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**HOUSE OF COMMONS**  
**OFFICIAL REPORT**

**PARLIAMENTARY**  
**DEBATES**

**(HANSARD)**

**Monday 13 July 2020**

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# House of Commons

*Monday 13 July 2020*

*The House met at half-past Two 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

### HOME DEPARTMENT

*The Secretary of State was asked—*

#### **Covid-19: Domestic Violence**

**Neil Coyle** (Bermondsey and Old Southwark) (Lab): What steps her Department is taking to ensure that community services working with victims of domestic violence have adequate resources to deal with an increase in demand as a result of the covid-19 outbreak. [904574]

**David Simmonds** (Ruislip, Northwood and Pinner) (Con): What steps her Department is taking to help protect victims of domestic abuse. [904581]

**The Secretary of State for the Home Department (Priti Patel)**: Domestic abuse devastates lives. During this time of covid that we have all experienced, victims are particularly vulnerable, and as we know, home has not been a safe place for everyone to access the usual support that they could receive. That is why, through our landmark Domestic Abuse Bill, we are committed to protecting victims in a stronger way.

**Neil Coyle** [V]: As things stand, the Government are discriminating against people who have “no recourse to public funds” restrictions imposed on them and their British-born children, who are denied access to support. Will the Home Secretary end that discrimination by amending the Domestic Abuse Bill to ensure that help is provided to everyone affected by domestic violence and scrap this fundamentally racist policy?

**Priti Patel**: The Domestic Abuse Bill has, I think it is fair to say, been discussed extensively in the House, and I want to thank everybody who has made outstanding contributions to it, including the many organisations that participated in advance of the Bill coming to the House. We are offering support to migrants who suffer domestic abuse through our destitution domestic violence concession scheme. I would like to emphasise—and the hon. Gentleman will know this from his work as a Member of Parliament and with local authorities—that support is provided by local authorities, and individuals can access safe accommodation and get support through various means, which is incredibly important.

**David Simmonds**: Does my right hon. Friend agree that children, who are often the hidden victims of domestic violence—either as victims themselves or through witnessing it among parents and other members of the household—will gain additional protection from our landmark Domestic Abuse Bill?

**Priti Patel**: I thank my hon. Friend for his question. The protection of children is an important issue—children are victims when it comes to domestic abuse, and it is a sad fact that children often witness some of the most abhorrent abuse of their parent or others—and the Bill does exactly that. I am really pleased and proud that we have made sure that children are at the heart of the Bill. It is right that we safeguard and protect them.

**Jess Phillips** (Birmingham, Yardley) (Lab): Between 2015 and 2019, despite domestic violence cases rising by 77%, charging fell by 18% and conviction by 20%. In 2018-19, there were almost 60,000 reports of rape to the police, but less than 1,800 were charged and less than 1,000 convicted. The number of cases of rape referred by the police for charging decisions fell by 32% in 2019. How does the Secretary of State account for her Government’s performance in the falling rates of charge and conviction in sexual and domestic violence?

**Priti Patel**: The hon. Lady will know that extensive work has been undertaken across Government, not just recently but in previous years as well. I am absolutely committed, as is my right hon. and learned Friend the Justice Secretary, to ensuring that we take an end-to-end approach to this through the royal commission that we are establishing on the criminal justice system, and that much more work is undertaken within policing to ensure that charges are undertaken and that the right kind of effective training is put in place for police forces and police officers. I have been very clear about that through all my work in policing, as has the Policing Minister. Ultimately, charging and getting those cases to court has to be the priority, which is why the Home Office is taking the right approach and working in the right way with the criminal justice system and the Lord Chancellor.

#### **Points-based Immigration System**

**Lee Anderson** (Ashfield) (Con): What progress her Department has made on introducing a new points-based immigration system. [904575]

**Marco Longhi** (Dudley North) (Con): What progress her Department has made on introducing a new points-based immigration system. [904591]

**The Parliamentary Under-Secretary of State for the Home Department (Kevin Foster)**: We are ending free movement and will introduce a new, firmer, fairer, skills-led global immigration system, with further details of it published today. Last month our Immigration and Social Security Co-ordination (EU Withdrawal) Bill passed through the House unamended, despite the best efforts of the Labour party and those on the separatist Benches.

**Lee Anderson**: On behalf of the people of Ashfield, I fully support the Government in introducing a points-based immigration system. For far too long, freedom of movement has encouraged the exploitation of migrant labour,

which has driven down wages, increased pressure on public services, and had a significant impact on housing in places like Ashfield. Could my hon. Friend please assure me that, moving forward, this Government will implement a firm but fair points-based system attracting high-skilled workers while also prioritising British jobs for British people?

**Kevin Foster:** I agree with my hon. Friend. The points-based system will support our wider economic strategy by encouraging investment in a domestic UK workforce while ensuring that businesses can still attract the brightest and the best from around the world to Ashfield. We want employers to focus on training and investing in our domestic workforce, driving productivity and improving opportunities for resident workers, with immigration policy being part of, not an alternative to, our strategy for the UK labour market.

**Marco Longhi:** The introduction of the points-based immigration system is a pledge that we gave to the British people and one that we are now delivering on. Does my hon. Friend agree that now is also the time for employers to create the working conditions for our home-grown population to be attracted to the work that those employers should be offering?

**Kevin Foster:** I absolutely agree. Under our new points-based immigration system, the UK, especially the Black Country, will continue to be open to the best talent from around the world. But my hon. Friend is right: employers should always be looking to recruit from the domestic workforce first and ensure that they offer terms and conditions, and career development opportunities, that make this possible, especially as we look to support those who have suffered the economic effects of covid-19 back into to work.

### Police Funding

**Rachel Hopkins** (Luton South) (Lab): What steps she is taking to allocate adequate funding to police forces. [904576]

**Gerald Jones** (Merthyr Tydfil and Rhymney) (Lab): What steps she is taking to allocate adequate funding to police forces. [904577]

**Rosie Cooper** (West Lancashire) (Lab): What steps she is taking to allocate adequate funding to police forces. [904580]

**Margaret Greenwood** (Wirral West) (Lab): What steps she is taking to allocate adequate funding to police forces. [904585]

**Sir Geoffrey Clifton-Brown** (The Cotswolds) (Con): What steps her Department is taking to increase police funding. [904588]

**Peter Aldous** (Waveney) (Con): What steps her Department is taking to increase police funding. [904597]

**Ruth Edwards** (Rushcliffe) (Con): What steps her Department is taking to increase police funding. [904604]

### The Minister for Crime and Policing (Kit Malthouse):

The Government are now spending over £15 billion on policing—an increase of £1 billion on last year, with £700 million being allocated to police and crime commissioners to recruit 6,000 additional officers by the end of March 2021. While there is no direct connection between police numbers and crime, this will give them the capacity to be much more agile in the face of changing crime.

**Rachel Hopkins:** Her Majesty's inspectorate of constabulary recently stated in its annual assessment of policing that policing and some other public services are closely linked, and that the level of investment in one public service will have an effect, good or bad, on another, referring to health, particularly mental health, drug and alcohol services, housing and social services as examples. What assessment has the Minister made of the huge detrimental impact that covid-19 has had on local authorities responsible for these services, and the fact that many local councils, including Luton Borough Council in my constituency, are being forced into making significant in-year budget cuts, thus having an impact on local policing?

**Kit Malthouse:** The hon. Lady is quite right to draw the connections between policing and other services in the public sector. I cannot speak for the resilience or otherwise of the finances of her particular local authority. I can say, however, that the Prime Minister has tasked me and the Home Secretary with the job of driving cross-Government working to deal with some of the causal factors in crime, beyond enforcement, and we will be talking to local authorities across this country about the part that they can play.

**Gerald Jones:** Money for additional police officers is welcomed across the board, even though it does not take police numbers back to pre-2010 levels. Surely the Minister would acknowledge, though, that baseline budgets in police forces are being cut again this year, and capital funding is almost non-existent, so unless the Secretary of State is able to win more money for policing generally, forces will be unable to keep the officers they have got.

**Kit Malthouse:** The hon. Gentleman is obviously a cup-half-empty person rather than a cup-nearly-three-quarters-full person. The biggest settlement for policing in a decade should be welcomed by everybody across this House, as it has been across the whole of the policing family. But that is not to say that policing is not without challenges and that it cannot be more efficient. While we do want to see more police officers and a better response to crime, there is always the challenge in public services to do things better for less.

**Rosie Cooper** [V]: Lancashire has been allocated funding of £4.3 million to deliver an additional 153 police officers by the end of this financial year, but that award reflects a part-year cost, as 153 officers cannot be employed for the whole year because the cost is £9.8 million. So will the Minister commit to providing the full funding for 2021-22, and for future years, to sustain these additional officers?

**Kit Malthouse:** The hon. Lady is perhaps confusing her figures, shall we say? Lancashire police received a £22.6 million increase in funding this year, which will

allow it to recruit another 153 police officers over the next 12 months—less than 12 months now—up to March next year. It is making good progress, and has recruited 66 already.

**Margaret Greenwood [V]:** Recently, coastal communities such as West Kirby and Caldy in my constituency have seen huge numbers of visitors in search of relaxation and exercise. This has placed additional strain on Merseyside police, which has been working hard to respond to the concerns of local residents about crowds on beaches and in parks. Merseyside police estimates that the cost of the pandemic to date is £4.1 million, due to overtime, the cost of PPE, specialist cleaning and lost income. Will the Minister give an assurance that Merseyside police will be reimbursed for these costs?

**Kit Malthouse:** I have had a number of telephone conversations with the chief constable of Merseyside police over the last few weeks and months, as has my right hon. Friend the Home Secretary, and I am pleased to say that that force is in good heart, as far as we could tell. Happily, it is running well in advance of its recruitment allocation. I am told that, at the end of March, it had recruited 220 police officers, against an allocation of 200, which does give it extra capacity to deal with the problems that the hon. Member has outlined. Notwithstanding that fact, there are obviously extra costs for policing with covid-19, and we are in conversation with the Treasury about how we might address them.

**Sir Geoffrey Clifton-Brown:** Following the excellent announcement that my hon. Friend has given the House this afternoon, which goes a long way towards meeting our Conservative party pledge to recruit an extra 20,000 police officers, would he agree that the real importance of those police officers is that every criminal will know that it is much more likely their crime is going to be investigated and, if it is proved, will result in a prosecution?

**Kit Malthouse:** With his usual perspicacity, my hon. Friend puts his finger on the button. We know that the greatest deterrent of crime is the perception of the likelihood of being caught, and the fact that Gloucestershire police has now more than recruited its annual allocation of police officers—he will be pleased to hear—at 48, over 46, already so far this year, means that that is much more likely to be the case in his county.

**Peter Aldous:** Suffolk constabulary, one of the lowest funded forces from central Government, has made significant efficiency savings and the council tax has increased by over 25% in three years. Can my hon. Friend the Minister confirm that the review of the grant funding formula is still going ahead in the next few months, as this is vital to the future of policing in Suffolk?

**Kit Malthouse:** My hon. Friend is a doughty champion for his constituency and his county, and I understand his impatience and his desire to battle for their financial interests, as I did as a Back Bencher for Hampshire. Both the Home Secretary and I have said in public in the past that the funding formula, while it is the only formula we have at the moment, is a bit old-fashioned and probably needs to be looked at, and as part of our vision for policing in the future, no doubt we will get to it in time.

**Ruth Edwards:** Will the Minister join me in praising Nottinghamshire police, which has acted so quickly to recruit more officers that it is 12 months ahead of the Government's recruitment target and was the first force to introduce police officer degree apprenticeships? Does he agree with me that forces such as Nottinghamshire, which are leading the way and which have also increased their diversity, should be first in line for any additional Government funding?

**Kit Malthouse:** It is very heartening to see that one of my hon. Friend's priorities as a new Member in this House is to stand with and defend her local police, and she is quite right to do so. I join her in offering our thanks and praise to them for the work they have done. In fact, I was able to do so in person because I was on the phone with her chief constable just this morning. She is quite right that Nottinghamshire is a forward-looking police force, and we will be supporting it in its endeavours to innovate and challenge crime in the months to come.

**Sarah Jones (Croydon Central) (Lab):** On the one hand, the Prime Minister has hailed an end to austerity and promised 20,000 new frontline police officers, and on the other, we had alarming reports at the weekend of forces facing up to 15% cuts. Covid, on top of 10 years of austerity, has created a perfect storm for police funding, with lower council tax coming in, the costs of PPE and lower income from some of their sources, such as airports and large events. I have heard from multiple sources that essential staff jobs will have to be cut, meaning that frontline police officers will end up covering non-frontline roles, which is completely the opposite of what the Prime Minister intends. One senior police officer said to me this morning, "This looks like austerity by the back door." Can the Minister commit today to plugging the funding gap from council precepts to guarantee there will not be a need to cut police staff?

**Kit Malthouse:** First, on a technical front, perhaps the hon. Lady misunderstands how the precept works. The primary liability, if you like, is covered by the precepting authority, which has by law to pass on the precept in full, notwithstanding any issues it might have with collection. And perhaps, alongside her many skills, she has acquired telepathy and foresight, because she seems to be pre-empting a spending review that has not even started.

### Police Officer Numbers

**Mark Logan (Bolton North East) (Con):** What steps her Department is taking to increase the number of police officers. [904578]

**Ben Everitt (Milton Keynes North) (Con):** What steps her Department is taking to increase the number of police officers. [904579]

**Christian Wakeford (Bury South) (Con):** What steps her Department is taking to increase the number of police officers. [904606]

**The Secretary of State for the Home Department (Priti Patel):** As we have already discussed, we are in the process of recruiting an extra 20,000 police officers to put violent criminals behind bars, and already we have recruited more than 3,000. We will continue to back the police and deliver on higher police numbers.

**Mark Logan [V]:** Speeding complaints are well and truly up in Bolton North East. All this fast is making my constituents furious. On the day I took part in a community speed watch on Ainsworth Lane, 74 mph was recorded in a 20 mph zone. The problem is particularly severe on Blackburn, Halliwell and Turton Roads. Many of these 20 mph areas are located near schools, yet the speed limit is not enforced. Does the Home Secretary agree that regulations should be introduced to ensure speed limits are adhered to and close a very dangerous loophole to keep my residents safe and put an end to the “Fast & Furious” sequels?

**Priti Patel:** I agree with my hon. Friend about the devastating impact that speeding can have on lives and communities, and he is right to highlight the irresponsible speeds being driven, particularly in residential areas and near schools. We do not plan to legislate, but he will know that police enforcement around speeding is a matter for the police authority itself. I would be happy to work with him if he has particular issues or concerns he would like me to pick up.

**Ben Everitt:** I bounced in here this afternoon ready to sing the praises of Thames Valley police force for its positive recruitment campaign, which is ahead of schedule to meet its officer target, but it seems that this is not new news, because every other Conservative Member is similarly pleased with their local force for meeting its police targets and getting those officer numbers up. Will the Home Secretary join me in praising Thames Valley police in Milton Keynes especially for keeping our rural and city centre communities safe?

**Priti Patel:** I commend my hon. Friend for his enthusiasm, his gusto and his support for Thames Valley police. I will share something with the House. I have a soft spot for Thames Valley police. It was one of the first police forces I visited when I became Home Secretary. I visited because of a devastating event that took place—the tragic death of a police officer—and I commend the chief constable, John Campbell, and the officers. They really are an impressive police force. They police a very significant geography and quite frankly are the best of us all, and he is absolutely right to commend them for the work they do.

**Christian Wakeford:** Getting more officers on to our streets is one of the people’s priorities, which I know is why my right hon. Friend is committed to recruiting 20,000 police officers over the next three years, but can she confirm how many have been recruited in Greater Manchester, and can she also reassure my constituents that they are fully equipped to tackle crime and keep our streets safe?

**Priti Patel:** I thank my hon. Friend for his dedication and support both to policing locally and to his constituents in terms of wanting to keep them safe. It is absolutely right. On recruitment across Greater Manchester, I commend his chief constable, and I can confirm that, as of the end of March, Greater Manchester police had recruited an additional 94 officers towards the year’s allocation, and I can confirm, too, that that number is going up and up. Since our campaign started we have had over 70,00 applicants to become police officers, which is something we should be proud of, because policing is an incredible profession.

### Covid-19: Public Order

**Alun Cairns (Vale of Glamorgan) (Con):** What steps her Department is taking to maintain public order during the covid-19 outbreak. [904582]

**Selaine Saxby (North Devon) (Con):** What steps her Department is taking to maintain public order during the covid-19 outbreak. [904595]

**The Secretary of State for the Home Department (Priti Patel):** The Home Office has been working with the National Police Chiefs’ Council every single day throughout the covid crisis, not only to back the police when it comes to law enforcement but, equally importantly, to ensure that they are resourced throughout covid to provide the support required for frontline police officers.

**Alun Cairns:** During this covid period, many coastal communities have found themselves under threat from mass gatherings—in my constituency, Ogmores-by-Sea is one example and Barry Island is another. Will my right hon. Friend join me in sending the strongest message that such behaviour will not be tolerated? Will she support the police and pay tribute to them for the strong action they are taking to ensure that coastal communities can be enjoyed by families and by tourists who want to visit and enjoy our fantastic resources?

**Priti Patel:** My right hon. Friend is absolutely right. I have visited his constituency in the past and know how beautiful it is. I commend the officers and the police chief for all the work that they have been doing. My right hon. Friend is right to want that area to be protected for local residents so that it can be enjoyed responsibly. There is of course no scope at all for antisocial behaviour. We have been continuing to support the police to make sure that they have been equipped throughout this covid crisis to police effectively and encourage the right and responsible kinds of behaviours.

**Selaine Saxby:** Will my right hon. Friend join me in welcoming the investment made just last week by the Devon and Cornwall police and crime commissioner, Alison Hernandez, to provide an additional half a million pounds in emergency funding to 20 tourism hotspots in our two counties—including two in my North Devon constituency—to help to prevent alcohol-related antisocial behaviour following the lifting of lockdown? Will she commit to look at how such additional covid-related costs can be supported by the Government?

**Priti Patel:** I commend everybody locally for the fantastic work that they have been doing across policing and, of course, I commend my hon. Friend and her police and crime commissioner as well. She is right to raise the additional costs of covid—in fact, my hon. Friend the Policing Minister has already touched on the fact that we are in discussions with the Treasury. It is inevitable that extra costs have arisen, whether for PPE or the additional hours that police officers have been given. That work is ongoing, but at this point I would like to commend everybody for the great work that they have been doing throughout this crisis.

**Conor McGinn (St Helens North) (Lab):** I fully agree with the Home Secretary about supporting the work that the police do to maintain public order, but I cannot help but feel that although the Home Secretary talks a

good game, we have not seen much evidence of action. We have seen a marked decline in the number of public-order trained officers and police support units on this Government's watch, and the recruitment that she talks about simply will not replace that decline and will take a lot of time. What is the Home Secretary doing now—today—to support chief constables to deal with these pressures and to ensure that our frontline officers have the proper resources and the training they need?

**Priti Patel:** It is absolutely right that, through the recruitment and investment that this Government are putting into policing—the largest ever policing funding settlement, certainly for the past decade, of more than a billion pounds—

**Conor McGinn:** You sacked them all—that is why you are having to recruit new ones.

**Priti Patel:** No, I have not sacked them all, to be quite frank—

**Conor McGinn:** Your Government have.

**Priti Patel:** Our investment in policing is the largest investment in over a decade, and that is something that every single police chief around the country is supporting. The hon. Gentleman should take stock of the fact that when he speaks to police chiefs—as I do every single day and as my hon. Friend the Policing Minister does every single day—he will hear that they welcome the investment in not only new officers but training. The money that has been put in to invest in new officers also covers a wide range of training. That is training that has gone into the national College of Policing. That is training and investment in the professional development—*[Interruption.]* It is taking place now. That is training and investment in the professional development of our police officers. That is something that we should all be proud of.

### Immigration Health Surcharge Exemption

**Rushanara Ali** (Bethnal Green and Bow) (Lab): What progress she has made on implementing the immigration health surcharge exemption for NHS and social care workers. [904584]

**Sam Tarry** (Ilford South) (Lab): What progress she has made on implementing the immigration health surcharge exemption for NHS and social care workers. [904587]

**Zarah Sultana** (Coventry South) (Lab): What progress she has made on implementing the immigration health surcharge exemption for NHS and social care workers. [904590]

**The Parliamentary Under-Secretary of State for the Home Department (Kevin Foster):** Home Office and Department of Health and Social Care officials are working to implement the surcharge exemption. The Home Office is currently identifying all those on a tier 2 visa who will benefit from a refund, and those payments have already started. Those eligible to apply for the new health and care visa will be exempt from the immigration health surcharge.

**Rushanara Ali:** I thank the Minister for his answer, but the fact that migrant workers in the NHS and care sector have had to pay the surcharge in the first phase is an insult to their sacrifices, and the fact that the Government are taking so long to implement the Prime Minister's promise is an added insult. May I ask the Minister how many people have now got the exemption and how many have yet to receive it?

**Kevin Foster:** The hon. Member asks how long, but I said in my answer that refund payments had already started, and we will imminently implement the new health and care visa, which will see those on it exempt. So work is continuing, and to be clear, the health surcharge is about creating resources for the NHS and has supported the NHS. We have announced this policy, and we are driving it forward.

**Sam Tarry [V]:** Ilford South is a diverse constituency, with 60% of my local population coming from either heritage communities or directly from immigrant communities. An Oxford University study last year found that the net fiscal giving from immigration to our country's economy between 2001 and 2011 was £25 billion. People in Ilford South are wondering whether the Minister agrees that it was wrong for the Government to act so slowly to move this policy forward and whether they should offer an apology to the people in Ilford South working in our NHS, who are fearful and risking their lives, and not getting the support they deserve from the Government?

**Kevin Foster:** I think the people of Ilford South working in the NHS will have been pleased to see the measures that we have taken, not least the fact that we will look to prioritise those coming to work for the NHS under our new visa system.

**Zarah Sultana:** Key workers kept our country running through the crisis, from doctors and nurses to supermarket assistants and delivery drivers. That is why we clap for them. They all pay their taxes, and they all contribute to the NHS. That is why the NHS surcharge is a discriminatory double tax on migrants. The Government acknowledge that it is wrong to clap for nurses one day and charge them extra the next, so will the Minister extend that principle to all workers and scrap the immigration health surcharge for all?

**Kevin Foster:** I will contrast those comments with the comments on the immigration health surcharge from the Labour party during the Immigration Bill Committee. We are clear that our NHS offers fantastic free-at-point-of-need care and services, and it is not unreasonable to ask those who come to this country to make a contribution towards it until they achieve indefinite leave to remain or settlement, which means that they are making a long-term commitment to this country and are therefore exempt from the charge.

**Holly Lynch** (Halifax) (Lab): Further to the excellent questions already asked, Dr Sadara is just one of the hundreds of clinicians who have already had to pay the immigration health surcharge since the Prime Minister said that it would end, not just for himself and his wife, but twice in six months for his newborn baby daughter. We do not just want these medics to stay in the NHS; we

need them to stay in the NHS. The new rules published this morning confirm that the charge will end, but they do not come into effect until January, so can the Minister update the House? When will the surcharge end for health and social care workers, and why do the details published this morning suggest that some will still have to pay it and then be reimbursed?

**Kevin Foster:** The details published this morning relate to the new system beyond 1 January. However, to be clear, we will refund those who have paid the charge since 31 March, not just since the time when the Prime Minister made the announcement. We expect to bring in the new health and care visa significantly before 1 January; we are planning to have it in place before 1 October, and people applying for it will not have to pay the surcharge.

### Places of Worship: Hate Crimes

**John Howell (Henley) (Con):** What steps her Department is taking to prevent hate crimes against places of worship. [904589]

**The Parliamentary Under-Secretary of State for the Home Department (Victoria Atkins) [V]:** We are committed to protecting places of worship from hate crimes through the places of worship protected security scheme. The funding for next year, at £3.2 million, is an uplift of nearly double the amount awarded last year. A public consultation on providing greater protection from hate crime for places of worship closed on 28 June. We are reviewing the responses and will respond in due course.

**John Howell:** There is a balance to be struck between worshipping openly and being provided with adequate security. Will the Minister say what success the Government's places of worship protective security funding scheme has had in achieving that balance?

**Victoria Atkins:** Very much so. I can assure my hon. Friend that the places of worship protective security funding scheme has been designed so that each place of worship can apply for practical security measures that suit their individual needs, ranging from CCTV to alarm systems. This allows each place of worship to remain open and accessible for worshippers, while providing greater security. We want to ensure that this scheme listens to worshippers and their communities when seeking to achieve the balance to which he rightly refers.

### Sexual Exploitation of Children: Organised Gangs

**Sarah Champion (Rotherham) (Lab):** What progress she has made on preventing the sexual exploitation of children by organised gangs. [904592]

**The Secretary of State for the Home Department (Priti Patel):** I thank

the hon. Lady for her a question and pay tribute to her for the work that she has done specifically on the whole issue of child sexual exploitation.

**Sarah Champion:** I am grateful that the Home Secretary takes this topic seriously. We in Rotherham are very fortunate because we have National Crime Agency to deal with past cases, but will she also look at cases

across the country, the resources that police forces have there and the local authorities that have to step in and put the child protection and victim support in place, as there is not enough nationally?

**Priti Patel:** The hon. Lady is right. It is fair to say that she and I go back a long way on this issue. I recall that she first came to see me on this point when I was in the Treasury many years ago. She knows that I have recently announced that the Home Office will be publishing a paper to help us better understand the characteristics associated with groups. I would welcome it if she were to work with me and to join our external reference group that I have established on this important area. She specifically raises issues about third-party organisations, and she mentioned some in her own constituency. I have met many survivors and sufferers with her on this issue. They have had a terrible time. They have also been failed by many aspects of the state and society. We can never allow that to happen again, which is why I am committed, not just through resourcing, but through the work that I have commissioned in the Department, which I know she will join me in and support us on, to make sure that no other aspect of the state, organisation, third party, or Government institution turns a blind eye and ignores the needs of individuals in the way that happened in her constituency.

### Online Harms: Social Media

**Mr Tanmanjeet Singh Dhesi (Slough) (Lab):** What steps her Department is taking to tackle online harms on social media platforms. [904593]

**The Parliamentary Under-Secretary of State for the Home Department (Victoria Atkins):** We are firmly committed to making the UK the safest place in the world to be online. We will be publishing a full Government response to the online harms White Paper consultation in the autumn and our ambition is to bring forward legislation in this Session. In the meantime, the Home Office continues to engage with social media platforms on the safety of their users. We are clear that these companies need to take action now to tackle illegal harms.

**Mr Dhesi:** It has been more than a year since the Government published their online harms White Paper and yet there is still no proper protection in place. Instead, all we have had are delays, ministerial briefings about potentially watering down the sanctions within the White Paper, and continued intensive lobbying by tech giants, which are still failing to remove harmful content and disinformation. That really is poor, so can the Minister update the House about what conversations she has had with social media companies about taking down harmful content and when exactly will the online harms Bill finally be published?

**Victoria Atkins:** The online harms White Paper was world leading in its ambitions to sort out the online world. We are very clear that what is illegal offline is also illegal online and that has been the driving force behind our work on this White Paper and on the consultation. As I have said, we will be responding to the consultation in the autumn. We are very much working at pace on this, but we should not shirk the fact that we are leading the

world potentially with this work, including our work on tackling online child sexual exploitation, and we all want this abuse to stop.

#### **Covid-19: Support for Asylum Seekers**

**Patrick Grady** (Glasgow North) (SNP): What assessment she has made of the adequacy of support and accommodation for asylum seekers during the covid-19 outbreak. [904594]

**Marion Fellows** (Motherwell and Wishaw) (SNP): What assessment she has made of the adequacy of support and accommodation for asylum seekers during the covid-19 outbreak. [904615]

**The Parliamentary Under-Secretary of State for the Home Department (Chris Philp)**: We remain committed to providing support and accommodation to those who need it, but, in addition to that free accommodation, we also pay for utility bills and council tax. Free NHS care is available to those who need it, and there is free education for those with children. In addition, for three months, starting on 27 March, we paused the process of asylum cessation, and a 5% increase in the cash allowance was made just a few weeks ago.

**Patrick Grady**: Is the Minister suggesting that he would not give these things to people who need them, no matter what their background or where they come from? He was good enough to meet Glasgow's MPs, but the reality is that the forcing of more than 300 vulnerable asylum seekers into hotels by the contractor Mears has significantly damaged trust in the system. To rebuild that trust, there has to be an independent review and lessons learned, so what steps is he taking to ensure that that review happens?

**Chris Philp**: The hon. Gentleman is right to say that 341 people were moved at the end of March from temporary serviced apartments into hotel accommodation, because those apartments were considered unsuitable, bearing in mind coronavirus. He is also right to say that I have been meeting Glasgow MPs, and I will, of course, continue to do so. I have twice met Aileen Campbell, the Cabinet Secretary for Communities and Local Government, and the leader of Glasgow City Council, and I have committed to continue such meetings—he and I have spoken about that. He and his colleagues have raised specific concerns about the hotel accommodation, and I have asked Home Office officials to look into those urgently and report back to me.

**Marion Fellows** [V]: The requirements in the asylum accommodation contracts to safeguard vulnerable people are vital, yet the recent National Audit Office report discloses that the contract fails to provide for proper monitoring of them or sanctions for breaches. Will the Minister fix that? Will he explain why no safeguarding framework is in place yet, despite this contract being worth billions of pounds of public money?

**Chris Philp**: We are, of course, studying the report very carefully. As the House would expect, we do monitor carefully the way the contractors operate. Where concerns are raised, as they have been in relation to Glasgow by Glasgow MPs and others, we look into them and investigate them seriously. That is what we are doing in the case of Glasgow.

**Joanna Cherry** (Edinburgh South West) (SNP): The NAO report mentioned by my hon. Friend the Member for Motherwell and Wishaw (Marion Fellows) is about not just value for money but people. Asylum seekers are, by their very nature, vulnerable people, with many of them being survivors of trafficking or ill treatment, including torture. Yet under the existing Home Office contracts with private companies, it is possible for those companies to shove hundreds of these asylum seekers into hotels without doing proper individual assessments of their vulnerabilities. The NAO report records that 10 months into these contracts there is no safeguarding framework. Can the Minister give us a date on which he will introduce a safeguarding framework for these private company contracts?

**Chris Philp**: The hon. and learned Lady asked about vulnerability assessments. In the Glasgow case we are discussing, vulnerability assessments were undertaken before people were moved, and I understand that 109 people who might have been moved from the temporary serviced accommodation into the hotels were not moved as a consequence of exactly that vulnerability assessment. She made a more general point about taking care of people who are vulnerable. This country has an extremely proud record in this area: last year, we made 20,000 grants of asylum or protection, which is one of the highest levels in Europe; we welcomed more than 3,500 unaccompanied asylum-seeking children, which is the highest level for any European country; and we are the only G7 country to spend 0.7% of gross national income.

**Joanna Cherry**: I thank the Minister for his answer, but I am sure he will recall that there was a degree of uncertainty about the nature of the assessments carried out in Glasgow, and I am sure he will agree that having a safeguarding framework would ensure that that sort of oversight would not happen again. He mentioned meeting the leader of the Glasgow City Council. He will be aware that many local authorities are concerned that, although the Home Office is happy to pay billions to private companies under these asylum contracts, no assessment has been made of the additional demands this places on local authority resources. Local authorities are concerned that the proper financial support they need is as far away as ever. How does he expect more local authorities to become asylum dispersal areas if the Government will not give existing local authorities the support they require?

**Chris Philp**: National Government provide a huge amount of support and finance to help asylum-seeking populations. We pay for all the accommodation. We pay for the council tax, which of course goes to local authorities, and for utility bills. Those who need healthcare are treated by the NHS, and of course funding for that flows from central Government. Those requiring education are educated, and there is a per capita funding formula to cover that. National Government are spending a huge amount of money supporting those populations. As the hon. and learned Lady said, the figures run over multiple years into billions of pounds. I am always happy to talk to local authorities about the work that they do and how we can work better together. I am already doing that with Glasgow City Council, and via the Cabinet Secretary for Communities and Local Government, Aileen Campbell, I hope to expand those conversations to cover other towns and cities in Scotland.

### Topical Questions

[904634] **Rob Butler** (Aylesbury) (Con): If she will make a statement on her departmental responsibilities.

**The Secretary of State for the Home Department (Priti Patel):** Four years ago, the British public voted to leave the EU—they voted to take back control of our borders and end free movement. Last year, they voted to get Brexit done and introduce a points-based immigration system. We are doing exactly that: despite the best efforts of the Labour party, we are ending free movement and introducing a points-based system. Today, we have published more details of that system, which will enable us to attract the brightest and best—a firmer and fairer system that will take back control of our borders, crack down on foreign criminals and unleash our country's true potential. We are building a brighter future for Britain and signalling to the world that we are open for business.

**Rob Butler:** Last week was the 15th anniversary of the 7/7 terrorist attacks. It was a moment once more to commemorate those who lost their lives and repeat our appreciation for those who rushed to help those caught in those dreadful blasts—particularly those from the emergency services. Will my right hon. Friend update the House on what plans her Government have to try to prevent future attacks and monitor people who have raised the suspicions of the police and security services?

**Priti Patel:** My hon. Friend is absolutely right to pay tribute to those people and commemorate the anniversary of those attacks. In short, we are constantly investing in our security and intelligence services. In particular, we are investing in counter-terrorism policing, which has had an increase this year of £90 million—one of the largest uplifts ever, taking CT policing funding to more than £900 million. Of course, we have to do more to strengthen it and ensure our system is fit, agile and responsive to all sorts of threats.

**Nick Thomas-Symonds** (Torfaen) (Lab): I join the Home Secretary in paying tribute to those who died in the 7/7 attacks, and I commend the work of the emergency services that day.

When I read the details of the proposed new immigration system, I was disappointed, if unfortunately not shocked, to see evidence yet again that the Government do not consider carers to be skilled workers, as they have been excluded from the qualifying list for the health and care visa. After the Prime Minister accused care workers of not following the guidance on covid-19, and now this, will the Home Secretary please answer a simple question: what do the Government have against care workers?

**The Parliamentary Under-Secretary of State for the Home Department (Kevin Foster):** We support our care workers. Senior care workers will qualify under the new points-based system. People will look at what has happened over the past few months and surely they will not think that our vision for the social care sector should be to carry on looking abroad to recruit at or near the minimum wage. We need to be prioritising jobs in this country.

**Nick Thomas-Symonds:** We all want more people training and entering the care sector at a decent wage, but there are more than 100,000 vacancies in England alone today. Some of us in the House do not need

reminding of how important and skilled care workers' jobs are, but that does not always seem to be the case for the Government. I would like to extend an invitation to the Home Secretary. I will convene a meeting of a delegation of care workers, alongside their trade union representatives, to help to provide a better understanding of the incredible jobs they do. Would she care to join me? I am sure she would find meeting frontline care workers incredibly useful when sitting there deciding how skilled people's jobs are.

**Kevin Foster:** Many people listening in Torfaen and Halifax will be wondering whether the hon. Gentleman has been following the sad news about the economic impact of covid-19 and the number of our own UK-based workers who we will need to get back into employment. It is hard to believe that many will believe that there is a labour shortage. We engage regularly with the care sector and we listen to what it says. Our priority is that in future these jobs will be valued, rewarded and trained for, and that immigration should not be an alternative.

[904635] **Philip Dunne** (Ludlow) (Con) [V]: The Environmental Audit Committee highlighted in our reports on hand car washes in 2018 and on fast fashion in 2019 clear evidence of modern slavery, in plain sight, in hand car washes on streets across Britain and in garment factories in Leicester. Will my right hon. Friend the Home Secretary commit to doing all she can to work across Government agencies to rid our towns and cities of this scourge?

**Priti Patel:** I completely agree with my right hon. Friend's description of this modern-day scourge of exploitation. On hand car washes, local authorities need to do so much more in terms of stepping in and investigating with trading standards. He is right to press me and the Government on integrated working across all aspects of the state, at both national Government and local authority level. On Leicester, he, like all hon. Members, will be interested to know that we have established a cross-Government taskforce, which will be on the ground, asking the difficult questions of all institutions and organisations across Leicester about this scourge in the textile sector.

**Mr Speaker:** I call the Chair of the Select Committee on Home Affairs, Yvette Cooper.

**Yvette Cooper** (Normanton, Pontefract and Castleford) (Lab): Thank you, Mr Speaker. The Select Committee has repeatedly called on the Government to include care workers alongside NHS medical staff with regard to this year's free visa extension following covid-19. By refusing to do so, Ministers have cost those frontline workers thousands of pounds. Does the Home Secretary's decision to exclude social care workers from the health and care visa mean that they will also have to pay the immigration surcharge up front? If so, why is it fair for them to have to find many more thousands of pounds up front as well?

**Kevin Foster:** To be clear, the health and care visa will, by definition, include various areas in the care sector. As I touched on in response to the shadow Home Secretary, our vision for the future of the care sector is about providing rewarding opportunities to UK-based workers, not basing it purely on immigration.

[904636] **Mark Fletcher** (Bolsover) (Con): My right hon. Friend the Home Secretary will fondly remember her visit to Clowne in my constituency during the election campaign and the popularity on the doorsteps of getting more police on the streets in Derbyshire. Our police are fantastic but they need some new colleagues. Could she please give us an update?

**Priti Patel:** My hon. Friend is absolutely right. On calls for more police officers in his constituency, he is equally as popular for his championing of more cops and for the excellent work he is doing. I can confirm that his county of Derbyshire will receive 85 officers as part of the uplift, but 60 new officers have already been recruited and they will be coming to his community very soon.

[904640] **Afzal Khan** (Manchester, Gorton) (Lab) [V]: According to a new report from Coram Children's Legal Centre, more than 900,000 eligible European economic area children are thought to be living in the UK, fewer than half of whom have been granted status under the settlement scheme. Of the estimated 9,000 EEA children in the UK care system, the state—which has a duty of care to these vulnerable children—has secured status for fewer than 500. What urgent action will the Home Secretary take on the back of these revelations, to ensure that no vulnerable children are allowed to become undocumented?

**Kevin Foster:** We have already taken a range of actions. We are working with local authorities, which, as the hon. Gentleman has touched on, have the duty to make the application for those eligible under the EUSS. We have also confirmed that we will accept late applications from those who should have had an application made on their behalf by their local council. We are also working with support groups, one of which I will visit virtually tomorrow.

[904637] **Aaron Bell** (Newcastle-under-Lyme) (Con): No one should be fearful of practising their faith anywhere, but there have been too many attacks, both at home and abroad, on all sorts of places of worship. I thank the Minister for her earlier answer to my hon. Friend the Member for Henley (John Howell) about doubling the places of worship protective security fund to £3.2 million, and for the Home Office's consultation, which recently closed. Does the Home Secretary believe that those measures, put together, will limit the chances of future hate crime attacks in the UK?

**Priti Patel:** My hon. Friend is absolutely right. This is valuable investment. What we have seen in terms of targeted attacks on places of worship is appalling; it is thoroughly unacceptable. It is that combined approach, along with law enforcement, that absolutely matters. We want to see crimes of this nature absolutely decrease, and we want to stamp this out.

[904642] **Rachel Hopkins** (Luton South) (Lab): It is over three months since Wendy Williams's Windrush lessons learned review was published. On 23 June, I asked the Home Secretary when she would implement the review's sixth recommendation: to accurately teach British colonial history in the Home Office to tackle institutional racism. The Windrush generation has waited too long for justice.

The Government must not continue to drag their feet. The Home Secretary said that she would bring forward a timeline and an action plan for implementing the recommendations before recess. Is that still the case?

**Priti Patel:** Yes.

[904638] **Ben Everitt** (Milton Keynes North) (Con): Violent crime is the scourge of too many communities. Perhaps the Home Secretary will join me in paying tribute to the Thames Valley police and crime commissioner, who has put together a violence reduction unit, which works with the police and other partners to pilot early interventions into these offenders.

**Priti Patel:** My hon. Friend is absolutely right. I pay tribute to the police and crime commissioner for Thames Valley and the emphasis that he has put, along with the police force, on violence reduction units and that multi-agency way of working, so that young people and people across all communities can be supported to ensure that crime prevention, and steering people away from crime and criminality, is the focus.

[904643] **Martyn Day** (Linlithgow and East Falkirk) (SNP) [V]: When and why did the Government U-turn on their commitment to a remote areas visa pilot? Who did they consult before making that disastrous U-turn?

**Kevin Foster:** We have been very clear in our response to the Migration Advisory Committee report, and we will make sure that our new system serves the whole of our United Kingdom.

[904639] **Simon Fell** (Barrow and Furness) (Con): Women's Community Matters in my constituency is an amazing place. It helps women and families, including those in urgent need, but it is rightly concerned about the availability of refugees locally. There is one in Kendal; if it is full, families have to go out of the area, and often placements fail. We passed a landmark piece of legislation in the Domestic Abuse Bill. Will the Home Secretary look again at the funding and availability of these services in rural areas such as mine?

**Priti Patel:** My hon. Friend is absolutely right, and I commend him for his work locally and for raising this point. If I may, I will write to him with the specifics of what we can do in his local area to provide assistance and financial help.

[904645] **Alex Cunningham** (Stockton North) (Lab): Cleveland has the third highest violent crime rate in the country and ranks sixth highest nationally for offences involving knives and sharp instruments. The most serious violent offences are also increasing at a higher rate than the national average, despite the excellent work by our new chief constable. The Government have granted £100 million to 18 police force areas and PCCs deemed to have a significant problem with serious violence. Why has Cleveland not been included?

**Priti Patel:** If I may, I join the hon. Gentleman in commending the work of his chief constable. Cleveland, as he will know, has had a difficult few years, not just when it comes to policing, and he will know the outcomes of many of the inspectorate reports too. On the areas of

violence that he mentions, of course we are constantly looking at this whole area, and if there is more that we can do to tackle serious violent crime we will absolutely do that.

[904641] **Andy Carter** (Warrington South) (Con): My right hon. Friend will know that the Peace Foundation is globally renowned for its work in supporting victims of terror incidents, most recently those affected by the Reading attacks. Its work is now at risk because of changes to its funding. Will the Home Secretary come to Warrington and meet the team there, so that she can understand more about the great work that they do?

**Priti Patel:** First, let me commend my hon. Friend for championing the work of the Peace Foundation. He has been in extensive dialogue with us on this, but he is right to point to the work that it does when it comes to victims of terror. I would be very happy to meet him and to come to Warrington and have further discussions about this.

[904644] **Jonathan Gullis** (Stoke-on-Trent North) (Con): Shockingly, in Kidsgrove and Talke, local police officers are unable to access the outdated CCTV due to its being stationed in a local high street store. I was pleased when residents supported my plan to have the Labour-run Kidsgrove Town Council use its extensive funds for a CCTV upgrade. Will my right hon. Friend back my plan, call for an end to the dither and delay and demand that Kidsgrove Town Council backs our brave Staffordshire police officers?

**Priti Patel:** My hon. Friend is absolutely right. We must end the dither and delay, as he outlined, and I commend him for championing CCTV to make sure that the local council steps up and does the right thing. I will give him every backing that he needs.

[904649] **Alex Davies-Jones** (Pontypridd) (Lab): It is clear that child victims of domestic abuse who do not enter a refuge often require extra support, which is regularly being overlooked. Will the Home Secretary confirm what specific resources are available to those children to ensure that their needs are met?

**Priti Patel:** If the hon. Lady has specifics that she would like to raise with me, I can come back to her on the details for children. We passed the Domestic Abuse

Bill last week in this House and we have been very clear about the protections around children—that is absolutely right. There are many other measures that we have in place, and I would be very happy to write to her about that.

[904654] **Ruth Jones** (Newport West) (Lab): Our commitment to providing sanctuary to those fleeing war, famine and disease is important to many across the UK, and especially in my constituency. At the end of the transition period, the UK will leave the Dublin system, risking the loss of an important safe route to reunification for families, so will the Home Secretary amend the refugee family reunion rules to allow more families to reunite safely here in Britain?

**Kevin Foster:** We set out clearly, during the passage of the Immigration and Social Security Co-ordination (EU Withdrawal) Bill recently, our plan to look at negotiating a proper agreement with the European Union for family reunification based on the fantastic record that we have, which my right hon. Friend the Home Secretary outlined earlier.

**Paul Bristow** (Peterborough) (Con): Residents in Paston, Werrington and other parts of Peterborough have had to endure unauthorised encampments on public land and open spaces for many years. Rubbish, industrial waste and even human waste has been left behind, costing many thousands of pounds to clear up. Does my right hon. Friend agree that that is unacceptable and will she bring forward legislation to deal with it as soon as possible?

**Priti Patel:** I think my hon. Friend knows my views on this subject matter quite well, having campaigned with him. I absolutely agree with him: it is thoroughly unacceptable. He will have to wait until the autumn session of Parliament, but we will be bringing forward legislation covering that very issue.

**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 briefly suspend the House.

3.32 pm

*Sitting suspended.*

## Sale of Arms: War in Yemen

3.36 pm

**Emily Thornberry** (Islington South and Finsbury) (Lab) (*Urgent Question*): To ask the Secretary of State for International Trade if she will make a statement on her decision to resume the sale of arms to the Saudi-led coalition for use in the war in Yemen.

**The Minister for Trade Policy (Greg Hands)**: The Secretary of State has retaken the licensing decisions, as required by the Court of Appeal. All existing and new applications for Saudi Arabia for possible use in the conflict in Yemen will be assessed against the revised methodology, which considers whether there is a clear risk that the equipment might be used in the commission of a serious violation of international humanitarian law.

The revised methodology was developed to address the Court of Appeal's judgment. It considers all allegations that are assessed as likely to have occurred and that have been caused by fixed-wing aircraft, reflecting the factual circumstances that the court proceedings concerned. It remains the case, however, that it can be extremely difficult to reach firm conclusions as to whether specific incidents violate the principles of international humanitarian law. Therefore, where an incident is assessed as a possible breach, it is regarded for the purposes of the relevant analysis as if there were breaches of IHL. I emphasise that that analysis is just one part of the assessment.

In retaking these decisions, the Secretary of State has considered the full range of information available to the Government. Some of that information is necessarily sensitive and confidential. I am therefore not able to go into detail about individual assessments. The crucial point is that we have assessed that there were a small number of incidents that have been treated, for the purposes of this analysis, as violations of international humanitarian law. However, these were isolated incidents and our analysis shows that Saudi Arabia has a genuine intent and the capacity to comply with international humanitarian law and the specific commitments it has made.

It is on that basis that the Secretary of State has assessed that there is not a clear risk that the export of arms and military equipment to Saudi Arabia might be used in the commission of a serious violation of international humanitarian law.

**Emily Thornberry**: Thank you, Mr Speaker, for granting this urgent question, although I am sorry the Secretary of State cannot be dragged here to explain her own decisions. There is certainly much explaining to do. In my limited time, I have five questions for the Minister and one specific request.

First, we welcome the Secretary of State's assessment of possible violations of international law in Yemen, but can the Minister explain why his brother Ministers have been telling the House for the last five years that such an assessment was impossible for Britain to make, and that it could be made only by Saudi Arabia itself? Were those Ministers simply wrong?

Secondly, the Secretary of State has concluded that where international law was broken in Yemen these were "isolated incidents". Can the Minister tell us how many such incidents were identified, so that we can understand how they define the word "isolated"?

Thirdly, the Government say they have found no patterns of civilian infrastructure being targeted. Can the Minister therefore explain why, for 17 months at the start of the war, Saudi planes systematically destroyed Yemen's means of food production, bombing farmland, markets, milk plants and fishing boats? If that is not a pattern, what is?

Fourthly, as well as deliberate targeting, the Minister will know that the indiscriminate bombing of civilian areas is in itself a war crime, but the Government say the Saudis could not have meant to break international law because their violations

"occurred at different times, in different circumstances and for different reasons."—[*Official Report*, 7 July 2020; Vol. 678, c. 339WS.]

Does the Minister not agree that that sounds like the very definition of the word "indiscriminate"?

Fifthly, the Government have concluded that Saudi Arabia has both the intent and capacity to comply with international law, but if that is the case, will the Minister explain the cause of the occasions on which it has failed to do that?

Finally, it would help all of us to understand the Government's decision if they would agree to publish the full assessment that underpinned it, including the analysis of each so-called isolated incident. If the Minister believes this decision is not just moral and lawful but correct, then surely he has nothing to fear from publishing that assessment and letting us all decide for ourselves.

**Greg Hands**: I thank the right hon. Lady for her questions, and start by saying that we absolutely share her concern about the humanitarian tragedy in Yemen, which is why the UK is actively engaged in seeking further diplomatic solutions. Let me try to deal with her questions, as far as I am able, as some of the matters are within the competence of the Foreign, Commonwealth and Development Office and the Ministry of Defence.

Ministers have of course not been wrong in their assessment; if they had been wrong, they would have come to the Dispatch Box. The consolidated criteria have been used in all the assessments of the licences. The number of incidents is an operational question; the role of the Department for International Trade is in assessing the consolidated criteria.

The right hon. Lady talked about a number of incidents over different times and in different ways. The assessment was that there is no pattern in the behaviour of Saudi Arabia, and that these were isolated incidents over some considerable time and also at different times.

The right hon. Lady mentioned the intention and capacity to comply and publish the full assessment of the various incidents and asked for a full analysis of each incident. It is worth saying—as you, Mr Speaker, will certainly understand—that assessments of the different incidents that took place in Yemen will often be informed by confidential information that comes to the Government not necessarily from Saudi Arabia; it would not be appropriate for us to publish those assessments. What we have published, however, are the consolidated criteria and the quarterly lists of each licence that has been granted.

**Mr Andrew Mitchell** (Sutton Coldfield) (Con): The Minister knows that I am a longstanding critic of the policies towards Yemen of the Saudi coalition, which the British Government continue to support, but it is

[Mr Andrew Mitchell]

my purpose today not to call for an arms embargo, but rather to ensure that in granting these contentious licences UK arms export licensing regime members continue to benefit from DFID's expertise once that Department is dismantled. DFID officials sit on the export licensing Committee, and I would like the Minister's reassurance to the House that that DFID DNA, which is very important to making these decisions in the licensing Committee, will still be available.

**Greg Hands:** I pay tribute to my right hon. Friend for his long time as Secretary of State for International Development and the exceptionally good work that he did over a considerable time, when we were in opposition and in government, and particularly the strong voice that he has had in relation to the conflict.

The part of my right hon. Friend's question about the Committees on Arms Export Controls is properly a matter for the Committee, under the chairmanship of my hon. Friend the Member for Wyre Forest (Mark Garnier). However, he has said that the International Development Committee will continue to take part in its public sessions for as long as that Committee continues in existence.

On my right hon. Friend's other point about DFID officials, the Government are obviously very keen that DFID and international development expertise in the region continues to be recognised and utilised.

**Chris Law** (Dundee West) (SNP) [V]: This UK Government are increasingly chaotic and incoherent. Last week, the Foreign Secretary announced a new sanctions regime, claiming that the UK will be a stronger force for good, while the International Trade Secretary resumed arms sales to Saudi Arabia, demonstrating that profit comes before peace. The international community, our allies and the UN have been clear that the arms trade to Saudi Arabia should be stopped due to the mounting evidence of what UN experts have described as "potential war crimes" and widespread and systematic strikes on civilian targets. Yemen has also been described as "hanging by a thread", with more than 1 million covid infections.

With the UN ascribing tens of thousands of civilian deaths to the Saudi military, how can the Secretary of State tell the UK with any certainty that there is not a clear risk of serious violations in exporting arms, describing previous violations as merely "isolated incidents"? Can the Minister tell us how many isolated incidents there are? Who collated this evidence? Will he explain why the UK is going against the international community? Surely these actions remove any legitimacy that the UK Government can be a stronger force for good in the world.

**Greg Hands:** First, I strongly refute the allegation that the UK Government are not a strong voice for good in the world. That is absolutely our mission right the way across the Government. The hon. Gentleman asked about the announcement by the Foreign Secretary last week in relation to sanctions on individuals. I think that is a separate matter, but we have been absolutely clear to condemn the attack on Mr Khashoggi the year before last and to make sure we have a robust regime of human rights sanctions coming from the original Magnitsky law, which my right hon. Friend the Foreign Secretary was one of the originators of, and with which I was involved at the time.

In terms of the number and type of incidents, I am not at liberty to publish that, given the confidential nature of a lot of the information involved. However, what I can say is that the UK has one of the strongest arms control regimes in the world, we use the consolidated EU and national criteria and we are now using the revised methodology to come to these decisions that we are happy with.

**Ruth Jones** (Newport West) (Lab): I, too, am disappointed that the Secretary of State is not here this afternoon to answer this urgent question herself. She based her decision on a detailed assessment of all the alleged incidents where international humanitarian law has been violated in Yemen, so let me ask the question again: will the Minister ask his boss to publish that assessment, so that the people of the UK can see the evidence and be able to judge whether the Secretary of State is right simply to dismiss those violations as isolated?

**Greg Hands:** The incidents or the allegations are not being dismissed, but we are clear that we need to follow a sensible set of criteria and that is why we have the consolidated criteria in place to assess export licences going forward. But I return to what I said earlier: it would not be appropriate for the Government to publish their findings in relation to incidents in Yemen in the past.

**Miss Sarah Dines** (Derbyshire Dales) (Con): Can the Minister reassure the House that the Government can still, if necessary, review, suspend or revoke licences?

**Greg Hands:** I thank my hon. Friend for that question. She is absolutely right. Licences can be reviewed or revoked in line with the consolidated criteria. That is the basis on which arms control works in this country and always has done under successive Governments.

**Matt Western** (Warwick and Leamington) (Lab): The Minister says that the Government have a very strong arms control system, but back in September last year, he will recall that the Government were guilty of granting 14—or was it 20?—unlawful arms export licences. It does seem that last week's announcement, a day after the Magnitsky sanctions were imposed, was incredibly cynical. Is that not the case?

**Greg Hands:** No, it is not the case. I think the hon. Gentleman refers in his question to the Secretary of State apologising to the House, and indeed to the Court, for the inadvertent breaches of the Court judgment last June. However, we are talking today about a forward-looking way of doing this, using the revised methodology based on the consolidated criteria.

**Sara Britcliffe** (Hyndburn) (Con): Will my right hon. Friend please explain to the House why there has been a delay in reaching this decision?

**Greg Hands:** I thank my hon. Friend for that question. It was vital that the Government got this right first time with a comprehensive assessment. The Court judgment last year was a very serious matter, and it was absolutely right that we took the time to have a comprehensive assessment process in accordance with the legal approach identified by the Court of Appeal last June.

**Patricia Gibson** (North Ayrshire and Arran) (SNP): Like many people listening today, I am astonished that the Minister has said that the global human rights sanctions regime is a separate matter from selling arms to the brutal Saudi regime. Can he tell me how this Government can, in all good conscience, continue to export weapons to Saudi Arabia when we know that there is a risk that they may be used in Yemen, after 17,640 civilian casualties have been documented in that country? Is it simply a case of profit before Yemeni lives?

**Greg Hands:** The process that is with me is to use the consolidated criteria. That is why we have developed a revised methodology in respect of all the allegations which it is assessed are likely to have occurred and to have been caused by fixed-wing aircraft. Each of those allegations has been subject to detailed analysis by reference to the relevant principles of international humanitarian law. An evaluation has been made and it has been applied to all credible incidents of concern of which we are aware. Importantly, our revised methodology will allow us to make these decisions going forward.

**Imran Ahmad Khan** (Wakefield) (Con) [V]: The enduring alliance with Saudi Arabia is vital to regional security and bolsters the ability of the United Kingdom and our allies to help to police the region. The UK has licensed more than £5.3 billion of arms to Saudi Arabia since 2015, and that has secured thousands of jobs across the United Kingdom, including in Wakefield. Does the Minister agree that if we maintain arms sales to our Saudi allies, the whole UK prospers?

**Greg Hands:** It is very important that we have a broad and deep relationship covering matters such as trade, defence, security, energy and regional issues. It is important that the UK maintains that relationship overall. It does not prevent us from being critical, as we have been on occasions, in relation to human rights.

**Mr Alistair Carmichael** (Orkney and Shetland) (LD): As is well documented, the Government of Saudi Arabia are indiscriminate in their use of the death penalty, including against minors. In recent years they have detained without trial members of their own royal family, and just recently they were found at the World Trade Organisation to be responsible for sports piracy through the company beoutQ. What makes the Minister think that the Saudi Government will have any regard for the rules of international law? Does he not agree that our new policy in relation to China would be seen in a much better light if we were seen to hold Saudi Arabia to the same standards?

**Greg Hands:** I am not going to comment on China, because I think it is not quite within the scope of the urgent question. At all times, the UK campaigns actively in its foreign policy for the abolition of the death penalty. The right hon. Gentleman and I know that; he served in the Government not so long ago, and he will know that that is an important pillar of our foreign policy. These matters do not prevent us from having a good overall relationship with as many countries around the world as we reasonably can, where it is in the national interest to do so. I will look into the WTO complaint and write to him.

**Antony Higginbotham** (Burnley) (Con): I thank my right hon. Friend for his comments so far. In any arms export regime, it is important that we not only operate on a principled basis but respond rapidly to global circumstances that often change at short notice. Can he reassure me and the House that our regime is adaptable and responsive, and that it can deal with changing circumstances?

**Greg Hands:** Yes, I can. We work very closely with colleagues in the Ministry of Defence, the Foreign and Commonwealth Office and the Department for International Development to make sure we are aware of all changes in policy and all uses of military weapons around the world, and to make sure that that feeds through into our ability to change policy and, if necessary, revoke a licence.

**Liz Twist** (Blaydon) (Lab): Saudi state media reported that the Secretary of State for Defence called Saudi Ministers last week after the announcement of sanctions against the murderers of Jamal Khashoggi and reassured them of the Government's support on the issue of arms exports. Can the Minister explain now why his colleague felt that that was his job and why he chose to keep that call secret?

**Greg Hands:** Mr Speaker, you will know that it is the policy of successive Governments not to comment on calls or conversations between Government Ministers and their opposite numbers, even including if the call itself took place, so I am not going to comment on those matters. What I will say is that there is a very, very important multi-faceted relationship with Saudi Arabia, which I have already talked about, which must be considered in the round.

**Alexander Stafford** (Rother Valley) (Con): Have my right hon. Friends the International Trade Secretary and the Foreign Secretary raised the issue of international humanitarian law compliance with Saudi Arabia and the others in the coalition?

**Greg Hands:** Yes, we have. We do that on a regular basis to make sure, as part of our wider work in the region, that UK foreign policy goals are achieved.

**Rachael Maskell** (York Central) (Lab/Co-op) [V]: There is a difference between what is permissible and what is right. Since the bombing of Yemen commenced in March 2015, £5.3 billion-worth of export licences have been issued to Saudi Arabia, of which £2.5 billion have related to bombs, missiles and other types of ordnance. So what does the Secretary of State have to hide in not publishing the evidence on which to resume licensing arms and the trade in these deadly weapons?

**Greg Hands:** I think I have already laid out to the House why these reports are not published: a lot are based on confidential information, which it would not be in the national interest for us to disclose. What we can say is that the incidents assessed to have been possible violations of international humanitarian law occurred at different times, in different circumstances and for different reasons. The conclusion was that they were isolated incidents. On that basis, we believe there is not a clear risk that the export of arms and military equipment to Saudi Arabia might be used in the commission of a serious violation of international humanitarian law.

**James Sunderland** (Bracknell) (Con): Could the Minister please outline the importance with which the UK regards Saudi Arabia as a diplomatic and trading partner in the middle east?

**Greg Hands:** I thank my hon. Friend for that question. Saudi Arabia is an important diplomatic and trading partner for this country. That has been the case for many decades under successive Governments.

**Florence Eshalomi** (Vauxhall) (Lab/Co-op) [V]: A number of my constituents in Vauxhall have written to me about their concerns about the devastating conflict in Yemen. We must acknowledge and speak out about the immense human cost of this war. It is one of the largest humanitarian crises in the world and we know that thousands of Yemeni civilians have been killed, including women and children. Now 20 million people face food insecurity and 10 million are at risk of famine. That suffering is unimaginable. We know that the coalition has conducted numerous and indiscriminate air strikes, in violation of the laws of wars, using munitions sold by the US, the United Kingdom and others. How can the Minister be confident that the arms sold by the UK will not be used in similar attacks?

**Greg Hands:** That is exactly why we have the arms control and export licence regime in place, properly using the consolidated criteria to make those assessments. In terms of what anybody else may do in the region, the hon. Lady mentioned the United States. That is very much a matter for the United States Government.

**Mr Peter Bone** (Wellingborough) (Con) [V]: The excellent Minister seems quite sure that it is right to export these arms at the moment and I have no problem with that, but as my hon. Friends the Members for Derbyshire Dales (Miss Dines) and for Burnley (Antony Higginbotham) said, this needs to be kept under review. The Minister said that that will happen. Can he give the House a bit more detail: on a day-to-day or month-to-month basis, how does that review take place?

**Greg Hands:** That is a good question. Obviously, we operate in an overall policy framework called the consolidated criteria. Each individual licence application is in itself a separate decision, based on those consolidated criteria. We follow those criteria. Those decisions can be made on a daily basis—for each individual export licence that comes in—by Ministers.

**Alyn Smith** (Stirling) (SNP) [V]: The Minister really is missing an opportunity to reassure the House. I am entirely unpersuaded that there is not a risk that these armaments will be used against civilians. Oxfam, a deeply credible organisation, has had three installations attacked, in Sa'ada, Al-Hamazat and Abs, over the past few years. Have they been investigated by the joint incidents assessments team? If not, why not, and how on earth can the Minister possibly pretend that this is a credible statement?

**Greg Hands:** As I have said before, the incidents that have been assessed as possible violations of international humanitarian law have been looked at, but we are confident that they occurred at different times, in different circumstances and for different reasons. Therefore, there

is not a pattern. We are content with this regime going forward and about sticking to our consolidated criteria. That is absolutely the proper way to be doing this.

**Marco Longhi** (Dudley North) (Con): Will the Minister provide an assurance to the House that the Department will continue to investigate every possible violation of international humanitarian law in the Yemen conflict by coalition forces?

**Greg Hands:** My hon. Friend raises a good question. It is worth noting, again, that the investigation process is principally a matter for the Foreign and Commonwealth Office and the Ministry of Defence, which track allegations of incidents. However, the Government take their export responsibilities seriously and assess all export licences in accordance with the strict licensing criteria. We will not issue any export licences where to do so would be inconsistent with the consolidated criteria.

**Stella Creasy** (Walthamstow) (Lab/Co-op) [V]: Given that the United Nations Refugee Agency reports that, over the past five years, more than 3.5 million people in Yemen have been displaced as a direct result of the civil war there, the Minister will understand the concern about the resumption of arms sales. He tells us that he cannot share with us the specific details on which the Government have made the assessment to resume those sales, but he could set out for us what he means by the “genuine intent” that he believes is behind the Saudi Arabian decision on human rights, and what might change that. Will he do so?

**Greg Hands:** I have already outlined how, after looking at incidents and the assessment of them, we are confident that there is not a pattern in those previous incidents. I absolutely share the hon. Lady's concern about the appalling humanitarian situation in Yemen. However, based on those incidents, we do not believe that there has been a pattern there. Therefore, as long as we stick to our consolidated criteria and continue our assessment of incidents, that is absolutely the right decision for the UK Government to make.

**Andrew Griffith** (Arundel and South Downs) (Con): I am proud that so many young people in my constituency have raised the situation in Yemen with me. Saudi Arabia itself is a young country, with half its population under the age of 25. Will the Minister assure me that he will continue to raise human rights with his counterparts?

**Greg Hands:** Yes, we do. My right hon. Friend the Foreign Secretary and his team do so on a regular basis with Saudi Arabia and with other partners all the way around the world. We are immensely proud of the record that we have as a Government and as a country of promoting human rights around the world. That was absolutely the basis of the statement made by the Foreign Secretary in this place just last week.

**Zarah Sultana** (Coventry South) (Lab): The Secretary of State has announced that new arms sale to Saudi will commence, claiming that international humanitarian law had only been violated in “isolated incidents”. The Minister has said that he is not at liberty to disclose the number of incidents but, this morning, in response to my written question, the Government revealed that the

Ministry of Defence's own database records 516 potential violations of international humanitarian law since the war in Yemen began in 2015. In the light of that, will the Minister stand by the Secretary of State's claim that violations of international law are only "isolated incidents", or will the Government finally do the right thing and stop these arms sales?

**Greg Hands:** As I pointed out earlier, all potential incidents must, for these purposes, be treated as actual violations of international humanitarian law. I am not at liberty to comment on whatever numbers the hon. Lady may have in front of her, but it is clear that all potential incidents must be treated as actual incidents for the purposes of putting forward the consolidated criteria.

**Scott Benton** (Blackpool South) (Con): The announcement last week was welcomed by hundreds of my constituents who work at the BAE plant in the Fylde, which assembles the Hawk and Typhoon aircraft, and I would like to put on record my support for the decision to resume the granting of export licences. Saudi Arabia is one of our key strategic partners, and rightly so. Can my right hon. Friend reassure the House that the Government will continue to work closely with the Saudi Government on all security and military issues and that his Department will continue to explore investment and trade opportunities with the kingdom that will benefit jobs and economic growth in the UK?

**Greg Hands:** My hon. Friend raises a good point in relation to jobs in the north-west at BAE Systems. I was getting a little bit worried about the Opposition's approach to this. I am going to read out a quote:

"we have a brilliant arms industry in the United Kingdom, and I have no problem with arms sales to other countries, as long as they are properly controlled"—[*Official Report, House of Lords*, 10 July 2020; Vol. 804, c. 1346.]

I agree with that—and it was from the Labour spokesman in the House of Lords at a similar urgent question on Friday. I think we can all agree that BAE Systems and others in this field do a great job for the UK overall.

**Richard Thomson** (Gordon) (SNP): The United Nations has verified that, since 2015, at least 7,700 Yemeni civilians have been killed, with 60% due to bombing raids by the Saudi-led coalition. The Committees on Arms Export Controls have recently been re-established. Can the Minister give the House an assurance that, if that Committee were to choose to investigate British arms sales that are leading to arms reaching the Saudi-led coalition, his Department will co-operate fully?

**Greg Hands:** Our Department always co-operates with Select Committees. If the hon. Gentleman's point is that that Committee should follow a particular course, he needs to speak to its Chair, my hon. Friend the Member for Wyre Forest (Mark Garnier). I suggest that he makes his representations to the Chair.

**John Howell** (Henley) (Con): How will this sort of action against Saudi Arabia achieve reciprocity in the Yemen? There are two sides to this conflict. One is led by the Houthis and their backers, Iran, and we have no examples of how to control the arms sales that go to them.

**Greg Hands:** My hon. Friend has expertise in this area. He will know that those are matters for the Foreign and Commonwealth Office, and I am sure he is making representations to it. I will certainly make those representations. He will know that the Government are involved considerably on the diplomatic front to seek a resolution of the conflict in the Yemen.

**Mr Tanmanjeet Singh Dhese** (Slough) (Lab): More than five years of death and destruction in Yemen has created the world's worst humanitarian crisis, and the Yemeni people are rightly looking to us to show compassion and leadership. Despite compelling evidence that the Saudi-led coalition has violated international humanitarian law, a day after the Government finally held Saudi Arabia accountable for the brutal murder of Jamal Khashoggi, they announced the resumption of arms sales for use in the war in Yemen. Can the Minister see that this all makes the Government's avowed concern for human rights look inconsistent, if not downright hypocritical?

**Greg Hands:** No, I do not agree with that at all. I have already answered the question on the relationship between the announcement last week, which concerns individuals' human rights, and this announcement in relation to the consolidated criteria for export controls.

**Dr Andrew Murrison** (South West Wiltshire) (Con): The right hon. Member for Islington South and Finsbury (Emily Thornberry) is right to ask her urgent question. None of us wants to add to the awful situation in Yemen. Paris is working hard with Berlin to finesse the German ban on German componentry in French arms exports. France has a more questionable approach to the consolidated criteria than this country does, and its arms exports are skyrocketing. What are we to do about this? I fear that the action urged by the right hon. Lady will have the effect of exporting jobs from her constituency and mine to France—a country with a far more questionable approach to the consolidated criteria—and will have no effect whatsoever on the welfare of people in Yemen.

**Greg Hands:** My right hon. Friend may well be right, but it is important from our perspective to make sure that the UK does adhere to and follow the consolidated criteria. That is absolutely the basis of our policy in this area: we must stick rigidly to assessments based on the consolidated criteria.

**John Cryer** (Leyton and Wanstead) (Lab): The Government lost the Appeal Court case, then admitted that they had contravened the instructions given by the Appeal Court, then abandoned their own appeal to the Supreme Court, and have now decided, after abandoning the Court case, that they are going to resume arms exports. Could not the Minister at least agree to publish the reasons for the resumption of issuing licences, with sensitive parts either taken out or redacted?

**Greg Hands:** We have published the reasons why we are doing the policy that we are doing. We published that in the form of a written ministerial statement to the House of Commons last week, and actually that is the subject today. On the hon. Member's wider point about why we have withdrawn the appeal, we do not think the appeal is necessary any more. We have in place the revised methodology, and we are putting in place the process to withdraw the appeal.

**Brendan O'Hara** (Argyll and Bute) (SNP): Last week, the Foreign Secretary revealed a new and seemingly ethical dimension to the UK's foreign policy, yet within 48 hours we were back selling arms to Saudi Arabia and this Government were refusing to take action against their friends in Bahrain who are about to execute two more political prisoners. Is it not the truth that it is business as usual for any regime—however brutal, however undemocratic—as long as its pockets are deep enough and this Government think there is something to be gained? Is that not the squalid truth?

**Greg Hands:** No, it is not.

**Bob Blackman** (Harrow East) (Con) [V]: The humanitarian situation in Yemen is, of course, a proxy war between the Saudi Arabian-led coalition and the Iranians and their proxies, with the innocent civilians in the middle of it. What efforts is my right hon. Friend making to use his Department's capability on trade to encourage these parties to come to the table and negotiate a political settlement under which Yemen can become a peaceful place for innocent civilians to live in once again?

**Greg Hands:** I thank my hon. Friend for his question. He has great expertise on the region and in these matters. The UK is involved right the way across Government—it is a whole-of-Government effort—to make sure that we seek a diplomatic solution in the region. If the Department for International Trade can play a role in that, we certainly will—and we certainly are. On our relationship with Iran, it is very important that Iran also complies, particularly in relation to trade matters, with the sanctions regime and the World Trade Organisation.

**Clive Efford** (Eltham) (Lab): This decision reduces the bold statements made last week by the Government on human rights and the Magnitsky sanctions to just mere finger-wagging. If that is not correct, to restore the Government's credibility on this issue, they must publish the evidence on which they based their decisions that these are just mere isolated incidents.

**Greg Hands:** First, I could just say to the hon. Gentleman that I refer him to the answer I gave earlier: I have already given repeatedly the reason why we are not publishing the reports on any incidents. Secondly, on the international human rights violations regime launched last week by the Foreign Secretary, we think that new sanctions regime will give the UK a powerful new tool to hold to account those involved in serious human rights violations or abuses.

**Chris Stephens** (Glasgow South West) (SNP): Can the Minister provide true clarity about the total value exported to Saudi Arabia, including arms traded through open licences, and will he provide the number for how much the UK has profited from the conflict since the war began?

**Greg Hands:** We publish quarterly the list of licences granted. I would suggest that the hon. Member look at that list.

**Harriett Baldwin** (West Worcestershire) (Con): I thank my right hon. Friend for explaining with great care the strict criteria applied in all export licence cases. Can he update the House on the backlog of export licences? How quickly and carefully can they be reviewed?

**Greg Hands:** Yes, there is a backlog, and it will take a few months to clear it. There are a few hundred applications—something of that magnitude. With the policy we launched last week, however, we will now begin to clear that backlog.

**Stephen Doughty** (Cardiff South and Penarth) (Lab/Co-op): The Government's policy seems to be one of abject hypocrisy. The Minister has made a false distinction between the sanctions on individuals and wider policy, which is simply not possible. Let me give him one example. General Ahmed al-Asiri was listed on the Foreign Secretary's sanctions list last week for his involvement in the unlawful killing of Jamal Khashoggi and for commissioning the team that went to assassinate him. That is the same man who came to this House, this building, on 29 March 2017 to justify to me and many other Members the Saudi actions in Yemen, including the use of British military support. How can it be that we are sanctioning this individual for his unlawful actions and yet he was at the heart of the war in Yemen?

**Greg Hands:** I do not have in front of me information about individuals in any country who are subject to a sanctions regime, but criteria 2c—of the criteria we follow to assess export licences—includes the “clear risk the equipment being exported might be used in the serious violation of international humanitarian law”.

Those are the criteria we follow when assessing export licences.

**Mr Gagan Mohindra** (South West Hertfordshire) (Con): I welcome the Secretary of State's statement last week. Would my right hon. Friend elaborate on how the revised methodology differs from its predecessor?

**Greg Hands:** The revised methodology takes into account all the decisions by the Court of Appeal. Were these historic incidents part of a pattern? Even if we could not answer in every incident, we should at least attempt to do so. That is the question the revised methodology is seeking to answer—and I believe does answer—so that we can move forward.

**Christine Jardine** (Edinburgh West) (LD): The Saudis are currently taking part in the action in Yemen as part of a coalition. They are also part of a coalition involved in the blockade of Qatar. That is not currently a military action, but what guarantees do the Government have that arms sold to the Saudis for use in Yemen will not be used against another of our allies elsewhere in the middle east?

**Greg Hands:** I am not aware of there being any conflict at the moment in that space, but clearly we look at these matters as part of the criteria against which we assess export licences.

**Bob Stewart** (Beckenham) (Con): I have great affection for Yemen, having lived there for three years, so after the last massacre of innocents, I managed to get myself

to Riyadh and went to the combined air operations centre to examine exactly what was going on. I have to say, having spoken to the air controllers, which included Royal Air Force people, I was most impressed by their orders for opening fire. I spoke to the pilots, and they do not open fire unless they are guaranteed there are no innocents underneath. I presume these factors are taken into account.

**Greg Hands:** My hon. Friend also has great expertise in this area, particularly in relation to military operations. What may or may not be happening in Yemen is of course taken into account in the assessments done by the Ministry of Defence and the Foreign and Commonwealth Office.

**Dave Doogan (Angus) (SNP) [V]:** As Amnesty International pointed out in March:

“The conflict in Yemen shows no real signs of abating as it enters its sixth year”.

This will result in even more civilian casualties, both as a direct and indirect result of the conflict. After the UK Government’s arms export policy to Saudi Arabia was found to be unlawful last year, can the Minister explain how continued UK arms sales for potential use in this theatre can possibly help prevent the loss of yet more innocent Yemeni lives?

**Greg Hands:** We have, of course, looked at the assessment of the previous incidents, and I have already described how those incidents must be assessed as having taken place, even if this is still questionable or in any way disputed, as part of that process. We are confident that we now have the right system in place to make sure that there is not a clear risk that the export of arms and military equipment to Saudi Arabia might be used in the commission of a serious violation of international humanitarian law.

**Hywel Williams (Arfon) (PC) [V]:** UK taxpayers provide humanitarian aid to Yemen. Now, we are to supply even more arms to the Saudis. What does that say about competition between UK trade policy and UK aid policy?

**Greg Hands:** The Department for International Trade, the Department for International Development and the Foreign and Commonwealth Office work very closely together, and I do not think it says anything but that we are involved in different activities but with the same objective of making sure that UK interests abroad are looked after; that we propagate a strong regime on international human rights protections; that we foster trade, including with countries such as Saudi Arabia, in the region; and that we make sure that we do so with the national interest at the forefront.

**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 suspending the House for three minutes.

4.21 pm

*Sitting suspended.*

## EU Exit: End of Transition Period

4.24 pm

**The Chancellor of the Duchy of Lancaster and Minister for the Cabinet Office (Michael Gove):** With permission, Mr Speaker, I would like to make a statement on our preparations for the end of the transition period.

Before I do, may I place on record my thanks—and, I am sure, those of the whole House—for the 20 years of service that Dave Prentis, the general secretary of Unison, has given? Mr Prentis announced today that he will be standing down at the end of this year. He has been an exemplary trade union leader. We have all been reminded during the covid pandemic of how much we depend on the public sector workers he speaks up for. I would like to extend my best wishes to him on his retirement.

On 31 January this year, the United Kingdom left the European Union, and last month we confirmed to our European Union partners that there would be no extension of the transition period beyond 31 December. My counterpart as co-chair of the Joint Committee confirmed that this marked “a definite conclusion” to the matter, and the deadline for extension has now passed. As a consequence, from 1 January 2021 we will embark on the next chapter in our history as a fully independent United Kingdom. With control of our economy, we can continue to put in place the right measures for covid recovery. With control over the money that we send to Brussels, we can spend it on our priorities—investing in the NHS, spreading opportunity more equally across the UK, and strengthening our Union. We are also able to build a trading relationship with our neighbours in Europe that serves all our interests, while also developing new economic partnerships across the world, including opportunities for new and better trade deals with the US, Japan, New Zealand, Australia and many other nations.

The deal the Prime Minister struck last year, which the country backed in the general election, means that we can look forward with confidence to the end of the transition period on 31 December, but of course there is still work to do to prepare. Regardless of the outcome of negotiations with the EU over our future relationship, whether or not we have a Canada-style deal or an Australian model, we will be leaving the single market and the customs union. This will herald changes, and significant opportunities, for which we all need to prepare—Government, business and individual citizens.

So I am announcing today two significant new initiatives that will bring financial support, further clarity, and reassurance for business and citizens. We are launching a major new public information campaign to make sure that everyone has the facts they need about the actions that we all need to take in order to be ready. We are also releasing for the first time an operating model for the border that will benefit importers and exporters, and provide information to hauliers, shippers, freight companies and our customs intermediaries. This comprehensive guidance covers every processing system used across all Government Departments and has been developed after extensive consultation with industry partners, operators and, of course, the devolved Administrations. Together with the additional £705 million package of funding for border infrastructure, extra jobs and better technology, this will help to ensure that our new borders will be

[Michael Gove]

ready when the UK takes back control on January. It will assist the smooth movement of goods, and it will also help us to lay the foundations for the world's most effective border by 2025, making our country more secure and our citizens safer.

Turning to the detail of these initiatives, the public information campaign—"The UK's new start: let's get going"—will run in the four home nations and internationally, encouraging us all to play our part in preparing for change. The campaign will be supplemented by the deployment of experts in the field, giving one-to-one support to businesses and their supply chains to ensure that they have made arrangements that will help to keep their operations running efficiently.

From January 2021, in order to fulfil the import process, traders will need to have a GB economic operators registration and identification, or EORI, number before moving their goods. They will need to have the commodity codes of their goods, which will be needed to make a customs declaration and, of course, to calculate duties on an import. They will need to know the customs values of their goods, the rules of which are based on the World Trade Organisation valuation agreement. They will also need to have considered whether they are able to use, and would benefit from using, any of the available simplifications or facilitations, including deferring customs declarations for standard goods. Traders who choose not to defer their customs declarations will also need to ensure that they have considered how they will make those declarations to Her Majesty's Revenue and Customs systems, and, of course, whether or not they will use an intermediary. From January 2021, traders who are exporting goods to the EU will need to make export declarations and ensure that they have the right certificates and licences required for entry. While there is still work to do, substantial progress has been made to ensure that we all fulfil our promise to the British people and take back control.

The freedom to control our own borders brings many benefits. Our plans mean that we can introduce a migration policy that ensures that we are open to the world's best talent, and my right hon. Friend the Home Secretary has set out further details of that today. A new, points-based immigration system will ensure that we can attract the scientists, innovators and entrepreneurs who can power future economic growth. It will also help us to ensure that our NHS attracts the very best professionals from around the world to our hospitals. The new technology that we are introducing will allow us to monitor with far greater precision exactly who and what is coming into and out of our country, enabling us to deal more effectively with organised crime and other threats.

Control of our borders also means that we can choose the right trade and commercial policies for this country. The border operating model that we have published today provides clarity about the end-to-end journey of goods on the move between Great Britain and the EU, including information about controlled goods and the new Government systems that will support future trade. I place on record the Government's gratitude to the border sector for the practical knowledge, enthusiasm and expertise it has brought to the development of the operating model, which is the result of extensive consultation and collaboration.

It is important to note that, as the document makes clear, the border operating model does not cover matters relating specifically to the Northern Ireland protocol. I reassure the House that guidance specific to Northern Ireland will be published in the coming weeks and on an ongoing basis throughout the transition period.

With autonomy comes the freedom to be practical and pragmatic in implementation, which is why, in the light of coronavirus and to give business and industry more time to adjust, we announced last month that border controls would be introduced in three stages up to 1 July 2021. In the first phase, from January 2021, traders importing standard goods will need to prepare for basic customs requirements. Full customs declarations will be needed for controlled and excise goods—such as alcohol and tobacco products—but people importing standard goods will have up to six months to make their declaration and to pay tariffs. Traders moving goods using the common transit convention will need to follow all the transit procedures.

In the second phase, from April 2021, we will require all products of animal origin, regulated plants and plant products to have pre-notification and the relevant health documentation. Any physical checks will continue to be conducted at the point of destination.

In the third and final phase, from July 2021, traders moving all goods will have to make full customs declarations at the point of importation and, of course, pay relevant tariffs. Checks for animals, plants and their products will take place at border control posts in Great Britain.

When we announced our approach to controls last month, we also confirmed that we would be building new border facilities in Great Britain to carry out the required checks, as well as providing targeted support to ports to build new infrastructure. The £705 million funding injection that we announced yesterday is on top of an already announced £84 million grant to ensure sufficient capacity in the customs intermediary sector. That money will be used to do just that: to prepare our border infrastructure for all the changes by improving and developing IT systems, recruiting more personnel and building new border posts.

The actions that we are taking today are an important step towards readiness for the new opportunities that Brexit can bring. It is time for our new start—time for us to embrace a new global destiny—and therefore I commend the statement to the House.

4.33 pm

**Rachel Reeves** (Leeds West) (Lab): I thank the Minister for advance sight of his statement. I associate myself with his comments about Dave Prentis, a great trade union leader who is always fighting for a better deal for public sector workers.

It is vital that businesses and jobs are supported and that the oven-ready deal that the country was promised is delivered on this year, yet frankly many of us are worried about whether the oven was even turned on. Alarm bells have been ringing in the Cabinet this past week, expressed by the Secretary of State for International Trade in her extraordinary letter to the Minister and the Chancellor of the Exchequer written on 8 July. The letter presents a picture of chaos, complacency and confusion right at the top of government. Let me highlight to the House those concerns.

First, the Trade Secretary expresses concern that the UK will be vulnerable to a World Trade Organisation challenge. Will the Government publish their advice and analysis of risk and cost to the Government of such a challenge?

Secondly, the Trade Secretary highlights that there are EU-facing ports where the infrastructure to implement controls does not currently exist. Will the Minister give the country and, indeed, his Cabinet colleague reassurance by publishing all relevant delivery plans, land purchases and rental agreements, with timescales and risks—and not just for the port of Dover? The Labour party wants to see British firms exporting. We do not want to see their goods stuck at ports or, indeed, in lorry parks.

Thirdly, the Trade Secretary is concerned in her letter that traders from the rest of the world could export their goods to the UK through the EU and, in her words, “undermine the effective operation of our trade policy”

and undermine the collection of tariffs due. How will the Government prevent smugglers from exploiting the phased-in approach to the border? What is the estimated loss to tariffs as a result of the six-month delay to UK border checks on imports travelling through the European Union?

Fourthly, on Northern Ireland, the Trade Secretary said that the digital delivery of the dual tariff system in Northern Ireland is a high risk and that HMRC is planning to apply the EU tariff as a default from 1 January. She adds:

“This is very concerning as this may call into question NI’s place in the UK’s customs territory.”

Those are her words. What risk do the Government attach to that? What reassurance can the Minister provide that the commitments made in the Government’s command paper on Northern Ireland will be fully honoured, and why do we have to wait until the end of this month for the details on Northern Ireland to be published? It is all very well announcing a multi-million pound advertising campaign, but if the right hon. Gentleman cannot persuade his bestest friend in Cabinet that everything is going according to plan, it is hardly surprising that the country is anxious and confused.

A month ago, the Prime Minister said that there was “no reason” that a deal could not be reached by the end of this month. Will the Minister update us on where we are in terms of being on track to meet that deadline, with a deal agreed in the next fortnight? The Government have previously estimated that there will be up to 400 million customs declarations per year. HMRC said that they would cost £32 each, adding up to a staggering £12.8 billion bill for business. Does the Minister have any updated assessment of those numbers and the cost to UK firms?

It is also reported that HMRC is not planning to test the systems until November—a handful of weeks before they are needed. Will the Minister explain why those checks are not taking place sooner, and will he outline what recent engagement the Government have had with Scottish and Welsh Governments on state aid policy prior to the announcements today? More than half of UK trade will experience greater delays, costs and barriers, so what percentage of UK trade will enjoy easier trading terms on 1 January next year?

The best way to help all businesses to prepare is, of course, to agree a deal with the European Union on the terms that we were told to expect. That means no fees,

charges, tariffs or quantitative restrictions across all sectors. It does not mean, as we heard in the statement today, customs, physical checks, export declarations, a commodity code, and economic operator restrictions and identification, and it certainly does not mean a living document with guidance that changes day by day.

I am sure the Minister will agree that we should never make promises that we cannot keep, so will he guarantee that the promises made to UK businesses and workers in the Conservative party manifesto in December last year will be honoured, because they are not consistent with the statement that he has delivered this afternoon? Last week, the Chancellor of the Exchequer stood at that Dispatch Box and said that he will do all he can to support British business. Today, the Chancellor of the Duchy of Lancaster stands at the same Dispatch Box and is wrapping those businesses in red tape and sending them to a super-sized lorry park in Dover. For the sake of all workers worried about their jobs and all business owners anxious about their future, we need the Government to get this right. I am not convinced that today’s statement does that.

**Michael Gove:** May I thank the hon. Lady for her questions and also for her commitment to working collaboratively to ensure that we get the best possible deal in our negotiations with the European Union. Progress has been made, but there are still significant differences between ourselves and the European Union. None the less, I did think it was significant and welcome that, for example, in the Joint Committee, Vice-President Maroš Šefčovič conceded that it would be no longer appropriate for the EU to have an office in Northern Ireland. That is an example of the flexibility that I know Michel Barnier and others are applying in the broader negotiations, and I will seek to update the House on progress in those negotiations at an appropriate time.

The hon. Lady asks about the compliance of our approach with our legal obligations under the WTO. We are absolutely certain that, having taken legal advice, we are compliant. Indeed, Lars Karlsson, a customs expert who appeared before the Committee on the Future Relationship with the European Union recently, said that the issue raised was “not a problem” and that there was no

“violation of international customs principles and the international legislation that the UK is part of under the WTO.”

Of course, it will be removed—the correct process we are taking—on 1 July.

The hon. Lady asks about infrastructure at EU-facing ports. I stress that there are no plans to build a new lorry park at Dover. Indeed, the chief executive of the port of Dover, Tim Reardon, said—again, to the Select Committee chaired by the right hon. Member for Leeds Central (Hilary Benn)—that it is

“fair to say”

that traders are

“likely to be ready for the paperwork required to get into and out of France, because those requirements have been set out very clearly for some time now.”

The hon. Lady asks about the danger of lost tariffs. There is no danger of lost tariffs. Every importer will have to pay tariffs; we are simply making sure that the process is staged. It is also important to stress, as a number of those involved in the haulage and freight industries have

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emphasised, that this phased approach is a sensible and pragmatic way to ensure that we can be in a stronger position.

On the situation in Northern Ireland, the hon. Lady asks whether the EU tariff is the default. No, it is not. She also asks about state aid. State aid subsidy control support for businesses is important, but it is also a reserved matter.

Finally, I quote again from the chief executive of the port of Dover, because the hon. Lady is understandably anxious to ensure that business has all the opportunities we would want to see in the covid recovery. He said that “being outside the European Union customs code puts the UK in a position where it can develop processes that suit the UK in the 21st century. We do not need to stick with a legacy customs process whose origin can be found in the Anglo-Saxon Chronicle in the year 789.”

It is time that we modernised our border and time that we took back control, and that is what today’s announcement will do.

**Sir Bernard Jenkin** (Harwich and North Essex) (Con): I thank my right hon. Friend for his statement. I have just stepped out of a meeting with the British Chambers of Commerce, and it very much welcomes the acceleration in implementation, investment and certainty for British business, although it wants as much of that as quickly as possible.

I ask for clarification on two technical matters, and I shall choose my words carefully. First, as long as the Joint Committee is satisfied that goods in transit from GB to Northern Ireland are not at risk of travelling on to the Republic of Ireland, while there may need to be some data transfer, there will be no need for a full import customs declaration to cross from GB to Northern Ireland.

Secondly, now that the implementation of the final UK-EU border will be effectively phased to July 2021, which could violate WTO rules, there will be legal certainty that there will be no extension beyond July 2021, and Parliament can provide that legal certainty in UK primary legislation if it is required.

**Michael Gove:** I am very grateful to the Chair of the Liaison Committee for his thoughtful and detailed questions. On the first, which relates to the Northern Ireland protocol, there will need to be the provision of certain information to ensure that the UK plays its part in the implementation of the protocol by helping to protect the EU single market. We will say more about that later this month.

We are entirely satisfied that the phased implementation of controls is compliant with WTO procedures, but my hon. Friend is right to stress that that is because it is a temporary regime, and we will ensure that there is no alteration to the timetable we have set out.

**Pete Wishart** (Perth and North Perthshire) (SNP): Here we are: the end game of the disastrous and tortuous Brexit, all summed up neatly in the not-too-catchy slogan, “Let’s get going.” Dominic Cummings must have been up all night thinking of that one.

We are now to have an economic downturn precipitated by covid and compounded by the Government’s hard Brexit. It does not matter what chaos Brexit will bring

or what damage it will inflict on the economy—the decimation of key sectors, the chaos at the borders, the threat to livelihoods. All that is supremely inconsequential to all the anti-EU obsessives.

“Let’s get going,” says the Chancellor of the Duchy of Lancaster, and we in Scotland intend to take him exactly at his word, although perhaps not quite in the way he intended. We fully intend to get going—going from this Government’s disastrous Brexit Britain: 54% of the Scottish people now support Scottish independence, and that support is only going to go up.

As for the Tories, all they can now try to do is impose their will on a recalcitrant Scotland. Their latest wheeze, of course, is to curb devolution, to attack the powers of the Scottish Parliament and to impose a UK single market on a Scotland wanting out of their UK. This, my Brexiteer friends, is the new UK superstate. Remember that word, superstate, when its nightmarish controlling horror was so chillingly and wrongly assigned to the European Union? The superstate is arriving for Scotland, but it is not wearing gold stars on blue; it is wearing a Union Jack. All this will do is turn the trickle of remainers who are now supporting independence into a full-going flood.

All I can say to the right hon. Gentleman is that we will not be participating in this new UK single market, or making it work or implementing it. The only thing we will be doing with it is using it as a recruiting sergeant for more people to support independence. I suppose he now has two choices when it comes to Scottish independence. He could do it easily and conveniently in partnership with us, or he could draw it out in a useless self-defeating process of attrition. Either way, we win. Enjoy your Brexit, my Conservative friends. We will not be coming with you. You may be getting going from the EU, but it is right that we are getting going from the UK.

**Michael Gove:** It is always a pleasure to see the hon. Gentleman, and it is particularly good to see him in his place here in the Chamber. I have to say that that is a particularly brave move, however, given the comments of the First Minister of Scotland over the course of the weekend, because if, as rumoured, the quarantine regulations mean that people cannot move from England to Scotland, he might well be imprisoned in his place here for far longer than he ever anticipated. However, I for one would be cheering if that happened, because I so enjoy his company.

As is the hon. Gentleman’s wont, and his right, he chose to skate lightly over the detail in his response, but he nevertheless made a number of important points. He suggested that, as a result of our departure from the European Union, we would be curbing devolution. That is not the case. More than 100 powers will be returned to the Scottish Parliament as a result of our leaving the European Union. Far from being a power grab, it is a power surge for all the Parliaments of the United Kingdom. He also made the point that it is the Scottish National party’s policy to leave the UK but to then join the European Union, which would mean that all those powers that will flow to the Scottish Parliament would be returned to Brussels. This would include the return to the EU of Scotland’s capacity to regulate its own fishing waters, just as Scotland was previously shackled to the common fisheries policy. So the SNP’s

position, curiously, is to demand fewer powers for the Scottish Parliament and more powers for the European Commission. Not, I think, a popular view in Fraserburgh.

The hon. Gentleman talked about our proposals, which are designed to ensure that Scotland's businesses and citizens can continue to sell their goods and services into the rest of the UK. Instead of welcoming that collaborative working, he talked about these policies being a recruiting sergeant for independence. I could say that the mask had slipped, but he has never worn a mask to hide his intentions. He is a separatist and a nationalist. I love him dearly, but as long as he cleaves to that ideology, I am afraid we have to recognise that he is in the wrong boat.

**Alexander Stafford** (Rother Valley) (Con): The people of Rother Valley voted overwhelmingly for Brexit four years ago, yet still we are here. Does my right hon. Friend agree that the public want to hear more about the opportunities that will come from leaving the European Union, rather than the scaremongering and doing down of our country that we keep hearing from the Opposition Benches?

**Michael Gove:** My hon. Friend makes a good point. It was the democratic decision of the whole United Kingdom to leave the European Union. There are significant opportunities, and one of the points that I alluded to in my statement is that, as businesses prepare for the export requirements that will be needed when we are outside the customs union, that will also equip them all the more powerfully for the new trading opportunities that exist across the globe.

**Hilary Benn** (Leeds Central) (Lab): The right hon. Gentleman says that he is not intending to create a massive concrete lorry park in Ashford. I would gently point out that if the lorries arriving there do not park up and stop, it will be very hard for people to check their paperwork, so the lorries will be parking. Will he clarify something about the site? Will it be used just to check that lorries leaving the UK have the right paperwork, so that they do not clog up the system at Dover and Calais, or will it be used for checks on goods coming into the UK in lorries—or both? And will it be operational, along with the goods vehicle movement service IT system, by the end of this year?

**Michael Gove:** I am grateful to the right hon. Gentleman, because he gives me a chance to clarify a number of points. The hon. Member for Leeds West (Rachel Reeves) suggested that we will be building a lorry park at Dover, but as the right hon. Gentleman points out, we are moving infrastructure away from the port. As the chief executive of the port of Dover, Tim Reardon, pointed out to his Committee,

“one of the most helpful things that came out of the Government's announcement...was the commitment to construct new control infrastructure away from the port...away from the key pinch point”.

Combined with the GVMS system, to which the right hon. Gentleman alludes, that will ensure that we have a free flow of freight and none of the anticipated problems that have been mentioned. That investment in infrastructure will ensure that lorries move out of the UK to the EU with our high-quality goods.

**Mr Andrew Mitchell** (Sutton Coldfield) (Con): I am very glad that my right hon. Friend, with his acknowledged administrative flair, is responsible for this. I want to raise an esoteric point, which has been brought up by constituents consistently. What will replace the regime that has successfully allowed our constituents to travel in their thousands with their dogs across the channel? Will he try to ensure that the existing pet passport arrangements for dogs and other pets are able to continue after the end of this year?

**Michael Gove:** My right hon. Friend makes an important point. Like me and many of his constituents, he is a proud dog owner. Scarlet Mitchell is a previous winner of the Westminster dog of the year competition.

People cherish the opportunity to travel with their pets. If we are not a listed country, there will be additional procedures that pet owners will have to follow beyond those that currently exist, but we are confident that we will be a listed country because we have none of the health risks that the countries that are not listed by the EU have. I am confident that my right hon. Friend and Scarlet Whoosaboutiful Mitchell—I believe that is the full name of his pet—will be able to continue to visit France.

**Mr Barry Sheerman** (Huddersfield) (Lab/Co-op) [V]: May I inform the Secretary of State that, as a member of the Committee on the Future Relationship with the European Union, I find it rather negative of him to take out of context some of the quotes from the witnesses who have given evidence to the Committee? I have heard all the evidence since I have been a member, and my view is that we are heading for a disaster. What would he say to a leading businessman in my constituency, who said that we are staggering because of coronavirus? He said that it is like coming out of the ring having gone 15 rounds with Anthony Joshua, only to find, with the chaos of leaving Europe, that we have Tyson Fury for another 15. Is it fair to do that to our great British public?

**Michael Gove:** Seconds out, round one, I am tempted to reply. The hon. Gentleman knows that I have great affection and respect for him. Indeed, it was his questioning in the Select Committee that helped to elucidate some of the opportunities that leaving the European Union can bring. The customs expert Lars Karlsson, who spoke before the Committee, said:

“It is a great opportunity because part of the UK's strategy and global vision for trade opens up a totally new industry here”, which can be more efficient and bring additional benefits to British business. It is important of course to be aware of the challenges, but also the opportunities.

**Julian Smith** (Skipton and Ripon) (Con): With so many of our small and UK-wide businesses struggling to survive following the covid crisis, the idea of adding additional friction and cost to the trading relationship with their biggest market is deeply problematic and worrying. My right hon. Friend has worked extremely hard for the country over the past few months, but I urge him to do everything he can to ensure that the UK gets a deal with minimal tariffs and minimum friction.

**Michael Gove:** I again thank my right hon. Friend for the role that he played in reconstituting the Northern Ireland Executive earlier this year, which of course has made the whole process of agreeing the approach towards

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the Northern Ireland protocol and safeguarding the rights of Northern Ireland citizens significantly easier. We should all be grateful for his leadership in that role, which helped advance the cause of peace. On the specific point about securing a comprehensive free trade agreement with the European Union, I am completely with him. I think that it would be better, as the hon. Member for Leeds West (Rachel Reeves) also mentioned, for us to have the zero-tariff, zero-quota approach that we can secure through a comprehensive FTA, but I should add that whether or not we secure that FTA, many of the steps that I have outlined today will be required by business as “no regrets” steps anyway.

**James Murray** (Ealing North) (Lab/Co-op) [V]: At the end of March, I was told by the Minister for Patient Safety, Mental Health and Suicide Prevention, the hon. Member for Mid Bedfordshire (Ms Dorries), that

“any European Union centrally authorised”

covid-19 vaccine would

“be authorised in the UK”

during the transition period, and that the Government were

“working to ensure that UK patients can access the best and most innovative medicines”

beyond 31 December 2020. Can the right hon. Gentleman now guarantee that, whatever else changes at the end of this year, there will be no risk of any delay after 31 December in the UK acquiring a covid-19 vaccine in comparison with countries in the EU?

**Michael Gove:** I am grateful to the hon. Gentleman for his question. It is the case that there is global collaboration through the CEPI programme to try to ensure that all countries that are determined to deal with the covid-19 threat can work together to develop a vaccine. We have relationships with European and other nations, which are there to ensure that we are in a strong position to be able to provide a vaccine for our citizens once one is effectively tested.

**Rob Butler** (Aylesbury) (Con): Buckinghamshire has more microbusinesses than any other county in the country. What steps is my right hon. Friend taking to ensure that those very smallest firms are fully aware of the steps that they will need to take so that they really can get going with the new opportunities they will enjoy after the transition period?

**Michael Gove:** My hon. Friend makes an important point. In Buckinghamshire and elsewhere where there are microbusinesses, they can take advantage of the new information campaign that we have provided. There is an online checker, which will allow them to judge whether they have taken the appropriate steps to be ready to trade. They can also register for regular updates to ensure that they are making progress in a timely fashion, and of course the provision of additional funding for customs intermediaries will ensure that they can have an appropriate freight forwarder or other in order that they can continue to trade freely.

**Alison Thewliss** (Glasgow Central) (SNP) [V]: It is perfectly clear from the right hon. Gentleman’s statement that we will actually get more red tape rather than less,

as well as additional cost and risk to employers, especially those who employ EU nationals, as they will have to register as Home Office sponsors for the first time. Can he tell me how much that will cost businesses up and down the UK? Does he agree that it is Scotland that is checking, changing and going, with 54% of people now supporting independence?

**Michael Gove:** The hon. Lady talks about migration. It is the case that Scotland will benefit, as the whole of the UK will, from a points-based system that ensures that we can have top scientists in Scottish universities and gifted clinicians in Scotland’s superb hospitals. She also refers to an opinion poll. Of course, we had a vote on whether Scotland should be independent in 2014. As it happened, slightly more than 54% of people voted for the United Kingdom to stay together and to be stronger together. We were told that that was a once-in-a-generation vote, and I know that that promise will be honoured.

**Damian Green** (Ashford) (Con): My right hon. Friend may be aware that I consider the decision to put an outbound emergency lorry park in my constituency, near where several thousand new homes are being built on one side and with a large hospital nearby on the other side, to be wrong-headed. Can he confirm that when the Transport Minister writes to me that it is not the Government’s plan to develop this area as a permanent lorry park, that is indeed Government policy, and will he let the House know what environmental impact assessment has been done for the site?

**Michael Gove:** I am grateful to my right hon. Friend, who does a brilliant job standing up for his constituents. It is not the case that any specific site has been absolutely confirmed. We are in commercial negotiations with a number of sites, and as and when they are confirmed I will let him know. It is also the case, as he rightly points out, that some of the infrastructure will be temporary and some will be permanent. May I extend to him and to all Kent Members of Parliament an opportunity to come into the Cabinet Office to discuss with me and officials the approach that we are taking? I hope that I can provide him and other colleagues with reassurance in that process.

**Wes Streeting** (Ilford North) (Lab): There are five and a half months to go and the Chancellor of the Duchy of Lancaster still cannot even confirm the site. Will he at least reply to my right hon. Friend the Member for Leeds Central (Hilary Benn), who asked specifically whether there will be checks at the lorry park on goods moving to the European continent and coming into the UK? My right hon. Friend also asked—this goes to the heart of the concern raised by the right hon. Member for Ashford (Damian Green)—whether the lorry park will be operational along with the goods vehicle movement service IT system by the end of the year. Can the right hon. Gentleman at least give us that assurance?

**Michael Gove:** It is the case that the GVMS will be in place, as all the systems will, so that we can have a fully operational border, and of course the additional infrastructure—the £705 million that we have announced today will ensure that it is in place in time—will be there specifically to ensure that when vehicles arrive in Calais they have passed through all the necessary checks and can then proceed smoothly to market.

**Mark Pawsey** (Rugby) (Con): Many businesses in Rugby trade with companies across Europe, and I wonder therefore what assessment my right hon. Friend has made of their current state of readiness for the end of the transition period. Will he say a little more about the steps he is taking to ensure that retaining and growing that business becomes easier, rather than more difficult?

**Michael Gove:** My hon. Friend makes an important point. A significant number of businesses have taken significant steps in order to prepare themselves for life outside the customs union and single market, but one of the reasons for the campaign we are launching now is to ensure that every business has the information it needs. I hope to work with my hon. Friend and other hon. Members in order to ensure that business has the support it needs to take advantage of the opportunities and also to deal with the changes that are coming next.

**Nick Smith** (Blaenau Gwent) (Lab): It was only yesterday that the Government announced £100 million to develop HMRC systems to reduce the burden on traders. Why have these systems not already been developed?

**Michael Gove:** They have; we are just improving them.

**Stephen Farry** (North Down) (Alliance): Today's statement sets out the brutal reality of Brexit for the GB to European Union interface but does not address Northern Ireland. We do not have the luxury of a phased roll-out—things have to be in place for 1 January—so can the right hon. Gentleman give us a firm commitment that there will be at least the same level of detail as that published today before the end of this month for the Northern Ireland protocol, given that we have at least five different regulatory checks that have to be put in place?

**Michael Gove:** I am grateful to the hon. Gentleman for drawing an appropriate distinction between the border operating model between GB and the EU and the Northern Ireland protocol, and it is the case that more detail will be published later this month. Indeed, the Specialised Committee is meeting later this week in order to refine that.

**Tom Randall** (Gedling) (Con): At the weekend, the shadow Chancellor of the Duchy of Lancaster said that these measures were “too little, too late”, but would we not have left the EU earlier and with less uncertainty had it not been for the attempts of Opposition Members to dither and delay and postpone our exit from the European Union, denying the will of the people of Gedling and the British people?

**Michael Gove:** My hon. Friend makes a very fair point. I exempt the hon. Member for Leeds West (Rachel Reeves) from any criticism, but it is the case that, while she might have wanted more spending on infrastructure, one of the things that her party was committed to right up until the general election was staying in the customs union and the single market. It was Labour policy then not to spend this money at all and not to implement this programme at all but, as I have said, I exempt the hon. Lady from any particular criticism, because I know that she is committed, like I am, to doing the best for British business.

**Wendy Chamberlain** (North East Fife) (LD): In today's statement, the Chancellor of the Duchy of Lancaster has acknowledged some of the costs and attempted to highlight the opportunities of Brexit, but opportunities in financial terms currently equate to zero. Those who said leaving the EU would mean additional costs and bureaucracy were right, and some of these costs are now becoming clear: more money, on top the £100 million previously spent, on comms, and now £705 million on border infrastructure—no frictionless trade after all. When will the Government be in a position to respond to the 50 questions raised today by the Food and Drink Federation, particularly the how?

**Michael Gove:** I am grateful to the hon. Lady. I and my colleague the Secretary of State for Environment, Food and Rural Affairs will respond to the Food and Drink Federation's helpful questions. The FDF has been a valued partner in our preparation for our departure from the European Union and I would like to pay tribute to Ian Wright and all those who work for the FDF for making sure that they work with us in order to provide every part of the supply chain with the information it needs.

**Justin Madders** (Ellesmere Port and Neston) (Lab): By my reckoning, the grant being offered to the customs intermediary sector will probably cover the costs of the customs officers that will be needed for about a couple of weeks, so what estimate has the right hon. Gentleman made of the annual cost to UK businesses of complying with the new customs rules?

**Michael Gove:** I should gently correct the hon. Gentleman: it is not the case that the grant is there for customs officers, HMRC staff or Border Force staff. The £84 million is there for customs intermediaries, who are commercial actors, and, as was pointed out in the quotations that I used earlier, this is a significant opportunity for the UK to grow rather than retreat.

**Jason McCartney** (Colne Valley) (Con) [V]: I have been speaking to local business bosses recently who are very much looking forward to having the opportunity to trade freely with the rest of the world. With that in mind, will my right hon. Friend confirm what support will be available for those individual businesses following the launch of the “Check, Change, Go” campaign?

**Michael Gove:** My hon. Friend is absolutely right: there will be significant new opportunities, and as businesses prepare for life outside the customs union with the help and support that we are announcing today, that will equip them more easily to take advantage of global trade opportunities. We will make sure that there is a field force of appropriate advisers to supplement the online checker, which I know he and I will bring to the attention of the businesses in our constituencies.

**David Linden** (Glasgow East) (SNP): In this latest Brexit bingo read-out that the Chancellor of the Duchy of Lancaster presented to the House, he wanted to talk about optimism and opportunity, but let me press him on a point that was not in the statement, relating specifically to the Erasmus scheme. Many young people at Lochend Community High School in Easterhouse were able to take part in the Erasmus scheme. With five and half months to go, what hope and opportunity can he offer them, or is it the case that this Tory Government are taking away that opportunity?

**Michael Gove:** After consultation with the devolved Administrations, we are negotiating to seek a potential continuation of involvement in the Erasmus scheme, as we are seeking to continue participation in scientific collaboration as well. One thing that I would say about the fate of children in Easterhouse and in other parts of Glasgow is that their life chances have fallen backwards relative to other parts of the United Kingdom as a result of the education policies that the Scottish Government have put in place. It used to be the case that Scotland was ahead of England in international league tables for reading, writing and mathematics. It is now the case that Scotland has fallen behind, and the response from the Scottish Government has been no longer to participate in some of those international comparisons. Hiding from scrutiny is no way to help Scotland's children.

**Lia Nici** (Great Grimsby) (Con): As the Government invest in new border control infrastructure to ensure that we can continue to trade smoothly with the EU once we go beyond the transition period, does my right hon. Friend agree that that will create more local jobs to support ports such as Grimsby and Immingham?

**Michael Gove:** My hon. Friend is absolutely right. It is the case that Grimsby and Immingham are hugely important ports not just for EU trade, but for rest-of-the-world trade. As I mentioned in quoting from the authoritative figures who appeared in front of the Future Relationship with the European Union Committee, there are significant opportunities for people to play a role in the expansion of international trade. These are new jobs, which are designed to make sure that Britain goes global.

**Stephen Timms** (East Ham) (Lab): Last September, the Minister acknowledged that there is a material risk of long delays at Dover. Will he tell us what his current assessment of that risk is? The Freight Transport Association pointed out that there are only 300 spaces in the lorry park at Calais, where thousands of lorries coming from Dover are likely to be checked every day. Is he now proposing that all 10,000 lorries heading for Dover will be checked somewhere in the UK before they arrive there? How many officials will it require to carry out those checks, and will he tell us the shortlist of locations where those checks might be carried out?

**Michael Gove:** I am grateful to the right hon. Gentleman for referring back to the time when I appeared in front of the Exiting the European Union Committee, chaired by the right hon. Member for Leeds Central (Hilary Benn). The situation has changed since then as a result of the investment that we put into infrastructure and the refinement of systems and greater clarity. I quoted earlier Tim Reardon of the port of Dover, who said of hauliers:

“It is fair to say that they are likely to be ready...because”  
the requirements that they have to fulfil  
“have been set out very clearly for some time now.”

I am confident that the steps that we have already taken and the announcement that we are making today will help to ensure the free flow of trade.

**Virginia Crosbie** (Ynys Môn) (Con): In my constituency I have Holyhead port, which is the second busiest roll-on roll-off port in the UK. We have seen investment

in Dover. Can my right hon. Friend assure me that the freight in Holyhead will be checked, and what does that mean for jobs, skilled employment and investment, which are so desperately needed in Ynys Môn?

**Michael Gove:** I am grateful to my hon. Friend for reminding us of the vital role that the port of Holyhead in Anglesey plays. I had the opportunity to visit Holyhead last summer, to see the superb work that was being undertaken by her constituents. I can assure her that, whether it is trade with the Republic of Ireland or beyond, we will do everything we can—working, of course, with the Welsh Government—to ensure that the commercial opportunities for those in Holyhead who do so much for our trade are enhanced.

**Sarah Owen** (Luton North) (Lab) [V]: Vauxhall and the workers who keep it going are fundamental to Luton's economy, and a third shift of workers are starting, so that the company can meet the high demand for our tremendous Luton-made vans. However, without a tariff-free trade agreement, future investment is uncertain for manufacturing across the country. Without soundbites or slogans, can the right hon. Gentleman tell me what genuine progress has been made towards a trade deal that protects the future of car manufacturing in the UK?

**Michael Gove:** The hon. Lady makes an important point. The success of the automotive sector is not just Luton but Sunderland and across the United Kingdom is a matter of importance to people across the House. That is why we are pursuing a zero-tariff, zero-quota arrangement. As she will know, there has been significant onshoring of capacity from other European countries into the UK, not least in Sunderland, and that is something we want to build on. I will do everything I can to ensure that she and other MPs who represent constituencies with significant automotive interests are kept informed about the progress of our negotiations, because of course, we put the interests of her constituents first.

**Mr Peter Bone** (Wellingborough) (Con) [V]: I thank my right hon. Friend for updating the House, as he does on a regular basis. I wonder whether he has had an opportunity to see the report published today by the Centre for Social Justice entitled “It Still Happens Here: Fighting UK Slavery in the 2020s”, which estimates that there are 100,000 modern-day slaves in this country. Allowing free movement of people has made that a lot easier for evil human trafficking gangs. Can he confirm that, from 1 January, we will take back control of our borders, and that one of the huge benefits will be that we can clamp down on these evil gangs?

**Michael Gove:** I am grateful to my hon. Friend for raising that issue. He has been a consistent opponent of modern slavery and human trafficking and has done an enormous amount to draw it to the attention of others and to demand and secure appropriate action. It is only right that Members across the House recognise the consistent campaigning energy that he has brought to this important issue. It is also important to say that, as we take back control of our borders and move to having greater data and a more effective approach to monitoring who and what comes into this country, we can play an even more prominent part in dealing with that evil trade.

**Alyn Smith** (Stirling) (SNP) [V]: No amount of soundbites or slogans can distract from the fact that Brexit, which I regret, has already made a lot of people poorer. That will only continue, and I have a concrete example. From January, a married couple in my constituency who are in their early 70s will need to pay £166.22 per month to replicate what they already have through the European health insurance card, which they are losing against their will. Would the Chancellor of the Duchy of Lancaster like to come to Stirling to explain to them how their freedom and opportunity to pay more money to replicate what they already have makes their life better?

**Michael Gove:** I am grateful to the hon. Gentleman, who was a distinguished Member of the European Parliament, for raising that case. I would be more than happy to come to Stirling and to receive additional information about the specific case that faces his constituents. It would be my pleasure to do everything I can to ensure that we can resolve the system. On the basis of what he says, I think there may be some miscommunication, but let me commit to doing my very best to resolve the situation on behalf of his constituents.

**Robert Halfon** (Harlow) (Con) [V]: When we leave the EU we will no longer be subject to the *Official Journal of the European Union* and, as my right hon. Friend knows, public sector procurement contracts are now worth about £250 billion a year. So will he change public sector procurement rules to ensure that any large private company bidding for a public sector contract must have an apprenticeship commitment guaranteeing that a certain proportion of its workforce will be apprentices?

**Michael Gove:** My right hon. Friend makes a very important point. He rightly says that outside the EU we can shape our own procurement rules, in our own interests, and that we should do everything possible to encourage the wider spread of apprenticeships, which do so much to improve social mobility and indeed the effectiveness of British manufacturing. I will look in detail at his specific proposal to see what we can do.

**Hywel Williams** (Arfon) (PC) [V]: Further to the earlier question about Holyhead, how much of the £705 million will be going specifically to that port, and to what purpose?

**Michael Gove:** I will be able to provide a breakdown, port by port and region by region, in due course, but of course we want to work with the Welsh Government to ensure that appropriate infrastructure is in place not just in Holyhead but at other ports. I am grateful for the Plaid Cymru endorsement of UK Government spending in Wales in order to strengthen our Union.

**Paul Bristow** (Peterborough) (Con): Does my right hon. Friend recall that last year some Opposition Members were clambering aboard the Eurostar to tell the Commission not to agree a deal? We left with a deal, despite what they said and their best efforts to block it. Does he agree that we will end the transition period on good terms at the end of the year, despite what some have been saying throughout this process?

**Michael Gove:** My hon. Friend is absolutely right. As I said earlier, I exempt the hon. Member for Leeds West (Rachel Reeves) from this, but some Members of other parties did seek to work with the Commission against the interests of this country, and the country decided what it thought of that on 12 December.

**Dr Philippa Whitford** (Central Ayrshire) (SNP) [V]: With the threat of a no-deal Brexit last year, drug stockpiles were established to reduce the risk of shortages, particularly of insulin, which is largely imported from the EU. What state are those stockpiles in now? If businesses are struggling to prepare for Brexit in the middle of the covid crisis, how does the right hon. Gentleman expect healthcare services to manage?

**Michael Gove:** I am grateful to the hon. Lady for making that point. As the whole House knows, she is a very distinguished NHS consultant and she is right to raise the issue of insulin, along with that of other drugs and medical devices we need. The Health Secretary and his Department are working with mine to ensure that we have stockpiles for any eventuality, but I will look forward to updating her, with the help of my right hon. Friend, in due course.

**Mr Mark Harper** (Forest of Dean) (Con): I listened carefully to all the questions coming from those on the Opposition Benches about paperwork and checks, but when my right hon. Friend is talking about these issues will he remind the public that more than half of our trade comes from outside the EU, that data is transferred electronically and so there is very little paper, and that we check things only where there is a risk to our border? We do not open every vehicle and we are not going to do it in the future.

**Michael Gove:** My right hon. Friend makes an excellent point. He is right to say that some who comment on these matters sometimes take an antiquated view of customs procedures, suggesting that every consignment is opened by a uniformed figure who pokes around for hours on end. In fact, this is a streamlined electronic process, one which, as he rightly points out, has also seen the share of trade that the UK has with the rest of the world grow and the share it has with the EU diminish, even while we were in the single market. The changes we are making will provide us with an opportunity to be even more effectively integrated with the growing economies of the world.

**Kenny MacAskill** (East Lothian) (SNP) [V]: Scots were told that remaining in the Union and Brexit would assure Scotland of a powerful voice in the world, while independence would mean being a small nation without influence, like Ireland. Now that Ireland has a seat on the UN Security Council, the President of the Eurogroup, the chief economist of the European Central Bank and the EU Trade Commissioner, can the Chancellor of the Duchy of Lancaster tell me where Scotland's powerful equivalent is?

**Michael Gove:** I am grateful to the hon. Gentleman, who of course was a very distinguished Minister in a previous Scottish Government. I will take nothing away from the achievements of the people of the Republic of Ireland, led as they are by their new Taoiseach

[*Michael Gove*]

Micheál Martin. They can look confidently to the future. However, it is a fact that, were the policies he advocates to be taken forward, we would find a border control at Berwick, you could not use the pound sterling in Stirling, and, as a result, there would be economic turbulence for the people who I know are closest to his heart. That is why I believe we are stronger and better together. As a result of having talented advocates like him in this Westminster Parliament, we can achieve more for all parts of the United Kingdom.

**Gareth Johnson** (Dartford) (Con): The UK leaving the European Union provides some fantastic opportunities for this country, but inevitably, as we leave the EU, new procedures will be used at the port of Dover. What plans have the Government put in place to communicate with foreign lorry drivers going through Kent to ensure that there is no excessive delay?

**Michael Gove:** My hon. Friend makes an important point. Part of the information campaign we are launching today is aimed at businesses in the European Union, as well as at UK businesses, to ensure they are aware of what they need to do. Awareness is high.

**Kim Johnson** (Liverpool, Riverside) (Lab): Will the Minister answer concerned residents living near the site of the lorry park in Kent, who will want to know if an assessment of noise and air pollution will be published?

**Michael Gove:** As I mentioned earlier, there are a number of potential sites in Kent and we will make sure that, whichever site is chosen, the appropriate procedures are followed to safeguard not just the commercial life of the nation but the interests of nearby residents.

**Richard Graham** (Gloucester) (Con): Last year, the previous head of Her Majesty's Revenue and Customs said that less than half of the 130,000 UK businesses exporting only to the EU had engaged on likely changes. While understandable then, it is vital that that changes now. Will my right hon. Friend strive to deliver the comprehensive free trade agreement that everyone on both sides of the England Channel needs? Will he also mobilise the army of British Chambers of Commerce, the Federation of Small Businesses, growth hubs and other organisations to make sure that their seminars are planned as soon as possible, with frequently answered questions, so that when the rules change on 1 January our many exporting small businesses do not find this a surprise?

**Michael Gove:** My hon. Friend is absolutely right. I should say that he has been a very effective advocate for Britain's global trading future, making sure that rising

economies in east Asia have the opportunity to work well with UK businesses. He is also right that we need to work together—Government, business representative organisations and others—to ensure that businesses are prepared. He is right that we do want a comprehensive free trade agreement with the EU, but whether we secure that agreement or not outside the customs union we will need to adapt to a new approach. We need to work together to ensure we can do that properly.

**Rob Roberts** (Delyn) (Con): I was asked by a friend yesterday why I wanted to be a Conservative MP. My answer, very simply, was empowerment. I have always felt that the Conservatives are all about giving people the tools and choices to make their own lives better. Does my right hon. Friend agree that, after all the predictions of doom and blatant scaremongering from Opposition parties, which, sadly, we are still seeing here today, it is that word “empowerment” that is key to the UK forging a positive way in the world and on which we must be completely focused on all sides of the House and in every nation of our Union?

**Michael Gove:** I completely agree with my hon. Friend. As we know, a majority of people in Wales voted to leave the European Union. They did so as part of a United Kingdom, because they believed it was important that more powers flow to this Parliament, as they will also flow to the devolved Administrations, so that those who represent them are empowered to take decisions in their name. His friend asked him why he wanted to be a Conservative. May I say that I am very glad that he did choose to become a Conservative MP? He is a huge asset to this House. If anyone were to ask me exactly why I became a Conservative MP, I would have to return and reply to the House in due course. All I will say is that it is a pleasure to be on the same Benches as my hon. Friend.

**Rosie Duffield** (Canterbury) (Lab): I am greatly concerned, as are very many of my constituents, that the lorry park announced in the newspapers will cause serious tailbacks, another summer of traffic chaos and particular problems for those who are travelling to the nearest A&E department at William Harvey Hospital. Can the Minister assure me that this issue and the potential alarming rise in air pollution—it was mentioned by my hon. Friend the Member for Liverpool, Riverside (Kim Johnson) but not properly answered—are being addressed properly and seriously for east Kent?

**Michael Gove:** I completely understand, and I hope that the hon. Lady will be able to join me in a meeting with other Kent MPs so that I can provide her with reassurance on that front.

## Point of Order

5.25 pm

**Stephen Doughty** (Cardiff South and Penarth) (Lab/Co-op): On a point of order, Madam Deputy Speaker. You will recall the urgent question that Mr Speaker kindly granted to the hon. Member for Worthing West (Sir Peter Bottomley) last week, so I regret to inform you that Bahrain's highest court has today, via Instagram, announced confirmation of the death sentences against Mohammed Ramadhan and Hussain Moosa, who were tortured. That is utterly unacceptable, and the risk that these sentences will be carried out is imminent. Not least given the UK's direct support for the agencies implicated in the torture and forced confession of these men, and the fact that the Minister for the Middle East and North Africa, the right hon. Member for Braintree (James Cleverly), said that he would speak "publicly and loudly" if the death sentences were confirmed today, have you had any notice of a statement from the Foreign Office on what it now plans to do? That might include raising this at the highest levels, including with the King, to urge clemency.

**Madam Deputy Speaker (Dame Rosie Winterton):** I thank the hon. Gentleman for giving me notice of this point of order about what is clearly a very distressing matter. I have not received notice of an oral statement on it, but I am sure that his request and his plea for action will have been heard by the Ministers on the Treasury Bench and will be passed back to appropriate Ministers.

5.26 pm

*Sitting suspended.*

### SUPPLY AND APPROPRIATION (MAIN ESTIMATES) BILL

*Motion made, and Question put forthwith (Standing Order No. 56), That the Bill be now read a Second time.*

*Question agreed to.*

*Bill accordingly read a Second time.*

*Question put forthwith, That the Bill be now read the Third time.*

*Question agreed to.*

*Bill accordingly read the Third time and passed.*

### STAMP DUTY LAND TAX (TEMPORARY RELIEF) BILL: BUSINESS OF THE HOUSE

*Ordered,*

That the following provisions shall apply to the proceedings on the Motion for Resolution 'Stamp duty land tax (temporary relief)' and to proceedings on any Bill brought in upon the Resolution:

#### *Timetable*

(1) (a) Proceedings on the Motion for Resolution 'Stamp duty land tax (temporary relief)', proceedings on presentation and first reading of any Bill brought in upon the Resolution, proceedings on Second Reading and in Committee, any proceedings on Consideration and proceedings on Third Reading shall be taken at today's sitting in accordance with this Order.

(b) Notices of Amendments, new Clauses or new Schedules to be moved in Committee of the whole House may be accepted by the Clerks at the Table before the Bill has been read a second time.

(c) Proceedings on the Motion for the Resolution shall be brought to a conclusion (so far as not previously concluded) two hours after the commencement of proceedings on the Motion for this Order.

(d) Proceedings on Second Reading shall be brought to a conclusion (so far as not previously concluded) four hours after the commencement of proceedings on the Motion for this Order.

(e) Proceedings in Committee of the whole House, any proceedings on Consideration and proceedings on Third Reading shall be brought to a conclusion (so far as not previously concluded) six hours after the commencement of proceedings on the Motion for this Order.

(f) This paragraph shall have effect notwithstanding the practice of the House as to the intervals between stages of a Bill brought in upon Ways and Means Resolutions.

#### *Timing of proceedings and Questions to be put*

(2) When the proceedings on the Motion for the Resolution have been concluded and the Bill has been read the first time and ordered to be printed, the Order for the Second Reading of the Bill shall be read.

(3) When the Bill has been read a second time:

(a) it shall, despite Standing Order No. 63 (Committal of bills not subject to a programme order), stand committed to a Committee of the whole House without any Question being put;

(b) the Speaker shall leave the Chair whether or not notice of an Instruction has been given.

(4) (a) On the conclusion of proceedings in Committee of the whole House, the Chair shall report the Bill to the House without putting any Question.

(b) If the Bill is reported with amendments, the House shall proceed to consider the Bill as amended without any Question being put.

(5) For the purpose of bringing any proceedings to a conclusion in accordance with paragraph (1), the Speaker or Chair shall forthwith put the following Questions in the same order as they would fall to be put if this Order did not apply:

(a) any Question already proposed from the Chair;

(b) any Question necessary to bring to a decision a Question so proposed;

(c) the Question on any amendment, new Clause or new Schedule selected by the Speaker or Chair for separate decision;

(d) the Question on any amendment moved or Motion made by a Minister of the Crown;

(e) any other Question necessary for the disposal of the business to be concluded; and shall not put any other questions, other than the question on any motion described in paragraph (12)(a) of this Order.

(6) On a Motion made for a new Clause or a new Schedule, the Speaker or Chair shall put only the Question that the Clause or Schedule be added to the Bill.

(7) If two or more Questions would fall to be put under paragraph (5)(d) on successive amendments moved or Motions made by a Minister of the Crown, the Speaker or Chair shall instead put a single Question in relation to those amendments or Motions.

(8) If two or more Questions would fall to be put under paragraph (5)(e) in relation to successive provisions of the Bill, the Chair shall instead put a single Question in relation to those provisions, except that the Question shall be put separately on any Clause or Schedule to the Bill which a Minister of the Crown has signified an intention to leave out.

#### *Other proceedings*

(9) Any other proceedings on the Bill may be programmed.

#### *Miscellaneous*

(10) Standing Order No. 15(1) (Exempted business) shall apply to any proceedings to which this Order applies.

(11) Standing Order No. 82 (Business Committee) shall not apply in relation to any proceedings to which this Order applies.

(12) (a) No Motion shall be made, except by a Minister of the Crown, to alter the order in which any proceedings on the Motion for the Resolution or the Bill are taken, to recommit the Bill or to vary or supplement the provisions of this Order.

(b) No notice shall be required of such a Motion.

(c) Such a motion may be considered forthwith without any Question being put; and any proceedings interrupted for that purpose shall be suspended accordingly.

(d) The Question on such a Motion shall be put forthwith; and any proceedings suspended under sub-paragraph (c) shall thereupon be resumed.

(e) Standing Order No. 15(1) (Exempted business) shall apply to proceedings on such a Motion.

(13) (a) No dilatory Motion shall be made in relation to proceedings to which this Order applies except by a Minister of the Crown.

(b) The Question on any such Motion shall be put forthwith.

(14) No debate shall be held in accordance with Standing Order No. 24 (Emergency debates) at today's sitting after this Order has been agreed.

(15) Proceedings to which this Order applies shall not be interrupted under any Standing Order relating to the sittings of the House.

(16) No private business may be considered at today's sitting after this Order has been agreed.—(*Michael Tomlinson.*)

### STAMP DUTY LAND TAX (TEMPORARY RELIEF) BILL (WAYS AND MEANS)

*Resolved,*

That—

(1) This Resolution makes modifications of Part 4 of the Finance Act 2003 in relation to any land transaction the effective date of which falls in the period (“the temporary relief period”)—

(a) beginning with 8 July 2020, and

(b) ending with 31 March 2021.

(2) Section 55(1B) (amount of stamp duty land tax chargeable: general) has effect as if for Table A there were substituted—

“TABLE A: RESIDENTIAL

Part of relevant consideration	Percentage
So much as does not exceed £500,000	0%
So much as exceeds £500,000 but does not exceed £925,000	5%
So much as exceeds £925,000 but does not exceed £1,500,000	10%
The remainder (if any)	12%”.

(3) Schedule 4ZA (higher rates of stamp duty land tax for additional dwellings etc) has effect as if for the Table A in section 55(1B) mentioned in paragraph 1(2) there were substituted—

“TABLE A: RESIDENTIAL

Part of relevant consideration	Percentage
So much as does not exceed £500,000	3%
So much as exceeds £500,000 but does not exceed £925,000	8%
So much as exceeds £925,000 but does not exceed £1,500,000	13%
The remainder (if any)	15%”.

(4) Paragraph 2(3) of Schedule 5 (amount of SDLT chargeable in respect of rent) has effect as if for Table A there were substituted—

“TABLE A: RESIDENTIAL

Rate bands	Percentage
£0 to £500,000	0%
Over £500,000	1%”.

(5) Part 4 of the Finance Act 2003 has effect as if section 57B and Schedule 6ZA (which concern relief for first-time buyers) were omitted (and, accordingly, Schedule 9 is to have effect as if paragraphs 15 to 16 were omitted).

(6) In a case where—

(a) as a result of section 44(4) of the Finance Act 2003 the effective date of a land transaction falls in the temporary relief period, and

(b) the contract concerned is completed by a conveyance after that period ends, section 44(8) of that Act is not to apply in relation to that conveyance if the sole reason that (but for this paragraph) it would have applied is that the modifications made by this Resolution have no effect in relation to that conveyance.

(7) Section 44(10) of the Finance Act 2003 applies for the purposes of paragraph (6).

And it is declared that it is expedient in the public interest that this Resolution should have statutory effect under the provisions of the Provisional Collection of Taxes Act 1968.—(*Jesse Norman.*)

*Ordered,* That a Bill be brought in on the foregoing Resolution;

That the Chairman of Ways and Means, the Prime Minister, the Chancellor of the Exchequer, Steve Barclay, John Glen, Kemi Badenoch and Jesse Norman introduce the Bill.

#### STAMP DUTY LAND TAX (TEMPORARY RELIEF) BILL

Jesse Norman accordingly presented a Bill to make provision to reduce for a temporary period the amount of stamp duty land tax chargeable on the acquisition of residential property.

*Bill read the First time; to be read a Second time now and to be printed (Bill 160) with explanatory notes (Bill 160-EN).*

## Stamp Duty Land Tax (Temporary Relief) Bill

### *Second Reading*

**Madam Deputy Speaker (Dame Rosie Winterton):** Under the order of the House today, amendments and new clauses to be moved in Committee of the whole House may now be tabled. Hon. Members should table through the Public Bill Office inbox: PBOHoC@parliament.uk. In order to be eligible for selection, Members should table amendments within the next 10 minutes.

5.32 pm

**The Economic Secretary to the Treasury (John Glen):** I beg to move, That the Bill be now read a Second time.

There is no doubt that the spring and early summer of 2020 will be forever remembered as one of the most testing periods in our nation's post-war history. Covid-19 is both a health crisis and an economic crisis. It has tested the public and private sectors in equal measure, just as it has tested the population as a whole. But the virus has been brought to heel, and thanks to our collective efforts we are now in a position where it is safe to reopen our economy.

From the outset of this crisis, the Government have sought to protect business, jobs and incomes. The coronavirus jobs retention scheme and self-employment income support scheme have between them preserved millions of livelihoods through the lockdown. Meanwhile, our VAT deferrals and business rates reliefs, alongside the coronavirus business interruption loans and bounce-back loan scheme, have carried many businesses through the hardest months, so that they now have a fighting chance to recover.

In the autumn, the Government will bring forward a Budget and a spending review that will set out a longer-term strategy for the United Kingdom's economic recovery.

However, this pandemic is not yet over. Even as we step out of lockdown, a great deal of disruption and uncertainty remains. Many businesses have yet to reopen their doors. Up and down the country, people are worried about whether their jobs will be secure when they return to work, and that is why my right hon. Friend the Chancellor of the Exchequer came to the House on Wednesday to set out the Government's plan for jobs. As a first step, the Government are introducing a one-off job retention bonus of £1,000, available to employers for each furloughed employee who is still employed as of 31 January next year.

There will also be new, high-quality jobs for hundreds of thousands of young kick-starters. We will invest £1 billion to double the number of work coaches and support the unemployed. There will be more apprenticeships, traineeships and skills funding, and we will bring forward £8.6 billion of investment in our public services and infrastructure to trigger new job creation projects around the country. However, we know that some sectors of the economy have been hit particularly hard, and that is why the Government will support the hospitality and tourism sectors by cutting VAT on food, accommodation and attractions from 20% to just 5% for the next six months. It is why the Government have put in place a £1.57 billion rescue package for theatres, museums and other cultural industries, in recognition

of the 700,000 people employed in those sectors and to safeguard the incalculable contribution they make to our national life.

**Chris Grayling** (Epsom and Ewell) (Con): May I congratulate my hon. Friend and his colleagues on the Treasury Bench for what I think has been an exemplary response to an unprecedented crisis? He describes the challenges that still remain in the economy. Many people still face tough times, particularly in the events sector, where businesses remain as yet unopened. Many of the people who work in the events and entertainment sector have not, for various reasons to do with their employment or tax status, been able to take advantage of the schemes we have seen over the past few months. Will my hon. Friend, together with his Treasury colleagues, look at whether there are additional things we can do to support those sectors and those people in the months ahead, because for them times are still tough?

**John Glen:** I thank my right hon. Friend for his kind remarks. There is more work to be done, and I acknowledge the challenges faced by different industries in different ways. We will continue to look very carefully at further interventions that we could make and shall make in the Budget later this year.

I turn to the housing market, which is another example of a sector that has experienced considerable disruption and which brings me to the subject of this Bill. The Government's plan for jobs will support the construction sector by injecting new confidence and certainty into the housing market. It will do so by ensuring that anyone buying a main home for under £500,000 before the end of March next year will pay no stamp duty whatever.

A thriving housing market is critical for growth and jobs in this country. Most obviously, a healthy labour market relies on people being able to move home to be closer to the jobs that match their skills, but the building industry is itself a major contributor to jobs and prosperity in the country, adding £39 billion a year to the UK economy. House building alone supports up to three quarters of a million jobs, and let us not forget the many related sectors that benefit from property transactions: estate agents, removal companies, furniture retailers, DIY stores, self-employed decorators and so forth. The lockdown sadly brought much of that trade to a juddering halt.

Rightmove estimates that 175,000 sellers were prevented from coming to the market between March and May this year. Meanwhile, HMRC data shows that residential property transactions in May were about 50% lower than the same month last year. For the first time in eight years, house prices have fallen.

**Matt Western** (Warwick and Leamington) (Lab): The Minister is making a fair argument in support of the construction and housing sector, but, as he just described, the sector is down by 50% in terms of sales. He will appreciate that the automotive and car sector was down by 97% over the two months of April and May and down by 30% in June. Does he not think that that sector is worthy of support as well?

**John Glen:** I thank the hon. Gentleman for his observations, which he made last week as well. Of course the Government look at all industries. The automotive industry is a key industry, and we are in dialogue with

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companies across the country looking at the appropriate interventions necessary. Obviously, commercial sensitivities sometimes prevent us from discussing those at the Dispatch Box.

With restrictions easing, the Government have been able to reopen the housing market, and there are signs of tentative movement. Transactions in May were 16% higher than in April. It is crucial to our recovery that we maintain this momentum. People should feel confident to move, to buy, to sell, and to renovate and improve their homes. This is why the Government are cutting stamp duty land tax by temporarily increasing the nil rate band for residential property from £125,000 to £500,000, with effect from last Wednesday—8 July—until 31 March 2021.

**Kevin Hollinrake** (Thirsk and Malton) (Con): I draw the House's attention to my entry in the Register of Members' Financial interests. I am very supportive of these measures. One of the risks to the housing market is the withdrawal by the lenders of high loan-to-value mortgages, especially for first-time buyers. We know that 90% and 95% loans can become a self-fulfilling prophecy that damages the market. Will the Minister do whatever he can to make sure that our banks support high loan-to-value mortgages throughout this time?

**John Glen:** I am grateful, as ever, for my hon. Friend's intervention. Of course, he has enormous expertise in this sector. He is right to say that there is a threat given the changes in the profile of LTV mortgages that are being offered. We hope that that will return to more of the normal schedule that we would have seen pre-pandemic. We will be actively looking at this, and I am in conversations with the banks and building societies about it.

**Siobhain McDonagh** (Mitcham and Morden) (Lab): Does the Minister agree that this is actually more than a threat for first-time buyers at the moment—it is a reality? First-time buyers are queuing online for websites of lenders in an effort to get the small number of 5% deposit mortgages. Providing more incentive to people who already own their own home or are part of the buy-to-let market effectively crowds out first-time buyers.

**John Glen:** I thank the hon. Lady for her point. I would look at it in terms of opening up the market, creating more churn and momentum that allows all participants to be able to get on the housing ladder.

The Government's cutting stamp duty land tax in this way will mean that nine out of 10 people buying their main home will pay no stamp duty at all, and buyers can save up to £15,000. In my own constituency, the average family looking to buy a home worth £349,000 will go from paying £7,450 in stamp duty to absolutely nothing. Indeed, this Bill will take most properties outside of London and the south-east out of stamp duty entirely.

The Bill is the latest in a long line of measures from this Government designed to support current and prospective homeowners in this country. Historically, stamp duty has been charged at a single rate on the whole purchase price of a property, with different rates for different value bands. The same rate of tax was charged irrespective of the number of properties owned

by the buyers. In 2014, the Government reformed stamp duty land tax on residential properties, cutting the tax for 98% of buyers who pay it, unless they are purchasing additional property. In 2015, the Government introduced the higher rates of SDLT, which apply on purchases of additional residential properties such as second homes and buy-to-let properties. Finally, in 2017, the Government introduced first-time buyers relief. This increased the price at which a property becomes liable to pay stamp duty, for first-time buyers, from £125,000 to £300,000, with a reduced rate between £300,000 and £500,000.

Together, these reforms have made the tax system fairer and more efficient. They have cut the cost of home ownership for first-time buyers, helping more than 500,000 families to secure a foot on the housing ladder. This Bill will cut the cost of home ownership further, at a time when personal finances are under considerable pressure. In doing so, it will inject new momentum into the property market, protecting thousands of jobs in both the construction industry and the wider economy.

This stamp duty cut is one of several measures in the Government's plan for jobs that will benefit families and businesses across the country. From September, homeowners and landlords will be able to apply for a green homes grant of up to £5,000 to make their homes more energy efficient. For low-income households, we will go even further, with vouchers covering the full cost up to £10,000. This, too, will support local jobs, as well as reducing carbon emissions and cutting energy bills for hard-pressed families.

**Craig Mackinlay** (South Thanet) (Con): I wonder if the Minister could clarify a couple of points. On the 31 March date, we all worry that this will end up being a cliff edge, as the date approaches. Will that be the date of exchange, which is usual, I think, in these matters? Is he not concerned about that cliff edge? For some people, for no reason of their own, late finishing of their property will mean they fall the wrong side, very expensively?

**John Glen:** I thank my hon. Friend for his point. We are in a situation where, if the transaction is substantially completed by 31 March, it will be able to qualify for the relief.

Almost four months ago, the Government took the extraordinary step of ordering businesses across the country to close for an extended and unspecified period of time. Millions of people put their lives on hold for the greater good, but now that the virus is under control, the time has come to reopen our economy. Providing infection rates remain low, people should be able to get on with their lives, wherever possible. There are few aspirations more important to the British people than home ownership, and this Bill will ensure that those looking to buy a family home will see their stamp duty bill disappear altogether. It is part of our plan to turn our national recovery into millions of stories of personal renewal. In doing so, it will stimulate the housing market, safeguarding many thousands of jobs and helping Britain to bounce back stronger than before. For all these reasons, I commend the Bill to the House.

5.47 pm

**Dan Carden** (Liverpool, Walton) (Lab): I welcome this opportunity to debate one of the key planks of the Government's summer economic update presented to this House last week.

As the Opposition, we have repeatedly said that we will work with the Government where we can to support people through a crisis the like of which none of us has ever known. That is exactly why we called on the Chancellor to abandon his one-size-fits-all approach to support for businesses and workers. It is why we called on him to recognise that this is a sectoral crisis that affects some areas of the economy much more than others, and it is why we called on him to come forward with a full back-to-work Budget that would really target Government support to those who need it most.

Instead, what we got was a limited statement that fell far short of grasping the scale of the challenge the country faces at this time of national crisis. We got blanket giveaways, such as the job retention bonus that risks handing billions of pounds to companies for employees who would have been brought back to work anyway. And we got this Bill, which the Government hope will get the housing market back on its feet and support wider economic growth.

Let me be clear from the outset that we do not oppose the principle of additional support for homeowners and buyers, and action to stimulate the housing market. Many people hoping to buy their first home or move home will have been stopped in their tracks by Government advice at the outset of this crisis not to move house—a measure rightly designed to keep people safe. Since then, those wishing to buy or sell have been trapped in a state of limbo for months on end. Many transactions will have collapsed during the hard lockdown period, with significant potential financial losses in conveyancing fees, solicitor fees and other costs involved in buying or selling a home. We understand those difficulties and uncertainties. The impact of the events of the past few months on house prices and on household incomes will mean that many people can no longer afford to move. Their dream home may now have to remain just that—an impossible dream—so it is right that we consider carefully how we can help them, but I do not think the Government have given careful consideration to the Bill or its impact on the housing market.

The Bill existed only in the Chancellor's mind a week ago. It is a Bill that the Chancellor did not intend to present to the House today; it was supposed to be part of the autumn Budget process later this year. We know that because the Government themselves told us—or at least someone in Government did. We only have to cast an eye back to *The Times* article last Monday on the Chancellor's plans for a

“Stamp duty ‘holiday’ to help rebuild economy”,  
to be introduced “in the autumn Budget”.

As is so often the case with this Government, whoever briefed the press about the plans had not read the small print. Had they done so, they surely would have realised that announcing a stamp duty holiday three months early would crash the housing market this summer. It was left to others to point out the flaw in the Chancellor's cunning plan. My hon. Friend the shadow Chancellor was quick to respond, saying:

“Even the possibility of a stamp duty change later this year”  
would

“shut down the housing market in one fell swoop.”

Helen Miller, deputy director and head of tax at the Institute for Fiscal Studies, called the plans “mad.” The former Member for South West Hertfordshire and former Chief Secretary to the Treasury, David Gauke, said:

“Even 2 days of speculation”

over such plans would be

“unhelpful but 4 months...would be hugely counter-productive.”

**Alun Cairns** (Vale of Glamorgan) (Con): I am interested in the theme of the debate the hon. Member is pursuing. The negative connotations that he presents apply exactly to the system that already exists in Wales. The Welsh Government have not yet offered any reduction in land transaction tax, in spite of their being given the resources by my right hon. Friend the Chancellor. Will the hon. Member therefore call on them to follow the model that is being pursued in this place? Or will he say that they should not do it and that people should remain—to use the hon. Member's phrase—in a state of limbo?

**Dan Carden:** I am grateful for that intervention; I will go through my argument and analysis of the Government's proposals in the Bill.

We do not know—perhaps the Minister does—who briefed what to whom last week, but the fact that the policy was leaked in advance forced the Chancellor's hand. Just a day after *The Times* article appeared, another one in *The Telegraph* said that the cut would be introduced “immediately”. Policy making by briefing is no way to run a Government; it is either clumsy or irresponsible, or another example of No. 10 advisers running roughshod over the Chancellor.

We would rather the Government focused their energies on helping those people trying to buy or sell their home in such difficult circumstances, which is why, rather than opposing the Bill, we want to probe the Government on who will benefit the most from it. We are concerned first and foremost about whether the Bill will target support at those who need it most. We have serious concerns about the cost to the Exchequer and whether it is justifiable in terms of the Government's other spending priorities.

We have serious questions about why the Bill includes significant support for second homeowners—plans that were slipped out by the Treasury after the Chancellor delivered his statement. We need to understand why the Government have decided, as my hon. Friend the Member for Bristol West (Thangam Debbonaire) said last week, to direct a huge bung to second homeowners, landlords and holiday-home buyers while millions of people are desperate for support. The provisions in the Bill are an unnecessary subsidy for second homeowners that will only worsen the housing crisis by reducing the supply of homes overall.

**Kevin Hollinrake:** Does the hon. Gentleman realise that 90% of the people who benefit from the change will be buying their main home, not a second home? Does he think it is a good idea to cut stamp duty at this moment in time? If he does, can he explain why, with the Conservative Government cutting it in this recession and having cut it in the first recession that I went through in 1992, the Labour Government did not cut stamp duty in 2008?

**Dan Carden:** Our amendment will be about getting to the bottom of exactly who benefits. The hon. Gentleman gives a statistic there and we have others. I will ask the Minister to explain why he thinks that a potential cost to the taxpayer of £1.3 billion for second homeowners is the right priority during a global pandemic.

**Matt Western:** My hon. Friend is being generous in giving way. That is the nub of the point, is it not? There is need to stimulate the housing sector but, as has been said, we need to look at every sector individually to see how it can be supported. Back in 2008, a huge amount of money was put behind manufacturing, and that is what is lacking here, and in what was announced last week.

**Dan Carden:** Of course this is about priorities for Government spending. Time and again, we have called on the Government to put forward a credible plan to build the homes that our country needs. We are also concerned about which parts of the country this Bill will benefit the most. The Institute for Fiscal Studies has said that first-time buyers might be made worse off by the changes.

As the stamp duty threshold for first-time buyers is already set higher—at £300,000—raising the threshold to £500,000 is worth comparatively less for first-time buyers outside London. In fact, it is possible that the Chancellor is removing one of the few advantages that first-time buyers have. Will the Minister comment on the IFS analysis and tell us: will first-time buyers benefit at all?

**Mike Wood (Dudley South) (Con):** Does the hon. Gentleman not recognise that, in order for housing supply to be available to first-time buyers, existing homeowners need to be able to move house to move up the housing chain? By supporting them to do so through these measures, it makes it easier for first-time buyers to get their first home.

**Dan Carden:** I heard someone say, “We need to build more houses” and that is absolutely correct. But of course, we support anything that stimulates the housing market and jobs in the supply chain thereafter.

Eight hundred thousand fewer people under the age of 45 own their own home today. This Government have been in power since 2010. Home ownership is at its lowest level in a generation. The Prime Minister has repeatedly pledged to “level up” the country. But the benefits of this cut will be concentrated in London and the south-east.

Estate agent Savills identified the local authorities that will see the biggest fall in tax receipts as a result of the change. Wandsworth, Bromley and Wiltshire will see falls of £40 million, £35 million and £29 million respectively. Rightmove estimates that the average saving in the north-east will be just £646, compared with £15,000 in London. Once again, the Government seem to be prioritising the needs of London and the south-east over those of the rest of the country.

**Andrew Griffith (Arundel and South Downs) (Con):** Will the hon. Gentleman give way?

**Dan Carden:** I will not because I want to make some progress. I know I am taking up a lot of the time in this debate.

The Government should be taking action to remedy the housing crisis, as part of a wider plan to solve the economic crisis, but as the Bill stands, we cannot be confident that it will do much at all for first-time buyers, never mind the millions facing a housing emergency. It may remove a disincentive to move house and temporarily increase transaction volumes, but of course house sales are currently depressed for other reasons, such as the difficulty of getting a mortgage, people not thinking that their job is secure and huge uncertainty about future house prices.

That is why we propose an amendment to help us to understand the full impact of this cut in stamp duty across the sector. It is a straightforward amendment, which will ensure that we get a clearer picture of how that stamp duty holiday will work for different groups. If the Government believe in transparency in policy making, they have nothing to fear by backing the amendment.

A change as significant as this should not be introduced without a mechanism for assessing how it works and who benefits most. When it comes to the housing sector, Government should be focused on the almost 5 million people in housing need across Britain today. We are in the midst of a housing emergency—an emergency created by decades of underinvestment in affordable social housing. The impacts are stark and have been exacerbated by the covid-19 pandemic, with many people forced to shield and isolate in wholly inappropriate living conditions. The Government should bring forward emergency legislation to provide protection for those who get into arrears as a result of loss of income during the covid-19 crisis. They should change the law to prevent no-fault evictions and change the law on arrears so that people in the rented sector—both social and private tenants—are given breathing space without the threat of eviction if they are unable to pay rent as a result of the crisis. Instead, millions fear the lifting of the ban on evictions on 23 August. Labour’s priority is in investment in social housing, not more support for second home owners.

6 pm

**Craig Mackinlay (South Thanet) (Con):** I warmly welcome this reduction in stamp duty land tax as part of the covid-19 stimulus provisions. The Minister has outlined very ably the stagnation that we have seen in the housing market over the past few months, with lockdown viewings obviously impossible. That has led to a very serious situation for conveyancers, solicitors, removal companies and all those involved in the supply chain of getting houses sold.

I very much welcome what is, actually, a simplification. We have gone down from six rates to just four. It gives us an opportunity to ask ourselves what is stamp duty land tax for and what is it doing to the residential market. We levy taxes in this country broadly for two reasons. Obviously, the first is to fill the public purse so that the public services that we all know and love—the defence of the realm, our policing, the NHS and everything else—can be paid for. We all realise that that tax cake has to be made up across myriad taxes, allowances and complications—a fairly mind-boggling number of them—and I am not sure that our 23,000 pages of tax legislation are much to be proud of. None the less, SDLT has proven itself to be a useful fill-up to the public purse,

and it has been increasing in recent years. The residential market for the last four quarters has provided £8.4 billion in SDLT receipts for the Treasury.

We often use nudge theory—the second arm of tax if you like—to change behaviour. We use taxes to change behaviour, and we saw that with the £300,000 threshold for first-time buyers, which was introduced in November 2017 to help and encourage people into their first homes. We have also used SDLT with the 3% surcharge that came into place under the higher rate for additional dwellings rules that was introduced in April 2016. It is difficult to see exactly what the effect of that higher rate has been because we do not have the equivalent data from before that change happened in the second purchase market. None the less, it was imposed for good reasons and we can discuss that. It was used to dampen down the potential buy-to-let market, allowing more properties to be available to those genuinely seeking owner-occupation. Of that £8.4 billion raised in SDLT over the past four quarters, £3.8 billion has been in that 3% higher rate charge.

The Government have also introduced other tough tax measures, such as limiting the higher rate tax relief for landlords on their interest payments. That has come in over a phased period from 6 April 2017. There has been a restriction of lettings relief, operative from April 2020, for those who used to live in their own home and have now rented it out and it has subsequently been sold. There has been a number of red tape increases, so, for many small landlords, the pursuit of having rental properties has been somewhat dimmed over the past few years—so perhaps these measures have had the effect. There is no doubt that the £300,000 first-time buyer limit has been beneficial in many areas.

We have therefore used SDLT, as a nation, to flex behaviour—to encourage what we perceive to be good behaviour and discourage what is perceived to be bad behaviour, and that is not uncommon across the tax system. We see high rates of tax on alcohol and cigarettes to try to discourage bad behaviour, but then we enter that debate about what is fair. What is fair in capital taxes? We have capital taxes on inheritance tax, capital gains tax and, obviously, SDLT. Are they simply measures to fill the Treasury pot? Are they designed to be penal measures? Are they designed to be redistributive measures? Obviously, there is a wide debate to be had about the suite of taxes that we have, and we probably have 650 different views in the House about what is fair and reasonable.

The reduction in SDLT, with the first £500,000 at 0%, has “nudge” written all over it, because it is deemed a good thing to encourage people to keep the housing market rolling round. The rates that were in effect have obviously been perceived as an impediment to the normal functioning of that market, so, very thankfully, SDLT has been removed for most people until 31 March.

I do not think it even needs stressing that property transactions create a lot of business activity. That is taxable business activity: the conveyancers; the estate agents; the builders; the VAT on DIY sales. Commonly, the kitchen or bathroom gets changed as one of the first measures, and the lids come off the tins of paint that are purchased elsewhere.

But have we created fairness? Is the progressive SDLT banding system, which is continuing, fair? Is it fair that someone who buys a certain type of property in Kent

pays more than someone who buys exactly the same type of property in, say, County Durham or elsewhere? They obviously face a higher charge because the value is greater, but then they are penalised for the property price because they enter a higher band. That unfairness is simply due to what could be called national and local planning failure over many decades. That extra SDLT has to be paid out of net salary that has been saved, or perhaps out of additional loans—or, for those lucky enough, from the bank of family.

Labour mobility will be really important in the future. I do not think we will see how important until this period of crisis with covid-19 is over. Employment will change and opportunities will change, and there will be a need for people to pursue jobs elsewhere. SDLT restricts their choice, because someone has to be not just a bit sure but very, very, very sure that the purchase they are making, with the incumbent SDLT, is really the right one. We dare not make a mistake when there are potentially fives or tens of thousands of pounds at stake.

I encourage the Chancellor, in his Budget later this year, to ensure that job mobility forms part of the tax system. Someone may have to rent a property elsewhere to test the area and the market, and they may have to rent out the old property that they leave elsewhere. Surely, there should be a tax relief on that new rent that they pay, against the rental income on the property that they had to leave to seek employment elsewhere. That could certainly be used elsewhere to help to nudge behaviour.

If we are going down the route of nudging through the tax system, let me suggest something that I have often proposed: downsizing relief for the elderly. Far too many elderly people are stuck in a property that is far too big for their current needs. They might have lost their partner, and they are now residing in a property that is simply too big. However, faced with the potential for a big SDLT charge if the rates come back into play after March, many older people will say, “Well, I’m simply not going to pay it. I don’t want to pay £5,000 or £10,000 just to move.” They will stay stuck in an inappropriate property, effectively blocking the bigger properties that many families are crying out for.

My message to Ministers today is that the new rates for SDLT should become permanent, for regional fairness, for job flexibility—that will be really important—and to encourage property transactions. We all know that property transactions create positive taxable work into the future, through either VAT or profits that are taxed through self-employment or a corporate regime.

My concern is that we are now creating a cliff edge. I think that, in the first weeks of April next year, we will all face stories of people who just could not quite get the job done before the cliff edge of 31 March, perhaps because a house that was meant to be built had problems or the builder was delayed; myriad issues could emerge. I feel very sorry for those who, for reasons not of their own making, will find themselves on the wrong side of that cliff edge date that we are creating. So I sincerely welcome these changes, but please let us make them permanent.

6.10 pm

**Matt Western** (Warwick and Leamington) (Lab): It is a pleasure to follow the hon. Member for South Thanet (Craig Mackinlay). I have some sympathy with several

[*Matt Western*]

of his points, particularly the one about the cliff edge. We must always be careful, when we introduce any sort of action to stimulate any market, to ensure that it does not have unintended consequences. However, I disagree with his points about capital wealth and growth. I have a fundamental view about earned income resulting from a person's labour: capital wealth and growth should have no advantage, in the form of a lower taxation regime, over income earned through labour.

The last economic crisis had a huge impact not only on the housing sector but on every sector. Many current Members were in the House during that time—I was not—and we need to understand what the learnings of that crisis were. One thing that we have clearly observed is the extraordinary growth in capital wealth over the past 10 years, and this is where I have a frustration. What I really wanted to see in the Chancellor's statement last week was a series of sector deals to address each market. Housing would certainly have been one of them, as would its associated industries, but I mentioned in my intervention just how important I believe manufacturing is and should be. If the Government's ambition is to level up, we need to know what is going to happen to our crucial and vital manufacturing sector, whether aerospace or the automotive sector. Those are the sectors that urgently need the Government's attention, because they are the ones that stepped up to the plate when required to do so. When the Government needed help—with getting ventilators and personal protective equipment manufactured, for example—it was our manufacturing sector that we turned to. Of course the construction industry plays an important role, and infrastructure investment is vital, but our manufacturing sector has to be there for us tomorrow, and that is where I want to see more urgent and substantial action from the Government.

Last week's announcement contained an array of measures, but I was disappointed that the Government did not extend the furlough scheme for longer. The hon. Member for South Thanet talked about the cliff edge in March, but I fear that the cliff edge that we are going to see in terms of unemployment over the coming weeks will be quite terrifying. I was also deeply disappointed that no support was provided for our steel industry, our aerospace sector and particularly our automotive sector, which I guess is the one closest to home for me in my constituency, where so many jobs depend on it.

This announcement on stamp duty is a terrific windfall for those who are thinking about buying or selling, but also for those who are already in the process of doing so. I have been speaking to people over the past week, and I have already come across several who have said, "This is wonderful! We were going to sell the house anyway." Now they will benefit from an average of £4,600. Of course, there is a huge difference between those who are going to sell their house and maybe get a benefit of £4,600 and those who are selling a property at around £500,000, who will suddenly get the benefit of an extra capital gain of £15,000. If this is supposed to be about levelling up, I cannot believe that giving an additional, enhanced reward to those who are already wealthy is really on the Government's agenda.

**Kevin Hollinrake:** The hon. Gentleman is aware that it is the purchaser who pays stamp duty, not the seller. This measure will make it more likely, when a person

puts their house on the market, that they will transact, sell it and move. That has a knock-on effect into the rest of the economy.

**Matt Western:** I thank the hon. Member—I would perhaps describe him as a friend—for that point. Yes, it is the purchaser who pays, but the person who is selling will probably be buying too, such is the chain of sales in the sector. I therefore do not see it as a one-off benefit. It will be a benefit throughout the chain.

I fear that this move is not in tune with the wider public mood. Actually, they want to see more support for those on lower incomes. Perhaps the £1.3 billion that would have been yielded could have been used to better purpose.

Looking at the relative inequality of the past decade, it seems we have not learned from the last economic crisis. That is underlined by figures from the Resolution Foundation, which show the change in median household wealth between 2008 and 2018. The average household saw a loss in wealth of 2% in the west midlands, 12% in the north-east and 13% in the east midlands, while in London the average household gained 78%.

For me, there is an issue with the second homes sector. Previously, a second home owner or buy-to-let landlord would have paid an additional 3% stamp duty surcharge, which would translate into a figure of 8%, rather than 5%. These changes mean that anyone looking to buy a second home at between £250,000 and £500,000 will pay just 3%. Coming back to a point that was made earlier, we need to know the scale of the issue. What proportion of transactions are for second properties? In the last 12 months, 34% of all purchases were made by second home owners. That has to be a concern, because it affects the market to the detriment of first-time buyers.

**Andrew Griffith:** I understand the hon. Gentleman's concerns about rewarding behaviour that was going to happen anyway, but does he accept that the identical criticism could be levelled at a scrappage scheme, which I believe he has advocated?

**Matt Western:** I understand the hon. Gentleman's point, but he will know that the automotive sector has been frustrated for many months. Many buyers in the automotive sector are holding off because they do not know whether they should be buying a petrol car, a diesel car, an electric vehicle, a hybrid or whatever. A lot of people have held off changing their vehicle because of the huge changes brought about by the transition in that sector. That is why it is important to the automotive manufacturing sector that we help buyers change their vehicle. All that is happening at the moment is that the purchasing decision is being stalled ever longer. It is not the same in the housing sector.

This £1.3 billion could have been used to fund local authorities, which are seeing a financial hit of £1.2 billion as a result of covid, and to help them through these difficult times.

The Institute for Fiscal Studies has concluded that first-time buyers may be worse off as a result of these proposals. The stamp duty threshold for first-time buyers is currently £300,000, whereas the average price of a property is just £208,000 across the country. That means that most are unlikely to gain from the hike in the threshold from £300,000 to £500,000.

**Rob Roberts** (Delyn) (Con): I am confused as to how the hon. Gentleman draws the conclusion that somebody will be worse off from paying exactly the same as they otherwise would have done. The hon. Member for Liverpool, Walton (Dan Carden) said exactly the same thing—that first-time buyers will lose out. They will not lose out. They were exempt before, and they will still be exempt. It is poor form on his part to mislead first-time buyers into thinking that they are being penalised in some way by this measure.

**Madam Deputy Speaker (Dame Rosie Winterton)**: I hope the hon. Gentleman is not accusing the hon. Member for Warwick and Leamington (Matt Western) of misleading anyone.

**Rob Roberts**: Certainly not, Madam Deputy Speaker.

**Matt Western**: Thank you for your help in clarifying that point, Madam Deputy Speaker. What is happening is very simple. The hon. Gentleman is suggesting that there is an advantage that there is certainly not, because what will happen is that those who would have gained the benefit—in other words, those who are below the threshold—will see others who can afford a higher cost pay more, therefore possibly precluding them from purchasing a property. As a result of this measure, I think we will see higher house prices and higher rents. At a time when there is pressure on wages and probably a significant spike in unemployment coming up, that is a real concern. I also think that the benefits will be felt more in the south-east and London.

There is a huge squeeze on the availability of mortgages right now. I am not sure to what extent the hon. Member for Delyn (Rob Roberts) is familiar with it. I am not hugely familiar with it—I will be open and honest—but my understanding is that the availability of mortgages is under pressure. First-time buyers are struggling to get hold of mortgages, for which they need a much higher deposit than they would have needed three or six months ago. They are now looking for a deposit of 15%. Back in my day, it was possible to get a mortgage with a deposit of a couple of per cent., or maybe even 0%, such was the need to get the housing market going at the beginning of the 90s.

The handling of this has not helped. Clearly there was a need for sectoral schemes and stimulus to help the wider economy, but this seems to have been rushed out. These advantages for second home owners, buy-to-let landlords and so on seem to have been slipped out after the Chancellor's announcement. I do not think that this will be to the benefit of first-time buyers, and that is a massive disadvantage of the whole scheme. It will potentially worsen the housing crisis, and I echo the point made by the hon. Member for South Thanet: there is a real risk of a cliff edge come the end of March next year.

I would like to see these moneys being redirected into social rented council houses, because we desperately need to address this crisis. That would have been terrific. I am not sure that the public will really welcome this, because it is a short-term benefit, and there are much wider issues in the economy that need to be addressed. I urge the Government to rethink this strategy and bring forward measures for the wider economy—particularly, as I keep saying, for the manufacturing sector.

6.23 pm

**Sara Britcliffe** (Hyndburn) (Con): The measures that the Government recently announced are an enormous leap forward to get our country up and running again. This pandemic is threatening so many jobs and livelihoods, even in my constituency of Hyndburn and Haslingden. The past few months have been necessary to save lives, but now we need to look to the future and how we can kick-start the economy.

The toils of buying a property are numerous and have been experienced by many. They include working with estate agents, solicitors, mortgage brokers, surveyors—the list goes on. This Government are making it easier and less expensive for buyers who might have been put off purchasing due to uncertainties in the market. Removing stamp duty will save people thousands of pounds—moneys that they can invest in their local economy, which this Government are pushing everybody to do.

According to *The Guardian*, which I admit is not my usual morning read, Accrington has been recorded by property website Zoopla as among those receiving the most property inquiries in the country since lockdown. People are, very understandably, looking to move to my constituency or relocate locally within Accrington. Either way, the scheme is good news, as many properties will become more affordable thanks to the temporary removal of stamp duty. I am dismayed that the shadow Minister expressed disapproval at our cut to stamp duty—a policy that will put more money in the pockets of hard-working families.

The Conservative party's priority is clear: create and protect jobs, and support people in finding the ones that are out there. By kick-starting the housing market and boosting confidence, we will drive growth and create jobs. As the Prime Minister's new deal confirms, a £12 billion affordable homes programme will support up to 180,000 new affordable homes for ownership and rent over the next five years. That builds on the 464,500 new affordable homes built since 2010 and opens up thousands of new jobs.

I am proud to have had the opportunity to speak in this debate, as this plan will give confidence to new buyers and those moving up the property ladder. I thank the Treasury on behalf of those in my constituency benefiting from this scheme. I also thank it for the tremendous work it has done during the pandemic to save jobs and livelihoods across Hyndburn and Haslingden, for which many are eternally grateful.

6.26 pm

**Siobhain McDonagh** (Mitcham and Morden) (Lab): I rise to speak not as somebody who opposes owner occupation but as somebody who celebrates it. I am new Labour to my core. I want choice and opportunity for all, and this stamp duty measure does not do that. Members would have to believe that we have a perfect housing market in which supply matches demand, but we do not have enough properties of any tenure—whether to rent, buy or socially rent. This measure will squeeze out the people we all want to benefit.

Who benefits from this measure? People in London. Who does not benefit? People in the north-east and the north-west, who already do not pay those levels of stamp duty.

**Miriam Cates** (Penistone and Stocksbridge) (Con): Will the hon. Lady give way?

**Siobhain McDonagh:** No.

The measure allows us to believe that we can change the housing market by tinkering at the edges, but we know that tax forgone is money that cannot be spent on something else.

Owner occupation has reduced since 2000 from a height of more than 70% to 62%, while private renting has gone up by 20%. People aged between 35 and 44 have seen a three times increase in their private rents. I say to hon. Members, from a south London perspective, that no good comes from that. The families I see in private rentals will never escape into owner occupation, as I and my parents had the opportunity to do.

The only way to solve the housing market is by building more homes of all tenures—renting and buying. It is not just me, a Labour MP, who believes that. Sir John Armitt, the chair of the National Infrastructure Commission said only last week that the planning system was not the main obstacle to affordable homes and that there was no point hoping

“somebody’s going to decide that they’re going to build lots of homes, even though there isn’t a market for the homes or they’re not going to make a profit... The last time we built 300,000 homes plus was in the 1960s and 1970s, 50 per cent of those were private sector homes, 50 per cent delivered by local authorities... To get to 300,000 personally, I don’t see how we get there in a meaningful way without some sort of government intervention with local authorities, or with the housing associations, to deliver more affordable homes on a large scale.”

When first-time buyers come to us as Members, they will talk to us not about the fact that stamp duty is going up, but about the fact that they cannot get a mortgage: that the banks and building societies are requiring deposits not of 5% or 10%, but of 15% — increasing deposits, and at increasingly high percentages to get those mortgages. Let us contrast that with the situation for private landlords: a bank is more happy to lend, as they have more equity and more money, so they are a safer bet.

With an employment market that is going to be so difficult in the autumn, and with young people being disproportionately impacted by losing their jobs, there is a real problem. I say this not to score political points, but because I am personally worried that the divisions in our society will undermine our society. If we make it harder for people to own, they will resent those who do so. If young people cannot get on to the property ladder because they cannot save or keep enough to pay their rent and also save for a deposit, they will resent their grandmother or grandfather for their ability to live in their house, and that does not help anybody.

I would like to end by talking about the people who cannot even be part of this debate, who come to my advice surgery, as they probably go to other Members’ advice surgeries: people who are living in one room in a shared house with their children. I do not know whether it is a London or south-east phenomenon, but I wish others could join me on a Friday to talk to people who work as carers, in shops and in the hospitality trade, and who are disproportionately from black and ethnic minority communities, who have their family in one room and share that house with perhaps four or five other families. Not for them the ability to protect themselves

from coronavirus by using their own bathroom and having access to their own kitchen; they are never, ever going to have a bathroom and kitchen of their own, in the 21st century.

These are people who strive and work, who get up early in the morning, who come home late at night to earn what none of us would go out to work to earn, and who live in conditions that are truly appalling. These people will never get access to housing because their landlords are not going to evict them. Their landlords are making loads of money from them, so why would they evict them? Nevertheless, if we want these people to believe that there is hope—that there is a better future, that there is a reward for work—we must give them some opportunity to buy their home or rent a decent place at a price they can afford.

We talk about mortgages that are two and a half or three times people’s salaries. I see people who are paying 70% or 80% of their take-home pay to keep their accommodation. Their hopes for their kids and their hopes for their futures are dampened. We can all pretend that this does not matter, that we live in a stable society and that it will be okay, but it will not be okay, because coronavirus has shed so much light on how unfair and unequal our society is, and those of us who have are threatened as much by that as those who do not have, because we cannot sustain a democracy in that environment.

So this stamp duty measure is, in the overall picture, a small issue, but if it goes to those who already own their home or want to buy a bigger and better home at the expense of the young people trying to make out in life, we will all suffer. We need to look at this situation and be broad-minded and ask how we solve this problem forever.

I want to leave Members with a statistic. One in 10 adults in this country owns a second home while four in 10 adults own no home. That is not a sustainable future for our country, for our democracy or for the families in that position.

6.34 pm

**Virginia Crosbie** (Ynys Môn) (Con): I have to declare that I have first-hand experience; I was helped to buy my first flat in the 1990s when the Chancellor was Nigel Lawson and the Conservatives introduced a stamp duty holiday then. My flat was tiny and it was right on the top floor—there was no lift—but it was my own.

In the wake of the covid-19 lockdown across the UK, many sectors are facing significant challenges, and the UK Government have done and continue to do much to help across the board. My constituency, like many coastal communities in the UK, has been particularly badly hit because it is highly reliant on tourism income. The UK Government have provided a range of support to help people survive the impact of the crisis, through stage 1 of their recovery plan, from furlough payments to resilience funds. Stage 2 of the plan encompasses a number of different packages to support the economy as we emerge from lockdown, including the kick-start scheme to help 16 to 24-year-olds into employment by paying the first six months of their wages and the stamp duty land tax temporary relief that we are debating today.

Coastal communities such as mine, which are highly tourism dependent, face two significant housing-related challenges as we emerge from lockdown. The first is the

challenge of a significant downturn in direct income due to the shortened holiday period this year, which will have an impact on the ability of local people to pay mortgages and to purchase property. The second, more hidden issue relates to holiday homeowners. In some coastal areas, the level of second home ownership is high. Many of these owners have been hit by having no holiday rental income, while being expected to pay higher premium council taxes and potentially having reduced income from their primary employment. That brings a risk of a surplus of properties coming on to the local market, resulting in a localised property price crash. That is one issue the Bill will help to address. It will give a much-needed boost to the housing market by significantly reducing the stamp duty on property purchases, and the Chancellor's decision to offer this temporary relief at a time when it is so needed will make a great contribution to restarting the UK economy.

I wish to end by thanking the Treasury and welcoming the Bill. I urge the Welsh Government to follow the example set by the UK Government and introduce a similar scheme in Wales, to stimulate the housing sector, so that my constituents and those all across Wales can be supported at such a crucial time.

6.38 pm

**Sarah Olney** (Richmond Park) (LD): I should declare an interest, in that I moved house earlier this year, about four weeks before lockdown started, when the purchase of a family home in a constituency whose house prices are significantly above average meant that I paid a fair chunk of change in stamp duty. Given that this year, more than any other, we have all had cause to be grateful for and celebrate our public services, I am glad to have made that payment and to have been able to support our NHS in such a way. Having had that experience, I have had a lot of thoughts about stamp duty as a tax, not all of them supportive, as I do not think it is a very fair or efficient tax. As the representative of a constituency with considerably higher than average house prices, it is a tax that affects my constituents far more than most. However, I am standing here today to oppose this cut, because in the current circumstances I have to ask: is this the best use of the £3.8 billion that the Chancellor will lose in revenue as a result?

I have heard from estate agents in my area—again, we have a reasonably healthy housing market in Richmond Park—and they are telling me that, even before the announcement last week, they were beginning to see a healthy return of interest from potential buyers. I am sad to say that that is probably because, as we know, the three drivers of the housing market in normal times are death, divorce and debt. I do not need to explain to anybody here, because they will all have seen it in their constituencies, why those three particular drivers of the housing market have been so prevalent this year and will continue to be so next year.

I am not entirely certain that the housing market is the sector we really need to be supporting with our tax revenue at this time. As I say, even without the stamp duty cut announced last week, we were already starting to see the revival of the housing market and all those associated industries that the Minister mentioned in his speech—the solicitors, the removal firms and all the construction firms such as plumbers, bathroom fitters and associated industries. They were already starting to

come back, and there is huge pent-up demand from people like me. I bought a house in February with the intention of doing it up, and I have to tell the House that this has been a very frustrating three months for me: I really want to get a new bathroom very soon, and I plan to do so.

I am not certain that the housing market is the market that really needs supporting at this time. I am not certain that the construction market and the other markets that the Minister referred to are the best uses of this money. I pay tribute to the hon. Member for Mitcham and Morden (Siobhain McDonagh) and support what she said. When we think about the individuals who are most in need of Government support, it is not those who are able to secure mortgage finance. In the mortgage market, people have to have a fair amount of money already in the bank to put down a deposit, but they also have to have a reasonable expectation of future income in order to be able to service a mortgage.

I think we can all agree that unemployment undermines the housing market more than anything else—more than the need to pay stamp duty. We all know that because we saw it last week—even the day after the Chancellor's statement, we saw some of our major retailers announce job cuts—and we all know that there is more to come. That, far more than anything else, is going to undermine our housing market and with it all the sectors the Minister mentioned.

We know that unemployment is the biggest drain on our economy, and we all know that there have been sectors and individuals that have struggled far more than others during this time. I just want to draw attention again to that group of people—we estimate there to be about 3 million of them—who were left out of all plans for support. As summer turns to autumn, when their mortgage holidays end or when their landlords are no longer barred from evicting them, they face real fears about how are they going to pay their mortgages or rents, as well as about the businesses they set up or the new jobs they accepted at the beginning of this crisis. In my constituency, I have a lot of people who were on contract work. All that has fallen away, and they have had no income now for months and months.

**Jacob Young** (Redcar) (Con): Would the hon. Lady concede that those people she is talking about are exactly why we need to get the housing sector going again? Those self-employed people who work as plumbers and electricians, who may not have been eligible for some of the support the Government offered, are the reason why we need to do this.

**Sarah Olney**: No, I would not concede that, and I will tell the hon. Member why: it is because we are talking about sectors that are not going to be improved or helped by a revival of the housing market. A lot of people in my constituency are working in the creative industries, for example.

**Siobhain McDonagh**: I am not sure whether the hon. Lady saw the article in *The Sunday Times* yesterday identifying not only first-time buyers as people having problems in securing mortgages, but self-employed people, because of banks and building societies being concerned about their future incomes.

**Sarah Olney:** I thank the hon. Lady for making the point better than I could, in response to the hon. Member for Redcar (Jacob Young), because it is precisely that: uncertainty about people's futures is the biggest barrier to their securing the kind of mortgage finance they will need to purchase a house, stamp duty or no stamp duty. That is the absolutely crucial point, and it is why I am asking the Treasury whether it thinks the £3.8 billion could have been better spent.

To refer back to those self-employed people, some of them could have been helped. Some people have benefited from the furlough scheme and have been entitled to up to £2,500 a month. Some of our self-employed people have missed out on support, but they could have had that £2,500 a month for three months: we could have helped 500,000 of them with the £3.8 billion that we are spending instead on this stamp duty holiday. That is really important because, apart from anything else, we are talking not just about self-employed people, but about company directors and people who have set up recently, and they are the people who will be creating the jobs of the future. They will be the engine of this recovery. They are looking at the new opportunities available in the post-coronavirus world, and they have the energy, enthusiasm and the get-up-and-go to start rebuilding business and our economy in a way that I believe would have happened anyway with our housing market. By not helping those people, we limit the prospects of new business, which is the engine of new jobs, and we destroy livelihoods. That will stimulate the housing market because those people will now have to sell their houses because they cannot pay the mortgages that they secured on them. I do not believe that that is quite what the Minister had in mind.

Above all, the feeling among so many self-employed people and company directors that I have been speaking to is that we have undermined their confidence, and that will ultimately be the biggest impact of this. They thought that that this was a Government who prized entrepreneurship, supported small businesses and wanted companies to thrive, and I am so disappointed, after everything that has been said in this place by so many MPs across all parties. My hon. Friend the Member for Caithness, Sutherland and Easter Ross (Jamie Stone) set up his all-party group on this issue last week and has 200 MPs representing their constituents who have been excluded. I cannot tell the House how disappointed I am that after all that, the Chancellor of the Exchequer came to the Dispatch Box last week and announced this stamp duty cut instead of proper, real support for the people we are going to be depending on in the weeks and months to come.

However much I personally feel that stamp duty is a bad and wrong tax, I still say that the £3.8 billion could have been better spent at this time, and I am really disappointed that the Government did not take that opportunity.

6.46 pm

**Jacob Young (Redcar) (Con):** It is a pleasure to follow the hon. Member for Richmond Park (Sarah Olney). As has been discussed, housing is one of the sectors that has been worst hit by coronavirus, so I welcome the Bill on the back of the Chancellor's announcement last week to temporarily cut stamp duty. This measure will go

a long way to bringing back confidence in the property market and starting to drive growth in that sector once more. Property transactions were down 50% in May this year compared with last May, and this is the right way to kick-start sales again.

At the heart of this decision are jobs, because buying and selling homes creates jobs and economic activity, whether that is the estate agents, solicitors, mortgage advisers, surveyors, removal companies, electricians, builders, joiners, plumbers or painter-decorators. One house sale can make a huge economic ripple, which is why this intervention is so important. I am proud that the Government have delivered an unprecedented level of support for businesses and self-employed people throughout this pandemic so far, but we must now move on to the next phase of getting back to trading and creating jobs, and we must do so in a way that keeps people safe.

As we progressively get back to business, cutting stamp duty is part of a package of measures that will help our economy to get back on track. Thanks to this measure, 90% of the people buying a main home this year will pay no stamp duty at all. This will give thousands of families across the country the necessary incentive to buy or sell their home. Whether they are moving on to the property ladder or moving up, selling their home or renovating, this activity will create jobs—the jobs that we need to recover from this crisis.

We should also keep in mind that stamp duty is an important source of revenue for the Government, and when so many people are relying on public money for the duration of this crisis, it is important that we find ways of unburdening the public purse. That is why, as well as supporting existing jobs in the housing sector, we are taking this opportunity to build on top of that and deliver even more homes and create more good-quality, sustainable jobs.

Long-awaited reforms of the planning system will make it easier for landlords to convert existing commercial property into housing and further stimulate the market, and our new green homes grant will mean that new home owners can increase the energy efficiency of their homes, creating more jobs for people who work in home improvement.

As a result of the pandemic, some aspects of our economy will change permanently, such as our approach to working from home. More sectors have gone into standstill and require a restart. We are all aware of cases in our own constituencies where tradesmen in the housing sector have not been eligible for support through the self-employment income support scheme or the coronavirus job retention scheme. Getting the housing market restarted is vital to their livelihoods, as I mentioned to the hon. Member for Richmond Park. This is our cause: to protect, support and create jobs.

Cutting stamp duty is not a bung for homeowners, as Opposition Members would say; it is about the hundreds of thousands of jobs that rely on a thriving housing market. Much lies ahead of us, and this could be the most challenging phase of our recovery yet. However, I have every confidence that with a gradual approach and temporary, focused support from the Government where needed, we can not only recover but thrive in a new post-covid economy.

6.50 pm

**Tim Farron** (Westmorland and Lonsdale) (LD): It is an honour to follow the hon. Member for Redcar (Jacob Young), who made some interesting points about this move. Although, as Members from all parts of the House have said, there are other things we could do with the money—there is an opportunity cost to spending it—there is no doubt that it will make a difference to the economy. The buying and selling of properties has a knock-on effect and creates a multiplier, and that will create some movement. It is worth saying that that does not mean it is the best use that could possibly be made of this money, but given that the Chancellor and the Prime Minister have discovered a veritable rainforest of money trees, this may be a good use for a few of them.

For the good that the measure will do—it is important to concede that—what it will not do is to rise to the challenge of the United Kingdom’s general lack of affordable housing. It has been going on for some time, and this represents a failure to grasp the nettle. I am sure Members will know that Crisis and the National Housing Federation have together come up with a conservative estimate that the UK needs 145,000 new affordable homes per year, 90,000 of which need to be social rented. Shelter takes the view—I think it is nearer to the money—that the number is closer to 300,000. Either way, we need a minimum of 90,000 additional social rented homes a year. The Government will deliver 3,500 this year, but there are just over 3,000 on the social housing waiting list in my constituency alone. That is the scale of the problem, and this measure does not help—it does not hinder, but it does not help.

**Mike Wood:** Does the hon. Gentleman recognise that what probably will help is the £12 billion affordable housing programme announced in the Budget only four months ago?

**Tim Farron:** Potentially—although, to go on a little diversion, we cannot build houses of any kind whatsoever without a workforce. One thing that I wish the Government would take seriously, in looking at their supply chain and the means of reaching their targets, is that we are something like 40% below the workforce required to construct even the Government’s existing programme of development. By the way, the Immigration and Social Security Co-ordination (EU Withdrawal) Bill, which we debated the other week, will take that down by another 9%. The Government can announce whatever big numbers they like, but they cannot press-release their way out of a recession; they have to plan their way out of it. There is a lack of long-term or even medium-term planning, but it is better to spend that money than not, and I concede that it will do more good than the proposal that we are debating.

I represent a constituency where we have, bluntly, London house prices without London incomes. The average household income is about £25,000 a year, and the average house price across the constituency is about a quarter of a million. In the Lake district and the dales, which make up more than half the land mass of my constituency, we are looking at an average property price of more like £400,000. Put bluntly, the average person in my constituency is stuffed when it comes to buying a home, and this measure will not help. We lose one in three of our young people, never to return, for

this very reason. Long-lasting, real action is required as well as something like this, which I am sure will give a short-term and necessary boost to economic activity.

I agree with the Town and Country Planning Association and the Nationwide Foundation that we need to redefine what affordability is. We talk about affordability as a percentage of market rent when actually we should be talking about affordability in terms of how it relates to people’s incomes, obviously, because that is what makes something affordable or otherwise. This and previous Governments have used “affordable housing” as a term that is utterly meaningless to the majority of people who are supposedly in the market. Let us take this opportunity to do something radical.

I also agree with the Town and Country Planning Association, and with Shelter, when they say that one of the most useful things that we could do—and since we are in this mood for swift and radical legislation that will make a difference, let us grab the moment—is to reform the Land Compensation Act 1961, which currently fixes the hope value of land at a level based on what would be the most lucrative value of that land rather than pegging it at the actual value of the land. That inflates land prices, inflates house prices, and stagnates the market. If we wanted to reduce the cost of land, reduce the cost of housing and therefore make it more affordable, make sure that every home is zero-carbon, which the Government should also be doing at this time, and make it more likely that land will come forward to be built on in the first place, that is the one thing we would do: it is close to being a silver bullet. In this time of swift legislation and passing whole Bills in a matter of hours, that is what we should use one of these slots for. Radical change is important, and we in this House have the opportunity—and, I think, the mood—to do it.

We should also be reforming viability assessments and preventing developers from changing the goalposts after they have been given planning permission. I want to see developers forced to deliver not just zero-carbon homes but homes that are genuinely affordable, and not then going over the field, digging up a few rocks, and saying, “Oh, I’m sorry, I can’t afford to do the affordables anymore.” This is an opportunity for the Government to make sure that any new building that takes place, and such as I trust will take place, will deliver homes that people can actually afford.

As has already been said by my hon. Friend the Member for Richmond Park (Sarah Olney), who made a really good and important contribution, this move will not help any of the people facing financial ruin, such as the one in four in my constituency who work for themselves, many of whom are directors of small limited companies, newly employed people or new starters. They are the entrepreneurs we need to rely on to build back for our country and to build our economy, and they have been excluded. As she said, we had the launch of the all-party group last week with 200 Members there, many of them Conservatives. My message to friends and colleagues on the Conservative Benches is: this is your moment to put your money where your mouth is and to stand up for those 3 million excluded people in this country, and to say that the Chancellor must back them, because they are not in a position to consider whether they are going to move house; they

[Tim Farron]

are in a position of wondering whether they can afford to feed their kids. This is the time when the Chancellor must act.

Just as distressing for us in south Lakeland is the bonus that is being given to people who own second homes. I want to be very clear here: I am not talking about holiday lets, which are crucial to the tourism economy in the lakes and the dales and elsewhere, bringing in visitors who spend their money locally. Holiday lets are part of a tourism economy that is worth £3 billion a year and more, and employs 60,000 people in Cumbria—our single biggest employer—so it is vital that we support that industry. I am talking about homes owned by people as a second property that they visit maybe a few times a year—and good luck to them. I want those people to feel welcome: this is not a personal slight on them. But as somebody who lives among these communities, I cannot deny the evidence of my eyes, which is that excessive second home ownership kills communities. When 50% of the homes in Coniston are not lived in all year round, of course that is one of the reasons why the schools in that community do not have the numbers they would otherwise, of course it is a reason why bus services shut, and of course it is a reason why shops, post offices and others struggle. That is why this boon and bonus to second home owners is an insult to people in the lakes and the dales—the local people struggling to get by there—and why this should be an opportunity not to give these people an additional incentive to take homes out of the local market, but to tackle the incentives that currently exist.

Some 18 months ago, the Government concluded a consultation on whether they should close the loophole that allows second home owners effectively to pretend that the home is a business and therefore avoid paying any tax whatsoever. In the 18 months since—I accept that it has been a busy 18 months—naff all has happened. The Welsh Assembly Government closed that loophole and did so effectively. Why will the Government not take the opportunity to do that and help constituencies like mine? That loophole needs to be closed.

In summary, I am deeply concerned about this proposal. It will do some good and I can see the economic arguments for it, so we will not formally oppose it when it comes to any Division, but we must understand what it is and what it is not. It will increase demand, but among those it will help are those lucky enough to have multiple homes. It does not help those who are desperate to put food on the table and pay the rent. The Government are not helping the excluded and this was the chance to do that. The proposal has some economic value. It will help to kick-start the economy in the short term and that is welcome insofar as it goes, but it is a scattergun attempt to build back quicker, not build back better. If we do not build anything new either, it is simply a case of “buy, buy, buy”, not “build, build, build.”

7 pm

**Miriam Cates** (Penistone and Stocksbridge) (Con): It is a pleasure to follow the hon. Member for Westmorland and Lonsdale (Tim Farron), who made a very passionate speech.

The health of our housing market is an indicator of the health of our whole economy. Buying a property or moving house does not just involve the exchange of

money and the transfer of deeds; it supports other associated industries, as has been said widely already, and a large number of jobs in many trades such as plumbers, builders and electricians. During the acute phase of covid-19, many sectors of our economy were forced to grind to a halt, including the housing market, where in May 2020 property transactions were down by 50%. Other sectors have received welcome relief on a sectoral basis from the Government’s measures to boost our economy, such as grants for the retail, leisure and hospitality businesses, and the eat out to help out scheme, which was announced last week. The housing market also needs a stimulus to catalyse its restart, so I welcome the temporary relief to stamp duty land tax, which will do just that.

In normal times, when the market is in equilibrium, stamp duty should be paid just like any other tax. Right now, however, as we emerge from a period of sharp decline in housing sales, the market is far from equilibrium and it is right to take most property purchases out of stamp duty to encourage transactions to return to normal levels. A cut to stamp duty is, of course, a response to the covid-19 economic slowdown, but it is also the first of many measures that the Government will introduce to fix our housing crisis. Any action to reduce the cost of moving will be welcome to my constituents in Penistone and Stocksbridge where, as elsewhere in the country, many local people cannot afford to own their own home or to move up the property ladder as their family grows. Parents and grandparents are worried that the next generation will not be able to afford to stay local and will instead have to leave our towns and villages and our wonderful communities.

The measure we are debating today will provide a welcome short-term reduction to the cost of moving, but it will also encourage older people to downsize, releasing larger properties for growing families. The hon. Member for Mitcham and Morden (Siobhain McDonagh) rightly said earlier that there are many properties outside London and the south-east that may not necessarily benefit from the cut, but even though the average house prices are a lot less—in Penistone and Stocksbridge I think the average house sale last September was £172,000—there are always, at the top of the chain, properties that are subject to stamp duty land tax. They are often the properties that are the hardest to shift and take the longest to sell. Any reduction in the price of those properties to get them moving and get them shifted will affect the whole chain right down to the bottom to the first-time buyer.

As well as a short-term measure to restart the housing market, there is strong consensus across the House that to fix our housing market in the longer term we must build more homes. I am pleased, therefore, that the Government intend to bring in reforms of our planning system that will enable more houses to be built more quickly. That is particularly necessary in cities like Sheffield, where the local authority still has no local plan, or even a draft local plan, which means there is no evidence-based understanding of or consensus on where and what types of housing should be built. That puts greenfield sites in danger when brownfield sites are still available.

We need to increase the supply of housing and evidence suggests that we need to build over 300,000 new homes each year, both to keep up with demand and to address

the backlog. We are all aware that there has been a sharp increase in the number of young people who are living with their parents—a rise of nearly 50% in 20 years. As has already been said, in many cases that is because not enough affordable homes are available. The Government's housing reforms and the Prime Minister's £12 billion affordable homes programme will rightly address that issue and give young people the opportunity to own their own homes, with all the benefits of security, pride and a feeling of rootedness that home ownership brings.

I take a moment to consider another less welcome reason for the increase in demand for housing. Over the past two decades, the number of people living alone in the UK has risen by 20%, and the number of 45 to 64-year-olds living alone has increased by 53% over the same period. One of the principal reasons for the increase is the number of middle-aged men who live on their own, largely as a result of relationship breakdown. When marriages and partnerships end, one household becomes two, property costs can double, children no longer have the benefit of both parents under one roof, and, for those adults left living alone—often fathers—loneliness and its associated effects on wellbeing can follow.

Inevitably, of course, not all marriages and cohabiting relationships will last. When there is irretrievable breakdown, new households must be formed, but if relationship breakdown is one of the key drivers for housing demand, we must address the causes of such breakdowns, not because of the impact on housing but because of the impact on people. Relationship breakdown is costly—emotionally, psychologically and financially—and it has a huge impact on children. As we look to address one of the UK's greatest challenges—a lack of housing—let us also focus our efforts on addressing another one and consider how Government, local authorities, the voluntary and faith sectors, and local communities can better support couples and families to stay together.

Throughout the crisis, my right hon. Friend the Chancellor's timely measures have acted as a shock absorber, lessening the impact of the most significant economic event of modern times. The temporary relief on stamp duty will give the housing market a much needed boost and pave the way to deeper, more long-term and more holistic reforms to end our housing crisis.

7.7 pm

**Antony Higginbotham** (Burnley) (Con): Throughout the coronavirus pandemic, this Government have been committed to protecting people's livelihoods, whether the help was to workers, the self-employed or businesses large and small. In my constituency, we have all appreciated that support. Today's debate on changes to stamp duty is about yet another measure that the Government are taking to ensure that as we start to recover, people up and down the country are given the confidence they need to get things back up and running.

The housing market is vital to the UK's prosperity, and I wholeheartedly welcome the plan to temporarily increase the threshold. For my constituents who want to buy a house, be that in urban Burnley or Padiham, or rural Worsthorne or Cliviger, that means a saving of hundreds of pounds on a semi-detached property, or thousands of pounds on a detached property. That means more money in the pocket of the hard-working families across my constituency who are looking to

upsized as their family grows, taking almost every house purchase in Burnley out of the stamp duty bracket completely. If ever there was a time to ensure that people keep more of the money they earn, now is it. We have always been the party of opportunity, aspiration and low taxation. Through this measure, we deliver on all three, protecting jobs in the process.

Over recent years, we have been tackling the issue of housing supply through schemes designed on the Government side of the House, including Help to Buy and through reform of the planning system, but this crisis has brought a new challenge—a challenge of demand. House sales have plummeted rapidly, and it is clear from this Bill that the Government are committed to taking action. It will give homebuyers the confidence to buy again.

The challenge of supply remains. The laws of economics say that that will remain the case unless action is taken. Only by getting buyers buying again will we get our builders building again, our roofers roofing again, our electricians electrifying again and our joiners joining again. Getting people back to work, is what “jobs, jobs, jobs” means—getting people back to work by stimulating the economy. For that reason, I will support this tax cut and the Bill.

7.9 pm

**Saqib Bhatti** (Meriden) (Con): I am speaking in favour of this relief of stamp duty because, as we all know, housing is a huge element of our economy. Making it easier to buy and sell will lend our economy a much needed boost across the board. The housing market, like the rest of the economy, has endured a huge shock, with the first fall in house prices in eight years and the number of transactions falling by 50%. We all knew that was going to be the case, but the case for intervention was also clear.

Real estate in the UK is the cornerstone of our economy. Housing stock is worth more than £7 trillion, and the real estate sector is responsible for tens of thousands of jobs. For many homeowners, confidence and security in the worth of their homes allow them to feel secure in how they live their lives. Housing is not just bricks and mortar, but the stable anchor that creates the foundation for our lives. Stimulating the housing market will boost confidence throughout our economy and create jobs.

I welcome the continued commitment to remediate brownfield sites, which will mean that more land becomes available, increasing supply while alleviating pressure on our green belt. This cut will protect, support and create jobs, from estate agents and surveyors to builders and manufacturers. Along with the green homes grant, the Government are providing the housing sector and homeowners with some welcome assistance and support, as we make our way to recovery as a nation. It will mean less money paid in tax and more money in the pockets of those who may want to spend it in other parts of the economy. More homeowners, fewer taxes, more security—that is a fundamentally Conservative solution to one of the biggest crises in a generation.

Economists like to make predictions, and normally I am cautious of such forecasts, mostly because ultimately our economy is made up of people. It is not just numbers and theory, but individuals who behave in ways that spreadsheets and graphs cannot always predict, and I

[Saqib Bhatti]

say that as someone who spent most of their professional life as a chartered accountant. However, one projection that seemed a certainty was that our economy would suffer some potentially devastating consequences following the shock of covid-19. Fortunately, in our Chancellor we have someone who has a calm head and a steady hand at the helm, ready to weather the storm.

For me, this cut is not just about stimulating demand, nor is it just about recognising the importance of housing as an economic asset. It is also about recognising that allowing people to own a house is to allow them to own a stake in society. Cutting stamp duty will have not only huge economic benefits, but huge societal benefits. We cannot just talk about buyers and sellers as if they are numbers on a chart. They are newly weds moving to a new home to begin a new life, and children spending Christmas in a new house, perhaps having their own bedroom for the first time. They are retired grandparents, downsizing so that a new family can move in and make new memories.

I encourage my right hon. Friend the Chancellor to review the positive impacts of the stamp duty holiday on the economy and to consider the benefits of maintaining the cut for longer. When we are back in smooth waters, perhaps he will look at some of the long-term reforms that may be available for the tax.

We say that a man or a woman's house is their castle, and that is just as true now as it has ever been. The right to own a property is the cornerstone of individual liberty. I do not mean mansions or second homes; I mean, as William Pitt once said:

"It may be frail—its roof may shake—the wind may blow through it—the storm may enter—the rain may enter—but the King of England cannot enter!"

To own one's home is more than a financial decision; it is safety, security and independence, and I commend the Chancellor for his role in allowing more people to achieve all three of those things.

7.13 pm

**Mike Wood** (Dudley South) (Con): We have faced a huge human health crisis, and we are now working to prevent that horrific health crisis being accompanied by a similar economic crisis. The Government have delivered an extensive package of support measures for workers and for companies through the coronavirus job retention scheme. They have delivered support for the self-employed through grants, loans and a wide range of measures to help protect jobs and ensure that despite the enormous impact of this outbreak, businesses are able to see a way through it and are able to continue to employ people, and the self-employed or those in small businesses can see a way to get through the outbreak to rebuild in the better times ahead.

Sadly, of course, many people have already lost their jobs and, even more sadly, many more are likely to lose their jobs over the coming months, as businesses take time to adjust—to adapt their businesses to order books which, in many cases, are unlikely to return to pre-crisis levels for some time. We need to do what we can to minimise those job losses and to help as many people as possible to return to work and to stay in work, because we know, as we have seen from previous recessions, that

jobs can be lost very quickly during economic downturns. It can take many, many more years to replace those jobs and to bring people back into work. With a shock as sharp and as deep as the one that we have seen over the past few months from this pandemic, measures such as this and the many others that the Chancellor has announced over the past four months are not only appropriate, but unprecedented and certainly necessary.

If we are to prevent enormous numbers of people from losing their jobs, enormous numbers of businesses from closing for good, and enormous numbers of families from being deprived of the security and prosperity of paid employment, we need the economy to recover, which means that we need consumers to start spending. We need consumers to have the confidence to return to something approaching economic normality. If people do not have confidence in the economy, they do not part with their cash. When that happens, there is a risk of a vicious circle of economic decline, with inevitable large job losses as a consequence. It is crucial that we break that cycle and promote spending, which is why I support this legislation today.

This measure is designed to bring forward spending. Certainly, the largest piece of spending that almost anybody makes is investment in a home. We need to make sure that consumers have the confidence to make those decisions over the next few months as we rebuild our economy rather than put them off for a year or more, because, naturally, caution, for many of the reasons that the hon. Member for Richmond Park (Sarah Olney) mentioned, may make people concerned about such large spending as we come out of this health crisis. Our economy needs this economic activity to recover. It needs people to be spending. It needs a successful and vibrant housing market, because, as many hon. Members have said, the housing market is not purely about those businesses and those industries that are directly associated with it—the estate agents and the removal firms—but something that goes far beyond that. It goes through construction, to the decorators, the small businesses, the self-employed carpet fitters and the gardeners. In many cases, much of their work centres around people who are moving into new homes and wanting to make them to their taste.

As chair of the all-party group for furniture and furnishings I know how much of furniture manufacturing and retail in this country depends on a successful and thriving housing market. By stimulating that market—by bringing forward to the next six or nine months the decision to buy a house that could be put off for a year or more—we are protecting those jobs by giving confidence to those companies, to those employers, and to those small businesses that there will be a housing market and that there will be people wanting to redecorate, to refit their bathrooms, to redo the garden and to buy new furniture. This measure will give them the confidence to invest in their staff and to keep their workforce as close to normal levels as much as possible. That seems to me to be a good investment. When the question is asked as to whether this is the right way for the Chancellor to spend resources, I invite right hon. and hon. Members to consider what the alternative is. I do not see the evidence locally that the housing market is instantly bouncing back without further intervention and support. I am not seeing a huge amount of confidence; quite the reverse. As the hon. Member for Richmond Park said,

people are nervous about the plans that they had put in place either to buy their first home or to move up the housing ladder. In many cases they are saying, “Perhaps now is not the right time.” If the measures in the Bill can help to bring forward those decisions and to make sure that that spending happens as soon as possible, that will protect the jobs and the prosperity that our constituents rely on. That is why I will support the Bill this evening.

7.20 pm

**Greg Smith** (Buckingham) (Con): It is always a pleasure to follow my hon. Friend the Member for Dudley South (Mike Wood). I fully agree with his comments.

This House has in recent months been required very necessarily to pass legislation to restrict our freedoms in order to defeat the virus, so it is an absolute pleasure to speak in support of an emergency measure that expands freedom. There is no more important asset to any individual or family in this country than the roof over their heads. The ability, under the provisions of the Bill, to purchase a home worth up to £500,000 without the burden of any stamp duty at all will not only support our economic bounce-back but, more importantly, bring the dream of home ownership a step closer for thousands of first-time buyers, give those who may be downsizing the confidence that they will not unnecessarily lose thousands of their precious savings, and enable growing families to move up the ladder.

This morning, I spoke to estate agents in my constituency—including Brian Russell of Russell & Butler in the town of Buckingham—and the news of the temporary stamp duty cut has been warmly received, with massive interest from buyers and sellers over the past few days. With 75% of the properties currently on that particular estate agent’s books being under £500,000, it goes without saying just how significant this tax cut is locally in Buckinghamshire.

Last Friday, I was pleased to visit Barratt Homes and David Wilson Homes at their development at Kingsbrook near Broughton in my constituency to see the measures that they have put into place to ensure that house building continues at pace in a covid-secure way. Their sales team reported that they are seeing people coming back through the doors again, enthused by the stamp duty holiday.

House of Commons Library data shows that across my constituency the median value of house prices last September was £395,000, albeit with some significant variance in different parts of the constituency, with homes around Worminghall, Long Crendon and Cuddington having the highest median value of £575,000 and the median in Buckingham north at £287,500. That says to me that no matter where people want to live and move across the 335 square miles of the beautiful Buckingham constituency, the Bill is worth many thousands of pounds, if not tens of thousands of pounds, to potential buyers. As many Members have said, if people are buying homes and keeping that market buoyant, that can only be good news for the economy as a whole—for the three quarters of a million jobs supported by the house building sector alone, not to mention our estate agents, removal firms, decorators, plumbers, kitchen fitters, landscapers and the wide array of retailers and suppliers that benefit most from people moving home, from furniture makers such as Ercol and Hypnos beds in Princes Risborough in the south of my constituency, to

interior companies such as Secret Messages Interiors in Buckingham or Mood Home and Lifestyle in Winslow, which I visited recently. Even the lawyers—even the lawyers, Madam Deputy Speaker—benefit.

The economic chain set off by house building cannot be stated often enough. However, stamp duty changes alone may not complete the picture. The estate agents I have spoken to over the past few days have advised me that there are other factors hampering the full recovery of the housing market, particularly for first-time buyers, the most significant of those being a banking sector that is making it harder to borrow. While mortgage lending clearly falls outside the scope of the Bill, in order to achieve the aim of the Bill, it is vital that the banking sector and lenders are listening and that they get behind what the Government are trying to do—a point that my hon. Friend the Member for Thirsk and Malton (Kevin Hollinrake) made in his intervention.

There are no 95% loan-to-value mortgages available for first-time buyers today. Only three lenders even offer 90% loan-to-value mortgages, so the majority of first-time buyers face the daunting prospect of raising at least a 15% deposit. That is £75,000 for a £500,000 four-bedroom home in Steeple Claydon or £52,500 on a £350,000 three-bedroom cottage in Tingewick. The stamp duty reduction on those two examples for first-time buyers is a massive boost, saving £10,000 in the case of the £500,000 home and £2,500 in the case of the £350,000 home. It undoubtedly closes the gap, but the wider point is that we are still talking about enormous sums of money—years and years of savings and sacrifice. To boost the market further, the banks must start to be more realistic about permitting 90% and 95% loan-to-value mortgages once more, to truly open up the market.

Most property transactions currently take an average of 16 weeks, which is much longer than it needs to be. We are only 38 weeks from the end of this temporary stamp duty cut, so time is of the essence to make the most of it. If any accompanying deregulation to speed up transactions can be brought forward, that will only help many more thousands of aspiring homeowners and movers.

In conclusion, this Bill is enormously welcome. It is bold in its aim of boosting our housing market and supporting people to achieve home ownership. I will be voting for it with great enthusiasm, but at the same time, I encourage my right hon. Friends on the Treasury Bench to seriously consider other measures that we could bring forward to make it even stronger. Who knows? Perhaps this tax-cutting pilot, once proved so successful, could become a more permanent feature of the housing market.

7.28 pm

**Laura Farris** (Newbury) (Con): It is a pleasure to follow my hon. Friend the Member for Buckingham (Greg Smith). The Chancellor said last week that Governments rarely get to choose the moments that define them. Apart from making the decision as to whether or not to lead the country into armed conflict, I can think of few more daunting prospects than preparing a country that is on the brink of an economic recession of significant scale and depth right in the middle of a global pandemic.

I will confine my comments to the housing market and the time-limited decision on stamp duty. I hope Members will forgive me if I contextualise this as part

[*Laura Farris*]

of what the Chancellor said about jobs in his statement last week and his attempts to stave off long-term unemployment, which, if we are honest, every Government of every stripe in the post-war period have struggled with when it takes root.

When going through a moment of history, it can be difficult to be clear-eyed about what is happening, but we know that covid-19 discriminates directly on the basis of age. From a health perspective it has the most serious consequences for the old, and from an economic perspective it has the most serious consequences for the young, in terms of both their labour market opportunities and their potentially facing a higher tax burden in the longer term.

One of the reasons I welcome this stamp duty cut is what it says to young people's hopes of home ownership. It reaches first-time buyers and young buyers. In my constituency, the average house price is £350,000. That is an immediate tax saving of £4,500. I appreciate that a first-time buyer may be buying house worth less than that, but they were very unlikely to fall below the £125,000 previously, so it is a direct saving of several thousand pounds to them.

When I researched what a first-time buyer in my constituency looks like, I got two figures—32 and 33—but it struck me that it does not much matter, because both those ages are positioned squarely in the middle of the millennial demographic: people born between 1981 and 1996 and aged between 24 and 39, so they came of age somewhere between the beginning of the financial crisis and now, over a decade later, during a global health pandemic and, potentially, a deep recession. It is critical that there is a renewed imperative to focus on people in that demographic, who I think have, with some justification, felt a little ignored in the last 15 years, so I welcome a policy that gives them a direct financial boost.

The second consideration, which many Members have raised, is the importance of returning confidence in the housing market to jobs more generally. Construction is a £39 billion-a-year sector. It employs nearly 5% of my constituents, but that figure increases to over 8% if we take into account the secondary industries—the tradesmen we have talked about. In 2019, well over 1,000 new householder developments were approved in west Berkshire. That number has completely fallen off a cliff during the period of stagnation that we have seen in the last three months, yet we face the same pressure on housing supply. The same people want to move up and out—those having babies, settling down or living with their parents. I welcome an initiative that will get those jobs moving.

My final point I hope answers the concern expressed by the hon. Member for Richmond Park (Sarah Olney) about the excluded—the 3 million. If she will forgive me, I think it is important that we do not just treat them as an amorphous lump of people. When I think about some of the people in my constituency who contacted me, they were small business directors doing things such as garden design; peripatetic workers doing things such as removals, whose income is hard to trace, whose employment status is not completely clear and who have fallen through the cracks; and even, dare I say it, Instagram influencers specialising in renovation and interiors.

It is easy to say, “Well, they're not very well-known careers” or “They're not someone we would treat with a lot of respect,” but we should treat those people with respect. They are young, they are dynamic and they are providing a service at every Budget, and they have not always qualified for Government support. You do not need to move house to redo your garden or your interior, but moving is a huge catalyst for that kind of work, and those people directly benefit from this decision on stamp duty.

To conclude, I welcome the time-limited stamp duty break that the Bill offers, and particularly its focus on millennials, on jobs and on freelancers.

7.33 pm

**James Sunderland** (Bracknell) (Con): It is always a pleasure to follow my hon. Friend the Member for Newbury (Laura Farris), who is a fellow Berkshire Member.

The Chancellor's summer statement was just what the country needed to kick-start the economy out of its doldrums. With coronavirus impacting a falling housing market, his decision to temporarily cut stamp duty until March 2021 was the right thing to do, and I welcome the Bill. However, far from just allowing purchasers to save their cash, this measure offers a real incentive to get our housing market going again and for people to spend what they save. It also allows our builders to get building—not just in the already congested south-east but to level up with real investment right across the UK.

One of the indicators of a recession is falling confidence in the property sector, with homeowners becoming more entrenched. The path ahead will not be easy, so the priority is to launch a pre-emptive strike that incentivises everyone to grab the opportunities that lie ahead. The imperative, therefore, is to support people, jobs and the economy by catalysing the housing market and boosting business confidence by driving growth. Raising the threshold at which stamp duty applies, from £125,000 to £500,000, means that more than 90% of those getting on to or moving up the property ladder will pay no stamp duty at all. In addition to the measure being a serious tax break for the majority, those who can most afford it will still be required to pay their share of duty above £500,000, and it is right that a progressive system of taxation remains in force.

What does this really mean for those who stand to gain most benefits? Take Bracknell as the classic example of a modern, vibrant and rewarding place to live. Nestled between the M4 and the M3 in east Berkshire, Bracknell is characterised by near full employment, one of the lowest rates of council tax in the country, a strong job market, high-tech research and development facilities, and an abundance of international companies. Although it has taken a hit during the pandemic, I remain confident that Bracknell will bounce back and that its previous optimism for the post-Brexit economy will return.

I urge the decent, hard-working and pragmatic people whom I proudly represent to look ahead with confidence. Although the average house price in Bracknell is an eye-watering £325,000, the temporary cut in stamp duty will result in a direct saving of more than £5,000 for all those who buy at that level. Of course, if someone is starting on the housing ladder or looking to move up it, they will not have to pay anything on a property worth under £500,000. That is a massive incentive for anyone who aspires to save for a deposit, start a family, build an extension, get a better job or simply move to a bigger house,

and it will mean more money in their pocket. Therefore, as well as boosting the economy at a time when it is most needed, the Government will continue to allow people to keep most of what they earn, through fair and progressive taxation that incentivises entrepreneurship, hard graft and enterprise. Indeed, for those in any doubt, the Conservative party remains the party of working families, and this is just another example of what can be done when the country most needs it.

Of course, no cut in stamp duty can be an indefinite blank cheque, as it is still necessary to raise the necessary revenue to pay for our public services. However, further concessions might be possible. I therefore urge the Minister to consider some further tweaks. First, several of my constituents have written to me urging for the cut in stamp duty to be backdated to the beginning of the pandemic. I do not know whether that isprecedented, fair or possible for a new policy, but it is one to be considered.

Secondly, stamp duty is a drag on the housing market, and any continued relief beyond March 2021 is to be welcomed. I therefore urge the Minister to consider tax measures that encourage rather than hinder social mobility. Increasing the threshold further or spreading payments out over a longer period may be beneficial.

Lastly, further refinement could be considered for those who are resident in the UK as UK citizens, as opposed to overseas investors or those purchasing second homes. While we must encourage foreign investment and entrepreneurship right across our post-Brexit nation, taxpayers who can afford to pay more should do so, if we are serious about incentivising those just starting up the ladder. Aspiration through hard work and enterprise must be rewarded.

To conclude, I welcome the Bill and salute the Chancellor for his unprecedented, generous and unparalleled support for our economy. Cutting stamp duty in the short term is absolutely the right thing to do, but I also urge him to conduct a wider review so that this tax goes further in what we ask it to do.

7.39 pm

**Dr Ben Spencer** (Runnymede and Weybridge) (Con): It is a pleasure to follow my hon. Friend the Member for Bracknell (James Sunderland).

I am delighted that the Government are bringing forward changes to cut stamp duty, to scrap it entirely on homes under £500,000 and to raise the threshold at which it applies. I have spoken to estate agents in Runnymede and Weybridge and they are concerned for the next 12 months. A cut in stamp duty will help people to buy their own home and support the housing sector.

But any intervention in the housing market is difficult. The housing market is already highly distorted and the broader measures we need to fix it are not easy, given the relatively inelastic supply of housing and the fact that the market is in fact several markets, formed of those who buy to live in their own home, those who buy as an investment and those who buy to let or as a business. And of course people often want to buy for several of those reasons and then need to change.

Chewing over how to fix the housing market more broadly is beyond the scope of this debate, but for any market to function effectively it must be free from substantial barriers to transactions. Given the costs involved in buying a house, any stamp duty that is

calculated as a percentage of sale price will lead to large duties owed and transactional disincentives. The measures we are debating today will increase the turnover of house sales and improve mobility, supporting people who want to downsize and freeing up houses for young families, enabling more people to own their own home. This will support all the industries linked to housing and create and support jobs. I am perplexed to hear Opposition Members say that they believe that generating economic activity will not support and create jobs. I would love to hear the conversations they have with the lawyers and conveyancers when they say that more houses being bought and sold will not lead to more work and will not lead to more people wanting to refurbish their bathroom or whatever.

This Government have put in place a world-leading package of measures in response to coronavirus and while I welcome these bold changes I ask Ministers whether we can be just a little more bold, and not just cut stamp duty, but scrap it entirely. Stamp duty puts the brakes on the turnover of house ownership. It prevents mobility and, perversely, locks capital into housing as a result, with the arbitrary thresholds for different rates providing further market distortions. How can we aspire to home ownership while at the same time taxing those merely for buying? Taxes are often used to disincentivise behaviour—the tax on tobacco and the introduction of a sugar tax, for example—but the housing market is the only example I can think of where a tax is applied to behaviour, such as buying a house, that the Government want to support people to do. Indeed they have put in other incentives to enable people to buy a house, such as Help to Buy and shared ownership. Across Runnymede and Weybridge people have shown me that, while covid has posed challenges, it has also demonstrated opportunities for change and improvement. So I thank the Chancellor for these changes, but ask him to go even further and stamp out stamp duty entirely for home ownership.

7.42 pm

**Kevin Hollinrake** (Thirsk and Malton) (Con): It is a pleasure to follow my hon. Friend the Member for Runnymede and Weybridge (Dr Spencer), and I will address one or two of his points, but first I must draw the House's attention again to my entry in the Register of Members' Financial Interests, and also apologise to the shadow Minister, the hon. Member for Liverpool, Walton (Dan Carden), as I inadvertently misled the House earlier when I said that Labour did not cut stamp duty in 2008; actually, they did, from a £125,000 threshold to a £175,000 threshold, but they crashed the housing market so badly that it made no difference whatsoever, which is why I cannot remember it. Interestingly, however, at the time, despite what he said in his speech, they made no dispensation in terms of buy-to-let investors—stamp duty was just cut across the board, regardless of what the property was for, so there was not some carve-out only for homeowners. According to the research, one thing that cut did do was boost activity, by 20%. Activity was at a very low level, as transactions were normally at 100,000 a month but they were down to 40,000 a month, so it was a pretty painful time, but the cut boosted activity, from that low level, by about 20%. Labour then withdrew the measure pretty early and activity fell away again, which is one of the reasons why we had such an extended recession from 2008 onwards.

[Kevin Hollinrake]

I think certain Members have missed the point of the measure we are debating today. It is not just about helping some people get on to the housing ladder; it is also about activity. We all know that the housing market is a major driver of activity right across the economy. That is why many hon. Members have asked why on earth we are taxing something that is a major driver of activity across the economy. This is a transaction tax, and is therefore bound to slow the market down even in good times, let alone times such as this when we are trying to stimulate the economy.

This is not just about driving activity. Residential stamp duty brings in important revenue—about £8.3 billion every year. When my hon. Friend the Member for Runnymede and Weybridge talked about stamping out stamp duty entirely, I saw the sweat on the Minister's brows as he was thinking, "Where are we going to find that £8 billion?"

**The Financial Secretary to the Treasury (Jesse Norman):** My hon. Friend will be pleased to know that actually I remained as implacably calm as I always am. As a test of all colleagues who want to scrap taxes, I invite them to do exactly what he is doing and supply the missing revenue with some other suggestion. I did not notice that in the speech of my hon. Friend the Member for Runnymede and Weybridge (Dr Spencer), but I am still waiting; I look forward to hearing that before we finish.

**Kevin Hollinrake:** The Minister is absolutely right, and I will come to that.

The Conservative Government have improved the system of stamp duty significantly. It used to be a ridiculous slab tax that created distortions all the way through the market, but we made it into a slice tax—perhaps a slam tax—that gets very expensive at the higher levels and deters activity at the top end.

On the Minister's point about where on earth we are going to get the money from, the reality is that this nation will come under huge tax pressure over the next few decades, not just the next few years. According to the Office for Budget Responsibility, because of the demands of healthcare and social care, if we do not change the tax system and claim more tax, our national debt will grow to three times our GDP—it is one times our GDP today—so we cannot simply scrap taxes without introducing alternative measures.

I am going to propose a measure. I would like the threshold remain at £500,000, as my hon. Friend the Member for South Thanet (Craig Mackinlay) proposed. We have to find that £8.3 billion annually, so we have to look at annual property taxes. The council tax system, under which people pay pretty much the same whether they live in a castle or a cottage, cannot be right. We need to revisit it and have a proper discussion about it. It is controversial. Some people think it is right that people who own bigger houses should pay more, and other people think it is wrong. We should certainly have a conversation about that.

The think-tank Onward recently proposed that there should be a council tax revaluation, and even the Prime Minister suggested back in 2014 that we should look at it. The thing about it is that it is simple. We can scrap stamp duty completely up to £500,000, and keep it at

that level. We can also adjust the bands to make it cheaper for people in lower-value homes, to help people on lower incomes, and make it more expensive for people in higher-value homes.

It is simple, but it is not easy. Simple and easy are two completely different things. As Ronald Reagan said, there are simple solutions, but there are no easy solutions. If we are to tackle some of the unfairnesses in society, we must not duck the tough issues; we must look at the things that make the system unfair in the first place. This is an excellent measure, and I will support it tonight if we enter the Lobbies.

7.48 pm

**Anthony Browne** (South Cambridgeshire) (Con): I refer the House to my entry in the Register of Members' Financial Interests. I am on the advisory council for the Institute for Fiscal Studies, which I am about to quote, and back in 2012 I co-founded the HomeOwners Alliance, Britain's only consumer group for homeowners, because I was alarmed by the prospects of the home ownership gap—the 5 million aspiring homeowners who cannot own their own home. We have done a lot of work promoting policies to help people get on to the housing ladder.

I was concerned about the home ownership gap because, as Opposition Members said, home ownership levels have declined. What they did not say was that home ownership levels went up almost every year for the past 100 years and stopped in the year 2000—three years after the new Labour Government came in. They then started declining for a decade or so. They are now going back up again. I commend the Government's policies for increasing home ownership levels.

Various people on both sides of the House have mentioned the deposit barrier. It is a huge barrier for first-time buyers who are trying to save up a deposit. The reason banks have increased the deposit requirement and got rid of 95% loans is that house prices are falling, as the latest data shows. Therefore, if people take out a high-value mortgage, they end up in negative equity. That is why banks are legally required to do only affordable lending. The best way to help homeowners get high loan-to-value mortgages is to have a confidently stable or rising housing market, where there is no risk of negative equity. This measure will do that.

In my time at the HomeOwners Alliance over the past decade, I have done a lot of policy work on stamp duty and written loads of reports on it, including one back in 2012 or 2013 that argued for a differential stamp duty system for second home owners and property investors. There is absolutely no reason why they should benefit from the low stamp duty rates for first-time buyers and so on. I lobbied the Treasury, No. 10 and the Ministry of Housing, Communities and Local Government, and I was delighted when they finally introduced it as the stamp duty premium for additional homes. I would not have introduced it in quite the way they did, but the policy has made a big difference.

Two months ago, I called on the Government to introduce a stamp duty holiday to kick-start the housing market, so naturally I am delighted that the Government have done it.

**Jesse Norman:** It was only you saying it.

**Anthony Browne:** Not at all; I am sure lots of people called for it. I am just showing that I am consistent in my views.

Stamp duty—SDLT—is one of the most unpopular taxes, and not just with homeowners and the public, but with economists. The Institute for Fiscal Studies—a very wise organisation—has called for stamp duty to be abolished outright, because it is one of the most economically inefficient taxes. It is always worth listening to the IFS. I serve on the Treasury Committee, and we took evidence last week from Nick Macpherson, the former permanent secretary at the Treasury. He said he really dislikes stamp duty because it is a transaction tax that reduces transactions, and it has a very bad impact on labour mobility and bungs up the whole labour market. He would certainly not be sad if it went.

We know that there is huge pent-up demand in the housing market. That is not just about Brexit uncertainty and all the missing transactions from the coronavirus crisis; there was pent-up demand beforehand, partly because stamp duty rates have been so high. Before the financial crisis, there were on average about 1.7 million transactions a year. In recent years, there have been about 1.2 million a year. We are about 30% below the pre-financial crisis average. A large part of that is because of stamp duty, although there are other reasons.

The housing market is very sensitive to changes in stamp duty. That is why Opposition Members said earlier, “Don’t speculate about stamp duty changes. Just get ahead and do it.” That is what the Government have done. That is why a cut in stamp duty is so effective in rapidly driving up activity in the market and releasing the animal spirit—the huge backlog of people who want to move are released to get on with it. As several of my hon. Friend have mentioned, we have already seen the number of transactions shoot up in the past few days, which is very much to be welcomed.

Several Members on both sides of the House have worried about the £3.8 billion in forgone revenue. I have a solution to that, which I will come to in a minute. However, I do not think the figure will be anywhere near £3.8 billion. That is just the forgone revenue from stamp duty that has been calculated by the Treasury. That is slightly unlikely because the whole stamp duty take last year was £4.5 billion just for primary residential homes, if we get rid of the additional premium.

We have heard about all the additional economic activity that goes along with housing transactions—the builders, the furniture makers, the removal companies, the lawyers and so on. All that is taxed at 20% VAT. On average, only about half the tax paid in a single housing transaction goes on stamp duty; the other half goes on all the associated economic activity through VAT to the Government. If we scrapped stamp duty outright but the number of transactions doubled, the revenue to the Government would be the same. It just comes not as stamp duty but as VAT.

However, that is not the proposal I was going to make to help my Treasury friends with the £3.8 billion. There is another £3.8 billion: the latest available figures show that the amount of money the Treasury made from the additional premium for second homes was also £3.8 billion, as it happens. That is made on a rate of 3% above the existing stamp duty. If we increased that 3% to 6%, there may be a slight decline in transactions, but basically we would raise another £3.8 billion. That is what I

proposed a couple of months ago—that we should increase the rate for second home owners and property investors, and use that to cut stamp duty for people buying a home for what houses are for, which is to have a place to live in.

So I very much welcome this policy. I urge the Government to look at increasing the rate for second home owners, not now, when we are in the middle of the financial crisis, but when we get back a bit to normality. Let us make this a flat rate. There is no social or economic reason why people buying second homes or homes for investment should get discounted rates on lower-valued properties. This should be a flat rate, like VAT, where it is the same whatever the value of the transaction. Lastly, we should give strong consideration for this temporary cut in stamp duty to be made permanent.

7.55 pm

**Robbie Moore (Keighley) (Con):** It is a pleasure to follow my hon. Friend the Member for South Cambridgeshire (Anthony Browne), who speaks with great passion and knowledge on this subject.

Coronavirus has had a devastating impact on the housing market, with property transactions falling by up to 50% in May and housing prices falling for the first time in eight years. One of the most important areas for job creation is the whole housing sector, so we need mechanisms with which to stimulate, loosen the barriers, open the market and instil confidence in people to buy, sell and renovate. The Chancellor’s announcement last week introducing a temporary SDLT cut until 31 March next year by increasing the nil rate threshold to £500,000 plays a key role in doing that. It is estimated that this measure will mean that approximately 90% of people buying their main home this year will pay no SDLT, which is great news. I believe the conversation on SDLT should go even further, and I would welcome exploring its removal for buyers altogether, with perhaps the consideration for such a tax to be transferred to the seller. Alternatively, as was suggested by my hon. Friend the Member for Thirsk and Malton (Kevin Hollinrake), who is no longer in his place, we could look at an ongoing annual property tax review.

Through last week’s announcements, we have seen, yet again, that the Chancellor is on the side of business and jobs. This temporary SDLT cut is yet another tangible, significant weapon in our Government’s armoury to reignite the economy through our overall plan to create jobs. House builders alone support nearly 750,000 jobs, with millions more people relying on the availability of the housing sector and housing market to find work.

One of the first visits I undertook as the proud new Member for Keighley was to Keighley College, where I was lucky enough to meet one of its level 1 students who was undertaking a construction course. I witnessed him building a wall in one of the college’s classrooms for the first time, where he started to learn the skills needed for the building trade and the ropes required to get on. With its principal, Steve Kelly, and his awesome team, who are full of enthusiasm and want the very best for their students in Keighley, I went on to see students undertaking fabrication and welding, electrical, plumbing, gas safety and engineering courses, all with students who were determined to progress, upskill and get a job.

[Robbie Moore]

The Chancellor's announcements last week on SDLT, along with many other packages, are most welcome, as it is vital that we use every mechanism to kick-start the whole housing market and get its wheels in motion, so that, in turn, the construction industry, which attracts a huge number of employees, can start moving again, and so that keen and enthusiastic students such as those at Keighley College can learn a trade, with the comfort of knowing that they will be greeted with a job at the other side.

This is such an important debate, as it actively aims to create, secure and protect jobs. Many Conservatives have contributed to the debate, but only two Labour Back Benchers have done so. In summary, this Bill demonstrates that this Conservative Government are on the side of those hard-working families who want to get on the housing ladder and progress. For those first-time buyers, it loosens the market, while ensuring that those hard-working families have more money in their pocket.

7.59 pm

**Rob Roberts** (Delyn) (Con): It is a pleasure to follow my hon. Friend the Member for Keighley (Robbie Moore).

As we continue to move forward out of lockdown, it is important that we support and revitalise the housing market, helping those getting on or moving up the property ladder, as well as protecting jobs within the sector and the supply chain. I support this Bill to cut stamp duty temporarily for many current and future homebuyers. This will hugely benefit those looking to access the housing market as nearly 90% of people, as we have heard, will pay no stamp duty at all as a result of this change.

Yet in my Delyn constituency, we have a sense of unfairness. Just eight miles across the border into Wales, we will not be able to benefit from the changes in this Bill simply due to our location. In Wales, land transaction tax, the Welsh equivalent of stamp duty, penalises first-time buyers already. It incentivises young people to move out of Delyn and similar constituencies down the England-Wales border to places that are more accessible and more affordable, taking their economic activity with them to the detriment of our Welsh towns and communities.

**Dr James Davies** (Vale of Clwyd) (Con): Will my hon. Friend give way?

**Rob Roberts:** I will certainly give way to my constituency neighbour.

**Dr Davies:** Does my hon. Friend agree that the housing market in Wales is being impacted not only by the lack of a stamp duty holiday in Wales, but by the continuing ban on the viewing of occupied properties?

**Rob Roberts:** My hon. Friend makes an excellent point. The hon. Member for Liverpool, Walton (Dan Carden) mentioned that the Chancellor had a cunning plan. Well, Labour's very own Baldrick must be running things in Wales, where live property viewings can take place only after the property has been unoccupied for 72 hours, though quite how that works in getting properties moving is beyond me.

Buyers are already being encouraged to purchase property in England rather than in Wales, and I would urge the Welsh Government to follow the lead of my right hon. Friend the Chancellor in supporting the housing market and matching the stamp duty measures announced in this place. This will not only boost the local economy and housing market, but make it easier and more affordable for first-time buyers in Wales. As always, if this policy is adopted by our friends in Cardiff Bay, it will probably be two weeks later, it will probably be called something slightly different. Instead of changing the stamp duty threshold to £500,000, it will be labelled "amending the land transaction tax lower limit to half a million pounds"—anything to give the shockingly poor Labour Administration in Cardiff the ability to say that it is their policy and they can determine the wording.

I would say to the First Minister that if he does his regular job of prevaricating on this measure, a massive volume of property transactions will be lost and we will drift even further into more of the economic difficulty that Labour has presided over in Wales for two decades. He should stop sitting on his hands, and do something for the people of Wales to ensure that we can move forward with as minimal a loss of economic activity as possible. I look forward to the Senedd elections in May next year, when the people of Wales can rightly get rid of this appalling Labour Government.

Moving on, data from HomeOwners Alliance suggest that the average time it takes to sell a property, from listing to completion, is about six months. I appeal to my right hon. Friend the Minister to consider extending this scheme from nine months to 12 to 15 months, because restricting it to nine months runs the risk of a measure designed to be a stimulus primarily just providing a windfall to people who are already engaged in the market, rather than attracting more properties into it. An extended stamp duty holiday past next March will also aid the long-term recovery of the housing market, preventing a boom scenario that could slow down when the scheme finishes. As the Government are rightly serious about supporting both buyers and jobs within the whole housing industry, increasing the term to 12 to 15 months will allow construction companies and house builders to make informed and strategic decisions about how to move forward beyond that period, and will in turn assist the long-term economic recovery of the market.

That being said, I welcome the changes the Bill introduces. I believe that temporarily scrapping stamp duty on all homes under £500,000 is the right thing to do to boost confidence and encourage growth in the housing market, and I again urge the Welsh Government to take forward similar plans as soon as possible.

8.4 pm

**Felicity Buchan** (Kensington) (Con): I promise I will be very brief. I warmly welcome the temporary cut to stamp duty. This will benefit approximately 90% of new homebuyers in the country. However, alongside some of my Conservative colleagues, I urge my right hon. Friend the Minister to be bolder and broader, and to look at a fundamental reform of stamp duty. Stamp duty, ultimately, is a tax on social mobility and aspiration. It prevents people from moving house to pursue new job opportunities, it prevents growing families from moving to more appropriate accommodation and, at the same time, it prevents those who want to downsize.

In my constituency, stamp duty has unintended consequences. People cannot afford the stamp duty to move to a bigger house, so what do they do? They start to renovate and to extend their existing house. For people who live in dense terraces in central London, that often means basement excavations, with all of the nuisance and noise that they cause to neighbours. Similarly, a lot of people who are in private rented accommodation are put off buying because they are concerned about the amount of stamp duty.

I completely accept the comments of the Minister that we cannot simply cut taxes without thinking about where revenue will come from, but I argue that the current levels of stamp duty at 5%, 10% and 12% are punitive levels of taxation. Certainly in my constituency, we have simply seen the number of transactions fall. I had a look at the numbers in Kensington: from 2015-16 to 2018-19, the fall in the total number of transactions was 38%, and the fall in the value of those transactions to the Exchequer was 26%. My hon. Friend for South Cambridgeshire (Anthony Browne) made the point about what we lose not only in stamp duty, but in building and renovations and in lawyers' fees.

I welcome this measure. I am not naive—we need tax revenue in future—but I feel that this tax needs to be looked at in detail and can be finessed.

8.7 pm

**Andrew Griffith** (Arundel and South Downs) (Con): It is a pleasure to follow not only my hon. Friend the Member for Kensington (Felicity Buchan) but so many of my colleagues who were elected for the first time in December 2019.

I warmly welcome the scrapping of stamp duty for purchases of up to £500,000. With average house prices of about £450,000 in Arundel and South Downs, that will help some but not all my constituents directly. However, everyone will benefit from the resulting boost to the economy—the construction industry, painters, decorators, plumbers, electricians, brick makers, timber merchants, furniture and removal companies, and my hard-hit local garden centres, growers and landscape designers—and, because the supply chain stretches across the whole country, the whole Union will benefit.

The measure is temporary, but after such an excellent debate and such warm words from our colleagues, I wonder whether I can tempt the Minister to settle on this particular piece of fiscal real estate more permanently. In fact, we could make it an early down payment on the vital work to come of simplifying the tax system that he has inherited—a system that, despite the honourable and herculean endeavours of HMRC, is essentially broken.

According to the World Bank index, the UK is a creditable eighth in the world for the competitiveness of our tax rates, but a rather less competitive 27th for ease of understanding and paying taxes. That is no surprise with a tax code that now runs to more than 10 million words. Along with my Front-Bench colleagues, we have an excellent Chancellor with a sharp intellect and a ferocious work ethic, but it would take him a whole year to read it—by which time it would be Budget time and, like Sisyphus, he would have to start all over again.

What better time is there to start a crusade for fairer, flatter and simpler taxes, and I note the comments made by my hon. Friends the Members for Runnymede

and Weybridge (Dr Spencer) and for Keighley (Robbie Moore)? What better place to start than a tax that does for housing transactions what the window tax did for windows? It is wrong to think of stamp duty as a modest percentage of the price: although the purchase price of a property can be spread over 20 or 25 years, stamp duty has to be paid in a lump sum up front, so it is much more like a deposit, which is the biggest hurdle for generation rent. At a time when interest rates are at all-time lows, it is about not affordability but access to up-front capital. In that sense, we can think of stamp duty as a tax on social mobility. If someone has capital, or their family does, they can quickly pass go, but if their bank of mum and dad—or perhaps just mum or just dad—happens to be empty, getting on or moving up the ladder is much harder.

It is not as if the housing market was working perfectly, even without the Bill. Prices are out of reach for first-time buyers while empty-nesters are penalised for downsizing. Planning permissions are already in place for more than a million homes—all that the nation will ever need—but those homes are not getting built. Labour tax raids on pension savings destroyed confidence and channelled savings instead into buy-to-let. The planning system incentivised developers to build homes in exactly the wrong places, because that is where the arbitrage is the greatest. Intervention is heaped on intervention, so that, like a teenager's carpet, we can no longer see the original pattern. I shall return to that subject on behalf of my constituents in West Grinstead, Adversane and Henfield, whose lives are being blighted by the prospect of inappropriate and unsustainable developments.

Finally, let us remember that the rate of tax is a floor, not a ceiling. If the hon. Member for Liverpool, Walton (Dan Carden), the shadow Chancellor or any of their supporters wish personally to pay more, that is a right that we on the Government Benches would never seek to deny them. I know that the Minister would be happy to let them know the details for where to send the cheque. Now is a time to be bold and decisive and to act fast. The Bill and the measure in it fully meet that objective, and I am proud to support it.

8.11 pm

**Mr Pat McFadden** (Wolverhampton South East) (Lab): It has been a pleasure to listen to this debate and the many interesting contributions. I cannot mention every Member who has spoken, but we have had a lot of interesting contributions. The hon. Members for South Thanet (Craig Mackinlay) and for Runnymede and Weybridge (Dr Spencer), and perhaps one or two others, urged the Government to abolish stamp duty completely. The hon. Member for Dudley South (Mike Wood) spoke of the importance of confidence in the market in the face of impending job losses.

In a thoughtful contribution, the hon. Member for Penistone and Stocksbridge (Miriam Cates) spoke of the impact of relationship breakdown on housing transactions. My hon. Friend the Member for Mitcham and Morden (Siobhain McDonagh) spoke of the appalling conditions that many families find themselves living in, and eloquently set out how distant is the dream or aspiration of home ownership for so many people. The hon. Member for South Cambridgeshire (Anthony Browne) gave us the benefit of his long experience in these matters in calling for an increased rate for second homeowners.

[*Mr Pat McFadden*]

Stamp duty holidays are a familiar feature of economic crisis management. As has been referenced in the debate already, in 2008 the then Chancellor, Alistair Darling, raised the level at which stamp duty was paid in an effort to kick-start the housing market, which had been hit hard by the global financial crisis. At that time, the measure had a positive effect and brought forward an increase in the number of transactions. This time, we do not yet know of the effect.

As my hon. Friend the Member for Liverpool, Walton (Dan Carden) said, another thing that we do not know is whether the Government really intended to introduce this measure, at least at this time. We saw the briefing, the counter-briefing, the leak and the counter-leak; in the end the Government have announced it now, rather than in some post-dated way that would have simply killed the housing market stone dead. After all, why would anyone choose to buy a house now if they were promised a tax cut on the transaction in some months' time?

It is normal, of course, for the Treasury to weigh up its options for a statement such as last week's. There is nothing wrong with considering different ideas, accepting some and rejecting others, but for that exercise to work, it has to be done in private. If the leaks were not a problem, Government Members must ask the Prime Minister why he was railing against them at the end of last week when he was discussing these measures. Once it was out in the open, the Chancellor had to act, so the first question to be asked about this policy, before we even get to its merits, is: was it the result of a £4 billion leak? If that is the case and the Chancellor was effectively bounced into this policy as a result of information coming out in an unintended way, this must be the biggest plumbing bill of all time. We might never know, so let me turn to the merits of the policy itself.

The reason the Chancellor gave for the measures before us was that housing transactions had fallen sharply in April and May. It is true that housing is a very important part of our economy, for all the reasons that we have heard in the debate. Governments of both colours have supported the ambition of people to own their own home, as we do today. Depending on where you live, stamp duty can be a significant cost to house buyers. Although the history of temporary cuts in stamp duty rates tells us that, over the longer term, they might make little difference to the volume of transactions, they can serve to bring forward demand when a market has been hit for one reason or another. When people move house, there is a positive knock-on effect, and we have heard about many of those effects today, whether it is the purchase of new furniture or electrical goods or the employment of people doing repairs and renovations.

We do not oppose this measure. We support the desire for people to own their own homes. We certainly do not celebrate the reduction in home ownership over the past 10 years or the fact that 800,000 fewer people under the age of 45 own their own home today compared with 10 years ago—and 10 years is important. The Government have had a decade to address the question of home ownership. I put it to all the champions of home ownership who have spoken in the debate: are they really proud that it is harder to own a home now than it was when they came into office 10 years ago? Are they

really proud that it is so much more difficult for younger people to get on the housing ladder? I do not think they can be proud of that decade-long record.

As with a number of the measures announced last week, we have concerns about how well this is targeted. Stamp duty has changed over the years, with different rates put in at different levels. If the Chancellor really wanted to announce a stamp duty holiday, was it necessary to extend it to buy-to-let landlords and people purchasing second homes? What will be the benefits for overseas buyers, some of whom have seen the most expensive London property almost as a reserve currency? Both those groups are already treated differently within the existing regime, and they could have been treated differently in this change. That is why we have tabled a new clause calling for a report on the effect of this decision on these very different groups of homebuyers. We are for measures that help hard-working people to buy their own home, but we are not for measures that simply channel funds to areas where they are not needed or that go against the grain of some of the changes that have been made to stamp duty in recent years.

That takes me to a wider point about the measures announced last week. The job retention bonus has been criticised by a number of commentators for having a significant dead-weight cost—that is to say, giving money to businesses for doing things they would have done anyway. That is why the measure was not signed off by the head of HMRC, who questioned the “value for money” of the proposal. It was of course absolutely essential for the Government to step up and support the economy during a lockdown that was imposed for public health reasons, and the costs of not doing so, both economically and socially, would have far outweighed the costs of doing so. But that does not mean that the Treasury and the Chancellor are absolved of the duty to target that support properly on measures that really can make a difference to the recovery, or to use taxpayers' money wisely.

Like all Budgets and all Budget statements, the measures announced can look a little different after a few days' examination and scrutiny, and that has proved to be the case with last week's statement. Within 24 hours of this supposed statement for jobs, thousands of job losses in Boots and John Lewis were announced—great British companies in a sector that got almost no attention from the Chancellor last week. So the question, above and beyond the detail of the measures before us tonight, is whether, after last week's statement, all these measures match up to the scale of the economic and, in particular, the jobs challenge that the country is facing. We called for a Budget for jobs because we have heard the warnings about the danger to jobs in many parts of the economy. This is not a crisis that affects all sectors equally. The Chancellor conceded that point with his targeted cut in VAT for tourism and hospitality. It is absolutely right to help those sectors, but there are others that desperately need help too—retail, manufacturing, aviation, transport and many more.

There is one more crucial point. Getting the economy moving again is not just a matter of the kind of measures that we are debating this evening, because the health response and the economic response have to go together. It is not just the lack of a £10 discount that is stopping people eating out; it is fear—fear and lack of confidence that the Government are adequately on top of the public

health situation. After tens of thousands of deaths, and with the Government's boast of a world-beating track-and-trace system having been turned to dust, it is little wonder that there is fear and lack of confidence. If the Government really want to get the economy moving again, they have to give the public the confidence that they are on top of the public health crisis as well as putting the right economic support measures in place.

We do not oppose these measures, but we remain convinced that the economic and health responses must be brought together, and that more measures than those announced last week will be necessary to help the economy through the very tough period for jobs that is already upon us.

8.22 pm

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

I thank all hon. and right hon. Members for what has been a very interesting debate, across the Chamber. I also thank the Labour Members for their support on this measure, because it is wise on their part but also indicates that they share at least this aspect of the Government's vision for the economy.

This pandemic represents, as the right hon. Member for Wolverhampton South East (Mr McFadden) said, not merely a public health crisis but a profound shock to our economy. That is why, last Wednesday, my right hon. Friend the Chancellor unveiled the Government's plan for jobs. The purpose of that plan, as he articulated, was to protect, to support and to create jobs across this country.

As we have heard in this debate, the property market has been particularly hard hit, with almost 90% fewer mortgage approvals in May than in February, before the lockdown at began. Not only is this a source of terrible frustration and uncertainty for buyers and sellers who must put their lives on hold in that respect as in so many others, but the reverberations have been felt across the economy. More than 24,000 people are directly employed by house builders, with hundreds of thousands more in the supply chain, and there is a knock-on effect for removal companies, furniture stores, painters and decorators, and many other businesses large or small that benefit when people move—a point nicely made by my hon. Friend the Member for Dudley South (Mike Wood) when he talked about his role as chair of the APPG on the furniture industry, and rightly so.

There are, however, signs that the market is beginning to recover, with some 16% more transactions in May than in April. It is in the interests of both homebuyers and the wider economy that that trend should gather momentum and speed over the coming months. That is why the plan for jobs included a commitment to increase temporarily the nil rate band of residential stamp duty tax from £125,000 to £500,000. Alongside the green homes grant, the aim was to inject momentum back into the housing market so that the economy can start to move forward once again. The Bill today puts that commitment into action and will ensure that the new band can take effect from 8 July—last Wednesday—until 30 March 2021.

Turning to the points raised in the debate, the right hon. Member for Wolverhampton South East asked whether this policy was designed in some way to benefit second home owners. I can reassure him that it is quite

untrue to suggest that the measure will disproportionately benefit second home owners. Although those buying second homes or buy-to-let properties will benefit, and make a very important economic contribution in so doing, they will continue to pay an additional 3% on top of the standard stamp duty land tax rates. Let us not forget that it was this Government who introduced the phasing out of finance costs relief, as well as the higher rates of stamp duty land tax for the purchase of additional property—all steps towards a more balanced tax treatment between homeowners and landlords.

The hon. Member for Liverpool, Walton (Dan Carden), in his opening speech, talked about the limited scale of this package of measures. All I can say to him is that his memory is a lot shorter than many others, as £30 billion used to be considered a rather large amount of money. Certainly, it was no slouch of a budget statement to announce that much. It is a measure of how much our times have changed that that should be seen to be the case.

The right hon. Member for Wolverhampton South East raised the question of whether the Government were reacting in some sense to a leak which, nevertheless, would have itself encouraged forestalling. I can tell him that I have dozens of officials across the Treasury thinking about tax strategy who have the concept of avoiding forestalling ingrained, tattooed on their eyebrows and embedded in their heart like the word “Calais” on the heart of Queen Mary in the 16th century. The idea that they would ever have contemplated that is risible. They did not.

Let me turn to some of the other comments that were made in the debate. The hon. Member for Warwick and Leamington (Matt Western) shared with us his concerns about growing wealth inequalities. I understand that. Would he, or maybe the hon. Member for Liverpool, Walton, like to clarify his position on a wealth tax? Would he be in favour of that? What is the Labour party's position? He is welcome to intervene on me if he has a view on that, as is the hon. Member for Liverpool, Walton, who perhaps could do so in Committee. It is causing us a certain amount of uncertainty and it must be causing voters even more.

The hon. Member for Mitcham and Morden (Siobhain McDonagh), in a very thoughtful speech, invited the Government to build more. I can direct her, if I may, to an article in *The Guardian* on 14 November last year, which points out that house building in England is at a 30-year high. As colleagues have mentioned, we have a £12.2 billion affordable homes programme in place at the moment, so she can take it as read, I hope, that both sides of the housing market are very well attended to at the moment.

My hon. Friend the Member for Runnymede and Weybridge (Dr Spencer) raised whether we should scrap stamp duty all together. I was perhaps slightly harsh, but I always take it as an additional measure of credibility when colleagues can come forward, as my hon. Friend the Member for Thirsk and Malton (Kevin Hollinrake) did—and my hon. Friend the Member for South Cambridgeshire (Anthony Browne)—with a specific suggestion for how the gap could be filled. What was charming about my hon. Friend the Member for South Cambridgeshire was that although he believes the abolition of this tax will fire up the market, temporarily at least, he did not seem to think that doubling the additional

[Jesse Norman]

tax would have any effect on the market. I thought that was an interesting economic contribution and I invite him to raise that possibility with his friends at the Institute for Fiscal Studies, since he is a board member or senior advisor there.

Let me wind up by saying that this is an important measure, which comes at a time when the pandemic has tested our economy to the limit. Through our collective effort, we will bring this virus under control. We have done so and we will continue to do so, and we will support our economy as it reopens in a way that is safe. For those reasons, I commend this Bill to the House.

*Question put and agreed to.*

*Bill accordingly read a Second time; to stand committed to a Committee of the whole House (Order, this day).*

**Mr Deputy Speaker (Mr Nigel Evans):** Order. Before I ask the Clerk to read the title of the Bill, I should explain that, in these exceptional circumstances, although the Chair of the Committee would normally sit in the Clerk's Chair during Committee stage, in order to comply with social distancing requirements I shall remain in the Speaker's Chair carrying out the role of Chairman of the Committee. We should be addressed as Chairs of the Committee rather than as Deputy Speakers.

## Stamp Duty Land Tax (Temporary Relief) Bill

*Considered in Committee (Order, this day)*

[MR NIGEL EVANS IN THE CHAIR]

### Clause 1

REDUCED RATES OF SDLT ON RESIDENTIAL PROPERTY  
FOR A TEMPORARY PERIOD

*Question proposed,* That the clause stand part of the Bill.

**The Second Deputy Chairman of Ways and Means (Mr Nigel Evans):** With this it will be convenient to discuss the following:

Clause 2 stand part.

New clause 1—*Review of impact of Act*—

“(1) The Chancellor of the Exchequer must lay before the House of Commons within three months of Royal Assent a review of the impact of this Act. (2) Such a review must include an assessment of the impact of the Act on— (a) first-time buyers, (b) existing owner-occupiers moving home, (c) buy-to-let investors, (d) those buying second homes, and (e) overseas buyers.”

*Member's explanatory statement This new clause would require the Chancellor of the Exchequer to report to Parliament on the impact of the Act, and in particular its impact on different groups of property owner.*

8.31 pm

**The Financial Secretary to the Treasury (Jesse Norman):** This Bill increases the nil rate band of stamp duty land tax from £125,000 to £500,000 from 8 July 2020 and runs until 31 March 2021. If I may, I will speak to clauses 1 and 2, and also to new clause 1 tabled in the name of the Leader of the Opposition.

This Bill contains two clauses. Clause 1 provides for the thresholds at which stamp duty land tax is due on residential property to be increased for a temporary release period, with effect from 8 July 2020 to 31 March 2021. The effect of this is that the first £500,000 of consideration for standard purchases of residential property will be free of tax, whereas previously only the first £125,000 was free of tax. The clause changes the rules in relation to other elements of stamp duty land tax, which are affected by the temporary holiday, such as the higher rate for the purchase of additional properties and first-time buyers' relief. The higher rate traditional dwellings will continue to apply in addition to the standard rates of stamp duty land tax. This means that for purchase of additional dwellings, the first £500,000 of the consideration will be subject to the higher rates of 3% on top of any existing SDLT rates. Further, the clause ensures that section 57B and schedule 6ZA of the Finance Act 2003, which gives effect to first-time buyers' relief, is temporarily disregarded until 31 March 2021.

Finally, the clause makes sure that no additional checks will be due when a contract is completed after the temporary relief period has ended, if the transaction was substantially performed within the temporary relief period. This is provided that the only reason for additional tax becoming due is the return to the standard rates of SDLT after the end of the temporary relief period.

Clause 2 provides that the Bill may be cited as the Stamp Duty Land Tax (Temporary Relief) Bill. The Bill comes into force on Royal Assent, but applies in relation to transactions with an effective date on or after 8 July 2020.

As a result of the resolutions passed by the House of Commons under the Provisional Collection of Taxes Act 1968, the Bill's provisions have effectively been in force since the 8 July 2020.

I shall briefly turn to Labour's new clause 1, which calls for a review of the impact of the Act. To that I would respond that Her Majesty's Revenue and Customs routinely publishes quarterly and annual statistics and analysis of stamp duty land tax data, including on first-time buyers and those purchasing additional dwellings. The Government also already closely monitor those statistics and keep stamp duty policy under constant review. As part of that, we will continue to examine the effect of the temporary rate change. This is a straightforward Bill to enact the temporary relief to stamp duty land tax announced last week by my right hon. Friend the Chancellor. I therefore commend clauses 1 and 2 to the House and ask the House to reject new clause 1.

**Dan Carden** (Liverpool, Walton) (Lab): It is a pleasure to speak in the Committee stage of the Bill. The Bill was only published at the beginning of the debate, and it has just two clauses. I will direct my remarks primarily to our new clause 1. We are asking the Government at least to accept the principle behind the new clause. I do not think the Financial Secretary to the Treasury was able to put our minds at rest on the question of which people and groups will benefit from the cut set out in the Bill. He said that it was quite untrue that it would benefit the owners of second homes or multiple homes, but I think we need a review to give us the facts. We need to find out whether first-time buyers, existing owner-occupiers moving home, buy-to-let investors, those buying second homes and overseas buyers are among groups that will benefit from the policy.

The Financial Secretary did not give us a clear response to the fact that £1.3 billion of the cost of this scheme looks likely to benefit those who are already home owners. We want the Government to commit to reviewing the Bill's impact in an open and transparent way. We want to know whether such a large sum will deliver value for money and what the broader impact of this will be on the housing sector. The Government should want to consider how this, their flagship policy, will contribute to solving the housing crisis and how it will impact on the economy overall. Our new clause will help to achieve that, and the Government should accept it.

**Wera Hobhouse** (Bath) (LD): Covid-19 has highlighted the deep inequalities that existed long before this pandemic. Many people have been left desperate for support. Hundreds of thousands of people already have less money coming in, and hundreds of thousands have lost, or will lose, their jobs. The Government have thrown an eye-watering amount of money at our economy, but we do not yet know how this increasing mountain of debt will be paid back, or by whom. In the meantime, paying bills, rents and mortgages has become hard for millions of households. We must therefore question whether this tax cut should be a priority for the Government. It is expected to cost £3.8 billion, yet it will mainly benefit the wealthiest. The average earner, including the young generation who are struggling to pay ever-increasing rents, let alone be able to put down enough money to buy a house, will see nothing of it. The discount might provide a tax holiday for the privileged few, but it

completely ignores the fact that the majority of people are unable to buy a home of their own now, and are never likely to do so in the future.

In my constituency of Bath, the availability of housing for first-time buyers is limited and house prices are expensive. The average house price in Bath is currently more than £430,000. A first-time buyer would qualify for £10,000 under the new rates, but even that would provide little benefit to a first-time buyer in my constituency who cannot secure a deposit or who faces an unaffordable mortgage. The cut to stamp duty will not solve the real problems at the heart of the housing crisis. Housing is one of the most important sectors for job creation—I agree with the Minister on that—but where is the focus on building social homes for rent? Social homes are the only way to provide secure and affordable housing for everyone, but, most importantly, for those on lower incomes. The private sector has completely failed to build social homes, and only a huge Government infrastructure programme to build social housing, as we saw in the '50s and '60s, will bring our social housing stock back to where it needs to be. That would create the jobs we need as well as the homes we need. Surely at this time, genuinely affordable homes are more important than ever, and more important than a stamp duty cut.

Lastly, the climate emergency has not gone away during covid, and we know that emissions from homes account for 30% of UK emissions. Decarbonising homes is therefore crucial to getting to net zero. Improving the energy efficiency of social housing is something that the Government could do straight away. They could also require landlords to achieve minimum levels of energy efficiency in order to be able to rent their homes. We need a Government with a vision to get the economy going, not a tax cut for only the few.

**Jesse Norman**: I thank the hon. Members for Bath (Wera Hobhouse) and for Liverpool, Walton (Dan Carden) for their comments. There may be some slight misapprehension from the hon. Gentleman—I did not actually say what he said I said. I said it is not true that this measure will disproportionately benefit second home owners, and that is because it has a proportionate effect across the whole population of home ownership. However, he should also be reassured that we in the Treasury keep a very careful watch over these taxes. They are monitored and assessed and their impacts are regularly reported on.

As I said, the Bill will help to deliver a Government aim to ensure that people feel confident to move, buy, sell, renovate and improve their homes, and it is a policy that the Labour party has indicated that it supports. On that basis, I commend clauses 1 and 2 to the House and respectfully ask that it does not support new clause 1.

*Question put and agreed to.*

*Clause 1 accordingly ordered to stand part of the Bill.*

*Clause 2 ordered to stand part of the Bill.*

*The Deputy Speaker resumed the Chair.*

*Bill reported, without amendment.*

*Third Reading*

8.41 pm

**Jesse Norman**: I beg to move, That the Bill be now read the Third time.

[Jesse Norman]

Mr Deputy Speaker, let me say how gracefully you migrated from being Chairman to Mr Deputy Speaker without any of us really noticing the change—thank you for that brilliant transfiguration. It is extraordinary to think that it is now four months almost to the day since my right hon. Friend the Chancellor of the Exchequer stood before the House to deliver the Government's first Budget. That proved to be the first in a series of very large economic interventions from this Government, all of which have been designed to buttress our public services and protect the most vulnerable in our society from this virus, while also supporting people's jobs and livelihoods through the lockdown. Four months on, as he said, a "new phase" has begun in the Government's economic response to covid-19 with the publication of our plan for jobs.

As the Chancellor made clear when he addressed the House last Wednesday, there is no room for dogma or ideology in this approach. If the first phase of our response focused on protection, this second phase is focused on the need to give everyone the opportunity of good and secure work in the future. However, it is certainly not the last measure that we will enact. The Government have said that they will bring forward both a Budget and a spending review in the autumn, when we will be in a better position to put our public finances on a secure footing and consider the long-term fiscal measures required for a sustained and successful recovery. Nor should we forget that many of the programmes that the Government have introduced to date still have a significant time to run. They include the coronavirus jobs retention scheme, the furlough scheme and the self-employment income support scheme, which will continue through the summer and the early autumn before ending in October.

However, at this moment millions of people are still facing considerable uncertainty and fearing for their jobs right now. They need to know that there is hope for the future, which is why we have acted with a plan for jobs. This Bill—I hope soon it will be an Act—is a very important part of that plan for jobs, and I commend it to the House.

8.43 pm

**Dan Carden:** The Opposition will not be opposing the Bill. We are acutely aware that people need support after months of lockdown when they were unable to buy or sell their homes, but while we are not opposed to giving homeowners and buyers additional support to get through this crisis, we have concerns about who will benefit most from the Bill.

Last week, we should have had a back-to-work Budget that targeted support at the sectors and jobs most affected by this terrible crisis, but we did not get one. Instead, we got scattergun giveaways that will not deliver for those who need it most—giveaways such as this Bill, which was frantically pulled together at the end of last week after more clumsy miscommunication at the highest level of Government.

Last week's statement was another example of rhetoric over reality with this Government. It was cobbled together to get as many likes as possible, without due consideration for the long-term impact on the economy. It did nothing to target support to those who need it most during this difficult time. It did nothing for those who have so far been excluded from Government support during this crisis. Above all, it did nothing to address the Government's failure to get an effective test and trace system in place so that people can feel confident leaving their homes and returning to some sort of normality.

As my hon. Friend the shadow Chancellor put it so succinctly last week, families are not staying home because they are waiting for a tenner off a meal. They are staying home because they are still worried about coronavirus. We do not just need incentives; we need confidence.

*Question put and agreed to.*

*Bill accordingly read the Third time and passed.*

8.46 pm

*Sitting suspended.*

## Intelligence and Security Committee of Parliament

8.49 pm

**The Leader of the House of Commons (Mr Jacob Rees-Mogg):** I beg to move,

That Chris Grayling, Sir John Hayes, Stewart Hosie, Dame Diana Johnson, Mr Kevan Jones, Dr Julian Lewis, Mark Pritchard and Theresa Villiers be appointed to the Intelligence and Security Committee of Parliament under Section 1 of the Justice and Security Act 2013.

I rise to speak to the motion in my name—in the Prime Minister’s name actually—on the Order Paper. Under the terms of section 1 of the Justice and Security Act 2013, members of the Intelligence and Security Committee are nominated by the Prime Minister and appointed by the respective House. The Prime Minister has nominated the members, following the required consultations with the leader of Her Majesty’s Opposition. The House is now being asked to make the appointments in accordance with the Act. I commend this motion to the House.

8.50 pm

**Valerie Vaz (Walsall South) (Lab):** I thank the Leader of the House for bringing forward the motion. It has been the longest time taken to set up the Intelligence and Security Committee; I think the last time it has taken so long was in 1994. He will know that I have raised this at business questions several times, so setting up the Committee today cannot go without some acknowledgment of the delay, and perhaps an apology to the House. That would be much appreciated.

We have heard from eminent Members of this House, such as Dominic Grieve, the former Chair, who warned that

“the effective and robust oversight of the intelligence community, entrusted to us, is too important to have been left in a vacuum for so many months.”

Lord Ricketts said:

“It was a fundamental part of the deal when the intelligence agencies got more intrusive powers to combat terrorism that at the same time Parliament got stronger powers of oversight”,

and the Intelligence and Security Committee is that “oversight”. Four important inquiries were going on and of course the Russia report, which has been on the Prime Minister’s desk for six months. Can the Leader of the House say when that will be published?

I am pleased by the Opposition team. As the Leader of the House said, the Opposition nominate their members, and we have a fantastic team in my hon. Friend the Member for Kingston upon Hull North (Dame Diana Johnson), my right hon. Friend the Member for North Durham (Mr Jones) and Lord West. They are assiduous parliamentarians, and they will do their work diligently. I also want to place on the record my thanks to David Hanson and Caroline Flint for their work on the Committee.

With this Committee, we are able to preserve the balance between liberty and security. The robust and continuous oversight of the intelligence and security community is both necessary for our democracy and vital for our national security. Her Majesty’s Opposition support the motion.

8.51 pm

**Wera Hobhouse (Bath) (LD):** This motion has been brought forward only after considerable pressure from Opposition Members. Two weeks ago, I tabled an early-day motion, which received widespread support. I am far from being the only MP who has been campaigning for the Committee to re-form, yet it has taken the Government until this week—nine days before the summer recess—to act. It has been widely reported that the Prime Minister has put forward a candidate to be appointed Chair of the Committee. This says a lot about how the Government see the role of Parliament. The role of Chair is a matter for the Committee to decide.

It is obvious that the first order of business for the new Committee needs to be the publication of the report into alleged Russian interference in our democracy. In the UK, we value democracy, so why does all of this matter? Because serious questions need to be answered about foreign interference in our democracy. Can our elections be bought with money from abroad? The idea that our democracy could be compromised is deeply disturbing. The report was meant to be released before the last general election; it was not. What does this tell us about the 2019 elections? Parliament must come to terms with this very simple question: has there been interference in our UK democracy? The public have a right to know.

Otherwise, the question is: can we trust our current Government with our democracy? It is far past the time when both the MPs and the public have a right to see the full contents and any conclusions that are made. To insist that this is normal practice is an insult to the intelligence of both Opposition MPs and the public in general. Previous generations understood, often to their cost, that democracy has to be fought for. It is something we hoped we would never have to do again, but democracy always has to be fought for. How does it start? When elections are tampered with. Were our elections being compromised, and are the Government trying to hide the truth? This is just the beginning of a long struggle. I do not expect allies on the Government Benches, but for all of us on the Opposition side of the House, fighting for open, accountable Government is our fight.

8.54 pm

**Mr Kevan Jones (North Durham) (Lab):** I welcome this motion to form the Intelligence and Security Committee. The only two survivors of the Committee that sat in the last Parliament are myself and the hon. Member for Dundee East (Stewart Hosie), if the House agrees to the motion. It is right to pay tribute to the Members who served on the last Committee, including Dominic Grieve, the Chairman. He might be a Marmite figure on the Government Benches, but he was a good Chair, a fair Chair and someone who not only worked collegially with Members across the House and political parties but took a keen interest in the subject of security and intelligence. I pay tribute to Richard Benyon and Keith Simpson. Keith is a loss because he was our resident historian on the Committee. I wish all three of them well. I would also like to pay tribute to my two Labour colleagues, Caroline Flint and David Hanson, for their service to not only the Committee but the last Labour Government, as two very fine Ministers.

**Chris Grayling** (Epsom and Ewell) (Con): I entirely endorse what the right hon. Gentleman just said about the Committee's previous members. Although many of us on the Government Benches had some points of difference with Dominic Grieve in his last few months in the House, I worked with him over many years, and he was a very distinguished Chair and a very distinguished parliamentarian.

**Mr Jones:** I am sure that he will welcome those comments.

I want to pay tribute to two peers who will no longer sit on the Committee. The first is the Marquess of Lothian, who had sat on the Committee since 2006. He was not only a great fount of knowledge but took a keen interest, and having that historical knowledge on the Committee was very important. The second is Lord Robin Janvrin, who also took a keen interest in the Committee and worked very hard. Being a Cross Bencher, he brought a different perspective from the party political point of view, and he made a huge contribution. Both should be recognised for the work they did on the Committee.

The shadow Leader of the House raised the length of time it has taken to form the Committee. It concerns me, because this is not the first time. In the last Parliament, it took an inordinate length of time to form the Committee. Independent oversight of our security services is an important part of our democracy, and we perhaps need to revisit the legislation to require the Committee to be formed within a certain period after the election of a Parliament. If we have these long delays, we are missing parliamentary oversight, and if we want to build public trust in the work of our security services, that oversight is important.

The Committee has completed three reports, although only one seems to get a lot of mention. The first is the annual report from last year, which is ready to be published. The second is the report on the procurement of the National Cyber Security Centre at Nova South. The third, which is obviously of interest to many, is the report on Russia. All three need to be published as a matter of urgency. It is important—and I will argue this if the House agrees to my appointment—that the Russia report is produced before Parliament goes into recess. There is no reason why it should not be. It has been through the Committee, agreed through the redaction process and agreed by Government. I would like to see it published at the earliest opportunity, and possibly next week.

In closing, I want to thank the secretariat, who work very hard to service the Committee, and put on record my thanks and the thanks of the whole House to the men and women of our security services, who work day in, day out to keep us safe.

8.59 pm

**Mr Rees-Mogg:** I shall answer the points that have been made, but may I begin by thanking the right hon. Member for North Durham (Mr Jones) for his characteristically charming speech—it is why he is so highly regarded across the House—and for the way he paid tribute to

the former members of the Committee? It is right that we thank those who have given public service. From my experience, I would say that Dominic Grieve was one of the most intelligent men I ever met in Parliament and he is someone I hold personally in the highest regard. I happen to disagree with him on what turned out to be the most important political issue of our time, but that does not mean that one does not both like and admire somebody. The right hon. Gentleman was right also to pay tribute to Keith Simpson and Richard Benyon, as well as to his own colleagues, Caroline Flint and David Hanson. They were all public servants who did their duty on this important Committee. I will not exclude the Lords: the Marquess of Lothian, better known as Michael Ancram, who is a very distinguished servant of the Conservative party and has always played an active role in public life—some might think a model of what a Marquess ought to do; and Lord Janvrin, who also played an important role on the Committee. This is a time to thank those who are no longer going to serve, but also to recognise the many abilities of those looking to serve.

I very much agree with the comments about how it is important to have proper democratic oversight of the way our security services work, but until relatively recent times the operation of our security services was entirely secret; it was unknown to anybody. The opening up of the scrutiny of our security services is to the public good. It ensures that we know what is being done in our name. I am grateful that my neighbour, the hon. Member for Bath (Wera Hobhouse), tabled an early-day motion, because that shows that Parliament is taking this level of scrutiny seriously.

That leads me to the point about the time it has taken to set up this Committee. A Committee of this importance needs to have the right people on it. Discussions were involved when a number of people had to leave. The two Labour members were not returned to Parliament, and Keith Simpson and Richard Benyon both retired from Parliament, which meant we had to form a very new Committee. That took time, as we needed to ensure that the right people, with the right level of experience and responsibility, could be appointed, and that they would agree to their appointment. I think we have an exceptionally distinguished Committee provided from this House: one in which we can all take considerable confidence.

I end with a note on foreign interference in elections. I think that has been a matter of concern to politicians since the Zinoviev letter, which is widely believed nowadays to have been a fake. Fear of foreign interference will come and go, but for any Government, and particularly for Her Majesty's Government as currently constituted, it is and will always be an absolute priority to protect our democratic and electoral processes. During the last election, the Government took steps to protect the safety and security of our democratic processes. I do not believe that this House would expect anything less, and I do not think any Government of any colour would ever do anything that would endanger the security of our elections. I ask the House to support the motion.

*Question put and agreed to.*

## Independent Pharmacies

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

9.3 pm

**Bob Seely** (Isle of Wight) (Con): It is a pleasure to open this debate, which was prompted by a letter from an independent pharmacist in my constituency, Mr Tim Gibbs, who runs the Yarmouth pharmacy. Those who know it will know that it is not far from our beautiful harbour in Yarmouth and just opposite Yarmouth castle. I am delighted that this Minister is on the Front Bench, as I know she is a great supporter of pharmacies, pharmacists and indeed independent pharmacists. I am aware that the Health Secretary spoke at the National Pharmacy Association today. He spoke eloquently on the need for a major winter flu vaccination programme, which, clearly, we would welcome.

I will not speak for too long, as I am aware that one or two others wish to speak and it is getting late in the day, but I wish to cover some of the issues of concern to not only pharmacists, but independent pharmacists, who are especially important in isolated and rural communities, as other Members here, including those from places such as Cornwall, will testify. I have six independent pharmacists in my patch and all are highly valued. They include Tim in Yarmouth, Freshwater, Seaview, Ryde and Regent, which covers both East Cowes and Shanklin. I am grateful to Gary for taking the time to chat last week about some of the issues that have faced him.

Although many healthcare providers closed their doors during the covid pandemic, pharmacists stayed open, often at risk to themselves and their staff. For many people in our communities, NHS pharmacies were the visible face of healthcare on the high street. It is to their great credit that they stayed open and continued to serve their patients, often delivering medicines, at their own cost, to the homes of vulnerable and at-risk patients to make sure that those patients had what they needed. Pharmacy staff saw patients in person and ensured that the public—particularly vulnerable patients—had a consistent and safe supply of medicine. In doing so, they took considerable pressure off other elements of the health service, including GPs, who were often answering calls on the phone, and A&E.

However, I know from talking to Tim, Gary and other pharmacists in my patch that they face considerable financial insecurity on top of all the other problems. That is worse for pharmacists such as Tim who have to rely on over-the-counter trade. In Yarmouth, where there are a lot of yachts at weekends, he can usually make up the decline of income in other areas by selling soap and all the other good things that chemists sell, but in the covid period those sales took a significant hit. The same has been true for the independent pharmacies and many of the chemists in my patch. They have incurred many thousands of pounds in additional monthly costs from staying open and serving the community, and some of my independent pharmacists have even relied on volunteers.

Pharmacies have paid for the costs of installing screens, buying PPE—although I think the Isle of Wight Council helped Tim out after he requested it on a couple of occasions—hiring locums, paying overtime and absorbing the increases in the wholesale prices of medicines, which pharmacists are not allowed to pass on to their customers. That has created serious cash-flow problems.

I am very grateful, as we all are, that the Government provided £300 million in emergency loans to the sector at the outset of the crisis and have provided an additional £70 million since. Those are significant sums of money. The loans are, however, something of a sticking-plaster solution to cover the immediate covid costs that pharmacists have incurred and to make up for the longer-term shortfall. If pharmacists are left holding the bag for the costs that they have incurred through serving their communities in the past few months, many of them, including Tim, are worried that they will be forced to shut down in the next year or two. I believe that that would be a national shame. The ongoing uncertainty is an additional burden that pharmacists just do not need.

All pharmacists are valuable and they all play an important role. but because independent pharmacists are embedded in their community and represent a friendly, valued and, above all, trusted voice, they take pressure off A&E, GP surgeries and other areas of the NHS. On the Island, the number of GPs sits at roughly the average, but as the Minister well knows, we are struggling somewhat to make sure that there is an adequate supply of GPs to provide the primary care that this country needs.

I know that the Minister is a friend to pharmacists. Can she say something to reassure pharmacists—especially the independent ones—in my constituency and many others that the Government understand their valued and somewhat unique role, over and above chains of pharmacies, and that the Government wish to support them?

**Holly Lynch** (Halifax) (Lab): I am grateful to the hon. Gentleman, who is making a powerful speech, and I congratulate him on securing this Adjournment debate. Having worked in an independent pharmacy while I was at school, I recognise the trusted relationship that he describes between the pharmacist and the community that they serve. When the funding formula for pharmacies changed in 2016, the then Minister told the then all-party group on pharmacy that between 1,000 and 3,000 pharmacies were expected to close because they would no longer be financially viable in the face of the cuts, so the outlook for pharmacies was already tough and bleak. A significant number of the pharmacies that have closed have been independent pharmacies. Does he agree that that is a real shame, and a real loss to those communities?

**Bob Seely:** I thank the hon. Member for making that point. I was just about to quote those statistics myself, but I thank her for teeing up the next bit of what I would like to say.

As I understand it, the budget for community pharmacies is £2.6 billion—a significant amount of money but quite a small proportion of the NHS's total budget. It stretches to cover some 11,500 community pharmacies, serving the majority of the population of the United Kingdom—about 56 million people. On average, each one serves about 5,000 people per month and dispenses 7,300 prescriptions.

In the last four years, as the hon. Member says, the funding for pharmacies has shrunk by a significant amount; I am quoted a figure of approximately £200 million. Tim and other pharmacists in my patch are concerned that there is now going to be significant additional pressure, and we have seen statistics to suggest that up

[Bob Seely]

to 3,000 pharmacies could close for good. That has not happened yet; these are threats. Some have closed, but the majority are still struggling on.

I believe that would be short-sighted in the extreme. I am sure the Minister agrees that a sustainable pharmacy sector is a critical part of the NHS network in this country because, as I said, it takes pressure off both A&E and GPs. We badly need it. Having used an independent community pharmacy myself, I know the added value of having somebody trusted to talk to, whether about a bunged-up ear because I swim too much—well, not at the moment—or about more serious concerns.

NHS pharmacies are ready and willing to support the test and trace programme—something I have knowledge of in my patch due to our experience trialling the app, which sadly was not taken further. They could help to ensure support for test and trace, for home testing kits, and certainly for the winter vaccination programme, which is likely to be of increased significance this year because of the potential for phase 2 of covid, which clearly we all hope does not happen.

There is strong public support for community pharmacies. A recent opinion poll showed that 81% hold a favourable view of pharmacies, 78% value a face-to-face relationship—I wish Members of this House had those sorts of approval ratings; we live in hope—and more than half want to see emergency covid funding turned into a permanent grant versus the significantly smaller amount who want to see it repaid.

Crucially, the public are ahead of the health bureaucracy in seeing the benefit of having this network of highly trained healthcare professionals in many communities in Britain; 84% say that the NHS should do more to make use of pharmacists' skills. It does seem to be a bit of a wasted resource when we have people with so much skill and ability in dispensing medicine and in being the first port of call for many when they are feeling under the weather.

Some 71% of people think pharmacies should be able to expand their offering to take pressure off the NHS. I completely agree. I wonder how we can work towards that betterment, which is certainly in all our interests considering the relatively small amount of money compared with the overall NHS budget that goes towards pharmacies, specifically community pharmacies.

I will round up and let other Members speak, but may I tempt the Minister to talk about how she can support community pharmacies—the six in my patch but also the 11,500 across Britain? What can she say to reassure us that the financial support will be there? Losing independent pharmacies would be much more expensive in the long run than providing modest additional sums to ensure that we help keep their pharmacy businesses viable, especially during the covid period, when other elements of their business—the cash trade of the chemist—have clearly been declining. I very much look forward to her response.

9.13 pm

**Paul Bristow** (Peterborough) (Con): I congratulate my hon. Friend the Member for Isle of Wight (Bob Seely) on securing this important debate, and I am grateful to him for willing me to participate.

This has been an extraordinary period. Despite its challenges, the coronavirus emergency has revealed many of the strengths of our health and social care systems. One of the most important—a system that extends into the community well beyond our fantastic doctors and nurses—is, of course, the pharmacy sector. Community pharmacists are a vital part of the frontline. For example, the Newborough pharmacy was crucial to that village's response to covid, and I want to place on the record my thanks to Meb Dattoo, his wife and their team at Newborough village pharmacy.

Just as the role of care workers has become better appreciated in the last few months, I believe it is time to value our pharmacists. They have been an essential face-to-face part of our response. According to the latest research, more than 60% of the public visited a pharmacy during lockdown. Three quarters agree that the NHS should make more of pharmacists' skills, both in the ongoing covid-19 situation and more broadly.

I am a member of the Health and Social Care Committee, and I am sure that in the future we will look at the value of pharmacies. The Chancellor of the Exchequer is the son of a pharmacist—that is perhaps not well known—so I am confident that the sector is appreciated not only by the Minister and her Department, but in Downing Street. That appreciation is needed.

Although the role and potential of pharmacies is now obvious, many are struggling to keep their doors open. The five-year financial deal for community pharmacies came into effect last summer, but I fear that it is not sufficient to keep the sector going, at least by itself. The Government have increased funding for the NHS by a record amount, and I am proud of that. I am also proud of the huge additional support to tackle coronavirus and deal with its consequences. Pharmacists deal with those consequences every day, and they deserve their fair share. We cannot let them shoulder greater responsibilities without the associated funding.

I agree with my hon. Friend that the sector needs to know whether it is, in effect, being asked to pay for the costs of covid—whether it is being asked to pay back the £370 million in Government loans. I do not necessarily expect the Minister to provide that answer tonight. I am sure she is sympathetic to the points that have been made, and I therefore hope that she agrees that, although our pharmacies are an excellent place to acquire a sticking plaster, they deserve a lot more than a sticking-plaster solution.

9.16 pm

**The Parliamentary Under-Secretary of State for Health and Social Care (Jo Churchill)**: I am grateful to my hon. Friend the Member for Isle of Wight (Bob Seely) for securing the debate and to the hon. Members who contributed to it. We are all pretty much in agreement about the value of our pharmacies. Our community pharmacies are an integral part of our healthcare system. We have often spoken in this Chamber and elsewhere about how assiduously my hon. Friend looks after the health needs of those on the Island, with its unique ecosystem.

As has been said, community pharmacies across the country, including those on the Isle of Wight, are at the very heart of our community. Everyone agrees that they play a vital role in providing medicines and health advice to all those who cross their threshold—the hon.

Member for Halifax (Holly Lynch) said she did that while at school. Many pharmacists have told me that during lockdown they have had to develop a different relationship with their customers, because the whole setting and how they advise has changed. Rather than having a friendly chat, they have had to help many of their older customers navigate their way through the new system. The role of pharmacies is more important than ever in the covid-19 pandemic. Their sensible approach has helped to spread the public health message. They are integral to the prevention agenda.

I say that because, although the pandemic continues to challenge all parts of the health and care system, local pharmacies have remained open throughout. They have truly been the frontline. They have adapted to the pandemic by making their businesses covid-secure. They have innovated and shown immense resilience in responding to the challenges brought about by the pandemic.

The Health and Social Care Secretary and I—indeed, all colleagues in Government—are hugely grateful for the unequivocal commitment shown by community pharmacies. I am immensely proud to be the pharmacy Minister. I want to take this opportunity, as I have done before, to thank all those who have gone above and beyond during this crisis, helping those in our community who have walked through the shop door because they are frightened or require assistance. Pharmacies have always been there.

As the House may recall, last July we agreed a landmark five-year deal, the community pharmacy contractual framework, which committed almost £13 billion to community pharmacy or about £2.6 billion a year. It is the joint vision for how community pharmacy will support delivery of the long-term plan. Community pharmacists are part of our community life, and independent pharmacists account for almost 40% of the market. They are integral to the success of delivering the five-year deal and supporting the NHS. As we have heard this evening, patients value the diversity of pharmacies and the different settings in which they interact with their communities.

Maintaining access to NHS pharmaceutical services continues to be a key priority for the Government. The pharmacy access scheme protects access in areas where there are fewer pharmacies and higher health needs, so that no area is left without access to local, physical NHS pharmaceutical services.

During this crisis, the Government have put in place a financial package to provide support to all businesses, including independent pharmacies. Under the NHS contractual arrangements, we have made available £370 million in advance payments to help pharmacies with their cash flow. We have also provided additional funding for the new medicine delivery service for shielded patients to ensure that the vulnerable get their medication, and covered the cost of bank holiday opening. We are increasing the reimbursement prices for the most commonly prescribed generic medicines by £15 million a month from June.

We have responded to concerns from the sector by pausing some work in order to prioritise day-to-day activities and enable an environment that provides space to do the day job safely and, importantly, supports the health and welfare of staff. That is particularly important given the high proportion of community pharmacy staff from black, Asian and minority ethnic backgrounds.

For example, 43% of registered pharmacists come from such backgrounds. We need to provide the right environment to keep everybody working at their optimum level.

This year's pharmacy quality scheme comprises of two parts: an essential element that focuses solely on covid-19 activities, including individual covid-19 risk assessments, and a second part that will be in the usual spirit of the scheme. I urge all community pharmacists to participate in this year's pharmacy quality scheme, especially the essential element, which will reward community pharmacies for undertaking steps to keep patients and staff safe during the pandemic.

As my hon. Friend the Member for Isle of Wight will appreciate, we are in regular conversation with the pharmacy contractors' negotiating body, the Pharmaceutical Services Negotiating Committee. We have met stakeholders regularly throughout the pandemic to ensure we have that ongoing dialogue that is so important. We will continue to work closely with the PSNC, NHS England and NHS Improvement to consider what further support and funding contractors will need during the pandemic and as we move into the recovery phase.

We have just entered discussions on firm proposals for additional funding put forward by the Government to meet the extra costs incurred by pharmacists at the peak of the pandemic. To respond to this crisis, we have a need to reprioritise certain community pharmacy contractual framework services. The immediate challenge will be to restore those services and programmes planned for the 2020-21 period where we can do so and where it remains the right thing to do. I stress that we will work by talking to the profession, because this has been an extremely difficult time and, as everybody has said, pharmacists have responded amazingly to the demands that have been put on them.

There is also an opportunity to learn from the pandemic and facilitate changes that may have been more difficult previously. We will continue to build capacity and capability, test new services for potential future commissioning, and focus services on the areas that have the most impact on the population's health. Community pharmacies have demonstrated how they can increase the uptake of flu vaccinations, as my hon. Friend the Member for Isle of Wight said. That will be particularly important this winter, when we know that there will be increased uptake. I am keen for community pharmacies to do more in partnership with GPs in their local area and for them to be as one with their colleagues and treated like other members of the entire NHS family that we value so much. I sometimes feel that those in community pharmacies feel that perhaps we could go a little further in saying a big thank you to ensure that they feel part of the valued broader primary care network.

Isle of Wight community pharmacists are exceptional; indeed, in the past they have won awards for their work on the administration of hepatitis B and hepatitis C vaccines. We want to consider the role of community pharmacists in future vaccination programmes to maximise access.

The hon. Member for Halifax mentioned the anticipated loss of some 3,000 pharmacies; on this morning's Zoom call with the National Pharmacy Association, the Secretary of State was clear that that would not happen on his watch and that any loss of pharmacies stopped when he arrived. Like me, he sees the value of community pharmacists. There are now 11,500 pharmacies throughout England, which is an uplift of some 12% since 2010.

[*Jo Churchill*]

I agree with my hon. Friend the Member for Peterborough (Paul Bristow) that this period has shown how vital pharmacists are and the importance of the role that they play for us all.

The Medicines and Medical Devices Bill, which goes to the Lords next week, will introduce legislation that will pave the way for further consultation on what more the Government can do to support dispensing arrangements and a better skill mix in community pharmacy. With such a highly skilled workforce, if we can free up pharmacies to better use their skills for patient-facing services, helping to alleviate pressures not only on pharmacies but in primary care, that will help the whole sector and be a recognition of the high skill level that we have. We will help people, including those on the Isle of Wight, to adopt innovative practices, including the greater use of

digital and technology. We will of course engage with the sector on any proposals that we make. Any regulations in this policy area would come before Parliament.

I thank my hon. Friend the Member for Isle of Wight again for securing this important debate. I know that the coming months will continue to be challenging for Tim and the other community pharmacists that my hon. Friend mentioned, but it is really important that they know quite how much they are valued by Members from all parties, but mostly by their communities. I am personally committed to continue to do all that I can to support community pharmacies, which are an essential part of our lives, our high streets and our NHS family.

*Question put and agreed to.*

9.28 pm

*House adjourned.*

# Written Statements

Monday 13 July 2020

## TREASURY

### Finance Bill: Legislation Day

**The Financial Secretary to the Treasury (Jesse Norman):** The Government will introduce the Finance Bill following the next Budget.

In line with the approach to tax policy making set out in the Government's documents "Tax Policy Making: a new approach", published in 2010, and "The new Budget timetable and the tax policy making process", published in 2017, the Government are committed, where possible, to publishing most tax legislation in draft for technical consultation before the legislation is laid before Parliament.

The Government will publish draft clauses for the next Finance Bill, which will largely cover preannounced policy changes, on Tuesday 21 July 2020 along with accompanying explanatory notes, tax information and impact notes, responses to consultations and other supporting documents. All publications will be available on the gov.uk website.

[HCWS356]

## DIGITAL, CULTURE, MEDIA AND SPORT

### Covid-19: Restarting Businesses and Activities

**The Secretary of State for Digital, Culture, Media and Sport (Oliver Dowden):** I would like to update the House on the next steps in delivering the UK Government's covid-19 recovery strategy.

These important steps forward have been made possible by the continued efforts of businesses and the public to comply with covid-19 secure guidelines and clinical advice on testing to protect against resurgences. While there remains a long way to go in tackling this virus, we continue to head in the right direction.

The Business Secretary and I have worked with industry and public health experts to help the remaining sectors and activities to become covid-secure, and reopen as soon as possible.

Following this work, I can confirm that as of 11 July organised outdoor grassroots team sports and participation events are now able to restart, starting with cricket. Team sports will only be able to resume once the relevant sports' bodies guidance has been reviewed by Public Health England and the Health and Safety Executive.

Outdoor performances with an audience are now able to take place, as of 11 July, subject to social distancing. We will also pilot a number of indoor performances to look at how we can confidently usher socially distanced audiences indoors as soon as possible. Rehearsals and performances for broadcast are already permitted, and dance studios can already reopen for professional dancers and choreographers.

New regulations allow some additional businesses and venues to reopen. This includes outdoor swimming pools and water parks from 11 July; and salons, nail bars, spas, massage parlours, tattoo parlours, and body and skin piercing services from 13 July. Although these businesses and venues are permitted to open, treatments carried out in the highest risk zone, the area directly in front of the face, are advised against at this stage.

The changes outlined above will not apply in Leicester and businesses there will not reopen. This is in line with current easing of restrictions in the rest of the country.

From 25 July, we will allow the safe and covid-secure reopening of indoor swimming pools, gyms, fitness and dance studios, leisure centres, and other indoor sports venues and facilities (as long as the evidence continues to support our doing so). This will be enabled through a separate set of amendments to the regulations.

We must continue to proceed carefully to make sure that there is not a second peak. The changes set out above will be conditional on our ability to control the virus and respond effectively to outbreaks. The Government will measure the effect of changes but will reapply restrictions if that is what the situation requires, as we have had to do in Leicester, and we will work with local councils which have a high prevalence of covid-19 to create guidance reflecting where further business openings could be delayed.

Everybody must play their part in observing and complying with covid-19 secure and social contact guidelines to keep the virus under control and maintain our recovery. Publicly available Government guidance is being published and updated on gov.uk and by sector bodies.

[HCWS357]

## HOME DEPARTMENT

### Points-based Immigration System

**The Secretary of State for the Home Department (Priti Patel):** In 2016, and again in 2019, the British people voted to take back control of our borders and introduce a new points-based system that will work for the whole of the UK. The Immigration and Social Security Co-ordination (EU Withdrawal) Bill delivers on these votes by ending the automatic right to live and work in the UK for EU migrants from 1 January 2021.

In February I set out the vision for a fairer, firmer, skills-led immigration system. The system will play a key part in our long-term approach to the labour market and in our response to the coronavirus pandemic.

At a time where an increased number of people across the UK are looking for work, the new points-based system will encourage employers to invest in the domestic UK workforce, rather than simply relying on labour from abroad.

But we are also making necessary changes, so it is simpler for employers to attract the best and brightest from around the world to come to the UK to complement the skills we already have.

We know this new immigration system and approach to the labour market will mean changes in the way businesses operate and recruit. Today I am laying before the House a command paper (CP 258) providing further detail on the points-based system, covering the main

economic migration routes for those wishing to work or study or set up a business in the UK, to help both employers and applicants prepare and adapt for the changes ahead. Copies will be available from the Vote Office.

It will be simpler for businesses to access the talent they need as we have removed the resident labour market test, lowered the skills and salary threshold, and removed the cap on skilled workers.

The skilled worker route gives employers flexibility by allowing applicants to trade points if they have relevant qualifications or work in a shortage occupation. We have commissioned our independent migration experts to produce a shortage occupation list, so that the Government can work with sectors to fill roles quickly where shortages may occur.

We will be introducing a new-fast track Health and Care visa. This will make it easier and quicker for talented global health professionals to work in our brilliant NHS and in eligible occupations in the social care sector. The visa fee will be reduced and health

professionals applying can expect a decision on whether they can work in the UK within just three weeks, following biometric enrolment. We will exempt frontline workers in the health and social care sector and wider health workers from the requirement to pay the immigration health surcharge.

Our Global Talent route launched earlier in the year encourages highly skilled individuals to come to the UK and provides a fast track route for top scientists and researchers.

To ensure our world-leading education sector remains competitive in a changing global market, we are refining the student route and launching a graduate route in summer 2021. The student route will be streamlined for sponsoring institutions and applicants, and the graduate route will help retain the brightest and the best students to contribute to the UK post-study.

Our new system sends a message to the whole world that Britain is open for business, but on our terms.

[HCWS355]

# Ministerial Correction

Monday 13 July 2020

## DEFENCE

### Veterans: Covid-19 Support

*The following is an extract from Defence questions on Monday 6 July 2020.*

**Navendu Mishra:** The Minister said that the veterans' gateway app would put veterans' care in the palm of every veteran in the country. Can he tell us how many people have downloaded and used this app in its first two months?

**Johnny Mercer:** I have not formally launched the veterans' gateway app at the moment. We are going through a process of working with users and so on to make it more user-friendly. That is an ambition of mine: to put veterans' care in the palm of every single veteran in this country. We will have a formal launch and I would be delighted if the hon. Gentleman came with me to that launch. We can then look at the figures together and perhaps work on getting the app into more people's pockets as we go.

*[Official Report, 6 July 2020, Vol. 678, c. 650.]*

*Letter of correction from the Minister for Defence People and Veterans, the hon. Member for Plymouth, Moor View (Johnny Mercer):*

An error has been identified in the response I gave to the hon. Member for Stockport (Navendu Mishra).

The correct response should have been:

**Johnny Mercer: I launched the veterans' gateway app on 1 May.** We are going through a process of working with users and so on to make it more user-friendly. That is an ambition of mine: to put veterans' care in the palm of every single veteran in this country. We will have a formal **event** and I would be delighted if the hon.

Gentleman came with me to that **event**. We can then look at the figures together and perhaps work on getting the app into more people's pockets as we go.

*The following is an extract from Defence questions on Monday 6 July 2020.*

**Margaret Greenwood [V]:** The Minister said that the veterans' gateway app will put veterans' care in the palm of every veteran in the country. Will he tell us what estimate his Department has made of the number of veterans who do not have a smartphone and what his Department is doing to reach them?

**Johnny Mercer:** It is a completely fair point that many of our veterans are of an age group who will not be digitally able to access this app. The app was never designed to be something that is all encompassing. It is simply another measure in the suite of options that we are offering to veterans in this country to make sure that this is the best country in the world in which to be an armed forces veteran. There is a whole host of other ways of looking after our veterans, such as breakfast clubs that we all get involved in. When this app does come out, I will be looking at ways to make it even more user-friendly, particularly to our older veterans, to whom we owe such a great debt.

*[Official Report, 6 July 2020, Vol. 678, c. 651.]*

Letter of correction from the Minister for Defence People and Veterans, the hon. Member for Plymouth, Moor View (Johnny Mercer):

An error has been identified in the response I gave to the hon. Member for Wirral West (Margaret Greenwood).

The correct response should have been:

**Johnny Mercer:** It is a completely fair point that many of our veterans are of an age group who will not be digitally able to access this app. The app was never designed to be something that is all encompassing. It is simply another measure in the suite of options that we are offering to veterans in this country to make sure that this is the best country in the world in which to be an armed forces veteran. There is a whole host of other ways of looking after our veterans, such as breakfast clubs that we all get involved in. **Before the app launched we did extensive testing to ensure it was** user-friendly, particularly to our older veterans, to whom we owe such a great debt.

# ORAL ANSWERS

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# MINISTERIAL CORRECTION

Monday 13 July 2020

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**not later than  
Monday 20 July 2020**

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**Written Answers to Questions [The written answers can now be found at <http://www.parliament.uk/writtenanswers>]**

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