated power to add or remove further grant schemes through a statutory instrument, which provides sensible flexibility, so that the Government can continue to support the economy in their response to the pandemic.

The second part of the new clause ensures that HMRC has appropriate and proportionate compliance and enforcement powers in relation to the furlough scheme and the self-employment income support scheme. To ensure that taxpayer money is going only to those who are eligible, the new clause gives HMRC powers to recover overpayments and to impose penalties where

[*Jesse Norman*]

there is deliberate non-compliance. HMRC has given a clear undertaking that these powers will not be used to penalise taxpayers who may be going through difficult times but make honest mistakes in their applications. As previously stated, the powers are designed to be proportionate, and they balance the fact that we are in unprecedented and uncertain times with the need to ensure that HMRC has sufficient powers to enforce the schemes according to eligibility criteria set out and to protect the Exchequer.

New clause 20 seeks to mitigate potential pensions impacts for those with a protected pension age returning to work to help in the battle against the pandemic. Its purpose is to provide certainty for those people by temporarily suspending rules that would otherwise see the pension income of recently retired people reduced if they were to return to work in crucial workforces at this important time. These retirees have been and will remain critical to the Government's response to covid, and this new clause temporarily removes restrictions that might impede a flexible response.

New clause 21 temporarily relaxes the statutory residence test so that highly-skilled individuals from across the world are not discouraged from coming to the UK and helping this country to respond to the unprecedented health emergency. The actions and presence of normally non-resident individuals in the UK could have inadvertently affected their tax residence status. The measure is to be restricted, however, to ensure that it applies only between 1 March and 1 June 2020 for time spent in the UK by individuals who worked specifically on coronavirus disease-related activities in specified sectors. That time will not count towards the residence test.

1.45 pm

I turn to new clause 22, much loved by my hon. Friend the Member for Thirsk and Malton (Kevin Hollinrake), who is not in his place. It modifies the current enterprise investment scheme and seed enterprise investment scheme so that individuals who made EIS and SEIS investments before a future fund investment in the same company will not lose relief on those previous investments when the future fund loan converts into shares or is repaid. As the House will know, those schemes were intended to encourage investment in smaller, higher-risk trading companies by offering tax reliefs to individual investors who subscribe for new shares in qualifying companies. The Government announced the future fund as part of its business package in response to covid-19. Current EIS and SEIS legislation means that some future fund investors who have used those schemes for previous investments in the same company might lose their reliefs, depending on how and when the loan converts. The new clause intends to ensure that those investors do not lose that relief as a result of investing in the future fund to support innovative UK companies that may have difficulty raising finance during this period.

**Matt Rodda** (Reading East) (Lab): May I press the Minister on innovative companies getting a lack of support from HMRC? I have come across a case in my constituency where a very innovative British company appears to have had a lack of support from the agency. Would he look into that for me?

**Jesse Norman:** I am grateful to the hon. Gentleman for his question. As the House will be aware, HMRC is often responsive and generally extremely responsive to such issues. I will happily look at any correspondence he wants to send me, and I will ensure that there is a properly engaged response to the extent that my limited powers over HMRC permit me. I hope that will be effective.

New clause 23 enables the Treasury to specify in an order made under section 135 of the Finance Act 2008 which payments of tax and other liabilities will not attract late payment interest or surcharge as a result of being deferred by agreement during a period of national disaster or emergency. It also enables the Treasury to set specific relief periods for different deferred taxes or liabilities. As the House will know, the Government have announced an unprecedented package of economic support for businesses and individuals affected by covid. The new clause ensures that late payment interest that would normally accrue automatically where tax is paid late does not apply, supporting taxpayers further and in ways in which I am sure the whole House will support. The payment deferral for VAT that we have announced provides taxpayers with a much-needed cash flow boost. HMRC is using its existing powers as set out in the Commissioners for Revenue and Customs Act 2005 to defer those payments of tax.

New clause 24 allows a refund of the additional 3% higher rate of stamp duty where exceptional circumstances prevented the sale of the previous main residence in the three-year window within which a sale must ordinarily take place. The new clause applies to those whose refund window ended on or after 1 January 2020. It is to ensure that responsible actions taken by people do not lead to negative tax implications and that those who would otherwise have received a stamp duty land tax refund are still able to receive it, despite the pandemic.

New clause 25 suspends the heavy goods vehicle road user levy for a period of 12 months, cutting fixed operational costs to the logistics and haulage industries as the economy begins to recover from the pandemic. These industries support many other industries, and temporarily easing their financial burden will support the haulage sector, reducing fixed costs as the economy recovers over time.

I turn finally to new clause 32, which makes minor changes to the existing enterprise management incentives legislation, introducing a time-limited exception to the disqualifying event rule so that EMI option holders who can no longer meet the EMI working time requirement due only to the pandemic are not forced to forfeit their options or to exercise them earlier than planned. This has the effect of protecting employees furloughed under the coronavirus job retention scheme or who have taken unpaid leave and had their working hours reduced. The measure means that affected employees will not forfeit their options or be forced to exercise them within the statutory 90 days normally required.

Since the point of EMI schemes is to help high-growth small and medium-sized enterprises recruit and retain skilled employees by giving them tax-advantaged share options, I am sure the House will understand that the measure supports a very important sector that is also likely to be important to our recovery. The changes will be effective from 19 March to ensure that employees who were furloughed or had to reduce their hours do

not lose out. I hope the House will accept the need for the new clauses in these highly uncertain and unusual times. I commend them to the House.

**Wes Streeting (Ilford North) (Lab):** I thank the Financial Secretary for making the case for the Government's new clauses this afternoon. Throughout the coronavirus pandemic, the Labour party has made clear as the official Opposition that we seek to work constructively with the Government in response to this unprecedented public health crisis which, as we have seen, has brought about an economic crisis to follow it. In that spirit, and to ensure the smooth passage of legislation, we have helped to expedite the progressive measures taken by the Government, and this afternoon will be no exception.

I wish to speak to new clause 29, which has been tabled in the name of my hon. Friend the Member for Oxford East (Anneliese Dodds), the shadow Chancellor, and other hon. and right hon. colleagues. Yesterday afternoon, I addressed the Government's poverty of ambition on climate change. This afternoon, I want to address their poverty of ambition on tackling poverty itself.

The Conservative party has now been in government either alone or in coalition for a decade. Over the past 10 years, their record on poverty in this country and on tackling poverty in this country has been absolutely lamentable. According to the Government's own Social Mobility Commission, 600,000 more children are now living in relative poverty than in 2012, and that is projected to increase further due to benefit changes and the obvious economic impact of covid-19. As of 20 February this year, some 14 million people were in poverty, according to the Joseph Rowntree Foundation, including 2 million pensioners and 4 million children. We know that the impacts of poverty are felt disproportionately among different communities. Children from black and minority ethnic groups, for example, are more likely to be in poverty, with 45% of BAME children living in poverty, as compared with 26% of children in white British families.

We believe that the Government are failing on something that should be the most basic of priorities for any Government. That is not just our view as the Opposition party; the Government's own Social Mobility Commission has said:

"The government should be more proactive in addressing poverty overall."

It is worth bearing in mind that behind every statistic is a child, and 30 years ago I was one of those children in the child poverty statistics, growing up on a council estate in London's east end, sandwiched between the bright lights of the City of London and the glistening lights of what was then the blossoming London Docklands Development Corporation land, which has become Canary Wharf. Today, they are two global financial centres at the centre of our global city. In between is a vista of poverty that was bad then and remains bad now.

One of the things I find most frustrating about the experience I had growing up in a council flat in the east end in the 1980s is that I look back, and I think about the conditions of the council flat I lived in and the embarrassment of not wanting to bring friends home from school because the conditions were not ones that we were proud of. It was a source of shame and embarrassment. I think about the experience of relying

on free school meals, and the stigma that arises from having to collect a dinner ticket while other children go and pay for their food quickly—and get the best food, I hasten to add, while handing over their cash. I think about the difficulties my mum had as a single mum, balancing the challenge of bringing up a child while relying on the benefits system, and having to make compromises in choosing how she spent the family budget: the choice between putting food in the fridge or some extra money in the electricity meter.

One of the things that makes me most angry is that, when I think about my experience, which I thought was bad in the 1980s, and compare it with that of children growing up in the same circumstances today, as seen in my own constituency casework, things have got worse for children in the decades following my childhood, when things ought to be getting better. Whereas I had the stability of a council flat—albeit not a nice one—and a roof over my head, children in my constituency today, and no doubt in those of so many others across the Chamber, are growing up in temporary bed-and-breakfast accommodation, being moved from pillar to post and living in substandard accommodation, with disruptive consequences for their education and their schooling, and the inability for them to form lasting friendships and for their families to build supportive networks and family relationships.

When I think about the enormous strides that were made, particularly by the last Labour Government, in tackling educational disadvantage, I think it is outrageous that, in this country in the 21st century, children still today arrive at school at the age of five with their life chances already limited and in many cases predetermined, because we failed to get early years right. Sure Start centres have closed, and the support for families is no longer there. As a result, children arrive at school, at five, less prepared than their peers from more affluent backgrounds. It makes me angry that, for all the difference made to my education through programmes under the last Labour Government and the impact they have had on children since—the London Challenge and Excellence in Cities—today children are leaving school at 16 at a time when the attainment gap between children from the most advantaged backgrounds and the least advantaged backgrounds is actually widening, and where the further education system in which many working-class young people go on to study has been described by the Government's own Social Mobility Commission as "undervalued and underfunded". This is at a time when the changing nature of our economy and the changing nature of the world of work make post-16 adult education delivered in further education settings more important, not less. We should be making progress, but we are in reverse gear.

**Matt Rodda:** My hon. Friend is making an extremely powerful speech, which focuses us, as we should be, on this vital issue. Does he agree with me that a central part of the problem many families face is that the costs of food and of rent have risen so dramatically, with the impossibility of being able to afford a home? In my constituency in Reading, it is very difficult for many people to get on to the housing ladder. Many young professionals and young families are crammed into flats, which are hugely expensive. They are also suffering

[*Matt Rodda*]

huge problems with the high cost of food. Does he agree with me that this is a very significant part of the problem?

**Wes Streeting:** I strongly agree with my hon. Friend, and that brings me neatly on to the next point I was about to make about employment conditions in our country. For my mum, as a single mum, it was difficult to hold down a steady, stable job and often she was reliant on temporary, casual, low-paid work to help make ends meet. Looking at the picture in the labour market—and this was pre-pandemic—even in households where one or both parents are working, children are still growing up in poverty. As my hon. Friend said, over the last decade we have seen the bills going up, but the wages failing to follow.

We have also seen labour market conditions that mean that, even when people are doing the right thing, as the vast majority of people want to do—going out to work, often with two, three or even four jobs in a week, and working all the hours God sends to try to make ends meet—they are still unable to make ends meet. It should never be the case, especially in a country with the wealth and opportunity available here, that when someone goes to work and puts in a full week's work, at the end of the day they still do not have enough to make ends meet. Things are likely to become even more challenging in the wake of the economic fallout from coronavirus. Unemployment statistics from recent months have been not only jaw dropping but unprecedented, and the pace at which our economy has collapsed as a result of the necessary shutdown has been astonishing. I welcome and recognise the steps that the Chancellor has taken to try to protect people's incomes, but unless he goes further than he has already announced, many people will face greater poverty and hardship later this year.

2 pm

Against that bleak backdrop, I would expect any reasonable Prime Minister with the right priorities, or any Prime Minister with their heart in the right place, or the faintest understanding of what life is like for most people in this country, to make tackling poverty a top priority. This Prime Minister, however, does not even know in which direction the poverty numbers are going. I do not expect him to have instant recall of month-by-month poverty data, although if I were Prime Minister I would ensure that those numbers were on a dashboard that I looked at every morning, but he did not even know that on his watch, and that of his predecessors, child poverty in this country has been rising. I think that is negligent, but having followed him closely during his time as Mayor of London, his lack of attention to detail, and lack of grip on Government, does not come as a surprise.

That brings me to our Chancellor, who many people believe to be a more impressive political figure and leader than the Prime Minister—that is certainly the talk of the Tories in the Tea Room. It remains to be seen, however, whether this Chancellor, who says that he will do whatever it takes to get the country through the pandemic, is also prepared to do whatever it takes to tackle poverty in our country. We know it can be done; we know the difference that political leadership

can make. We know what happens when a Prime Minister wakes up every day and thinks, “What can I do today to make the country a fairer, more equal and just society?”, because we saw that under the previous Labour Government.

In 1999, Tony Blair promised to end child poverty within a generation, and the Government set ambitious targets to halve child poverty by 2010, and eliminate it by 2020. When that Labour Government left office, they left to the Conservative-led Government who followed an inheritance and track record that put them on course to achieve that target. The year 2020 will be remembered in the history books as the year of the covid-19 pandemic, but it should also be remembered as the year when this country, one of the richest in the world, ought to have achieved its target to end child poverty.

**Jesse Norman:** the hon. Gentleman is making a powerful speech, but he did not say whether the Blair Government hit their target of halving child poverty by 2010. Did they or not?

**Wes Streeting:** I am delighted that the Minister asked that question, because I am about to lay out, in full, the record of the previous Labour Government. According to the London School of Economics and its Centre for Analysis of Social Exclusion, by the end of the new Labour Government's period in office, child poverty and pensioner poverty had fallen considerably, in circumstances where child poverty would have risen without those reforms, and pensioner poverty would have fallen less far. In terms of absolute poverty, child poverty fell by more than 2 million from 1997-98 to 2009-10, and pensioner poverty fell by almost 3 million in the same period. In terms of relative poverty, child poverty fell by 800,000 between 1997-98 and 2009-10, and the number of pensioners in relative poverty fell by more than 1 million in the same period.

That Labour Government oversaw an £18 billion annual increase in spending on social security for families with children, as well as an £11 billion rise in payments for pensioners by 2010. Those rises were supported by other anti-poverty policies, including Sure Start, the national minimum wage, increased childcare support, and increases in education spending, which rose from £56 billion in 1996-97, to £103 billion in 2009-10—a real-terms increase of 83%. The last Labour Government pretty much eradicated homelessness and made ending insecure housing a priority, reducing the number of households in priority need of housing from 135,000 in 2003-04 to just 40,000 in 2009. They pursued the decent homes standard to boot, ensuring that children were growing up in far better conditions than I did. That is a record to be proud of—a record of a Government who got their priorities right.

It took a celebrity footballer to get this Government to do the right thing on something as basic as ensuring that children who would otherwise have gone hungry were fed this summer. It is not just that the Government do not have their head in the right place; they do not have their heart in the right place either. Unfortunately, we cannot rely on Marcus Rashford being on speed dial to get the Prime Minister to do the right thing on every occasion, and we cannot rely on the Chancellor to do the right thing on every occasion either. That is why it is important, as we have laid out in new clause 29, that we ensure that what counts is what is measured.

New clause 29 would require the Chancellor to conduct a review of the impact of this Bill—no doubt, very soon, this Act—on poverty in the United Kingdom. As with the Government’s environmental ambitions, I doubt that this Bill will move the dial on poverty much, if at all.

The Government’s own Social Mobility Commission has asked for the Office for Budget Responsibility to conduct assessments of all the fiscal statements that it usually does, but this time to look at child poverty and anti-poverty measures in particular. I urge Ministers to look carefully at this issue again. We raised it in Committee and were not successful in persuading the Minister of the case then, but I hope that we can persuade him of the case now. If Treasury Ministers and officials know that the OBR will be looking at those numbers in the same way that it does the other numbers in its assessments of Government fiscal events, perhaps it will concentrate the minds of people in the Treasury to get their priorities right.

Next week, the Chancellor will be coming before the House to deliver an economic update. After the Prime Minister’s statement this week, I think he needs to do a lot better than his apparent boss did when making a speech that was trailed as a new deal. It was not a new deal. Its ambitions were modest and much of the content was re-announcement. It certainly was not a green new deal. Perhaps when the Chancellor here next week, he can do the opposite of the Prime Minister. The Prime Minister over-promised and under-delivered. Given the way in which the economic update has been trailed, perhaps the Chancellor can under-promise and over-deliver next week, because he has a golden opportunity in the wake of this crisis to think seriously and substantially about the way in which our economy works and whose interests it serves.

I hope that when he comes forward next week, he does so with the full Budget that the shadow Chancellor has called for—a back-to-work Budget that is focused on jobs, jobs, jobs, that can actually tackle the gross inequalities and injustices of our society, and that puts us back on track to eradicate child poverty within a generation and to eradicate poverty for everyone because, for all the challenges of the last decade and all the challenges that we are living through now, this remains one of the wealthiest countries in the world.

This also happens to be a great country that is full of opportunities for so many people—in education, industry, arts, science and imagination—but those opportunities are not available to everyone. That should keep Ministers awake at night. It keeps me awake at night. But having listened to our Prime Minister only weeks ago in this Chamber, when it comes to tackling child poverty in this country, I do wonder whether his heart is really in it at all.

**Sir Graham Brady** (Altrincham and Sale West) (Con): I am grateful for the opportunity to speak to new clause 30, which stands in my name, that of my right hon. Friend the Member for Maidenhead (Mrs May) and of a former aviation Minister, as well as of other Members who understand the crucial role of the aviation sector in bringing a very large amount of employment and prosperity to our constituents—in my case I represent an area immediately adjacent to Manchester airport, and my right hon. Friend has many constituents who

work at Heathrow airport—and the wider impact of the aviation sector on the British economy and the way it drives growth and opportunity in our country.

The deficiencies of air passenger duty are well known, and this is an argument that has gone on for many years. It was introduced originally under the guise of being an environmental duty or tax. In fact, it has simply been a way of driving revenue. It is, by now, the highest tax of its sort anywhere in the world. In normal times, it is a drag on the development of new routes and connections around the world and a particular problem for regional airports, which find it harder to establish those new, especially long haul routes. Crucially, air passenger duty takes no account whatever of emissions or the environmental impact of an aircraft, a class of aircraft or a flight.

New clause 30 seeks to ensure that a review should be held—and held quickly, to be published within three months, by 1 October—of the likely effect of changes in air passenger duty rates on the aviation sector. The Bill as it stands only provides the capacity for Ministers to increase rates of air passenger duty, but it is critical that we look wider than that at the possible benefits that could come from reductions or a suspension. That is particularly important, of course, in the context of the covid-19 pandemic and the Government’s response to it.

The House will know that the aviation sector, along with hospitality and leisure, is among the hardest hit sectors of all. The effect on aviation has been exacerbated by Foreign Office guidance, which still advises against all but essential overseas travel, and in the past few weeks or so by the implementation of a blanket quarantine proposal, a policy which I hope will come to an end in the very near future with the announcement of a large list of so-called air bridges, which I think the industry expects might take place tomorrow.

The effect over the last few months of both the pandemic itself and policy in relation to the pandemic has been chilling for the aviation sector. The House is well aware of the very large number of jobs that have already been lost in the aviation sector in recent weeks and months, and there is little doubt it will take a long time for aviation to come back to the state of health that it previously enjoyed. While this is by way of a probing new clause, I say to the Minister on the Treasury Bench that the real purpose of it perhaps is simply to flag the importance of this issue prior to the fiscal event or the statement that will be made next week by the Chancellor. I am sure the Minister is well aware of the principle set out by Colbert, who said:

“The art of taxation consists in so plucking the goose as to obtain the largest possible amount of feathers with the smallest possible amount of hissing.”

The danger at the moment is that far from being an easy source of revenue for Government, air passenger duty, if it remains unreformed in the coming weeks and months, risks killing the goose rather than allowing the Government to extract the feathers.

I hope that the Chancellor will, before his statement, look seriously at the case for a temporary reduction or suspension of air passenger duty to assist the aviation sector to get back to where it should be. This is an opportunity to see the wider economic benefits that could come by achieving greater connectivity for our

[*Sir Graham Brady*]

aviation sector, and particularly for regional airports. It would also be an opportunity to look at whether at the end of such a period of suspension an improved regime might be introduced that seeks to reward more sustainable aviation rather than simply to extract revenue for each passenger who flies.

2.15 pm

As I draw my remarks to a close, I think of the Prime Minister's speech earlier in the week, in which he flagged up the importance of more sustainable aviation and the Government's drive to make sure that Britain develops the first long-haul carbon-neutral passenger aircraft. This should be an opportunity for the Government to look at a new type of air passenger duty or a new way of taxing the sector that actually rewards and encourages better performance in environmental terms—lower emissions—and therefore helps to power investment in technological advances of that sort.

I will not press new clause 32 to a vote, but I hope that Ministers will take the case seriously and bring forward proposals next week in the Chancellor's statement.

**Alison Thewliss** (Glasgow Central) (SNP): The unprecedented support that the UK Government have given to business during this crisis has been welcomed, but we feel we need a bolder and more radical approach to ensure that the recovery helps to deliver a fairer, more resilient economy, with wellbeing at its core.

Across the parties and nations of the UK, everybody's aim in this crisis was principally to save lives, but we now face the difficult task of rebuilding the economy after the unprecedented suspension of economic activity over the past few months. There is no doubt that we will have divergent ideas as to how to achieve this, but my colleagues in the Scottish Government and on the SNP Benches here have worked as constructively as we can to produce a clear strategy for the future of Scotland's economy. That strategy is important, because it is not good enough just to lurch from crisis to crisis. I have now been in Parliament for five years, with two elections in between, three Prime Ministers, and now a pandemic and a likely no-deal exit from the EU at the end of year. We have seen a vacuum of economic strategy from successive Conservative Governments; it is time for this Government to recognise the unique circumstances in which we find ourselves.

We need to rebuild and grow our economy, and we need a vision for what we want that to look like. This crisis has clearly deepened existing inequalities. We have to seize the opportunity to build a new kind of economy that tackles poverty and inequality at its root. Research from the New Economics Foundation has found that only 6% of the public want a return to the pre-pandemic economy. The SNP's new clause 10 would hold the Government to account on tackling child poverty and require the Chancellor to review the impact of the Bill, because we want to ensure that the inequalities that have widened as a result of this crisis do not continue to widen. We support Labour's new clause 10, which complements our clause.

Unfortunately, we cannot trust the UK Government to deliver on tackling inequality on their own. In the past couple of weeks, we have seen an intention to

return to the punitive regime of benefit sanctions that has caused so many families misery and hardship. How are people supposed to go out to work when they may be shielding, when they may have children at home and when they may put their families at risk by going out to work? It is really quite impossible. I do not know how the Government expect people to do that. They should definitely urgently rethink the proposals on benefit sanctions.

We have seen the Government providing free school meals for children in England only after being shamed into a U-turn Marcus Rashford, and we have seen a Prime Minister more concerned about a £900 million paint job on a plane than supporting families. That gives a real indication of this Government's priorities. The Scottish Government have taken child poverty incredibly seriously. They have set in statute their commitment—[*Interruption.*] They are grumbling on the Government Benches; if they would like to tell me why spending £900 million on a plane is more important than—

**Mark Jenkinson** (Workington) (Con): It is £900,000.

**Alison Thewliss:** If Government Members want to tell me why spending £900,000 on a plane is more important than feeding children—[*Interruption.*] All of it is too much. All of it is unnecessary; when there are children in my constituency and constituencies throughout the country not having food to put on the table, money spent on redecorating a plane is a shame that should stain this Government.

As I was saying, the Scottish Government have taken child poverty incredibly seriously. They have set in statute the commitment to eradicate child poverty by 2030, with concrete action in the child poverty delivery plan backed by the £50 million tackling child poverty fund. Child poverty in Scotland had fallen, but it has been on the rise since the Conservatives took over in 2010. Research from the Joseph Rowntree Foundation directly attributes this rise to welfare policy. In addition, the policies outwith the control of the Scottish Government, such as no recourse to public funds, cause significant poverty among people who are working. Constituents come to my office who cannot put food on the table for their children and who are struggling to pay their bills. Some have come to my office several years in a row to apply for the Christmas presents fund that is run in Glasgow, because even though they are working, they are not entitled to the benefits that their neighbours get; two children may sit next to one another in the classroom but one will go without because one family has no recourse to public funds. The Government must rethink this, because we have seen through the coronavirus crisis that people with no recourse to public funds find it more difficult to support themselves through this time.

**Wes Streeting:** The hon. Lady is right to say that so much of the responsibility and blame for what is happening in Scotland rests on the shoulders of the decisions taken here by the Conservative Government in Westminster, but I cannot resist asking her: given that between 1999 and 2007 Labour was in government in Holyrood and Westminster, are the people of Scotland not better served when there is a Labour Government here and a Labour Government there?



**Alison Thewliss:** The hon. Gentleman seems to think that Scotland just hangs about and waits for a Labour Government, and everything is going to be fine. We would rather have Scotland's powers in our hands than have one hand tied behind our back in this Union. So we are stuck with the policies that this Government and Parliament propose, which the people of Scotland, in many cases, have not voted for and do not want.

It is difficult to assess the impact that no recourse to public funds has on poverty in constituencies across the UK. I asked for a breakdown by constituency of the number of people with no recourse to public funds, but the Government said that that information could not be provided to me. So I cannot tell how many people in my constituency have no recourse to public funds and are struggling. It falls to the Scottish Government to try to fix some of these problems, because as soon as anything is proposed to get around no recourse to public funds, the UK Government shut it down and say it cannot happen. The Scottish Government therefore have an anti-destitution strategy for no recourse to public funds, to take a degree of responsibility for the serious situation many people face—these are our people and we want to try to help them. When that strategy comes forward, I call on the UK Government not to stand in the way of trying to support people in society who need help.

Academic research has shown that the single most effective policy to reduce child poverty in Scotland would be for universal credit payments to be increased, and the Scottish Government are using the powers we have to invest in the new Scottish child payment, which will lift 30,000 children out of poverty. With UC applications more than doubling since this time last year, we badly need sustained investment in the welfare system from the UK Government, and it is disappointing that the Prime Minister has failed to rule out a return to austerity. The UK Government's welfare cuts are estimated to reduce social security spending in Scotland by up to £3.7 billion in 2020-21. The Scottish Government are spending more than £100 million a year to mitigate the worst of those, including by mitigating against the bedroom tax. However, as Professor Alston, the United Nations special rapporteur on extreme poverty and human rights, wrote in his report on poverty in the UK:

“Devolved administrations have tried to mitigate the worst impacts of austerity, despite experiencing significant reductions in block grant funding and constitutional limits on their ability to raise revenue. Scotland and Northern Ireland each report spending some £125 million per year to protect people from the worst impacts of austerity and, unlike the United Kingdom Government, the three devolved administrations all provide welfare funds for emergencies and hardships.

But mitigation comes at a price, and is not sustainable. The Scottish Government said it had reached the limit of what it can afford to mitigate, because every pound spent on offsetting cuts means reducing vital services.”

Professor Alston was absolutely right in that assessment.

We cannot, in any circumstances, return to the austerity of the past. The welfare state and public services have been devastated in the past 10 years, leaving our economy vulnerable. Unfortunately, we still do not know if or when a second wave of covid-19 might happen, so we must use this opportunity to build resilience, if possible. We can allow a more flexible labour market response by increasing the generosity of universal credit, which will give people the financial headroom to gain new skills to meet the changing demands of the economy.

The Chancellor said that he would do whatever it takes to protect jobs, after a recent Treasury Committee report revealed that more than 1 million people have fallen through the gaps in support schemes. At this critical stage, it is vital that the Treasury strengthens and extends the schemes to ensure a strong economic recovery from the crisis. It is extremely concerning that the Government are pushing ahead with plans to wind down support schemes, and in particular that new clause 19 will designate grants to help businesses, employers, individuals and members of partnerships affected by the coronavirus crisis as taxable income.

It is also concerning that HMRC will be given new compliance powers to enforce those rules and that that has not been effectively communicated to businesses. Any new powers granted to HMRC must be proportionate and serve to aid recovery, rather than providing a further barrier for businesses to overcome. Those concerns have been backed by tax experts, such as the Chartered Institute of Taxation, which has said that it is vital that HMRC

“take a reasonable approach to enforcement in cases where recipients of CSPs were not entitled to the amount they received...there will be cases where people have made inadvertent errors in claims which may not come to light for some time. There will be cases where the person just did not know of the requirement to notify an overpayment. It is imperative that HMRC obtain a full understanding of the facts in every case and take a proportionate and targeted approach in their compliance activity in the months ahead.”

It is extremely important that HMRC and the Government get those details right. Many businesses are already on their knees and vulnerable to further shocks. Many businesses in my constituency are struggling to deal with HMRC, with errors in reporting systems meaning that they are not entitled to the payments that other businesses have received. It is difficult to address those problems.

If businesses are left to fail as support is withdrawn, the billions of pounds that have already been spent by the Government will be money wasted. As I did in Committee, I highlight the concerns raised by the Association of Business Recovery Professionals, R3, about the plans to grant preferential status to HMRC in insolvency procedures from December, covered by our amendments 9 to 15. It and UK Finance are concerned that that will undermine business lending and make it harder to rescue businesses from administration. Many companies across the UK in recent weeks have been struggling and going into administration, so the Treasury should carefully consider whether its plans will help businesses or hasten their demise.

Countries all over the world are facing the same choices and growing levels of public debt, but if we are to recover fully from the crisis, we need to prioritise growth and wellbeing over deficit reduction. This week, the Scottish Government laid out a plan for a fiscal stimulus package of £80 billion to stimulate growth for the whole of the UK. That would be used to accelerate major investment in low-carbon energy efficiency and digital infrastructure and deliver a green new deal for UK. The value of that investment can be recognised by assessing the Government's fiscal sustainability in terms of its public sector net worth.

It is regrettable that the UK will, of course, miss out on the European Commission's €750 billion stimulus. That makes it even more critical that the UK Government commit to their own stimulus—a proper stimulus, not

[Alison Thewliss]

the pretendy one that was announced by the Prime Minister this week—in the wake of covid-19, such as a reduction in VAT and job guarantees for young people.

Speaking of even younger people, I make a plug for my small and uncontentious amendment 4, which seeks to clarify that human breast milk is part of the vehicle excise duty exemption for vehicles carrying blood. It would be an important signal of support and recognition from the UK Government to those operating milk banks and to the mums donating their breast milk, which helps some of the most vulnerable babies in intensive care units across the UK. Among them is the extraordinary woman who, last week, donated an astonishing 32 litres to the milk bank that covers all of Scotland.

The Scottish Government and my colleagues in Westminster have put a considerable amount of work into formulating a meaningful strategy for Scotland's recovery and future progress in delivering inclusive growth. I sincerely hope that those policies are taken seriously by the Treasury and that we can look back on this time as a pivotal one for making progress towards a fairer and more equitable society.

**Mark Jenkinson (Workington) (Con):** It is an honour and a privilege to be addressing you from these green Benches, Mr Deputy Speaker, and most unexpected for a Wukkington lad like me. It would be fair to say that neither the timing nor circumstance of my maiden speech are as I imagined, with my original timing altered by the loss of one of Workington's great artists—a much-loved former teacher and my wife's grandmother—followed by lockdown, and the circumstance altered by a socially distanced Chamber and our new normal in the light of coronavirus.

On that subject, I must pay tribute to the huge sacrifices that each and every one of my constituents has made to stop the spread of the virus and to the huge effort from many individuals and businesses with their contributions to local community and national efforts. If I was to look for one positive in recent months, it would be the way that so many of my constituents have stepped up to the plate to support those around them.

The scale and speed of the Government's response to coronavirus has been unprecedented. The measures that we have seen across the grant schemes, rate relief schemes, furlough schemes and bounce-back loans have been welcomed by my constituents in Workington. There is more to do and there are lessons to be learned, but I am incredibly proud to be here today to support the Government in their efforts.

2.30 pm

I stand here before a House that has never before so closely resembled the make-up of the country, particularly on the Conservative side, as so many of us now speak for industrial communities that Labour deserted. As the son of a binman and an office clerk, and as a former British Steel apprentice without a university education, I am testament to that change. While I never thought, growing up, that I might grace these green Benches, others seemed to. One of my secondary school science teachers, Mr Harris, once recognised in my school report—if the Prime Minister is listening—my ministerial potential. He suggested agriculture, but I am not fussy.

Not having spent a huge amount of time outside Cumbria, I wondered how I might identify fellow Cumbrians in the big city. Folklore has it that I should greet those about whom I have a suspicion they may be Cumbrian in my native dialect with, “as thou e'er sin cuddy lowp a five barred yat?”, in the hope of eliciting the answer, “Aye, it mun a bin a gay lish cuddy else a varra la'al yat.” At the risk of destroying the ancient practice of identifying Cumbrians in exile, for those not lucky enough to hail from God's own county of Cumbria, that is dialect for, “Have you ever seen a donkey jump a five-barred gate?”, and the response, “Yes, it must have been a very fit donkey or a very small gate.”

Alongside the promises I made to my constituents for infrastructure improvements, increases in school spending, nurses and police, and levelling up, which this Bill starts to deliver and are very much welcomed across Workington, I will take any attempt that I can to have *Hansard* record Cumbrian dialect for posterity!

It is customary on these occasions to talk about one's predecessor, and I take the opportunity to thank Sue Hayman for the work that she has done in this House and across the constituency. She was, and remains, an assiduous proponent of her causes, which I understand she may have the chance to continue from the other place. I wish her well and look forward to working with her to enhance the lives of my constituents.

However, I also wish to talk about another predecessor, John Christian Curwen, the Whig MP for Carlisle—a long time before my hon. Friend representing that seat now—before he went on to win the Cumberland seat in 1826. Under Curwen, Workington was the birthplace of modern agricultural practices at his model farm. Schoose Farm is still farmed to this day. He also introduced the first recorded social insurance scheme locally, and attempted to do so nationally as an MP, nearly 100 years before Lloyd George put forward the scheme we now know as national insurance. If I can make a fraction of the impact that Curwen made on my constituency, we would be in a good place. But he was not, by his own confession, what is called “a good party man” He was one of those opinionated stalwarts whose independence found readiest expression in alignment with the Opposition. Having watched the drama in this place over the last few years from the outside, I hope for the sake of my hon. Friend the Member for Walsall North (Eddie Hughes) and my right hon. Friend the Member for Sherwood (Mark Spencer) that that is one of his traits I leave in the past.

It was the home of John Christian Curwen, whose picture hangs in the corridor close to your office, Mr Deputy Speaker, that brought me into politics. The destruction and subsequent decay of Workington Hall allowed over decades remains a blight on Workington. I hope to use some of my time here to bring life to what remains, which is grade I listed and partly an ancient scheduled monument.

But the town of Workington is just one of five towns in my constituency, the others being Cockermouth, a wonderful market town filled with independent traders, who have truly shown their resilience in recent years; Maryport, whose residents have accepted me so warmly into my constituency office there, and which sits on the cusp of revival thanks to this Government's Future High Streets investment; Aspatria, where I continue to work hard to protect people's future in the face of the proposed closure of the Sealy bed factory; and Silloth, a gem of a Victorian seaside resort that I can recommend to any hon. Members of this House.

The Workington constituency has 30 miles of coastline stretching from industrial towns to the rural villages at the end of Hadrian's Wall. There are a number of Members of this House, and of the other place, who saw much of the constituency last year during the campaign, in all weathers. I fondly recall a video recorded by my hon. Friend the Member for Hexham (Guy Opperman) in the wind and rain in Westfield, as no one could hear a word coming from the mouth of a man who looked like he had been dragged from the sea. I give thanks to all the Members of this House and of the other place, to the many other friends, and to my wife and my family for the support they gave to me on my journey to this place, and continue to give me as I settle into these green Benches.

West Cumbria has led the way in many sectors over many centuries, not only with Curwen. Little Clifton gave us John "Iron Mad" Wilkinson, a protagonist of the industrial revolution who made his mark in the constituency of my hon. Friend the Member for Telford (Lucy Allan). Later, Henry Bessemer chose Workington to base his company, and we went on to send the finest steel around the world. Our rail and track products still underpin many a thriving economy.

Cockermouth gave us renowned astronomer Fearon Fallows, while next door in the constituency of my hon. Friend the Member for Copeland (Trudy Harrison) Eaglesfield gave us John Dalton, a pioneer of atomic theory, and Keswick's Dr William Brownrigg discovered platinum. Borrowdale gave us graphite, and Lillyhall in my constituency became a manufacturing centre for graphite in the nuclear supply chain, and, of course, the world-beating pencils produced there today, having had a previous long history in Keswick. Today, we have various companies across the Workington constituency that produce some of the finest packaging materials in the world, used by every one of us in some way, every day.

The Workington constituency is home to some of the most beautiful places on earth and has a great tourism future ahead of it, but we are also proud of our industrial heritage and our world-beating manufacturing processes in use today. With our friends next door in Copeland, we are the home of the UK's nuclear expertise. We stand ready to play our part in the delivery of new nuclear and in exporting that expertise around the world. The Workington constituency also has so much more to offer. With some of the highest tidal ranges in the UK—as we talk in this place of new tidal and wave energies—as the maintenance base for the Robin Rigg offshore wind farm and with the constituency set to benefit from the construction of an English-side extension, we also stand ready to play our part in truly becoming Britain's energy coast.

Workington was a cornerstone of the industrial revolution. As we look to our future, I am sure that the Workington constituency will be at the core of the low-carbon energy revolution to come, and I am delighted to be able to be here to play my part.

**Mary Kelly Foy** (City of Durham) (Lab): I congratulate the hon. Member for Workington (Mark Jenkinson) on his maiden speech, and I hope that he—a newbie like me—enjoys his time in this place and is a strong voice for the people of Workington. Yesterday, I spoke in the Finance Bill debate about job creation and the importance

of creating not only jobs, but secure jobs that put the needs of workers at the heart of the economy, rather than profit. It seems rather appropriate that I have the opportunity to speak in the child poverty debate today, because as we all know, the Government's shameful record on employment and workers' rights is one of the main drivers behind child poverty.

To be honest, I have absolutely no faith that the Government understand the issue of child poverty in any meaningful way. In the space of a month, I had the Secretary of State for Health and Social Care telling me that this Government were committed to levelling up the north-east, yet I also witnessed an equalities Minister admitting from the Dispatch Box that they had not heard of the Marmot report—essential reading when looking to tackle health inequalities. As one popular actor said in response, it is like a vicar not having heard of the Bible.

Over the last decade, Conservative Governments have systematically dismantled the progress that the last Labour Government made on child poverty. Currently, 4 million children are living in poverty, with 3 million of those living in a household where at least one person is in work. In addition to that, the Government's Social Mobility Commission reports that there are 600,000 more children living in relative poverty than in 2012. The commission referenced the Government's welfare changes as a key cause of this and have predicted that those changes, along with the impact of covid-19, will only increase child poverty. While the Prime Minister might be confused as to whether the Government have caused more child poverty, I am not. It is there in black and white in those appalling figures and, quite frankly, it is an utter disgrace.

In recent weeks, we have also seen the Government being forced into a U-turn on free school meals after a campaign by a leading footballer—one of the people the Health Secretary was telling to do their bit at the start of the crisis. Is it not shameful that we have a Government who have to be embarrassed into feeding hungry children? To top it all off, the Government have reintroduced benefit sanctions in the midst of a global pandemic and economic disaster. Welfare support from the Government will be essential during the coming recession, yet the Government seem more concerned with taking support away than supporting people in dire financial straits. How on earth does this help child poverty? I wish that the Government were as quick to sanction Dominic Cummings or the Secretary of State for Housing as they are to sanction vulnerable people. What is clear from these decisions is that the Government either fundamentally misunderstand the issue of child poverty or simply do not care. I would ask the Minister which it is, but I suspect it is both.

Unfortunately, this country now faces one of the biggest crises in living memory. There is a combined threat to public health and the economy, which must be tackled together. However, the Government's tendency to view poverty as an issue with individual causes, and their ignorance of health inequalities, show that they are poorly equipped to deal with this problem. When confronted with the rise in child poverty by my right hon. Friend the Leader of the Opposition, the Prime Minister denied the extent of the issue. To bluster and deflect would be one thing, but to deny that the issue

[Mary Kelly Foy]

exists is deeply worrying. How can the Government be trusted to tackle the issue if they refuse to confront it and deny its existence?

Successive Conservative Governments have made the problem worse; that is not my opinion but a fact. What they must do now is admit that they were wrong and change course. A starting point would be to accept the Social Mobility Commission's recommendation that the Treasury give the Office for Budget Responsibility the role of assessing the impact of the Government's fiscal policies on poverty. Sadly, I fear that under this Government, child poverty will continue to rise, as they simply do not recognise that the problem exists or know how to solve it. I can only hope that they prove me wrong.

**Aaron Bell** (Newcastle-under-Lyme) (Con): It is a pleasure to follow the hon. Member for City of Durham (Mary Kelly Foy). It is also a pleasure to follow my hon. Friend the Member for Workington (Mark Jenkinson) and to congratulate him on a truly excellent maiden speech. It was warm, it was witty and it was thoughtful, and I know that he will serve the people of Workington very well in this place. He, like me, represents a red wall seat. The hon. Member for Ilford North (Wes Streeting), the Labour Front-Bench spokesman, spoke nostalgically and warmly about the Blair Government. Under the Blair Government, both his seat and mine had 10,000 Labour majorities or more, and perhaps the Opposition might reflect on why those voters have lost faith with Labour to solve their problems. There is poverty in my constituency; there is poverty in my hon. Friend's constituency, but those people put their faith in the Conservative party to make their lives and their futures better.

I turn to the Bill and the amendments. It is clear that an ambitious and decisive response was demanded of the Government by the serious economic situation that we as a nation and the whole world face. The Budget debate in which I spoke back in March already feels a very long time ago for all of us, I am sure. In many ways, the world has changed a great deal since the day when my right hon. Friend the Chancellor of the Exchequer delivered his excellent first Budget to the House. I welcome these Government new clauses, which provide both relief and certainty in a number of affected areas, and I will speak a little more specifically about new clause 20 later.

In other ways, however, it is even clearer now than it was then that my right hon. Friend was ahead of the curve in the response to the challenges that we face. The Treasury has been at the forefront of the national response to the coronavirus and a leading example to the rest of the world, with its focus on protecting jobs and maintaining the capacity of our economy, while also looking after the most vulnerable in our society in all the measures taken to respond to the virus.

The extraordinary success of the coronavirus job retention schemes means that we have been paying the wages of more than 9 million people who would otherwise have been laid off or made redundant and therefore we have protected their jobs, their livelihoods and their families through this most difficult time. The Government have, in my view, risen to the challenge of protecting

our economy thoughtfully, responsibly and with ambition. In my constituency of Newcastle-under-Lyme, that has meant 10,200 jobs supported through the furlough scheme and 2,600 self-employed workers supported with grants of more than £7 million. The local borough council has also supported our local businesses by distributing more than £21 million of business grants. I have received many emails from constituents asking me to pass on their thanks to the Government for the grants, the furlough scheme and all the other measures that have helped to keep them, their businesses and their families afloat through this period.

2.45 pm

Now, as we start to leave lockdown and we reflect on the steps that are needed to recover from the economic elements of this crisis, it is important that we all remember the manifesto pledges on which Conservative Members were elected and which this Bill implements. As we begin to look to the future and the easing of lockdown, our commitment to levelling up all parts of the country should only be strengthened. In that spirit, I welcome the Prime Minister's announcement earlier this week of a new deal, putting jobs and infrastructure at the centre of the Government's economic growth strategy. That will build on our manifesto commitment to spread opportunity across the country and unleash the potential of the whole United Kingdom.

The £1 billion fund for school improvements will help to ensure that our schools are well maintained and provide students with safe environments that support a high-quality education. I welcome the statement given earlier today by the Education Secretary about what we can expect in September. Newcastle-under-Lyme is one of the 101 towns that were selected for a town deal, and I draw the House's attention to my entry in the Register of Members' Financial Interests as a member of the town deal board. We will welcome the additional £500,000 or more to spend on local improvement projects. That will, I hope, help to support our high street at a time when it desperately needs that help.

At this point, I must highlight the ongoing concerns of the owners of pubs, bars, restaurants and cafés, and all their employees, many of whom have been in contact with me over recent months. Being able to reopen this Saturday is, of course, an exciting moment for many, and many are looking forward to it, but they still have to adapt to the new normal and that is a challenge that cannot be overestimated. Our local economies will continue to face worrying times and difficult decisions over the weeks and months ahead. We must all do we can, as individuals, to support our local businesses: shop locally, visit our markets and support our local high streets.

New clause 20 is hugely welcome. This measure would allow certain personnel to retain their protected pension rights if they are re-employed as part of the response to coronavirus. I raised this on the Floor of the House in March with my right hon. Friend the Health Secretary, because I had been contacted by a constituent who had come out of retirement to work as a nurse during the crisis and was concerned that by answering the Government's call for help, she would lose her pension entitlement and rights. The new clause ensures fairness for her and others in her position, and I am glad to see the Government legislating to protect the brave individuals who have stepped up to help in a moment of national crisis.

In conclusion, this Finance Bill implements a Budget that not only recognises the challenges of the present, but looks to the future. The Budget and the Bill are full of ambition for our country and hope for the future. Let us not forget that our national effort in defeating coronavirus presents an opportunity for us to tackle this country's challenges. Instead of despondency, we must focus on creating opportunity for our country. That is what this Bill aims to do, and that is why I will be supporting it.

**Claudia Webbe** (Leicester East) (Lab): It was Mahatma Gandhi, a hero to many Leicester residents, who famously said that the true measure of any society can be found in how it treats its most vulnerable members. When it comes to ensuring that vulnerable children are fed and looked after, our Government should be ashamed of themselves.

According to the Government's own Social Mobility Commission, 600,000 more children are living in relative poverty now than in 2012. That is projected to increase further because of benefit changes and, of course, the coronavirus pandemic. In 2018, the number of children living in relative poverty rose by 100,000 to 4.2 million, or around 30% of all children. That appalling figure reflects the Government's failure on the fundamental principle of governance: to provide for the most basic needs of our citizens.

As of February 2020, around 14 million people were in poverty in the UK. The virus may not discriminate, but our economic and social system certainly does. Children from African, Asian and minority ethnic families are nearly twice as likely to be in poverty than children in white British families. Leicester East is one of the most ethnically and culturally diverse places in the UK and has high levels of both child poverty and in-work poverty—we suffer from a perfect storm which enables the virus to have its impact.

Like many of our residents, I am deeply concerned about the recent increase in coronavirus cases in our city and the economic impact of the necessary lockdown extension. I am particularly worried about the impact that the pandemic will have on those Leicester children who are already living in conditions of unacceptable hardship. Over one in three children—42%—in Leicester East live in poverty. Nearly 6,000 households—around 14%—in Leicester East are in fuel poverty. As of April last year, the average weekly income for full-time employees in Leicester East was £420. That is £130 less than the east midlands average and £160 less than the UK average. The proportion of people claiming unemployment benefits in my constituency is also higher than the regional and national level. Do this Government believe that my constituents are somehow worth less than others? It is unacceptable that they have allowed such rank regional inequality to fester.

The worst thing about these shocking figures is that they reflect our local reality before the unprecedented coronavirus pandemic. We do not yet know the full impact of the unprecedented economic disruption caused by the virus. With widespread job losses, it is certain that it will have exacerbated hardship across Leicester and the UK. I have been helping countless local businesses and employees to stay afloat and access funding, despite the Government's prohibitively strict guidelines. At

a national and local level, we see companies such as British Airways take huge amounts of taxpayers' money through the job retention scheme and then fire vast swathes of their workforce while imposing worse terms of employment. Too many Leicester residents have started to receive threats of redundancy at a time when the protection of workers must be prioritised. With Leicester required to maintain lockdown measures, it will be necessary for economic support to be extended and expanded. It is crucial that families in Leicester East have the material basis to stay safe and stay alive during the continued lockdown.

The Government's callousness is demonstrated by the fact that benefit sanctions have been resumed at a time when we face an unprecedented period of economic hardship. For people forced to endure severe levels of hardship and such insecurity, it is impossible to comply, at times, with the Government's guidance on self-isolation and social distancing. It is a moral imperative and in the public interest of everyone in our community that the basic needs of all residents are met. The cruelty of this Government over the last decade has transformed the Department for Work and Pensions into a symbol of fear. The coronavirus pandemic has further demonstrated the need for universal welfare support that will be there to help and support people, not punish and police them.

Even before the coronavirus hit, the Government had presided over a decade in which they cut essential services for the people of Leicester East while providing tax cuts for the wealthy, in which they allowed poverty and homelessness to rise in my constituency and across the country, and in which they sought to sow divisions as they facilitated the transfer of wealth from the poorest to the richest. The Government must act now to prevent the further impoverishment of working people and their families during the pandemic. They must start treating the widespread poverty of our children as the national scandal that it is. This virus has demonstrated that we have a moral duty to ensure that everyone in Leicester and across the country is protected. That means that, after the crisis, we can no longer live in a society that is defined by extreme inequality and in which it is commonplace for our children to go to bed hungry.

**Andrew Griffith** (Arundel and South Downs) (Con): It is a pleasure to follow the passion of the hon. Member for Leicester East (Claudia Webbe). Our thoughts are with her and her constituents at this difficult time. It is a particular pleasure, if I may say so, to follow my hon. Friend the Member for Workington (Mark Jenkinson). He made us wait for his maiden contribution because of the difficult circumstances that we are in, but we are absolutely delighted that it was worth the wait. Workington has gained an important and well respected voice in this House.

I am speaking today in support of my hon. Friend the Member for Altrincham and Sale West (Sir Graham Brady) and of new clause 30, which requests that the Treasury review the level of air passenger duty. I am doing so on behalf of the 645 individual constituents from Arundel and South Downs who have signed the parliamentary petition on support for the aviation industry. They work for firms such as British Airways, Virgin and TUI, and in the extended Gatwick supply chain in West Sussex. As we know, aviation has taken the full force of

[Andrew Griffith]

the economic impact of the covid-19 crisis; it has been devastated by border closures and the calamitous drop in passenger demand. Going into the pandemic, our aviation sector was world-leading in terms of growth, jobs and competitiveness, but that is now at real risk. Research from the International Air Transport Association shows that the UK will be the worst revenue-hit country in Europe, facing a £29 billion revenue loss and with more than 660,000 jobs at risk. There are many aspects of this crisis that my right hon. Friend the Minister cannot help with, and I shall raise those another day, but one practical thing that he could do is to remove or mitigate the headwind of air passenger duty and help hard-pressed families to return to the air.

I know that the Financial Secretary does not share this affliction, but some falsely believe that air passenger duty is an environmental measure. That is manifestly not the case. It is levied on passenger numbers, so that an inefficient empty plane pays less than an efficient full one. It bears no relation to how modern an aircraft is or to the fuel efficiency with which it is being flown. Also, it does not take into account the fact that, to the extent that it disincentivises flight, the alternative for many passengers may be a long and polluting car journey. This is particularly true of domestic aviation. In any case, aviation accounts for barely 2% of human-induced global emissions, and in February this year, UK aviation committed to being net carbon zero by 2050. That is the first national net zero aviation commitment anywhere in the world.

This is a sector on the verge of exciting and disruptive change. We are at the dawn of what is called the third era of aviation, which will bring quieter and cleaner transport to the skies. Electrification will have as profound an impact as the replacement of the piston engine by gas turbines. British businesses such as Rolls-Royce are leaders in this field, providing engines to the first generation of all-electric planes, which are being certified for use by the Federal Aviation Administration right now. Air passenger duty is not a large source of revenue for the Treasury. At the best of times, before this crisis, it was expected to account for just 0.5% of all receipts, but with our busiest airport, Heathrow, reporting flights at just 3% of their normal levels in April, the revenue from APD this year and next will in any case be paltry. I conclude by humbly putting the proposition to the Minister that he may never again have such an affordable opportunity to help a vital British industry, to enhance his own formidable reputation on the Government Benches, to strengthen the Union by supporting domestic flights and to simplify the tax system than he does in accepting new clause 30.

3 pm

**Matt Western** (Warwick and Leamington) (Lab): It is a pleasure to follow the hon. Member for Arundel and South Downs (Andrew Griffith). I spoke in the debate on the Budget delivered on 11 March, which for all of us seems like a lifetime ago, such has been the impact of covid-19 on us socially and on our health but also on our communities and, profoundly, on our economy. That is one reason why I wanted to speak, although perhaps some of my comments are more relevant to yesterday's debate.

We were told that covid-19 would not discriminate and that all of us would be impacted equally, but, as we have seen, we are witnessing a further widening of inequality by virtue of this terrible crisis. We now know that its impacts are different according to the nature of someone's employment, where they live and so on. It reminds me of what happened from 2010 onwards, post the financial crash, when we were told we were all in it together. Of course, that was never the case. Those who had wealth and capital prospered. Look at the wealth of the top 100 people in this country and how it grew exponentially in the past decade, and how inequality widened so considerably. That has to be our great fear: the mistakes of the period from 2010 onwards will be repeated now. The warm words are not enough. We have to address this. We must recognise the sacrifice and contributions made by everyone across our society, irrespective of what people do. It does not matter whether they work in finance in the City or whatever; it is not enough. We all make a contribution. We all have a part to play in our society and in our economy.

In my constituency, there are just under 2,000 children living in relative poverty. Many people think it is a wealthy, prosperous community, but that is one in nine of all children. When it comes to energy poverty, one in 11 households lives in such poverty. We have no quality social housing being built at scale: something like nine social rent council homes have been built since 2010, and an average of 90 social rent homes have been built a year for the past five years. That is inequality. The children of this next generation will not enjoy the same benefits as that those of us who grew up in the 70s and elsewhere. We had a right and an opportunity to quality housing, to an education and to good job prospects. We are now seeing the beginning of unemployment rocketing.

I want to cover what is missing from the Finance Bill, given the drastic change in the economic picture. With prosperity, we can address inequality, but it is a choice. In particular, the support we now need from the Treasury for the automotive industry, which is so important to my constituency, is to protect jobs and get the Warwick and Leamington economy back on its feet. Covid-19 has had a huge impact on my constituency, as it has everywhere else, but of course the effects vary.

I have spoken with a wide range of businesses that have required the financial support offered by Government, which has been broadly welcomed, albeit there have been some huge gaps in the support for directors of small limited companies and others. In Warwick district—that is not entirely the same as the constituency—16,900 people had been placed on furlough. Many of them will be in the sectors hardest hit, such as hospitality, retail, leisure and tourism, and many are the lowest paid workers in my constituency, who will be at the start of their working lives. I have great concerns about what will happen once employer contributions to the job retention scheme are phased out entirely. The claimant count in my constituency has already shot up by 129% since March to over 3,000 people, and the figure will only go higher as the JRS is wound down. I urge the Government to consider extending the scheme for those sectors that are being badly impacted by the virus, until we can remove social distancing measures. The Leader of the Opposition also asked for this at PMQs yesterday.

Even with furlough still in place, people in my constituency are already losing well paid, skilled jobs in our precious automotive industry. Just last month, Jaguar

Land Rover announced that it will be cutting 1,000 jobs and Aston Martin announced 500 job losses. With UK sales down 97% in the past two months, the sector has effectively had to cease production for three months, yet companies have often found that they do not qualify for the Government-backed loans. Demand for vehicles has understandably fallen off a cliff, and those businesses are going to need a lot of support to get back on their feet.

Along with colleagues on the all-party parliamentary group on electric vehicles, I have written to the Chancellor and the Business Secretary in my role as chair of that group to ask them urgently to discuss a stimulus package for the sector. I hope they will respond to that letter soon. There is an opportunity not only to protect skilled manufacturing jobs—the kind that we are desperate to attract and retain in this country—but to drive the industry towards a greener future. I know that the industry is desperate for the Government to work with it in that regard.

We need Government intervention because it is vital to managing transition. I very much hope that we will hear some positive words from the Chancellor next week. I therefore welcome the reforms to vehicle excise duty in the Bill and the £500 million for electric vehicle charging infrastructure announced at the Budget, but we must be much bolder if we are to make electric vehicles and other alternative fuel vehicles a good choice for consumers as has been done in other markets. By way of example, Norway has been the most successful country in achieving EV market penetration. The support from the Government there provides reduced road tax, free municipal parking and VAT exemption. This approach makes the total cost of ownership less than for dirtier, more polluting vehicles. We need 30,000 charging points in the UK—three times the amount we have now—and the investment to make it happen.

When the Prime Minister talks about trying to get the economy back on its feet, the phrase “build, build, build” is wrong for me. We must make, make, make and invest, invest, invest in our infrastructure, including in EV charging points and getting more alternative energy sources into our grids in order to build a cleaner and better future. As it happens, I travel by electric bike and would encourage everyone to take shorter journeys using this mode of transport, but we must make it cheaper for consumers to do so. Such grants and benefits can really help to stimulate new sectors. I urge the Government to consider doing this next week.

I urge Treasury Ministers to look again at how the Government can use our taxation system to incentivise the purchase and uptake of new, cleaner internal combustion engine vehicles; to support our automotive industry to get firing on all cylinders again; to look at alternative fuels, electric vehicles and hydrogen vehicles; and to think about how we can really progress and drive the sector forward. The Government must have the sector at the front of their mind before any financial statement delivered next week that is designed to protect jobs. Without urgent action and action at scale, we risk losing this sector forever.

**Sarah Olney** (Richmond Park) (LD): I congratulate the hon. Member for Workington (Mark Jenkinson) on his maiden speech and warmly welcome him to his

place. I shall attempt to tune my Surrey ears to his Cumbrian dialect, and I very much look forward to hearing more from him.

I want to take this opportunity to ask the Government, in their response to the coronavirus and all the challenges that are still to come, to focus particularly on two priorities when making their decisions about how to allocate resources to meet this enormous challenge. The first is to focus on the interests of our children and young people. It would have been unthinkable at any other time for an entire generation of schoolchildren to have missed a whole term and a half of schooling. Among all the justifiable anxiety about infection rates, testing, PPE and reopening the economy, the needs of our children seem to have been somewhat sidelined.

I welcome the Secretary of State’s statement earlier today about reopening schools in September. Like the rest of the House, I fervently hope that infection rates continue to decline to facilitate this. I would like to see a wholesale commitment from this Government to overcoming the educational deficit that has resulted from the shutdown. We already know how much of an attainment gap opens up between different groups of children over the summer holidays, and we can only imagine how much more pronounced that this will have become after half a year’s worth of missed schooling. I urge the Government to allocate generous resources to schools so that they may invest in the additional staffing and resources that they need to meet the needs of all children who have been disadvantaged.

I would also like to see a commitment to more diverse forms of learning to help engage young people who have become alienated from traditional forms of learning over their time away. Music, drama, sport, and open-air learning can all help children to re-engage with their education and will also help to revive employment sectors that have been damaged by the shutdown.

Beyond education, we have a cohort of school leavers who are attempting to enter employment at the worst possible time. If we are not to doom this cohort to a lifetime of missed opportunities, we must act now to provide them with the employment opportunities where they can build real skills and lay the foundations for a meaningful working life. In that spirit, I welcome the aspiration in the Prime Minister’s speech to build, build, build, as I recognise that this will provide opportunities for high-skilled jobs and apprenticeships. However, I ask that the Government include a real commitment to retraining career changers to help people who have lost their jobs in this pandemic to find work among the new opportunities that these projects will provide.

I note that the sectors the Prime Minister promises to provide funding for are areas of employment that are typically masculine. I urge the Government to redouble their efforts to engage young women and female career changers in training for careers in construction and engineering if those are the sectors where employment is due most quickly to recover. We know that child poverty is most effectively overcome when women are in work and earning a good wage, supported by affordable childcare.

On that note, I draw the Government’s attention to the financial precariousness of both our pre-school providers and our universities. Every one of these institutions that is forced to close or scale back activity as a result of the pandemic is a narrowing of opportunities

[Sarah Olney]

for our children and young people, and every effort should be made to support these sectors. While I am on this point, I should like to take the opportunity to raise the issue of travel in London for those under-18. For many years, it has been free for under-18s to travel on Transport for London services, and that has opened up to all of them a much wider range of opportunities—education, cultural, sporting and social. As part of the package that the Government put in place to bail out Transport for London earlier this summer, they specified that that travel offering for the under-18s had to be scrapped. In support of that decision, they cited the fact that young people use buses only for short journeys that they would otherwise walk. I have obtained from the Minister the evidence for that assertion, and it came from a report published some years ago that concluded that free travel for under-18s had an overwhelmingly positive impact on young people's social and educational lives. I urge the Government to prioritise young people in this recovery and to make a start by scrapping this restriction on their travel.

The second area that I call on the Government to prioritise as we plan our future beyond this pandemic is the environment. I was really disappointed not to hear a greater emphasis on the progress towards our net-zero carbon targets in the Prime Minister's speech. This is a fantastic opportunity to implement carbon-free and low-carbon standards into our construction of new homes and into our transport systems. We can also take this opportunity to specify new standards for biodiversity, water quality and air quality and to redouble our efforts to increase the proportion of our energy that comes from renewable sources. I particularly encourage the Government to think not just about new buildings, but about bringing existing buildings up to 21st-century standards. Committing to a programme of retrofitting insulation to our ageing homes, especially those belonging to low-income families, can provide skilled employment opportunities and help us to make substantial progress towards our net-zero carbon goals.

There are so many other challenges that this Government will need to face over the next few months and so many calls on taxpayers' money, but I want to see the Government establish clear strategic priorities for their future spending, and I would like those priorities to be our children, our young people and our environment.

**Rachel Hopkins** (Luton South) (Lab): After a decade of austerity, which has seen an assault on people's living standards and our social security system, child poverty is at a disgracefully high level, and the Bill will not work towards tackling the root causes. I am speaking in support of Labour's new clause 29, which would ensure that the Government review the impact of the Bill on poverty, and I commend my hon. Friend on the Front Bench for his opening remarks and others on this side of the House for the passion and understanding with which they have spoken.

3.15 pm

As a result of a decade of austerity and despite crippling cuts to its own budget, Luton's Labour council recognises what will improve lives and has quite simply set ending poverty in our town as its key strategy.

Rightly, although sadly, it is putting tackling poverty and improving wellbeing at the heart of all its policy-making. Poverty cannot be an afterthought. The Government will not eradicate poverty unless they entrench a commitment to tackling it in their economic policy. We are the sixth wealthiest country in the world, but almost one in three children are in poverty. End Child Poverty's latest figures show that 46% of children in my constituency of Luton South are living in poverty. In Dallow and Biscot wards, this figure rises to 65% and 67% respectively. Both wards have a large black, Asian and minority ethnic population, which evidences the Social Mobility Commission's research that states that those groups are more likely to be in poverty.

Since that research, Government statistics show that the number of young people and children living below the breadline has continued to rise across the country. The Social Mobility Commission has stated that Ministers have delivered on only 23% of their proposals relating to social mobility since 2013. This week, in the same week that more redundancies have been announced in my constituency, Luton Foodbank has put out a special plea for emergency donations to meet rising demand and depleted stocks. Local charity the Level Trust continues to provide our children with shoes, coats and recycled school uniform, yet the Government do nothing.

The Government have not taken seriously the shameful level of poverty at the heart of our communities that is trapping families and their children in cycles of struggle. The Institute for Fiscal Studies forecast that the number of those in child poverty will rise to 5.2 million by 2022, and the Social Mobility Commission states that this rise is not due to forces beyond the Government's control, but instead is partially a result of planned benefit changes. That projection was before the coronavirus outbreak, which we now know has forced people and families into immense financial hardship. That is exactly why poverty impact assessments must be entrenched in economic policy making. No Government should be able to shirk their responsibility to support those in poverty to move out of it.

The Government's response to child poverty during the coronavirus crisis has exacerbated the social injustice. The Government pushed to end access to free school meals for vulnerable children over the summer period, and if it were not for Marcus Rashford's campaign—which this side of the House supported—the Government would have increased the hardship of families by allowing over a million children to go hungry this summer.

This week, the Government announced that they will reintroduce conditionality and sanctioning into the social security system, at a time when unemployment has risen, job vacancies are dropping, schools are not back open and people still need to shield. The severe reduction in support without a strategy to help people back into work will penalise families and their children for the struggling job market and force them into poverty. The Conservative Government have created an economy where work does not lift people out of poverty. Increases in child poverty and working age poverty have coincided with increasing employment. Working families are unable to make ends meet. It is hypocritical of the Government to profess that they want to tackle child poverty when they choose not to confront the structural causes of poverty, such as low pay, high living costs and a broken social safety net.



The Finance Bill will not confront the scourge of child poverty, but new clause 29 would ensure that the Government considered how their policies impact those in poverty. To tackle the unprecedented impact that this crisis is having on society's most vulnerable families and children, the Government should introduce a full Budget next week that includes social security reforms such as suspending the benefit cap, abolishing the two-child limit in universal credit and tax credit, removing the £16,000 universal credit saving limit, converting universal credit loans into grants, and uprating legacy benefits to match the increase in universal credit. By raising the social security net's floor and legislating to tackle the structural causes of poverty such as insecure work and high living costs, we could eradicate child poverty in our country. There are no excuses for inaction or delay. No child should grow up with the hardship of poverty, and the Government must entrench tackling poverty into their economic strategy.

**Fleur Anderson** (Putney) (Lab): I congratulate the hon. Member for Workington (Mark Jenkinson) on his maiden speech and on taking his place in the House.

I am honoured to be able to give a speech today that will be arguing for the correct place of focusing on child poverty in all our legislation. If we do otherwise, we will fail the very people we should be serving. I stand here to represent a mother whom I met last year. I went to her house to support her children and she told me in passing about the one lightbulb they have in their house. I asked, "One lightbulb, why is that?". They moved it around from room to room so that her children would not inadvertently be able to switch on and use more electricity, because they could not afford to light up more than one room at a time. That was a stark reminder to me about the child poverty levels we have in this country.

New clause 29 would mandate the Government to look at the effect of this Finance Bill on the basis of its impact on poverty and on inequalities—on relative poverty. To measure the success of the Bill, we need to carry out a review within six months and consider whether future studies should be carried out regularly by the OBR. I may be able to pre-empt the Minister's response to this new clause. He may well say that it is unnecessary and that impact assessments will be carried out, but if those are not public and are not regularly carried out, the Government are marking their own homework on this. When it comes to measures that may make people poorer, that is not acceptable and we need a public report. The Government's own Social Mobility Commission says in its "Monitoring social mobility" report, published this year:

"Too often also there is little transparency concerning the impact spending decisions have on poverty. The Treasury has made some efforts in this direction, but has so far declined to give the Office for Budget Responsibility (OBR) a proper role to monitor this. There should be more independent scrutiny to help ensure policy interventions across Whitehall genuinely support the most disadvantaged groups."

The Government must be more strategic in their recovery from coronavirus than they have been in handling the crisis. They cannot take a hands-off approach, as they have done in the past decade towards child poverty. The cost of inaction, in terms of supporting the economy and reversing growing poverty levels, will be far greater than the cost of action. This really matters in London,

which has the highest rate of child poverty of any English region, with 700,000 children—37% of all children in London—living in relative poverty, after housing costs are taken into account. In my borough of Wandsworth, 36% of children live in poverty. Although poverty rates are higher for everyone in London than they are nationally, this gap is larger for children than for any other group. Two thirds of children living in poverty in the UK are in working households or where at least one adult is in work, and they will be very impacted by the measures in this Bill, so we should record it.

When the UN's special rapporteur Philip Alston produced his report on extreme poverty and human rights in Britain in 2018, long before coronavirus came along, he found that the UK Government's policies had led to

"the systematic immiseration of millions across Great Britain".

He also saw the disproportionate impact on women, saying:

"If you got a group of misogynists in a room and said how can we make this system work for men and not for women they would not have come up with too many ideas that are not already in place".

We cannot continue with this kind of policy making.

Following drastic changes in Government economic policy beginning in 2010, the two preceding decades of progress in tackling child and pensioner poverty have begun to unravel, and poverty is on the rise. This Bill must not add to that. Under the previous Labour Government, child poverty was going down, but the latest figures from the Child Poverty Action Group show that 4.1 million children live in poverty in the UK; 47% of children living in lone parent families are in poverty; and 70% of children growing up in poverty live in working families. This is going in the wrong direction, as 5.2 million children are expected to be in poverty by 2022. Under this Government, we are heading towards having half of our children being poor in 21st century Britain. That would be not only a disgrace but a social calamity and economic disaster rolled into one.

On Tuesday, the regional director of Public Health England, Professor Kevin Fenton, warned a meeting of the London health board that the coronavirus has worsened stark and pervasive inequalities in London. A growing bank of national evidence shows that the virus has hit older people, poorer communities, men, and black, Asian, and minority ethnic Londoners the hardest. Some of those groups are also likely to be impacted by the wider social and economic consequences of the outbreak. According to Professor Fenton:

"These inequalities are stark, they're pervasive and they are a call to action for the system moving forward to ensure that we do not go back to where we were...but we redouble and enhance our efforts to address these widening inequalities."

Given those shocking figures, the worrying direction of travel, and the limiting daily impact on so many people's lives, any new Bill that does not bake in an assessment of its impact on the lives of the poorest people in our country is set up to fail, and it will fail all those people and children in this country who we should be serving the most.

**Ruth Jones** (Newport West) (Lab): It is a pleasure to bring up the rear in this important debate—last, but hopefully not least—and I commend the hon. Member

[Ruth Jones]

for Workington (Mark Jenkinson) for his maiden speech. Labour Members obviously mourn the loss of his predecessor, but we trust that the hon. Gentleman will speak up for Cumbria as strongly as she did.

I wish to touch on three important areas that I think the Government should keep in mind as we look to rebuild our economy, and as communities across the UK get used to our new normal. We must remember that this is a recovery from the first wave of covid-19, and events in Leicester and elsewhere in England show how sensitive the evolving situation continues to be. A key component of any recovery effort is public sector pay, and the way we treat those who go above and beyond for us. Our workers deserve to be paid properly, and we must pledge to do that now. Last week there was a debate in this House about how we can acknowledge and support those workers in the NHS who give their lives to keep us, our families and our constituents alive and healthy. The answer to how we show our appreciation, and when we do it, is simple: we should pay people what they deserve. I hope that the Chancellor's statement next week will lay out the building blocks to enable that to happen.

Newport is one of the most diverse parts of Wales, and I am proud of our city and its diversity. It is, however, a matter of deep regret that our cherished diversity has seen us on the frontline in the fight against the devastating impact of covid-19 on black and minority ethnic communities. A report commissioned by the Welsh Labour Government under First Minister Mark Drakeford was published recently, and it rightly calls for action to tackle the structural and systematic racism that may have contributed to the higher than average death rate in BME communities. Addressing those structural inequalities must be integral to the economic recovery for which our city is crying out.

In a city such as Newport—it will be the same in many other cities across the UK—we know at first hand how vital BME communities are for our collective prosperity. It really is as simple as that. We know that BME workers are more likely to be in low-paid jobs with little of the protection needed to stay safe and secure, and so the funding and delivery of PPE, and other protection, must be a priority for this Conservative Government.

One real, tangible thing that Ministers could do is follow the lead of the Welsh Labour Government, who have made provision for a comprehensive risk assessment that supports people from BME backgrounds in the NHS and social care sector in Wales. That works for my constituents in Newport West, and it should be rolled out in England too. For our welfare system, there is a need for common sense and decency to be at the heart of our economic recovery. That is vital to ensure that we do what the Blair and Brown Labour Governments did, which was to take millions of children out of poverty.

A few weeks ago, we saw a Manchester United player shame this Tory Prime Minister and his Ministers into ensuring that free school meals would be provided throughout the summer in England. I say to new Tory Back Benchers, many of whom are auditioning for places on the Treasury Bench: we will not forget the tweets, the press releases and the speeches in this Chamber explaining why free school meals for children in England

were not possible, and neither will the people who were affected. I am proud to say that, in Wales, we take our responsibility to our children seriously. We did not need to be shamed into action; the Welsh Labour Government know how crucial it is that we give our children nutritional and accessible meals. As such, we guaranteed that free school meals will be available to Welsh children throughout the summer, because it is the right thing to do.

3.30 pm

Tackling child poverty is also achieved by ensuring that there is a secure and realistic safety net for families in all parts of the country. It says a lot that the priority for Ministers has been to reintroduce benefit sanctions, rather than ensure that we keep supporting people through this unprecedented period. It is also about jobs. My right hon. and learned Friend the Member for Holborn and St Pancras (Keir Starmer) has been clear that jobs must be at the forefront of the recovery. We know that a well-paid job with good terms and conditions is the best way out of poverty. Like many of my constituents in Newport West, I read the increasingly frequent news from businesses across the country with horror, with announcement after announcement of job losses, shop closures and mergers.

I will be going to see the Orb steelworks close its doors for the last time tomorrow. It is the only site in the UK producing electrical steel. Tomorrow will be a sad day for all of us in Newport and a waste of a highly-skilled workforce who could produce the steel required for the electric cars we need for our greener future. The impact of those job losses on poverty levels, inequality and child poverty will be beyond significant, so this Government need to get a grip now.

The shocking and deadly events of recent weeks and months have shaken us to our collective core. Our families, communities and nations will never be the same again. Our economy and our United Kingdom will never be the same again. We must seize the opportunity to change our way of life for the better, and we must deliver a fairer, greener and more sustainable economy for all of us. That is my pledge to the people of Newport West, and I look forward to the Minister giving us more actions and fewer words.

**Jesse Norman:** As is customary at the conclusion of Report stage, I will speak to the issues that have been raised, rather than the full content of the Bill. Let me start by saying how much I enjoyed the splendidly generous and warm speech by my great and hon. Friend the Member for Workington (Mark Jenkinson). As Members across the House noted, Workington will have a fine voice in the Chamber for many years to come. I was impressed by his ability to smuggle some Cumbrian dialect into the Chamber—I do not know whether it counts as a foreign language, but it was certainly unintelligible to me, which may be true for other colleagues. I take my hat off not only to Mr Harris for identifying his prime ministerial potential but to my hon. Friend for his robust sense of self-confidence. Colleagues normally play down their prime ministerial potential early in their political careers, and I admire his chutzpah, to use a different piece of dialect, in bringing our attention to that. He also acknowledged his predecessor's capacity to align himself with the Opposition

rather than the Whip; I am grateful to him for that. He made some valuable points, and I congratulate him on his maiden speech.

Labour's new clause 29 and the SNP's new clause 10 would require the Chancellor to review the impact of provisions in the Bill on child poverty and total poverty and to lay a report before Parliament within six months of Royal Assent. We were treated to a moving and personal speech from the hon. Member for Ilford North (Wes Streeting). I congratulate him on his achievement in getting to Cambridge University on the back of that personal experience. Of course, he is right to focus on the importance of combating educational disadvantage—a cause that every Member of the House believes in. I found it surprising that he did not go on to acknowledge the achievement of this Government in raising the number of good or outstanding schools from 68% in 2010 to 86% today, or the fact that the proportion of 18-year-olds from disadvantaged backgrounds going to university went from only 13% in 2009-10 to 21% in 2019.

The hon. Member talked about pensioner poverty but neglected to mention that there are 100,000 fewer pensioners in poverty now than there were in 2010. He talked about jobs but without acknowledging that, at least until the pandemic, which has struck us all and will have had unfathomable effects, as we know, 3.9 million more people were in employment. Specifically, the employment of the poorest 20% was 9% higher under this Government than in 2009-10.

The hon. Member was right to say that the tragedy of an economic crisis is that it hits the least well off the hardest, and that is precisely the inheritance that this Government's predecessors left to us in 2009-10. As I never cease to remind the House, the financial crisis of 2007-08 was brought about because bank leverage was allowed to rise from 20 times, where it had been for the previous 40 years, to 50 times in seven years under the Blair Government. If hon. Members do not believe me, they can look at the independent report on banking published under Professor Vickers.

I should, however, return to new clauses 29 and 10, some of which are not necessary because the information they seek is largely already in the public domain, including on the distributional effect of tax, welfare and spending policies, on the equalities impacts of tax measures and on poverty rates.

I thank my hon. Friend the Member for Altrincham and Sale West (Sir Graham Brady) for his probing new clause 30. I admire his range of references. I thought he was going to reference Stephen Colbert, the American talk show host, but tragically it was Jean-Baptiste Colbert, who produced the line about plucking the feathers from the goose. He is absolutely right. No one would describe him as a hisser, but we do pay careful attention to the points he has made, and I am very grateful to him for raising them. I would also single out my hon. Friend the Member for Arundel and South Downs (Andrew Griffith), who rightly pointed out that the configuration between APD and the environmental performance of flights is a very blunt relationship indeed, so I thank him for that.

Colleagues across the House will know that new clause 30 would ask the Treasury to review the effect of proposed rate changes on APD. We are working closely with the sector and are closely attuned to its concerns in the face of the pandemic, and of course we have paid

close attention to the points my hon. Friend raised. I am sure colleagues will be aware that, even as it is, the current rate will only take effect in April 2021 and will rise by only £2 for a long-haul economy flight, which is the cost of a rather inexpensive coffee at airport prices. It may not be quite as urgent, but the point about the wider need to look at this is well made.

I turn quickly to amendment 4, which seeks to extend the exemption from vehicle excise duty for medical courier charities in clause 86 explicitly to include vehicles carrying human breast milk. The hon. Member for Glasgow Central (Alison Thewliss) will know that this amendment is not necessary because the clause already provides for the transportation of human breast milk. The purpose-built vehicles used by the medical courier charities, which are exempt from VED, do not merely transport blood; they transport a wide range of medical product, including X-rays, MRA scans, plasma and human breast milk.

There are many other things I could say in response to other comments, but I will leave it there.

*Question put and agreed to.*

*New clause 19 accordingly read a Second time, and added to the Bill.*

## New Clause 20

### PROTECTED PENSION AGE OF MEMBERS RE-EMPLOYED AS A RESULT OF CORONAVIRUS

“(1) In FA 2004, in Schedule 36 (pension schemes etc), paragraph 22 (rights to take benefit before normal minimum pension age) is amended as follows.

(2) In sub-paragraph (7F), at the end of paragraph (b) insert “, and

(c) that the member is or was employed as mentioned in sub-paragraph (7B)(a) where—

(i) the employment began at any time during the coronavirus period, and

(ii) the only or main reason that the member was taken into employment was to help the employer to respond to the public health, social, economic or other effects of coronavirus.”

(3) After sub-paragraph (7J) insert—

“(7K) In sub-paragraph (7F)(c)—

“coronavirus” has the same meaning as in the Coronavirus Act 2020 (see section 1(1) of that Act);

“the coronavirus period” means the period beginning with 1 March 2020 and ending with 1 November 2020.

(7L) The Treasury may by regulations amend the definition of “the coronavirus period” in sub-paragraph (7K) so as to replace the later of the dates specified in it with another date falling before 6 April 2021.

(7M) The power in sub-paragraph (7L) may be exercised on more than one occasion.”

(4) The amendments made by this section are treated as having come into force on 1 March 2020.”—(*Jesse Norman.*)

*In certain circumstances, people who have a protected pension age under a pension scheme (i.e. a right to receive pension benefits at an age below the normal minimum pension age) can lose it on being re-employed. This new clause prevents that happening for people re-employed as part of the response to coronavirus.*

*Brought up, read the First and Second time, and added to the Bill.*

### New Clause 21

#### MODIFICATIONS OF THE STATUTORY RESIDENCE TEST IN CONNECTION WITH CORONAVIRUS

“(1) This section applies for the purposes of determining—

- (a) whether an individual was or was not resident in the United Kingdom for the tax year 2019-20 for the purposes of relevant tax, and
- (b) if an individual was not so resident in the United Kingdom for the tax year 2019-20 (including as a result of this section), whether the individual was or was not resident in the United Kingdom for the tax year 2020-21 for the purposes of relevant tax.

“Relevant tax” has the meaning given by paragraph 1(4) of Schedule 45 to FA 2013 (statutory residence test).

(2) That Schedule is modified in accordance with subsections (5) to (13).

(3) Paragraph 8 (second automatic UK test: days at overseas homes) has effect as if after sub-paragraph (5) there were inserted—

“(5A) For the purposes of sub-paragraphs (1)(b) and (4), a day does not count as a day when P is present at a home of P’s in the UK if it is a day that would fall within the third case in paragraph 22(7) (if P were present in the UK at the end of it).”

(4) Paragraph 22 (key concepts: days spent) has effect as if—

(a) in sub-paragraph (2), for “two cases” there were substituted “three cases”;

(b) after sub-paragraph (6) there were inserted—

“(7) The third case is where—

- (a) that day falls within the period beginning with 1 March 2020 and ending with 1 June 2020,
- (b) on that day P is present in the UK for an applicable reason related to coronavirus disease, and
- (c) in the tax year in question, P is resident in a territory outside the UK (“the overseas territory”).

(8) The following are applicable reasons related to coronavirus disease—

- (a) that P is present in the UK as a medical or healthcare professional for purposes connected with the detection, treatment or prevention of coronavirus disease;
- (b) that P is present in the UK for purposes connected with the development or production of medicinal products (including vaccines), devices, equipment or facilities related to the detection, treatment or prevention of coronavirus disease.

(9) For the purposes of paragraph (7)(c), P is resident in an overseas territory in the tax year in question if P is considered for tax purposes to be a resident of that territory in accordance with the laws of that territory.

(10) The Treasury may by regulations made by statutory instrument—

- (a) amend sub-paragraph (7)(a) so as to replace the later of the dates specified in it with another date falling before 6 April 2021;
- (b) amend this paragraph so as to add one or more applicable reasons related to coronavirus disease.

(11) The powers under sub-paragraph (10) may be exercised on more than one occasion.

(12) A statutory instrument containing regulations under sub-paragraph (10) is subject to annulment in pursuance of a resolution of the House of Commons.”

(5) Paragraph 23 (key concepts: days spent and the deeming rule) has effect as if after sub-paragraph (5) there were inserted—

“(5A) For the purposes of sub-paragraph (3)(b) and (4), a day does not count as a qualifying day if it is a day that would fall within the third case in paragraph 22(7) (if P were present in the UK at the end of it).”

(6) Paragraph 28(2) (rules for calculating the reference period) has effect as if—

(a) in paragraph (b) the “and” at the end were omitted;

(b) after paragraph (b) there were inserted—

“(ba) absences from work at times during the period specified in an emergency volunteering certificate issued to P under Schedule 7 to the Coronavirus Act 2020 (emergency volunteering leave), and”;

(c) in paragraph (c), for “or (b)” there were substituted “, (b) or (ba)”.

(7) Paragraph 29 (significant breaks from UK or overseas work) has effect as if in sub-paragraphs (1)(b) and (2)(b), for “or parenting leave” there were substituted “, parenting leave or emergency volunteering leave under Schedule 7 to the Coronavirus Act 2020”.

(8) Paragraph 32 (family tie) has effect as if after sub-paragraph (4) there were inserted—

“(4A) But a day does not count as a day on which P sees the child if the day on which P sees the child would be a day falling within the third case in paragraph 22(7) (if P were present in the UK at the end of it).”

(9) Paragraph 34 (accommodation tie) has effect as if after sub-paragraph (1) there were inserted—

“(1A) For the purposes of sub-paragraph (1)—

(a) if the place is available to P on a day that would fall within the third case in paragraph 22(7) (if P were present in the UK at the end of that day), that day is to be disregarded for the purposes of sub-paragraph (b), and

(b) a night spent by P at the place immediately before or after a day that would fall within the third case in paragraph 22(7) (if P were present in the UK at the end of that day) is to be disregarded for the purposes of sub-paragraph (c).”

(10) Paragraph 35 (work tie) has effect as if after sub-paragraph (2) there were inserted—

“(3) But a day that would fall within the third case in paragraph 22(7) (if P were present in the UK at the end of it) does not count as a day on which P works in the UK.”

(11) Paragraph 37 (90-day tie) has effect as if—

(a) the existing text were sub-paragraph (1);

(b) after that sub-paragraph, there were inserted—

“(2) For the purposes of sub-paragraph (1), a day that would fall within the third case in paragraph 22(7) (if P were present in the UK at the end of it) does not count as a day P has spent in the UK in the year in question.”

(12) Paragraph 38 (country tie) has effect as if after sub-paragraph (3) there were inserted—

“(4) For the purposes of sub-paragraph (3), P is to be treated as not being present in the UK at the end of a day that would fall within the third case in paragraph 22(7) (if P were present in the UK at the end of that day).”

(13) Paragraph 145 (interpretation) has effect as if at the appropriate place there were inserted—

““coronavirus disease” has the same meaning as in the Coronavirus Act 2020 (see section 1(1) of that Act);.”—(*Jesse Norman.*)

*This new clause modifies the statutory residence test in Schedule 45 to the Finance Act 2013 so that the presence of certain individuals in the UK for purposes connected with coronavirus is discounted for the purposes of determining whether they are resident in the UK in the tax years 2019-20 and 2020-21.*

*Brought up, read the First and Second time, and added to the Bill.*

**New Clause 22****FUTURE FUND: EIS AND SEIS RELIEF**

“(1) This section applies if an individual to whom shares in a company have been issued—

- (a) enters into a convertible loan agreement with the company under the Future Fund on or after 20 May 2020, and
- (b) subsequently receives value from the company under the terms of the agreement.

(2) If, as a result of the receipt of value, any EIS relief attributable to shares issued before the relevant time would (apart from this subsection) be withdrawn or reduced under section 213 of ITA 2007, the value received is to be ignored for the purposes of that section.

(3) If, as a result of the receipt of value, any SEIS relief attributable to shares issued before the relevant time would (apart from this subsection) be withdrawn or reduced under section 257FE of ITA 2007, the value received is to be ignored for the purposes of that section.

(4) If, as a result of the receipt of value, shares issued before the relevant time would (apart from this subsection) cease to be eligible shares by reason of paragraph 13(1)(b) of Schedule 5B to TCGA 1992, the value received is to be ignored for the purposes of that paragraph.

(5) In this section—

“the Future Fund” means the scheme of that name operated from 20 May 2020 by the British Business Bank plc on behalf of the Secretary of State;

“the relevant time” means the time when the individual enters into the convertible loan agreement.”—(*Jesse Norman.*)

*This new clause prevents EIS and SEIS relief from being withdrawn or reduced for the purposes of income tax and capital gains tax in cases where an individual enters into a convertible loan agreement under the Future Fund with a company and subsequently receives value from the company under the agreement.*

*Brought up, read the First and Second time, and added to the Bill.*

**New Clause 23****INTEREST ON UNPAID TAX IN CASE OF DISASTER ETC OF NATIONAL SIGNIFICANCE**

“(1) Section 135 of FA 2008 (interest on unpaid tax in case of disaster etc of national significance) is amended as follows.

(2) In subsection (2), for the words from “arising” to the end substitute “that—

- (d) arises under or by virtue of an enactment or a contract settlement, and
- (e) is of a description (if any) specified in the order.”

(3) In subsection (4)—

- (a) after “relief period” insert “, in relation to a deferred amount,”;
- (b) in paragraph (b), after “revoked” insert “or amended so that it ceases to have effect in relation to the deferred amount”.

(4) In subsection (10)—

- (a) at the end of paragraph (a), omit “and”;
- (b) at the end of paragraph (b) insert “, and
- (c) may specify different dates in relation to liabilities of different descriptions.”

(5) The amendments made by this section have effect from 20 March 2020.”—(*Jesse Norman.*)

*This new clause amends section 135 of the Finance Act 2008 to enable the Treasury to specify in an order under that section which payments of tax and other liabilities that are deferred by agreement during a period of national disaster or emergency will not attract interest or surcharges.*

*Brought up, read the First and Second time, and added to the Bill.*

**New Clause 24****EXCEPTIONAL CIRCUMSTANCES PREVENTING DISPOSAL OF INTEREST IN THREE YEAR PERIOD**

“(1) In FA 2003, Schedule 4ZA (stamp duty land tax: higher rates for additional dwellings etc) is amended as follows.

(2) In paragraph 3 (single dwelling transactions)—

- (a) in sub-paragraph (7)(b) for “the period of three years beginning with the day after the effective date of the transaction concerned” substitute “a permitted period”;

(b) after sub-paragraph (7) insert—

“(7A) For the purposes of sub-paragraph (7)(b), the permitted periods are—

- (a) the period of three years beginning with the day after the effective date of the transaction concerned, or
- (b) if HMRC are satisfied that the purchaser or the purchaser’s spouse or civil partner would have disposed of the major interest in the sold dwelling within that three year period but was prevented from doing so by exceptional circumstances that could not reasonably have been foreseen, such longer period as HMRC may allow in response to an application made in accordance with sub-paragraph (7B).

(7B) An application for the purposes of sub-paragraph (7A)(b) must—

- (a) be made within the period of 12 months beginning with the effective date of the transaction disposing of the major interest in the sold dwelling, and
- (b) be made in such form and manner, and contain such information, as may be specified by HMRC.

(7C) Schedule 11A (claims not included in returns) does not apply in relation to an application made in accordance with sub-paragraph (7B).”

(3) In paragraph 8 (further provision in connection with paragraph 3(6) and (7))—

- (a) in sub-paragraph (3), after “paragraph 3(7)” insert “by virtue of paragraph 3(7A)(a)”;
- (b) in sub-paragraph (4), after “paragraph 3(7)” insert “by virtue of paragraph 3(7A)(a)”;
- (c) after sub-paragraph (4) insert—

“(5) Where HMRC grant an application made in accordance with paragraph 3(7B)—

- (a) the land transaction return in respect of the transaction concerned is treated as having been amended to take account of the application of paragraph 3(7) by virtue of paragraph 3(7A)(b), and
- (b) HMRC must notify the purchaser accordingly.”

(4) The amendments made by this section have effect in a case where the effective date of the transaction concerned is on or after 1 January 2017.”—(*Jesse Norman.*)

*This new clause amends Schedule 4ZA to the Finance Act 2003 to provide that where a person purchases a dwelling intending it to be their only or main residence, the three-year period within which a major interest in the previous dwelling must be disposed of to be able to obtain a refund of the higher rate stamp duty land tax may be extended to a longer period if, because of exceptional circumstances, the interest was not disposed of in that three-year period.*

*Brought up, read the First and Second time, and added to the Bill.*

**New Clause 25****HGV ROAD USER LEVY**

“(1) Section 5(2) of the HGV Road User Levy Act 2013 (HGV road user levy charged for all periods for which a UK heavy goods vehicle is charged to vehicle excise duty) does not apply where the period for which a UK heavy goods vehicle is charged to vehicle excise duty is a period that begins in the exempt period.

(2) Section 6(2) of the 2013 Act (HGV road user levy charged in respect of non-UK heavy goods vehicle for each day on which the vehicle is used or kept on a road to which the Act applies) does not apply in respect of any day in the exempt period.

(3) The exempt period is the period of 12 months beginning with 1 August 2020.

(4) Section 7 of the 2013 Act (rebate of levy) has effect as if, after subsection (2A), there were inserted—

“(2B) A rebate entitlement also arises where HGV road user levy has been paid in respect of a non-UK heavy goods vehicle in accordance with section 6(2) in respect of any part of the exempt period within the meaning of section (HGV road user levy)(3) of the Finance Act 2020.”—(*Jesse Norman.*)

*This new clause provides that HGV road user levy is not chargeable in respect of the period of 12 months beginning with 1 August 2020. It provides that where the levy has been paid in respect of a non-UK heavy goods vehicle in respect of the exempt period a rebate can be claimed (no equivalent provision being required for UK heavy goods vehicles which will benefit from the exemption in respect of any period for which the levy would otherwise be paid that begins during the exempt period).*

*Brought up, read the First and Second time, and added to the Bill.*

**New Clause 32****ENTERPRISE MANAGEMENT INCENTIVES: DISQUALIFYING EVENTS**

“(1) The modifications made by this section apply for the purposes of determining whether a disqualifying event occurs or is treated as occurring in relation to an employee in accordance with section 535 of ITEPA 2003 (enterprise management incentives: disqualifying events relating to employee).

(2) Paragraph 26 of Schedule 5 to ITEPA 2003 (requirement as to commitment of working time) has effect as if, in sub-paragraph (3)—

- (a) the “or” at the end of paragraph (c) were omitted, and
- (b) at the end of paragraph (d), there were inserted “, or
- (e) not being required to work for reasons connected with coronavirus disease (within the meaning given by section 1(1) of the Coronavirus Act 2020).”

(3) Paragraph 27 of that Schedule (meaning of “working time”) has effect as if, in sub-paragraph (1)(b), for “(d)” there were substituted “(e)”.

(4) Section 535 of ITEPA 2003 has effect as if, in the closing words of subsection (3), for “(d)” there were substituted “(e)”.

(5) The modifications made by this section have effect in relation to the period—

- (a) beginning with 19 March 2020, and
- (b) ending with 5 April 2021.

(6) The Treasury may by regulations made in the tax year 2020-21 amend subsection (5)(b) by replacing “2021” with “2022”.—(*Jesse Norman.*)

*This new clause provides that a disqualifying event does not occur in relation to an individual as regards enterprise management incentives as a result of the individual taking leave, being furloughed or working reduced hours because of coronavirus disease.*

*Brought up, read the First and Second time, and added to the Bill.*

**New Schedule 1****TAXATION OF CORONAVIRUS SUPPORT PAYMENTS**

*Accounting for coronavirus support payments referable to a business*

1 (1) This paragraph applies if a person carrying on, or who carried on, a business (whether alone or in partnership) receives a coronavirus support payment that is referable to the business.

(2) So much of the coronavirus support payment as is referable to the business is a receipt of a revenue nature for income tax or corporation tax purposes and is to be brought into account in calculating the profits of that business—

- (a) under the applicable provisions of the Income Tax Acts, or
- (b) under the applicable provisions of the Corporation Tax Acts.

(3) Subject to paragraph 2(5), sub-paragraph (2) does not apply to an amount of a coronavirus support payment if—

- (a) the business to which the amount is referable is no longer carried on by the recipient of the amount, and
- (b) the amount is not referable to activities of the business undertaken at a time when it was being carried on by the recipient of the amount.

(4) If an amount of the coronavirus support payment is referable to more than one business or business activity, the amount is to be allocated between those businesses or activities on a just and reasonable basis.

(5) Paragraph 3 contains provision about when, in certain cases, an amount of a coronavirus support payment is, or is not, referable to a business for the purposes of this paragraph and paragraph 2.

(6) In this Schedule “business” includes—

- (a) a trade, profession or vocation;
- (b) a UK property business or an overseas property business;
- (c) a business consisting wholly or partly of making investments.

*Amounts not referable to activities of a business which is being carried on*

2 (1) This paragraph applies if a person who carried on a business (whether alone or in partnership) receives a coronavirus support payment that—

- (a) is referable to the business, and
- (b) is not wholly referable to activities of the business undertaken while the business was being carried on by the recipient of the payment.

(2) So much of the coronavirus support payment as is referable to the business but which is not referable to activities of the business undertaken while the business was being carried on by the recipient of the payment is to be treated as follows.

(3) An amount referable to a trade, profession or vocation is to be treated as a post-cessation receipt for the purposes of Chapter 18 of Part 2 of ITTOIA 2005 or Chapter 15 of Part 3 of CTA 2009 (trading income: post-cessation receipts), and—

- (a) in the application of Chapter 18 of Part 2 of ITTOIA 2005 to that amount, section 243 (extent of charge to tax) is omitted, and
- (b) in the application of Chapter 15 of Part 3 of CTA 2009 to that amount, section 189 (extent of charge to tax) is omitted.

(4) An amount referable to a UK property business or an overseas property business is to be treated (in either case) as a post-cessation receipt from a UK property business for the purposes of Chapter 10 of Part 3 of ITTOIA 2005 or Chapter 9 of Part 4 of CTA 2009 (property income: post-cessation receipts), and—

- (a) in the application of Chapter 10 of Part 3 of ITTOIA 2005 to that amount, section 350 (extent of charge to tax) is omitted, and

(b) in the application of Chapter 9 of Part 4 of CTA 2009 to that amount, section 281 (extent of charge to tax) is omitted.

(5) In any other case, for the purposes of paragraph 1(3)—

(a) the recipient of the amount is to be treated as if carrying on the business to which the amount is referable to at the time of the receipt of the amount, and

(b) the amount is to be treated as if it were referable to activities undertaken by the business at that time.

(6) Where the recipient of the amount has incurred expenses that—

(a) are referable to the amount, and

(b) would be deductible in calculating the profits of the business if it were being carried on at the time of receipt of the amount,

the amount brought into account under paragraph 1(2) by virtue of sub-paragraph (5) is to be reduced by the amount of those expenses.

(7) But sub-paragraph (6) does not apply to expenses of a person that arise directly or indirectly from the person ceasing to carry on business.

#### *Amounts referable to businesses in certain cases*

3 (1) An amount of a coronavirus support payment made under an employment-related scheme—

(a) is referable to the business of the person entitled to the payment as an employer (even if the person is not for other purposes the employer of the employees to whom the payment relates), and

(b) is not referable to any other business (and no deduction for any expenses in respect of the same employment costs which are the subject of the payment is allowed in calculating the profits of any other business or in calculating the liability of any other person to tax charged under section 242 or 349 of ITTOIA 2005 or section 188 or 280 of CTA 2009 (post-cessation receipts)).

(2) A coronavirus support payment made under the self-employment income support scheme is referable to the business of the individual to whom the payment relates.

(3) Where an amount of a coronavirus support payment made under the self-employment income support scheme is brought into account under paragraph 1(2), the whole of the amount is to be treated as a receipt of a revenue nature of the tax year 2020-21 (irrespective of its treatment for accounting purposes).

(4) But sub-paragraph (3) does not apply to an amount of a coronavirus support payment made under the self-employment income support scheme in respect of a partner of a firm where the amount is distributed amongst the partners (rather than being retained by the partner).

(5) An amount of a coronavirus support payment made under the self-employment income support scheme in respect of a partner of a firm that is retained by the partner (rather than being distributed amongst the partners) is not to be treated as a receipt of the firm.

(6) Accordingly—

(a) the receipt is not to be included in the calculation of the firm's profits for the purposes of determining the share of profits or losses for each partner of the firm (see sections 849 to 850E of ITTOIA 2005 and sections 1259 to 1265 of CTA 2009), and

(b) the receipt is then to be added to the partner's share.

#### *Exemptions, reliefs and deductions*

4 (1) An amount of a coronavirus support payment that relates only to mutual activities of a business that carries on a mutual trade is to be treated as if it were income arising from those activities (and accordingly the amount is not taxable).

(2) A coronavirus support payment is to be ignored when carrying out the calculation—

(a) in section 528(1) of ITA 2007 (incoming resources limit for charitable exemptions);

(b) in section 482(1) of CTA 2010 (incoming resources limit for charitable companies);

(c) in section 661CA(1) of CTA 2010 (income condition for community amateur sports clubs).

(3) A coronavirus support payment made under an employment-related scheme is to be ignored when carrying out the calculation—

(a) in section 662(2) of CTA 2010 (exemption from corporation tax for UK trading income of community amateur sports clubs);

(b) in section 663(2) of that Act (exemption from corporation tax for UK property income community amateur sports clubs).

(4) No relief under Chapter 1 of Part 6A of ITTOIA 2005 (trading allowance) is given to an individual on an amount of a coronavirus support payment made under the self-employment income support scheme brought into account under paragraph 1(2) as profits of that tax year.

(5) For the purposes of that Part, such an amount is to be ignored when calculating the individual's "relevant income" for that tax year under Chapter 1 of that Part.

(6) Neither section 57 of ITTOIA 2005 nor section 61 of CTA 2009 (deductions for pre-trading expenses) (including as they apply by virtue of sections 272 and 272ZA of ITTOIA 2005 and section 210 of CTA 2009) apply to employment costs where an amount of a coronavirus support payment made under an employment-related scheme relates to those costs.

#### *Charge where employment costs deductible by another*

5 (1) Income tax is charged on an amount of a coronavirus support payment made under an employment-related scheme if conditions A and B are met.

(2) Condition A is that the amount is neither brought into account under paragraph 1(2) in calculating the profits of a business carried on by the person entitled to the payment as an employer nor treated, by virtue of paragraph 2(3) or (4), as a post-cessation receipt arising from the carrying on of such a business.

(3) Condition B is that expenses incurred by another person in respect of the same employment costs which are the subject of the coronavirus support payment and to which the amount relates are deductible—

(a) in calculating the profits of a business carried on by that other person (for income or corporation tax purposes), or

(b) in calculating the liability of that other person to tax charged under section 242 or 349 of ITTOIA 2005 or section 188 or 280 of CTA 2009 (post-cessation receipts).

(4) Tax is charged under sub-paragraph (1) on the whole of the amount to which that sub-paragraph applies.

(5) The person liable for tax charged under sub-paragraph (1) is the person entitled to the coronavirus support payment as an employer.

(6) Section 3(1) of CTA 2009 (exclusion of charge to income tax) does not apply to an amount of a coronavirus support payment that is charged under this paragraph.

#### *Charge where no business carried on*

6 (1) Tax is charged on an amount of a coronavirus support payment, other than a payment made under an employment-related scheme or the self-employment income support scheme, if—

(a) the amount is neither brought into account under paragraph 1(2) in calculating the profits of a business nor treated as a post-cessation receipt by virtue of paragraph 2(3) or (4), and

(b) at the time the coronavirus support payment was received, the recipient did not carry on a business whose profits are charged to tax and to which the payment could be referable.

(2) In this paragraph “tax” means—

- (a) corporation tax, in the case of a company that (apart from this paragraph) is chargeable to corporation tax, or to any amount chargeable as if it was corporation tax, or
- (b) income tax, in any other case.

(3) Tax is charged under sub-paragraph (1) on the whole of the amount to which that sub-paragraph applies.

(4) The person liable for tax charged under sub-paragraph (1) is the recipient of that amount.

(5) Where income tax is charged under sub-paragraph (1), sections 527 and 528 of ITA 2007 (exemption and income condition for charitable trusts) have effect as if sub-paragraph (1) were a provision to which section 1016 of that Act applies.

(6) Where corporation tax is charged under sub-paragraph (1), sections 481 and 482 of CTA 2010 (exemption and income condition for charitable companies) have effect as if sub-paragraph (1) were a provision to which section 1173 of that Act applies.

#### *Modification of the Tax Acts*

7 The Treasury may by regulations modify the application of any provision of the Tax Acts that affects (or that otherwise would affect) the treatment of—

- (a) receipts brought into account under paragraph 1(2),
- (b) amounts treated as post-cessation receipts under paragraph 2(3) or (4), or
- (c) amounts charged under paragraph 5(1) or 6(1).

#### *Charge if person not entitled to coronavirus support payment*

8 (1) A recipient of an amount of a coronavirus support payment is liable to income tax under this paragraph if the recipient is not entitled to the amount in accordance with the scheme under which the payment was made.

(2) But sub-paragraph (1) does not apply to an amount of a coronavirus support payment made under a coronavirus business support grant scheme or the coronavirus statutory sick pay rebate scheme.

(3) For the purposes of this Schedule, references to a person not being entitled to an amount include, in the case of an amount of a coronavirus support payment made under the coronavirus job retention scheme, a case where the person ceases to be entitled to retain the amount after it was received—

- (a) because of a change in circumstances, or
- (b) because the person has not, within a reasonable period, used the amount to pay the costs which it was intended to reimburse.

(4) Income tax becomes chargeable under this paragraph—

- (a) in a case where the person was entitled to an amount of a coronavirus support payment paid under the coronavirus job retention scheme but subsequently ceases to be entitled to retain it, at the time the person ceases to be entitled to retain the amount, or
- (b) in any other case, at the time the coronavirus support payment is received.

(5) The amount of income tax chargeable under this paragraph is the amount equal to so much of the coronavirus support payment—

- (a) as the recipient is not entitled to, and
- (b) as has not been repaid to the person who made the coronavirus support payment.

(6) Where income tax which is chargeable under this paragraph is the subject of an assessment (whether under paragraph 9 or otherwise)—

- (a) paragraphs 1 to 6 do not apply to the amount of the coronavirus support payment that is the subject of the assessment,
- (b) that amount is not, for the purposes of Step 1 of the calculation in section 23 of ITA 2007 (calculation of income tax liability), to be treated as an amount of

income on which the taxpayer is charged to income tax (but see paragraph 10 which makes further provision about the application of that section), and

- (c) that amount is not to be treated as income of a company for the purposes of section 3 of CTA 2009 (and accordingly the exclusion of the application of the provisions of the Income Tax Acts to the income of certain companies does not apply to the receipt of an amount charged under this paragraph).

(7) No loss, deficit, expense or allowance may be taken into account in calculating, or may be deducted from or set off against, any amount of income tax charged under this paragraph.

(8) In calculating profits or losses for the purposes of corporation tax, no deduction is allowed in respect of the payment of income tax charged under this paragraph.

(9) For the purposes of this paragraph and paragraphs 9(4) and 14, a firm is not to be regarded as receiving an amount of a coronavirus support payment made under the self-employment income support scheme in respect of a partner of that firm that is retained by the partner (rather than being distributed amongst the partners).

#### *Assessments of income tax chargeable under paragraph 8*

9 (1) If an officer of Revenue and Customs considers (whether on the basis of information or documents obtained by virtue of the exercise of powers under Schedule 36 to FA 2008 or otherwise) that a person has received an amount of a coronavirus support payment to which the person is not entitled, the officer may make an assessment in the amount which ought in the officer’s opinion to be charged under paragraph 8.

(2) An assessment under sub-paragraph (1) may be made at any time, but this is subject to sections 34 and 36 of TMA 1970.

(3) Parts 4 to 6 of TMA 1970 contain other provisions that are relevant to an assessment under sub-paragraph (1) (for example, section 31 makes provision about appeals and section 59B(6) makes provision about the time to pay income tax payable by virtue of an assessment).

(4) Where income tax is chargeable under paragraph 8 in relation to an amount of a coronavirus support payment received by a firm—

- (a) an assessment (under sub-paragraph (1) or otherwise) may be made on any of the partners in respect of the total amount of tax that is chargeable,
- (b) each of the partners is jointly and severally liable for the tax so assessed, and
- (c) if the total amount of tax that is chargeable is included in a return under section 8 of TMA 1970 made by one of the partners, the other partners are not required to include the tax in returns made by them under that section.

#### *Calculation of income tax liability*

10 (1) Section 23 of ITA 2007 (calculation of income tax liability) applies in relation to a person liable to income tax charged under paragraph 8 as if that paragraph were included in the lists of provisions in subsections (1) and (2) of section 30 of that Act (amounts of tax added at step 7).

(2) For the purposes of paragraph 7(2) of Schedule 41 to FA 2008, a relevant obligation relating to income tax charged under paragraph 8 of this Schedule relates to a tax year if the income tax became chargeable in that tax year.

(3) But this paragraph does not apply to a company to which paragraph 11 (companies chargeable to corporation tax) applies.

#### *Calculation of tax liability: companies chargeable to corporation tax*

11 (1) This paragraph applies where a person liable to income tax charged under paragraph 8 is a company that is chargeable to corporation tax, or to any amount chargeable as if it was corporation tax, in relation to a period within which the income tax became chargeable.



(2) Part 5A of TMA 1970 (payment of tax) applies in relation to that company as if—

- (a) the reference to “corporation tax” in subsection (1) of section 59D (general rule as to when corporation tax is due and payable) included income tax charged under paragraph 8 of this Schedule;
- (b) an amount of income tax charged under paragraph 8 of this Schedule were an amount within subsection (6) of section 59F (arrangements for paying tax on behalf of group members);
- (c) any reference in section 59G (managed payment plans) to “corporation tax” included income tax charged under paragraph 8 of this Schedule.

(3) Part 9 of that Act (interest on overdue tax) applies in relation to that company as if—

- (a) the references in section 86 (interest on overdue income tax and capital gains tax) to “income tax” did not include income tax charged under paragraph 8 of this Schedule;
- (b) in subsection (1) of section 87A (interest on overdue corporation tax) the reference to “corporation tax” included income tax charged under paragraph 8 of this Schedule.

(4) Schedule 18 to FA 1998 (company tax returns etc.) applies in relation to that company as if—

- (a) any reference in that Schedule to “tax”, other than the references in paragraph 2 of that Schedule (duty to give notice of chargeability), included income tax charged under paragraph 8 of this Schedule, and
- (b) in paragraph 8(1) of that Schedule (calculation of tax payable), at the end there were inserted—

“Sixth step

Add any amount of income tax chargeable under paragraph 8 of Schedule (*Taxation of coronavirus support payments*) to the Finance Act 2020.”

(5) But the modifications of that Schedule are to be ignored for the purposes of the Corporation Tax (Instalment Payments) Regulations 1998 (S.I. 1998/3175).

(6) Schedule 41 to FA 2008 applies in relation to that company as if —

- (a) the references to “income tax” in paragraph 7(2) did not include income tax charged under paragraph 8 of this Schedule;
- (b) the reference to “corporation tax” in paragraph 7(3) included income tax charged under paragraph 8 of this Schedule;

(but see paragraph 13(5) of this Schedule which has the effect that paragraph 7 of that Schedule does not apply in certain circumstances).

(7) For the purposes of paragraph 7(3) of Schedule 41 to FA 2008 (as modified by sub-paragraph (6)), a relevant obligation relating to income tax charged under paragraph 8 of this Schedule relates to an accounting period if the income tax became chargeable in that period.

#### *Notification of liability under paragraph 8*

12 (1) Section 7 of TMA 1970 (notice of liability to income tax and capital gains tax) applies in relation to income tax chargeable under paragraph 8 as provided for in sub-paragraphs (2) to (5).

(2) Subsection (1) has effect as if paragraph (b) (and the “and” before it) were omitted.

(3) Subsection (1) has effect as if the reference to “the notification period” were to the period commencing on the day on which the income tax became chargeable and ending on the later of—

- (a) the 90th day after the day on which this Act is passed, or
- (b) the 90th day after the day on which the income tax became chargeable.

(4) Subsection (3)(c) has effect as if after “child benefit charge” there were inserted “or to income tax under paragraph 8 of Schedule (Taxation of coronavirus support payments) to the Finance Act 2020”.

(5) In relation to income tax chargeable under paragraph 8 in relation to an amount of a coronavirus support payment received by a firm, the duty in subsection (1) (as it has effect by virtue of sub-paragraphs (2) and (3)) is taken to have been complied with by each of the partners if one of the partners has complied with it.

(6) The reference in section 36(1A)(b) of TMA 1970 (20 year period for assessment in a case involving a loss of income tax) to a failure to comply with an obligation under section 7 of that Act is not to be taken as including a failure arising by virtue of the modification of that section by this paragraph, unless the failure is one to which paragraph 13 applies.

#### *Penalty for failure to notify: knowledge of non-entitlement to payment*

13 (1) This paragraph applies to a failure of a person to notify, under section 7 of TMA 1970 (as modified by paragraph 12), a liability to income tax chargeable under paragraph 8 where the person knew, at the time the income tax first became chargeable, that the person was not entitled to the amount of the coronavirus support payment in relation to which the tax is chargeable.

(2) Schedule 41 to FA 2008 (failure to notify) applies to a failure described in sub-paragraph (1) as follows.

(3) The failure is to be treated as deliberate and concealed.

(4) Accordingly, paragraph 6 of that Schedule has effect as if the references to a penalty for “a deliberate but not concealed failure” or for “any other case” were omitted.

(5) For the purposes of that Schedule (except in a case falling within paragraph 14 of this Schedule), the “potential lost revenue” is to be treated as being the amount of income tax which would have been assessable on the person at the end of the last day of the notification period (see paragraph 12(3)).

#### *Penalties: partnerships*

14 (1) This paragraph applies to a failure to notify, under section 7 of TMA 1970 (as modified by paragraph 12), a liability to income tax chargeable under paragraph 8 by a partner of a firm that received the amount of the coronavirus support payment in relation to which the tax is chargeable.

(2) For the purposes of paragraph 13(1) of this Schedule, each partner is taken to know anything that any of the other partners knows.

(3) Where a partner would be liable to a penalty under Schedule 41 to FA 2008 (whether in a case falling within paragraph 13 or otherwise), the partner is instead jointly and severally liable with the other partners to a single penalty under that Schedule for the failures by each of them to notify.

(4) In a case not falling within paragraph 13, if the failure of at least one of the partners—

- (a) was deliberate and concealed, the single penalty is to be treated as a penalty for a deliberate and concealed failure;
- (b) was deliberate but not concealed, the single penalty is to be treated as a penalty for a deliberate but not concealed failure.

(5) For the purposes of Schedule 41 to FA 2008, the “potential lost revenue” is to be treated as being the amount of income tax which would have been assessable on any one of the partners (see paragraph 9(4)(a))—

- (a) in a case falling within paragraph 13, at the end of the last day of the notification period, or
- (b) in any other case, at the end of 31 January following the tax year in which the amount of coronavirus support payment was received by the firm.

(6) Paragraph 22 of that Schedule (limited liability partnerships: members’ liability) does not apply.

#### *Liability of officers of insolvent companies*

15 (1) This paragraph—

(a) provides for an individual to be jointly and severally liable to the Commissioners for Her Majesty's Revenue and Customs for a liability of a company to income tax charged under paragraph 8, where a notice under sub-paragraph (2) is given to the individual, and

(b) applies paragraphs 10 to 15 and 17 of Schedule 13 (joint liability notices: tax avoidance, tax evasion and repeated insolvency and non-payment) to such a notice.

(2) An officer of Revenue and Customs may give a notice under this sub-paragraph to an individual if it appears to the officer that conditions A to D are met.

(3) Condition A is that—

(a) the company is subject to an insolvency procedure, or  
(b) there is a serious possibility of the company becoming subject to an insolvency procedure.

(4) Condition B is that the company is liable to income tax under paragraph 8.

(5) Condition C is that the individual was responsible for the management of the company at the time the income tax first became chargeable and the individual knew (at that time) that the company was not entitled to the amount of the coronavirus support payment in relation to which the tax is chargeable.

(6) Condition D is that there is a serious possibility that some or all of the income tax liability will not be paid.

(7) For the purposes of sub-paragraph (5) the individual is responsible for the management of a company if the individual—

(a) is a director or shadow director of the company, or  
(b) is concerned (whether directly or indirectly) in, or takes part in, the management of the company.

(8) A notice under sub-paragraph (2) must—

(a) specify the company to which the notice relates;  
(b) set out the reasons for which it appears to the officer that conditions A to D are met;  
(c) specify the amount of the income tax liability;  
(d) state the effect of the notice;  
(e) offer the individual a review of the decision to give the notice and explain the effect of paragraph 11 of Schedule 13 (right of review);  
(f) explain the effect of paragraph 13 of that Schedule (right of appeal).

(9) An individual who is given a notice under sub-paragraph (2) is jointly and severally liable with the company (and with any other individual who is given such a notice) to the amount of the income tax liability specified under sub-paragraph (8)(c).

For provision under which the amount so specified may be varied, see—

(a) paragraph 10 of Schedule 13 (modification etc),  
(b) paragraphs 11 and 12 of that Schedule (review), and  
(c) paragraphs 13 and 14 of that Schedule (appeal).

(10) Paragraphs 10 to 15 and 17 of Schedule 13 apply to a notice under sub-paragraph (2) as they apply to a joint liability notice (see paragraph 1(2) of that Schedule) as if—

(a) the references in those paragraphs to “relevant conditions” were to conditions A to D in this paragraph;  
(b) sub-paragraphs (3) and (4) of paragraph 10 were omitted (and references to sub-paragraph (3) in that paragraph were omitted);  
(c) in paragraph 10(6)(a), after “or (9)” there were inserted “or paragraph 15(8)(c) of Schedule (Taxation of coronavirus support payments)”;  
(d) in paragraph 12(6)(b) after “5(9)” there were inserted “or paragraph 15(8)(c) of Schedule (Taxation of coronavirus support payments)”.

(11) Expressions used in this paragraph and in Schedule 13 have the same meaning in this paragraph as they have in that Schedule (subject to the modification made by sub-paragraph (10)(a)).—(*Jesse Norman.*)

*This new Schedule makes provision about the taxation of payments made under various coronavirus related business support schemes, including the coronavirus job retention scheme (“CJRS”) and the self-employment income support scheme (“SEISS”). Paragraphs 1 to 7 clarify how payments under those schemes are to be subject to tax, following (with some exceptions) the normal principles for taxing receipts of a business. Paragraph 8 provides that where a person receives an amount to which they were not entitled under CJRS or SEISS, or misapplies an amount paid under CJRS, the person will be liable to income tax at the rate of 100% in relation to so much of that amount as was not repaid to HMRC. Paragraphs 9 to 15 make provision in connection with that charge (for example in relation to assessments and penalties).*

*Brought up, read the First and Second time, and added to the Bill.*

*Third Reading*

3.39 pm

**Jesse Norman:** I beg to move, That the Bill be now read the Third time.

This Finance Bill stands in the shadow of a pandemic unprecedented in its scale and reach. We are keenly aware of the immense challenges and pressures that that has placed on us. These conditions—this situation—cannot and will not be ignored. The Government are working flat out to alleviate the impact of covid-19 on the economy, on the public finances, and, most importantly, on the health and wellbeing of every person and family in the United Kingdom.

My right hon. Friend the Chancellor has announced numerous measures over the past few months in response to the virus, including the job retention scheme, the business interruption loan scheme, and the self-employment income scheme. Together, this represents, contrary to many of the comments made in the previous debate, an economic intervention by Government on a scale hitherto unseen in peacetime, and necessarily so. At such a difficult time for millions of people around the United Kingdom, the Government have worked to protect businesses and are specifically focused on the wellbeing of the most vulnerable in society.

Of course we recognise, and the House must recognise, that this is a still a work in progress and there is a way to go. The crisis is not over. The pandemic continues. People around this country are still suffering and may do so for many months yet. The Government will continue to work to lessen the impact, but it remains the responsibility, the duty and the important role of businesses, families and individuals to play their part, too, in this colossal collective national effort. Together, we must work to bring ourselves through and out of this crisis.

The Bill supports the emergency services as they go about their vital duties and exempts from vehicle excise duty vehicles that have been purpose-built to transport NHS products. The Government have introduced new clauses that were considered today to ensure that workers who have returned to public sector jobs to help fight the effects of the pandemic will face no adverse pensions consequences from doing so. The Bill reforms the tapered annual allowance so that doctors can spend more time treating patients without facing precipitous tax bills. This pandemic has brought out, in many ways, the best in our society, and I am certain that the Britain that emerges from it will be stronger and fairer.

The Bill provides tax exemptions specifically for those who receive payments under the Windrush compensation scheme, the troubles permanent disablement

payment scheme and the Kindertransport fund, as well as for care leavers who are starting apprenticeships, and rightly so.

The necessary focus on the here and now must not come at the expense of tomorrow. In the words of the Prime Minister, our great national hibernation is coming to an end, and we must and will now at last look to the future. Now is the time to start to rebuild the economy and to restore our public finances. Our police, our teachers, our armed forces and many other public sector workers have all played their part in combating this pandemic alongside the NHS. I would also single out, as I have said, our public servants in the civil service, particularly in my own area of HM Treasury and within HMRC.

This public sector support cannot be provided for if the public finances are not supported, in turn, with a fair and sustainable tax system. That is a key fact. We do that while seeking to remain competitive internationally, and maintaining the corporation tax rate at 19% is therefore the right approach. Even at that level, it is still the lowest headline rate in the G20, and it reminds the world of UK strength as a location for inward investment.

But we have also been clear about fairness. Everyone must pay their fair share of tax. That is one reason we have introduced the digital services tax, for which this Bill also legislates. A tax set at a rate of 2% on revenues from digital services will ensure that digital businesses pay a fairer share of UK tax that more accurately reflects the significant value that they derive from their UK users. As we look to recovery, we want business to receive the support that it needs. That is why we have delayed the extension of the off-payroll working reforms in the private sector to April 2021.

Businesses need time to prepare for the reforms, and it would have been burdensome to ask them to do so during the pandemic.

We focus on innovation in the Finance Bill. We wish to go further to support enterprise in this country, which will be desperately needed in the coming months. This country has a proud history of innovation, and increasing the research and development expenditure credit rate to 13% will allow that to continue. The structures and buildings allowance rate increase will also aid investment in new shops, factories and agricultural buildings, which will help to stimulate capital investment across the nation. As ever, we are committed to levelling up across the United Kingdom.

As has been pointed out, covid-19 is not the only crisis that we face. The Government have committed to reducing the United Kingdom's carbon emissions to net zero by 2050. The Bill is another step towards that target. Not only does it pave the way for the forthcoming plastic packaging tax, but it removes the vehicle excise duty expensive car supplement for zero-emissions vehicles and ensures that, now we have left the European Union, a carbon price will remain in place. Those measures will help to ensure that our post-covid-19 economy is greener than before.

At the end of 10 hours of debate in the last two days, for which I thank all my colleagues and the Opposition Front-Bench team, we understand that the world during the passage of the Bill has changed. Its impact on this House, our daily lives and our economic outlook has radically altered. To some extent, we have made changes

on the fly to shore up and support our public services and our response to the pandemic. As a result, the Bill is a firm foundation—indeed, firmer than it was originally framed—on which we can rebuild our economy and protect our public finances as we recover from this devastating virus. The Bill supports businesses, the vulnerable and our key workers, and I commend it to the House.

3.46 pm

**Bridget Phillipson:** I begin by thanking my colleagues in the shadow Treasury team for their work throughout the journey of the Bill and the Minister and his colleagues for their responses to many of the questions and concerns that we have raised. I also put on record our thanks to the Clerks for all their work. They have helped us so much during the progress of the Bill in difficult and dangerous times for them. The House of Commons Library staff have, as ever, been incredibly helpful and professional and I record our thanks to them as well.

I am grateful to all hon. Members who have contributed to our discussions about the Bill. I am delighted that we have heard such a range of contributions, not least from hon. Members on the Opposition Benches. It is rather disappointing, however, that we have not heard from a single woman from the Government Benches today. I do not know whether it is men-only Thursday on the Tory side when it comes to the Finance Bill, but given that we know the impact of the coronavirus pandemic on women in particular will be profound, I hope that we might be able to set that straight when we continue our discussions of this nature on Wednesday. Women are more likely to have lost their jobs or to have been furloughed during the crisis and, sadly, despite many of the changes that we have seen in our society, they often shoulder the burden of childcare.

As I have repeated throughout the progress of the Bill, it does not recognise the scale of the challenge we face. I appreciate what the Minister said, but it is a Finance Bill for a different age. We have consistently warned of the looming threat of mass unemployment since the beginning of the pandemic. As the days go by, that is becoming a reality. This month, the OECD reported that the UK is set to face a slump in its GDP that will outstrip the falls of France, Italy, Germany and the US.

Young people are about to enter the worst jobs market in more than a decade. Those who entered the jobs market in 2008 will know what a challenge that is, but this will be worse still. The class of 2020 have no part-time retail and hospitality jobs to fall back on while they look for their first job. For young people, completing their education is supposed to be a step on the ladder, but for many this year, it will involve falling down a snake.

Airbus, TM Lewin, easyJet and SSP Group are all large employers that have announced that they will be making thousands of redundancies. At least 12,000 jobs have been lost in the last three days alone; the real number is doubtless higher still. In every case it is a tragedy for those affected, because it means thousands more jobseekers having to rely on meagre social security payments to provide for their families and thousands more jobseekers needing to sign on when demand at jobcentres will already be very high and when recruitment

[Bridget Phillipson]

in many sectors has already frozen indefinitely. It is not just young people, however, who will be affected. I think especially of older workers who will need additional support to retrain and reskill during this time.

We recall the devastation of mass unemployment in the 1980s that scarred communities like mine for far too long. The pain was acute and the social and economic damage was lasting and real. I have long believed that Government can and must be a force for good, but this is a political choice. While the lockdown restrictions are slowly easing, the threat of coronavirus is far from gone. It will take much longer for businesses to operate at their usual capacity. We recognise that protecting our economy would be an immense challenge for any Government, but to meet the challenge, we will need ambitious, decisive and swift action.

When we hear that update from the Chancellor next Wednesday, we will need a full back-to-work Budget with a resolute focus on jobs. It is more important than ever that those with broadest shoulders pay their fair share, so that we can raise revenues to fund the schemes and the vital frontline workers we need to get us on the road to recovery and revive our public services.

The Finance Bill is a series of tweaks and corrections. Rather than raising revenue, it extends and expands tax reliefs and tinkers with, rather than ends the entrepreneurs' relief. Netflix, Amazon Prime and other high-grossing streaming services will be unaffected by the digital services tax, for all we welcome its introduction in its limited scope. As it stands, the digital services tax will create up to £440 million in annual revenue, when the UK in fact loses £1.3 billion in corporation tax to five of the biggest UK tech firms each year. That is £1.3 billion that could go towards helping schools to enable children to return safely in September, towards more nurses and more doctors, towards creating new jobs, towards decarbonising our economy and towards funding more public health research, which this pandemic has shown we desperately need.

We have sought to improve the Bill in Committee and on Report, introducing amendments so that the Government could review their policies against their effects on job creation, on poverty, on a green recovery and on measuring the cost of tax reliefs. We have sought to entrench greater scrutiny of policies that may well need to be revised in what is becoming an unprecedented economic downturn. Again, the Government have defeated our amendments. We fear that their approach highlights that they have not yet recognised that they will need to go much further in protecting our economy. The Prime Minister's plans for economic revival are mere repetitions of existing spending, announced wearing a different hard hat in a different tractor. They are a Government who run the economy by repetition, not innovation.

Labour has consistently approached this crisis constructively, and we will try to keep doing so. In this time of crisis, I urge the Government to rethink their approach and to show meaningful dedication to economic recovery next week. We know that the furlough scheme has provided a lifeline to thousands of workers, but that work is not yet done. There can be no room for a sense of pride or complacency. If the Government fail to provide a full stimulus package before October, the 1 million people who lost their jobs in March and April

will have been unemployed for six months, and not enough will have been done to support demand and create new jobs.

We again call for a back-to-work Budget that is rigorous, takes into account the differing needs of sectors and regions and gives the right level of support to workers old and young, rather than taking a one-size-fits-all approach. We need a full Budget that supports viable businesses—a Budget that is future-facing in promoting green jobs, reskilling older workers and investing in our young people, because infrastructure is more than just bricks and mortar. We need a Budget that honours the sacrifices the British people have made during this crisis. The future success of our country depends on it.

3.53 pm

**Alison Thewliss:** Like everybody, I acknowledge these extraordinary times. The world has changed since the Budget was announced in March. All the certainties that we used to rely upon are gone, and things that we thought that the Government would never do, never say or never spend money on are suddenly things that are no barrier whatever. That goes some way to show that the Government can do a lot more when they want to, and that should give us some hope that they may go back on things they have said before.

I wish to take this opportunity to thank everybody who has contributed to debates on the Bill. I thank the Clerks and the Bill team, who have been so incredibly helpful; I thank you, Madam Deputy Speaker, for your sage advice; and I thank my hon. Friend the Member for Aberdeen South (Stephen Flynn), whose first Finance Bill this is and who has done a fantastic job representing both his constituents and the party.

I also thank our researchers, Scott Taylor and Jonathan Kiehlmann, who have supported us so well throughout this process—with all the amendments that we tabled and having to learn about everybody else's amendments, it has been a huge challenge to keep up but they have risen to it admirably—and Mhairi Love in my office, who has also done an incredible job while studying for her exams and completing a dissertation. She has provided support to me throughout all that and I thank her for it. I thank the people on Twitter who think I talk too quickly. I swear that I am making an effort to slow down; this is just how I speak.

I repeat the call for evidence that I made at the start of the Bill's progress. A Finance Bill Committee should be able to take evidence. Other Bill Committees in this House have the practice—for example, the Domestic Abuse Bill Committee for England and Wales took evidence from experts. It seems absolutely ludicrous that Finance Bills, which affect so many different aspects of everybody's lives, do not take evidence from experts at the start and instead rely on getting written evidence and us scrutinising that written evidence, rather than being able to ask questions about the Government's policies and find the best way through. I also reiterate that some kind of standing committee on the Budget is very much required to keep an eye on what the Government are doing and how effective their policies and proposals are.

Many questions remain at the end of this Budget process, and I suppose the first of those is whether we will be back here for another Budget in the autumn.

Issues such as the loan charge and IR35 are not going away, as much as the Government would like them to. We cannot predict the course of the coronavirus, but we do know that the UK Government's handling of it has been far from impressive. As I said yesterday, I fear a return to mass unemployment. The Treasury has the toughest of decisions to make, but it ought to put wellbeing and people first, because if we do not have that, we will not have much else to go with afterwards.

**Jesse Norman:** The hon. Lady has raised the loan charge; we did not really get a sense of it yesterday, but is the SNP in favour of the loan charge as a substantive matter or against it?

**Alison Thewliss:** We believe that there are still many questions to be answered on the loan charge, not least the revelations in the press during the week over the FOI request that have raised more questions. We want to see further probing on the issue and further support for those people who have ended up losing not only their livelihoods but their homes—and some have lost their lives. It is no light-hearted matter to be considered in such a flippant way.

If the Financial Secretary to the Treasury wants to prevent scarring in the economy, he must encourage his colleague the Chancellor to be bolder next week. He must keep the job retention scheme and the self-employment support scheme going, and he must fill the gaps in those schemes when he makes his announcement next week, because too many people have lost out and too many sectors are not yet back to full strength. When that change comes—when people have to pay more of the wage costs themselves—we will see more and more employers doing what many employers have done this week and simply deciding to hand back the keys, fire their staff and wind up their companies. And the unemployment figures will soar.

**Stephen Flynn:** Does my hon. Friend share my particular concern about the oil and gas sector in which we have already seen vast swathes of employees made redundant because the furlough scheme had an end date? The fact that that end date is now coming closer and has not been extended will only compound the difficulties and lead to further unemployment.

**Alison Thewliss:** The oil and gas sector is a perfect example of a sector that needs additional support right now. These are people who have a great deal of uncertainty involving many different factors, not least the oil and gas price at the moment, the need to invest in green technologies in the future and the need to transition in a just way that makes sure that jobs and livelihoods are protected. The Government need to have an oil and gas sector deal to support those jobs and those people and to protect the economy of the north-east of Scotland.

Other sectors of concern include tourism, hospitality and the arts and theatre. There is a huge campaign today for the music sector as well. I fully support those concerns because if we cannot return to these venues, the people who work in them will not get a wage and they will struggle, with many companies perhaps not coming back. They will lose their Christmas season—they will lose everything and perhaps not even be able to come back to theatres and to those kinds of sectors until March. I do not know where the Government

expect those people to earn a wage or how they expect them to live, but it is clear that support needs to be in place for the sectors that are affected.

There are stark figures out today from the Scottish Chambers of Commerce. Its president, Tim Allan, has said:

“It is critical that governments in Holyrood and Westminster continue to provide business support for companies during and beyond the easing of lockdown restrictions. A sudden end to these vital financial support measures would not be welcome by anyone and a tsunami of jobs would disappear overnight.”

Commenting on the results of the Scottish Chambers of Commerce survey, Professor Graeme Roy, director at the University of Strathclyde's Fraser of Allander Institute, said:

“What is particularly worrying is the employment outlook. The survey shows a clear warning of what is to come, with a sharp rise in unemployment now inevitable as businesses adjust to a new normal.”

Inevitable—a tsunami of jobs lost. It is not surprising that 95% of the firms in that survey reported a fall in business confidence. To boost business confidence, the Government really need to make sure that the schemes continue. The findings paint a bleak picture of the deep economic hit to key sectors across Scotland, once again highlighting the need for strengthened financial support measures to help businesses and industries survive this crisis. Rather than looking to shut down the support schemes and putting increased financial pressure on firms that are already struggling to get by, it is critical that the Treasury extend and strengthen support to protect business and countless jobs.

This Government have all the levers. I only wish that the Scottish Government had at their disposal—as the Government of an independent country—the levers to make such choices. At the very least, the Chancellor should look at the fiscal framework and allow devolution of borrowing powers to the Scottish Government as soon as possible. The Scottish Government's powers to borrow are incredibly limited, and we do not have the flexibility to meet the economic demands of this crisis. It could not have been envisaged when the fiscal framework was agreed; nobody would have seen this coming. The Government must react and listen to the demands of the Scottish Government.

This Government have a choice. They can invest in green infrastructure and recovery and they can decide to help people, or they can decide to turn off the taps and risk recession and devastation across many sectors of the economy. All I can hope is that they choose wisely.

4.2 pm

**Anthony Browne** (South Cambridgeshire) (Con): I have followed the Treasury's Budgets professionally for a quarter of a century and contributed to many of them, but this is the first time I have helped to legislate for a Budget. As well as speaking in various stages of the Finance Bill, I served on the Bill Committee. I have been impressed by the thought, the hard work and the dedication that Treasury Ministers and officials have put into the Bill, taking on board many of the concerns that have been raised throughout the process. I particularly pay tribute to my right hon. Friend the Financial Secretary

[Anthony Browne]

and my hon. Friend the Exchequer Secretary, who have steered the Bill through its various stages with patience and humour.

When I first sat on the Finance Bill Committee, I never expected that in our discussions I would learn about Burkean philosophy or why there are different rates of take-up of driving licences among different ethnic groups. I pay tribute to the work of the Clerks on the Bill, who made it work so smoothly, and to my own staff, who have supported me throughout the process.

This Budget is one of the most unusual in history. Announced just weeks before lockdown, it was legislated for during the deepest recession and the biggest economic support package in modern times. It is notable that, almost without exception, the measures have withstood these exceptional circumstances and they are as justified now as they were before.

I sat through the amendments that the Opposition tabled in the Bill Committee, and I observed that none of them had anything to do with promoting economic growth. I was reminded of a conversation that I had with a peer of the realm when I first came to this House. I had always thought that he was a Labour peer, but he told me that he was a Conservative. I asked him why he was Conservative rather than Labour, and he said, “The trouble is that they know only about spending it, not about making it, but you can’t spend it unless you have made it first.” That could not be more true.

There are some much-debated measures in the Bill, but I think that in the end it gets the balance right between tackling tax avoidance and encouraging entrepreneurialism. It is right that everyone pays their fair share. I am at heart an economic liberal who believes that if a Government are going to take a person’s hard-earned money, the burden of proof lies on the Government to justify doing so. In general, I get more joy from cutting or scrapping a tax than introducing a new one, but it is notable that the Bill introduces new taxes. The possible carbon tax is needed to tackle climate change by ensuring that companies pay what economists call the externality of emitting greenhouse gases. The plastics tax is a great nudge tax, pushing industry into recycling more plastic by imposing costs on not recycling. As economists say, we should tax bads, not goods.

Then there is the new digital tax, discussed broadly in this House, which ensures that global technology companies pay their fair share. These technology companies bring us all so many benefits, which is why many of them have grown rapidly into some of the most valuable firms in the world, but their global business model and the joys of internal transfer pricing, basically mean that they can decide how much corporation tax they pay in each different country where they operate. The ultimate solution to this is a global agreement on the taxation of technology companies, but these agreements can take forever to reach, not least if those countries that benefit from the lack of an international agreement drag their heels. So it is absolutely right that countries such as the UK take the lead in introducing interim national measures. With declared national profits at the discretion of finance directors, the only option for the digital tax is to be that unprecedented thing—a tax on turnover. So the carbon tax, the plastic tax and the digital services tax are three taxes that can all clearly be justified. I welcome them.

Finally, I want to look ahead at the biggest economic challenge of our time. Yesterday in the Treasury Select Committee, on which I sit, the chief economist of the IMF and the OECD both paid tribute to the Government’s economic support package. Economists rarely agree about anything, but they do agree that things would have been a lot worse without this unprecedented Government support. I welcome the news yesterday from the Bank of England that we are bouncing back quicker than many had feared, but we are still set to have one of the sharpest recessions in modern history. Thousands of jobs are already being lost across the private sector, and the risk is that we undo the hard work that we have done since the 1980s to become a country of high employment and low unemployment. We must do everything we can to prevent that. We must not go back to the 1980s.

We now need to have a laser-like focus on getting the economy going again. We need to stop jobs being lost in the first place and then ensure that the short-term unemployed do not become the long-term unemployed. That means getting them back to work as quickly as possible. We have rightly all been paying tribute to the NHS staff who have done so much to look after us during the pandemic, but we should also pay tribute to the dedication of private sector workers—from supermarket staff who have kept us fed to drug companies that have developed treatments and companies that have built ventilators. It is private enterprise that has taken the brunt of this recession, and it is private enterprise that will pull us out of it. Private enterprise is not the problem that some on the Opposition Benches see it as; it is the solution. Across the House, we need to focus in the coming months and years on helping businesses get going again, so that they can create the jobs and pay the taxes that pay for our public services and our welfare system. We need to build, build, build, and that leads to jobs, jobs, jobs. I commend the Bill to the House.

4.8 pm

**Felicity Buchan** (Kensington) (Con): I believe that the hon. Member for Houghton and Sunderland South (Bridget Phillipson) said that there were no female Members on the Conservative Benches, so I just want to reassure her that I am still a woman. I am also delighted to say that on the Treasury Select Committee we have five Conservative Back Benchers, of which three are women. So women are very much represented on the financial side on these Benches.

I promise to be brief, so I want to talk about only two areas in this Bill, which are really relevant to my constituents in Kensington. The first is the digital sales tax, which I commend to the House. We all want it to be superseded by a multilateral solution, but it is an important and bold interim measure. Kensington High Street, like high streets across the country, is suffering. That is partly due to the burden of business rates, but it is also due to changing shopping habits. The new tax will be an important source of revenue for the Exchequer, and it will also go some way towards levelling the playing field between online retail and high streets. I am also looking forward to the fundamental review of business rates that we shall see later in the year.

I also commend to the House the measures in this Bill that incentivise the greening of the economy. Over the last 10 years, we have shown that we can have economic

growth while lowering emissions. The environment is critical to my residents in Kensington and, in particular, air quality, since we are in central London. I am glad that my area, Kensington and Chelsea, has seen the largest three-yearly decline in emissions in the whole of London, but we all know that there is an awful lot still to be done, so I welcome many of the measures in this Bill, such as the support for zero-emission vehicles, the changes to the vehicle excise duty regime and the preparations for the introduction of the plastic packaging tax. These will all be warmly welcomed in Kensington.

In the interests of brevity, I am going to conclude there and commend this Bill to the House.

4.11 pm

**Duncan Baker** (North Norfolk) (Con): Last but not least is the saying, I suppose, Madam Deputy Speaker. My hon. Friend the Member for Kensington (Felicity Buchan) gave a fantastic speech, putting it far more succinctly than I will probably be able to. I must also say that my hon. Friend the Member for South Cambridgeshire (Anthony Browne) does not look old enough to have been studying the Finance Bill for the last 25 years—that is quite something. The Treasury has made an incredible effort in preparing the Bill and in all the work that has been put together over the last few months to safeguard our economy through this pandemic, and it should be widely praised.

I shall talk about the digital services tax from two perspectives. Again, the Treasury should be roundly applauded for the tax's hugely progressive nature. As we heard yesterday, it is a pioneering tax, but I wonder whether we can be even more pioneering. The two perspectives are these: first, by being more pioneering, we can go further and help to save the high street; and secondly, it is all very well saying that we need to do that, but we have to have a solution to be able to do that. This is nothing new—I have been talking about retailing and the high street since I became a Member of this House, and I like to think that given my previous career, I am able to talk a bit about that. However, given the pandemic, the digital services tax, in my view, cannot come quick enough, and I wonder now whether we can go even quicker. What we are seeing is a structural change to the high street, and it is of course incredibly worrying when we listen to the news in the morning and hear of bellwethers, such as John Lewis and Harrods beginning to struggle.

I have long believed that it is absolutely key that all our companies pay their fair share of tax, regardless of industry. If they create value in this country, they should be taxed in this country. That is not only bold and brave, but fit and proper. Taxing those companies is more pertinent than ever, because the incomes and profits that they generate are eating away into the more traditional businesses' market share when they are the very ones that are paying their fair share of tax and suffering as a result of the digital platforms' dominance. When Google is reported to have paid less than £50 million in UK tax last year and Facebook to have paid £30 million on sales of £1.5 billion, it is absolutely right that the Government are bringing this legislation in as quickly as they are. For me, this is not about taxing those with a competitive advantage, but a move in the correct direction of fairness and equality. As the Government have said,

should we find a global solution to this problem, we will probably abolish this tax, making it to all intents and purposes temporary.

Of course, this is not just about taxing the Facebooks, Googles and Twitters of this world; it is more encompassing than that, and it will focus on intermediaries as well. For me, that is a really good thing, because I would like to think that the digital services tax is a bridge to where we should be going. That is the crux of my argument. I do not think at the moment the digital services tax does quite enough—I wonder whether we can go a bit further—and I will just bring out the reason for that. I would like to see some kind of online sales tax levied on online retail sales as a way to support the high street. This would enable the Treasury to take the step, which we know it wants to take, of abolishing retail business rates for good. That would level up an industry sector that is seeing technological shift erode it year after year. The DST is a stepping stone to where we want to be.

At the moment, online sales in retailing are approximately £80 billion, and their share of total retail sales has now grown from 5% when records first started to nearly 20% of all UK retail sales. That means that retailing through traditional bricks-and-mortar stores in towns and cities across the country, which employ millions of people, is being completely eroded by sales moving online, where cost bases are much smaller and profits can grow quickly. Just as we are getting a grip on online marketplaces, I wonder whether we can move on this issue as well.

What coronavirus has done is see a further step change in reduced footfall on the high street. People are doing two things: not only are they not going out, in order to avoid crowded areas, but those that have been inside have converted—we have seen evidence that they have converted, with 48% of all retail sales in supermarket shopping now being online.

If the Government would like to think about abolishing retail rates, they should consider some form of VAT-style levy on retail online sales. If we take £8 billion as the current total of UK retail rates, a VAT-style levy of a few percentage points on those total sales at the moment could pay immediately for half of the amount of abolishing those rates. Surely, that is something we would want to think about sooner rather than later to help.

I will finish by saying that I really welcome the boldness of this Bill, and I really welcome the boldness of the digital services tax. I think we are now turning to face the right direction for what I believe is a real institution in this country—shopping on our high streets—and it only leaves me to say to the Treasury Minister that I commend this Bill to the House. I wonder if we can go even further, but I think it is a fantastic step in the right direction.

*Question put and agreed to.*

*Bill accordingly read the Third time and passed.*

## **Business without Debate**

### **CHANNEL ISLANDS MEASURE**

*Ordered,*

That the Measure passed by the General Synod of the Church of England, entitled Channel Islands Measure (HC 548), be referred to a Delegated Legislation Committee.—(*James Morris.*)

## DELEGATED LEGISLATION

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

### EDUCATION

That the draft Higher Education (Fee Limits and Student Support) (England) (Coronavirus) Regulations 2020, which were laid before this House on 4 June, be approved.—(*James Morris.*)

*Question agreed to.*

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

### HUMAN RIGHTS

That the draft Human Rights Act 1998 (Remedial) Order 2019, which was laid before this House on 15 October 2019, in the last Session of Parliament, be approved.—(*James Morris.*)

*Question agreed to.*

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

### NORTHERN IRELAND

That the draft Northern Ireland Act 1998 (Section 75 - Designation of Public Authority) Order 2020, which was laid before this House on 8 June, be approved.—(*James Morris.*)

*Question agreed to.*

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

### PREVENTION AND SUPPRESSION OF TERRORISM

That the draft Terrorism Act 2000 (Video Recording with Sound of Interviews and Associated Code of Practice) (Northern Ireland) Order 2020, which was laid before this House on 8 June, be approved.—(*James Morris.*)

*Question agreed to.*

## Manchester Airport and the Local Economy

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

4.20 pm

**Navendu Mishra** (Stockport) (Lab): I refer hon. Members to my entry in the Register of Members' Financial Interests in relation to Unite the union, of which I am a member. Unite represents thousands of workers in the aviation industry and has been campaigning for Government support for the sector throughout the covid-19 pandemic. I also pay tribute to my hon. Friend the Member for Wythenshawe and Sale East (Mike Kane), who has been a tireless campaigner for workers at Manchester airport.

Manchester airport is a core part of Greater Manchester's economy. It employs 25,000 people directly on site and 76,000 indirectly, generating £4.5 billion for the local economy. It has links to 210 destinations—more than any other UK airport—and is an international gateway for trade and travel, acting as a major draw for investment and development in Greater Manchester, giving our region a huge competitive advantage. For example, in the past two years its direct route to China has helped to grow export values in the north by 41%, bringing with it £250 million to the visitor economy.

The whole supply chain relies on a successful Manchester airport. Catering companies such as Newrest and hotel chains such as Hilton have been affected by the lack of footfall during lockdown and have been forced to make cuts. Furthermore, an Independent Transport Commission report revealed that 55% of the workforce in the area surrounding Manchester airport are employed by aviation businesses. As a result, Manchester airport is central to everything we do in the north-west and will be a major catalyst for kick-starting the regional economy as we emerge from the first phase of the coronavirus crisis.

The fallout from covid-19 has been catastrophic, with passenger levels and revenue dropping to historic lows of between 1% and 4% of those seen in the same period last year. Thousands of workers face redundancy if the Government do not intervene to save the airport, its airlines and the businesses that rely on it as a key hub. More than 1,500 redundancies have been proposed to date, with well over half of them at Swissport. Widespread losses have already been reported for airlines including Virgin, Ryanair, Jet2, TUI and—just this week—easyJet, with more to follow in the coming weeks.

Manchester Airports group, which also operates London Stansted and East Midlands airports, faces a difficult restructuring programme with 25% of its leadership and management positions being cut and the remaining 75% subject to restructuring. All of that will take place before the end of the furlough scheme, when further redundancies are almost certain to follow. While the furlough scheme has been of some help, the money is little more than a drop in the ocean, accounting for just 5% of the airport's fixed costs.

The situation will not simply end with a resumption in air travel. Even with an increased number of air bridges and an end to quarantine, the aviation industry has warned that it may not return to anything like normality until the second half of 2021, and even then



the numbers are expected to be at only about 90% of pre-crisis levels. The Government must therefore consider a sectoral support package that ensures the industry has the backing and confidence it needs to recover as quickly as possible, mitigate job losses and protect skilled jobs.

**Rachel Hopkins** (Luton South) (Lab): Thank you for giving way in this important debate. Would you agree that while airports in our regions provide many direct jobs, as you outlined, they also have an important role—

**Madam Deputy Speaker (Dame Eleanor Laing):** Order. Would the hon. Lady mind saying that again, but, instead of saying “would you agree,” please say “would he agree”?

**Rachel Hopkins:** I apologise.

**Madam Deputy Speaker:** No, no. Everyone makes a mistake now and then. It is not terrible, but it is time that we managed to grasp this and get it right. I would be grateful if the hon. Lady would set an example, please.

**Rachel Hopkins:** Thank you, Madam Deputy Speaker. I appreciate that as a newer Member I am practising the ways, and I will get it right. Does my hon. Friend agree that regional airports have an important role to play, not only for all the direct jobs they provide in our areas, but for the wider jobs and services they can support, such as at Luton airport? It is in my constituency and it is the fifth largest airport in the UK. It provides £20 million a year in direct dividend to Luton Borough Council, which provides jobs and services, and £10 million a year direct to the voluntary and community charitable organisations. Does he agree on the importance of that role, too?

**Navendu Mishra:** Absolutely, I agree. In the past few years, especially in the past decade, councils have faced a lot of cuts as a result of the austerity regime, including my local Stockport Metropolitan Borough Council and the Greater Manchester Combined Authority. They depend on income generated by the airport, and I thank my hon. Friend for raising that issue.

If the Government do not step in, businesses will continue to collapse and tens of thousands of workers will lose their jobs. In the north-west, it is crucial that we do not see a repeat of what happened to Thomas Cook last year, which had a huge impact on the 3,000 employees who lived and worked across Greater Manchester, including those who worked at five branches across the borough of Stockport, including the one at Merseyway, in my constituency, as well as the 900 cabin crew who operated out of the airport.

In his Budget on 17 March, the Chancellor promised a financial support package for the aviation sector. That is almost four months ago, but we are still waiting. It is completely unacceptable, given how precarious the current situation is for the industry, that we are still waiting. The Government urgently need to consider sector-specific furlough support, such as an extension to the coronavirus job retention scheme, which is scheduled to end on 31 October. Such an extension should also come with a warning that no company is allowed to accept public

funds from the scheme and use them to cover the cost of making staff redundant. The Government must also consider prioritising loans or taking a stake in companies, and ensure that when that happens businesses that agree to such support should be prohibited from paying dividends, from undertaking share buy-back or from capital contributions, with a cap on executive pay until 12 months after the loan is fully repaid.

Business rates make up a significant proportion of our airport's fixed costs, at a time when the revenue is close to zero. In recognition of that, business rates relief has already been provided to airports in Scotland and Northern Ireland, and the UK Government should correct that anomaly for airports in England, too. They should also support local authorities so that they do not face further financial strain. Temporary measures should also be considered, such as a reduction in air passenger duty, which makes up a significant proportion of the cost of tickets and limits the profits that airlines can make. In addition, support is needed for the temporary funding of the Civil Aviation Authority.

Many businesses have rightly been praised for the efforts they have made during the crisis to support and retain their workers, utilising Government loans, where needed, to retain staff on full pay or opting to furlough staff rather than lay them off. Those that have gone down the route of Government support have done so in good faith, in the hope that this will be no more than a short-term measure. The flip side is companies that take advantage of the system, using taxpayers' money to prioritise the protection of shareholder dividends ahead of the protection of their own workers.

One such company is British Airways, whose chief executive, Willie Walsh, was hauled before the Select Committee on Transport in May. It branded Mr Walsh's company a “national disgrace”. Despite having a parent company, International Airlines Group, with total assets of £10.7 billion and profits last year alone of £2.6 billion, at the very first opportunity Mr Walsh furloughed 22,626 of his employees. In doing so, it was claimed that the measures were

“to protect jobs and ensure that BA comes out the other side of this crisis in the best possible shape”.

What is clear now, just weeks later, is that the protection of jobs was never his priority, beyond those of BA's top executives.

Despite the fact that IAG was in a position to retain its entire workforce on full pay for more than a year, even without Government support, Mr Walsh announced that all 42,000 of British Airways' workforce would be made redundant, with 30,000 fired and rehired on inferior contracts, with worse pay, terms and conditions. That means that 12,000 people were made redundant. Furthermore, failure by employees to sign the paperwork that contains a clause allowing the company to temporarily lay off workers will result in instant dismissal.

As part of its plans, British Airways' contact centre in Didsbury, Manchester, is set to be affected, with 350 workers being faced with redundancies. That is completely unacceptable, and I urge the Minister to look at measures for holding British Airways to account, including reviewing the lucrative slot allocations that it is given as a legacy carrier, which, in the case of London Heathrow, in the constituency of my right hon. Friend the Member for Hayes and Harlington (John McDonnell),

[Navendu Mishra]

amounts to more than 50% of all spaces at the airport. The question must be, if BA is targeting the legacy staff, many of whom have spent decades of loyal service building BA's brand, why should it be rewarded with legacy slots? It cannot pick and choose which legacies it keeps.

It is also incredibly important that our efforts to tackle climate change are not lost as we revive and rebuild our aviation sector. Indeed, this can and should be an opportunity to explore new technologies further and green the economy with well-paid, unionised jobs. That means inserting clauses into the financial support that the Government provide for businesses to set out a clear programme of transitioning to more efficient and environmentally friendly operations, including cleaner fuel options. There should also be consideration of publicly financing smaller airports and air traffic control as well as specific routes within the UK aviation network to retain much-needed connectivity.

There are many examples around the world of Governments backing the aviation sector. The US, for example, has injected \$45 billion into the sector. Another good example, closer to home, is France, where Emmanuel Macron's Government have unveiled a series of historic rescue packages, including one of almost £7 billion for Air France, which included £4 billion in bank loans guaranteed by the state and £3 billion in loans direct from the Government, all of which has helped to safeguard Air France's 84,000 employees. As part of the rescue package, France's Finance Minister was clear that airline bosses needed to bring forward a plan for reducing carbon dioxide emissions and transforming their fleet to be less polluting. Similar steps would be very welcome in Britain.

Ultimately, as lockdown measures are eased, people's health must remain a priority ahead of profits. That means that companies must be compelled to take all possible steps to ensure that appropriate action is taken, such as providing proper PPE for all staff and enforcing the Government's social distancing guidelines. That is why, last month, the Mayor of Greater Manchester, Andy Burnham, launched a "Safely Reopening Greater Manchester" campaign, which is an initiative to ensure that the region's economy can reopen safely from the covid-19 lockdown.

The Greater Manchester Combined Authority, led by Mayor Burnham, is also looking at initiatives such as the regional brokering scheme, to match people at risk of being made redundant when the furlough scheme ends with parts of the economy where there are opportunities, as well as exploring initiatives such as the future jobs fund.

In conclusion, it is time for the Government to act. All 10 local authorities in Greater Manchester have already intervened to support Manchester Airport Group, providing a combined package of more than £250 million to protect long-term investments and safeguard tens of thousands of jobs that rely on the airport as a major engine of the local economy. I urge the Minister to consider all the measures that I have set out in this speech and ensure that our aviation sector can build back better and be the economic catalyst that our country desperately needs if it is to emerge stronger from this crisis.

4.33 pm

**Andy Carter** (Warrington South) (Con): Thank you, Madam Deputy Speaker, for calling me to speak in this important debate, and I thank the hon. Member for Stockport (Navendu Mishra) for securing it.

Although I do not live in the constituency in which Manchester Airport is based, I, like many other Cheshire residents, live on the flight path. During normal times, I can sit at my kitchen table and count the planes out in the morning and then count them back in in the afternoon. In fact, I have developed a bit of an unhealthy obsession. I open the app just to find out where those planes are going and, on many occasions, wish that I was going with them.

One thing that has really struck me over the past few weeks of the crisis is just how passionate people are about having a flagship northern airport on their doorstep. I do not just mean the plane spotters who we see queuing to get into the runway aviation park. People really do care about having on their doorstep somewhere from where they can reach out to the world. Manchester's role as a northern hub airport, its position as the most used airport in the north, and the fact that it is the only airport outside London that has two full-length runways mean that it really does have a critical role for our northern economy, and we take real pride in that facility. It links us to 210 different destinations, more than any other UK gateway, and has direct links to 35 of our top 50 export markets. It really is fundamental to the northern powerhouse economy. No longer do we have to rely on the south to export and trade, and as somebody who worked with businesses across Europe and in Asia before coming to this place, I can say that there is nothing more frustrating than living next to Manchester airport and knowing that I have to drive to Stansted or Heathrow to get a flight just to jump across the channel.

Today, flights passing over my house have gone from hundreds to four or five a day, and most of those are domestic. That is at the heart of the issue for Manchester airport and the wider economy. Warrington's close proximity means that families have moved there and have chosen to live there. The risk to our local economy and its recovery is significant because of that massive drop in passenger levels. The risk is to staff who work airside, crews, pilots, air traffic controllers, engineers and Border Force guards. All of them live in Warrington South, as well as other constituencies in the north-west of England. The supply chains, which feed and fuel the sector, are part of our local economy.

While this debate is not about British Airways, I share the hon. Gentleman's views about the way that British Airways has handled many of the negotiations with its staff at an incredibly difficult time.

Restarting the aviation sector is a vital part of the UK's economic recovery, for Warrington, for the northern powerhouse and for the UK, and I very much look forward to hearing from the Secretary of State for Transport when he announces plans to allow flights to resume shortly. Indeed, I was really pleased to hear him confirm this morning that he is looking at common health protocols to keep passengers safe. The Department for Transport, and in particular the Minister, deserves credit for the incredible efforts that they have taken to ensure that we can see a recovery in this sector. At the same time, during this health crisis it really is important that we ensure that countries where infection rates are

high are regarded as high risk, and that people coming into this country from those locations self-isolate to make sure that we do not spread the disease further.

This is an industry that contributes billions of pounds to our local economy and supports thousands of jobs, and it is growing. The centrepiece of the £1 billion Manchester airport transformation programme, the extension of terminal 2, has been delayed—put on hold—because of what has happened over the past three months. It is an oven-ready project that has been privately funded, for world-class infrastructure that relies on a rapid and strong economy to enable it to deliver the economic benefits to the north and to level up. I am sure none of us in this House doubts that the economic situation facing the industry is anything less than critical, with passenger levels dropping to historic lows.

Restarting the aviation sector is a vital part of the UK's economic recovery. Aviation, the facilities that it supports and the travel industry are crucial to the economic growth of the region, to the north, to the northern powerhouse and to Warrington, and I urge the Government to take full steps to ensure that we can grow our sector as much as possible.

4.38 pm

**The Parliamentary Under-Secretary of State for Transport (Kelly Tolhurst):** I congratulate the hon. Member for Stockport (Navendu Mishra) on securing this debate about Manchester airport and the local economy, and I thank my hon. Friend the Member for Warrington South (Andy Carter) for his contribution. I know that the hon. Member for Wythenshawe and Sale East (Mike Kane) has a keen interest in Manchester airport but is unable to speak in the debate. I have listened carefully to the points that the hon. Member for Stockport has made and will endeavour to address as many of them as I am able to.

As Members across the House will be well aware, these are incredibly challenging times for the aviation sector. Covid-19 has presented unprecedented difficulties for the industry, but we must not forget that the aviation and aerospace industry is a British success story. Before the impact of covid-19, the UK aviation sector contributed at least £22 billion to the UK economy each year and directly supported around 230,000 jobs spread across the UK. Around 12% of those jobs are in the north-west, so I am mindful of the impact that covid-19 is having on communities across the region.

Aviation is one of the sectors worst affected by covid-19, and areas such as Manchester, with its large airport and supply chain, are particularly affected. Having held regular discussions with the whole sector since the pandemic began, I met again with senior management from Manchester airport earlier this week. I want to thank them for their constructive engagement throughout this period, as we continue to work collaboratively with the sector to ensure its recovery. I was very encouraged, as I am sure the hon. Member for Stockport was, to hear this week that Manchester airport plans to reopen terminal 2 from 15 July, following the opening of terminal 3 this week. I know that we still have a long way to go, but this shows the beginning of the sector's recovery, as flights once again take to the skies.

The restart comes on the back of the unprecedented package of measures that the Chancellor put in place to protect the economy and jobs. The hon. Member spoke

about support for this particular sector, and I am afraid that this is where we disagree. The support provided was unprecedented and has enabled airlines, airports and ground handlers to benefit from a significant amount of taxpayer support during the most critical time. It did not end there. The Chancellor and the Secretary of State for Transport were incredibly clear that any business needing further support, having exhausted all the economic measures that were put in place, will have the ability to talk to us about further support. We stand ready to speak to any business that is in that situation and has used all that support.

**Mr William Wragg (Hazel Grove) (Con):** I apologise to you, Madam Deputy Speaker, for arriving late, and I congratulate the hon. Member for Stockport (Navendu Mishra) on securing the debate. Have there been any approaches from the likes of Manchester airport to take the Minister up on the offer that she appears to be making?

**Kelly Tolhurst:** Obviously, commercial discussions are not for discussion in the Chamber, but I reassure my hon. Friend that I am in regular communication with all the airports in the United Kingdom, and officials in the Department are in weekly contact with them.

The measures put in place include the Bank of England's covid corporate financing facility, which provides funding to businesses to pay wages and suppliers; the coronavirus job retention scheme, which helps firms to keep people in employment by allowing businesses to put workers on temporary leave; and the business interruption loan scheme. All those measures have been designed to ensure that companies of any size receive the help they need to get through this difficult time, including airports, airlines and the wider supply chain.

Beyond that package, many firms are getting support from established market mechanisms such as existing shareholders—the hon. Member for Stockport mentioned the support that has been provided by local authorities—and bank lending and commercial finance. We have been looking at other flexibilities to give the sector. The Civil Aviation Authority is working with airlines, airports and ground handlers to provide flexibility within the regulatory framework to help them manage the impacts of covid. We also welcome the response by the European Commission, which relaxed the 80:20 rule on slots, and we continue to engage with organisations across the sector on that issue. Nevertheless, I would not want to underestimate the challenges to the sector and to airports such as Manchester, because despite the measures that we have put in place to protect the economy, there remain serious challenges for the aviation sector.

I want to turn to the announcements of redundancies by a number of companies, which the hon. Gentleman has mentioned. As he said, these are distressing announcements for employees and their families. While they are commercial decisions, they are decisions that I profoundly regret as Aviation Minister. Redundancies are not something that should be considered lightly, and if organisations find themselves having to consider these measures, I hope that they will do so sensitively. I hope that they will take into account the dedication and professionalism that their employees have shown, and that they will act within and, where possible, beyond the requirements and the spirit of all relevant legislation.

[*Kelly Tolhurst*]

The hon. Member for Stockport and my hon. Friend the Member for Warrington South mentioned British Airways in particular. I have spoken directly to BA and to the IAG chief executive, Willie Walsh, to discuss the organisation's plans and its engagement with staff and union representations. I have offered to support these engagement efforts where possible, and where it is appropriate to do so. I am also in regular communication with the unions that are particularly affected by those redundancies. I encourage BA and the unions to engage constructively with each other, and to strive to provide employees with as much certainty as possible during this challenging time.

I would now like to turn to the sector's restart and the next stage of our plan to help it to recover. We need aviation. It is vital to our future as a global trading nation and plays a critical role in local economies, whether in Manchester or elsewhere. We have established the restart and recovery team, with an expert steering group to ensure a truly collaborative approach between Government and industry. Last month, we published the aviation health guidance for operators, as well as the safer air travel guidance for passengers. This forms a vital first pillar as we seek to ensure that our aviation sector returns to its full strength as soon as possible.

**Andy Carter:** The Minister has mentioned the Manchester economy, but does she agree that Manchester airport affects not just the Manchester economy but the north-west economy—particularly Warrington, Cheshire and across to Merseyside? The size of Manchester airport means that it is a much bigger operation and affects much more than just the Manchester economy.

**Kelly Tolhurst:** My hon. Friend is correct. Major infrastructure such as airports always have a wider impact than the activity that they directly partake in. The success of Manchester airport has been a big contributor to the wider local economy and the supply chain, and that is something that we are very mindful of within the Department for Transport. We are working with our colleagues across Government to ensure that we understand the full impact of the difficulties within the aviation sector.

I would like to point out that the Manchester Airports Group—MAG—and Manchester airport were among the leading members of the expert steering group working with us to devise that health and passenger guidance, and I thank them very much for that. We have built on progress, and on Monday we announced that the Government would shortly begin to ease the health measures at UK borders, allowing passengers to be exempt from self-isolation requirements in certain circumstances on arrival in the UK. The joint biosecurity centre, in close consultation with public health and the chief medical officer, has developed a categorisation of countries and territories that present a lower risk, so that passengers entering the UK from those places will not require 14 days of self-isolation. This has been informed by factors including the level of covid within a country, the number of new cases and the expected trajectory in the coming weeks. Further details, including a full list of those countries from which arriving passengers will be exempt from self-isolation, will be announced shortly.

Throughout this process, public safety has been at the heart of our decision making. We have worked closely with health and policy experts from across Government to ensure that the steps we are taking are gradual and minimise the risk of new covid-19 cases, while helping to open up our travel and tourism sectors. We want the aviation sector to return to normal operations as soon as possible. However, even with this week's announcements, there is a great deal of uncertainty around how long this will take, given the truly international nature of the sector. We want to ensure a safe customer journey in the UK and abroad. We also want aviation to be as sustainable and environmentally friendly as possible. The aviation sector must be a green one that creates high-quality, high-skilled jobs.

**Navendu Mishra:** Will the Minister commit to looking at the proposals put forward by the French Government to support the sector, and the conditions that they have introduced with regard to using cleaner fuel, reducing emissions and supporting the wider economy with a sectoral package?

**Kelly Tolhurst:** The hon. Gentleman will have heard, and maybe seen, the Secretary of State announce last week the formulation of the Jet Zero Council, which has been supported by the industry and will bring together the Government with aviation and environmental groups to make net-zero-emissions flights possible. I have spoken with Manchester airport and others across the industry this week, and there is a real determination from the sector to make this a vital pillar of the recovery. We have an industry that wants to deliver on this agenda and are working with the industry, with or without that bespoke support. It is important that we understand the profound impact that covid-19 will have on the way that people's lives, work and travel will change. It is clearly sensible that our plans to reduce emissions understand that and take it into account.

I thank the hon. Gentleman for securing this debate. Manchester airport is the only British airport other than Heathrow to operate two full-length parallel runways. It handled its first scheduled flight in 1938—a KLM Douglas DC-2 to Amsterdam—and in 2010 it became the first airport of its size in the world to have a daily A380 service. As Aviation Minister, I have been given the opportunity by this debate to address concerns. I am mindful of and take on board the concerns he raised around slots, the green recovery and the particular strain that local authorities may feel as a result of supporting their local airports.

As I have highlighted to the hon. Gentleman, the Department for Transport is committed to staying close to our airports and working with them in the best way possible. We are all aware of the scale of the challenge facing the aviation sector and the economy as a result of covid. The efforts that we are making in partnership with the sector are intended to ensure that UK aviation can recover, and that airports such as Manchester and the communities they serve can recover and prosper in the future, just as they have done in the past.

*Question put and agreed to.*

4.53 pm

*House adjourned.*

# Written Statements

Thursday 2 July 2020

## BUSINESS, ENERGY AND INDUSTRIAL STRATEGY

### Celsa Steel

**The Secretary of State for Business, Energy and Industrial Strategy (Alok Sharma):** I would like to update the House on a commercial agreement that the Government has concluded with Celsa Steel (UK) Ltd.

Since the start of the covid-19 pandemic, the Government have set out a far-reaching package of support to protect jobs and the UK economy. However, in exceptional circumstances, where a viable company of strategic importance has exhausted all other options available to it, the Government has said that we will consider bespoke support on a “last resort” basis.

There is an extremely high bar for making use of taxpayers’ money in this way, and any companies seeking support from the Government should do so only as an absolute last resort.

Such circumstances applied to Celsa, which is a key supplier to the construction industry.

While commercial confidentiality prevents me from setting out detail, I can assure the House that the Government have agreed terms that will protect taxpayers’ money and ensure that the financial burden is shared with the company’s shareholders and lenders.

The Government have agreed legally binding contractual conditions with Celsa on employment, climate change and tax. We have also put in place legally binding conditions on corporate governance, including restraints on executive pay and bonuses. We would expect any company seeking such support from the taxpayer to play their role in our society’s shared endeavours and challenges in the same way.

More broadly, the Government have already taken wide-ranging actions to support the UK steel industry, including more than £300 million in relief for electricity costs since 2013. We have also created public procurement guidelines with annual reports on the proportion of public sector steel bought from British companies, and details of a steel pipeline on national infrastructure projects worth around £500 million over the next decade.

This agreement achieves a positive outcome and secures over 1,000 jobs, including more than 800 positions at the company’s main sites in South Wales.

We want to praise the commitment of Celsa’s workforce and management. Our focus is now on working with all parties to secure the company’s future success, as well as ensuring that the loan is repaid and Celsa continue to deliver employment, climate change, corporate governance and tax commitments.

[HCWS332]

## DIGITAL, CULTURE, MEDIA AND SPORT

### Contingencies Fund Advance

**The Secretary of State for Digital, Culture, Media and Sport (Oliver Dowden):** The Department for Digital, Culture, Media and Sport has sought in its main estimate 2020-21—Central Government Supply Estimates, 2020-21, Main Supply Estimates, HC 293 published 4 May 2020—the resources, capital and cash it requires to operate for this financial year.

The funds associated with this estimate will not be released until the Supply and Appropriation Bill achieves Royal Assent later in the summer. The Department has therefore sought a contingencies fund advance which will be repaid once Royal Assent has been obtained.

Parliamentary approval for resources of £550,327,000 and capital of £41,808,000 has been sought in a main estimate for the Department for Digital, Culture, Media and Sport. Pending that approval, urgent expenditure estimated at £592,135,000 will be met by repayable cash advances from the Contingencies Fund.

[HCWS331]

## HOME DEPARTMENT

### Biometrics Commissioner Annual Report

**The Minister for Crime and Policing (Kit Malthouse):** My noble Friend the Minister of State, Home Office (Baroness Williams of Trafford) has today made the following written ministerial statement:

I am pleased to announce that my right hon. Friend the Home Secretary is today publishing the sixth annual report of the Biometrics Commissioner, together with the Government’s response.

The Commissioner, Paul Wiles, is appointed under Section 20 of the Protection of Freedoms Act 2012. His responsibilities are:

- to decide applications by the police for extended retention of DNA profiles and fingerprints from persons arrested for serious offences but not charged or convicted;

- to keep under review national security determinations made by chief officers under which DNA profiles and fingerprints may be retained for national security purposes;

- to exercise general oversight of police use of DNA samples, DNA profiles and fingerprints.

His report is a statutory requirement of section 21 of the Protection of Freedoms Act 2012.

I am grateful to Mr Wiles for this report, which we have published in full.

Copies of the report will be available from the Vote Office. The Government’s response will be placed in the Libraries of both Houses.

[HCWS330]

## HOUSING, COMMUNITIES AND LOCAL GOVERNMENT

### Local Government Funding: Covid-19

**The Secretary of State for Housing, Communities and Local Government (Robert Jenrick):** I wish to set out to the House the further measures this Government are

putting in place so that local government can continue to fulfil its essential role in the national response to covid-19 and lead us through the next phase of recovery.

I said at the start of the pandemic that we would ensure local authorities have the resources they need. To do that, the Government have provided £27 billion to support local councils, businesses and communities; including £3.8 billion of support specifically for local authorities. This funding has allowed councils to deliver for their communities: including helping get rough sleepers off the streets, establishing our shielding programme, controlling infection in care homes and providing support for 800,000 small and medium-sized businesses.

The comprehensive plan I am announcing today demonstrates my commitment by ensuring that local councils have the certainty they need to manage their finances to the end of the financial year. The plan covers covid-related expenditure, income losses from sales, fees and charges, and irrecoverable tax losses.

#### *Additional funding for spending pressures*

We recognise the pressures on councils and our communities have not yet passed, and today I have announced a further £500 million to help ensure that councils have the money they need to meet costs in the coming months. I would like to thank councils for the financial information they have provided, and I will continue to work with my cabinet colleagues to monitor the pressures on the sector.

This award follows two previous rounds of grant allocations. The first was primarily focused on getting emergency support into adult social care. The second round addressed both expenditure pressures and income shortfalls. With the benefit of better data, we now plan to address income shortfalls separately to expenditure and so we have created a new formula for

the additional £500 million. This formula will reflect the factors which the data returns have told us correlate most closely with expenditure, and will take account of population, deprivation and the way that service costs vary across the country. Details on allocations will be announced in due course.

#### *Non-tax income*

The pandemic has had an unprecedented impact on councils' income from sales, fees and charges, for which they could not have planned. To help mitigate this, the Government are also introducing a co-payment scheme to compensate local authorities for relevant, irrecoverable losses in 2020-21. Under this scheme councils bear the first 5% of losses compared to their budgeted income—reflecting the fact these income sources are by their nature volatile from one year to the next—but the Government will support those worst affected by covering 75p in every pound of losses beyond this.

#### *Irrecoverable tax losses*

I am also committed to supporting the sector through an apportionment of irrecoverable council tax and business rates losses between central and local government, to be agreed at the spending review. I have announced today that the repayment of collection fund deficits arising in 2020-21, will be spread over the next three years rather than the usual period of a year, giving councils breathing space in setting budgets for next year.

Taken together, these measures will give local councils sufficient confidence to continue to deliver the services their communities rely on. Nevertheless, my Department will continue to work closely with councils to monitor the situation as it develops, and I will return to the House setting out any further measures necessary should a changing situation require it.

[HCWS333]

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