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**HOUSE OF COMMONS
OFFICIAL REPORT**

**PARLIAMENTARY
DEBATES**

(HANSARD)

Monday 6 July 2015

HER MAJESTY'S GOVERNMENT

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OFFICIAL REPORT

IN THE FIRST SESSION OF THE FIFTY-SIXTH PARLIAMENT OF THE
UNITED KINGDOM OF GREAT BRITAIN AND NORTHERN IRELAND
[WHICH OPENED 18 MAY 2015]

SIXTY-FOURTH YEAR OF THE REIGN OF
HER MAJESTY QUEEN ELIZABETH II

SIXTH SERIES

VOLUME 598

THIRD VOLUME OF SESSION 2015-2016

House of Commons

Monday 6 July 2015

The House met at half-past Two o'clock

PRAYERS

[MR SPEAKER *in the Chair*]

Oral Answers to Questions

HOME DEPARTMENT

The Secretary of State was asked—

Violence against Women

1. **Gerald Jones** (Merthyr Tydfil and Rhymney) (Lab): What assessment she has made of the implications for her policies of the findings by the UN Special Rapporteur on Violence against Women relating to the UK; and if she will make a statement. [900741]

16. **Keir Starmer** (Holborn and St Pancras) (Lab): What assessment she has made of the implications for her policies of the findings by the UN Special Rapporteur on Violence against Women relating to the UK; and if she will make a statement. [900756]

The Secretary of State for the Home Department (Mrs Theresa May): The United Kingdom has some of the strongest protections in the world for safeguarding women and girls. The Government are committed to further supporting women to rebuild their lives, breaking cycles of abuse and bringing perpetrators to justice.

We will continue to update our violence against women and girls strategy, as we have done every year, and we will consider the special rapporteur's findings.

Gerald Jones: During the general election Labour pledged to lower the threshold at which victims of domestic violence gain entitlement to legal aid by expanding the types of evidence deemed admissible. Will the Home Secretary revisit that, as the evidence shows that women are being denied access to justice?

Mrs May: We are absolutely clear that legal aid should be available to victims of domestic violence. The hon. Gentleman asks a question on the details of the legal aid provisions, which of course are a matter for the Ministry of Justice. As it happens, the Policing Minister is also a Minister in the Ministry of Justice, and he will have heard the hon. Gentleman's representations.

Keir Starmer: I acknowledge the work that this and the previous Government have done on violence against women and girls, which I have supported. Does the Home Secretary share my concern that the rapporteur's report identifies that many initiatives to reduce violence against women and girls remain pockets of good practice and that we still do not have a consistent and coherent approach? The other issue identified in the report is the funding crisis. Does she share those concerns, in broad terms? Obviously, I am not asking her to comment on the detail.

Mrs May: I know that the hon. and learned Gentleman, when he was the Director of Public Prosecutions, gave particular focus to this area of the law to ensure that support was available for victims giving evidence, which has given people the confidence to come forward, as we have seen. The Government have made extra funding available: just before Christmas we announced an extra £10 million for domestic violence refuges. Of course, since the 2010 budgetary decisions were taken, we gave four-year funding—later five years—for combating violence against women and girls to ensure that there was some

stability. We talk regularly to all those providing support to victims of domestic violence to ensure that we share best practice.

David T. C. Davies (Monmouth) (Con): Thousands of British women continue to be victims of female genital mutilation. What further work is being done to ensure that people are prosecuted for that heinous offence?

Mrs May: My hon. Friend raises a very important point. Of course, we have already seen the first case brought forward for female genital mutilation. There is a widespread view across the House that we must do everything we can to deal with this appalling act. I pay tribute to the Under-Secretary of State for Health, my hon. Friend the Member for Battersea (Jane Ellison), for the considerable work she has done to highlight the issue and ensure that the Government continue to focus on it. We want to see more prosecutions so that we can eradicate this terrible crime.

Ann Clwyd (Cynon Valley) (Lab): Since my Female Genital Mutilation Bill became an Act 11 years ago there have been no successful prosecutions in this country for female genital mutilation. The rapporteur is severely critical of the fact that 11,000 young girls under the age of eight are deemed to be at risk. What is the Home Secretary doing about that?

Mrs May: The right hon. Lady talks about the time when her Bill became an Act, but it was not until after 2010 that cases were put before the Crown Prosecution Service for consideration. She is absolutely right that it has so far proved difficult to get a prosecution, but I can assure her that all parts of the criminal justice system are clear that we want to see people prosecuted for this crime, which is why we are all working together to ensure that we can bring those prosecutions forward and ensure that they are successful.

Joanna Cherry (Edinburgh South West) (SNP): UN Special Rapporteur Rashida Manjoo was prevented from accessing Yarl's Wood during her visit last year, amid concerns about violence against women detained in that facility. In that light, we welcome last Thursday's suspension of the detained fast track policy. Why has it taken the Government so long to realise the error of their ways?

Mrs May: On the contrary, I continue to believe that there is a place in our asylum system for a detained fast track system. I have always felt that one of the important things about any asylum system is its ability to give people decisions as quickly as possible and as merited from the details of their particular case. We are pausing the detained fast track system while we have a review of certain aspects of it, but I continue to believe that it is an important part of the asylum system.

Joanna Cherry: In 2013, 4,286 asylum seekers were locked up under the scheme in Yarl's Wood and elsewhere—a 73% increase on the 2012 figure. Given the concerns about violence against women highlighted by the UN special rapporteur, will the Government, instead of rushing to put in place a replacement for this scheme, work with outside agencies and experts to

ensure that procedures are in place that safeguard vulnerable asylum seekers and make detention an absolute last resort?

Mrs May: As I said to the hon. and learned Lady, we are reviewing the detained fast track scheme. She makes a wider point about detention, particularly about vulnerable people in detention. Because I felt it was appropriate that we looked at that issue, I asked Stephen Shaw to conduct his review of welfare in detention, as he has been doing for some months. He has visited the various detention centres and spoken to a number of people who have an interest in this issue, and he will be bringing his review forward.

Seema Malhotra (Feltham and Heston) (Lab/Co-op): The UN special rapporteur did indeed conclude that there was a lack of consistency in the Government's approach to violence against women and girls. In addition, recent data show that 16 to 19-year-olds are more likely to be victims of intimate violence than any other age group. When does the Home Secretary plan to respond to the report's conclusions and, in addition, the need for compulsory relationship and sex education in schools?

Mrs May: I am sorry that the hon. Lady did not feel able to welcome the fact that in 2014-15 police referrals, charged defendants, prosecutions and convictions for all crimes of violence against women and girls reached the highest volume ever. The criminal justice system is dealing with these issues. Of course, there is always more that can be done. We want people who commit these crimes of violence against women and girls to be brought to justice, and that is exactly what we are doing.

Crime Levels (England and Wales)

2. **Mrs Sheryll Murray** (South East Cornwall) (Con): What assessment she has made of trends in the level of crime in England and Wales. [900742]

The Minister for Policing, Crime and Criminal Justice (Mike Penning): Police reform is working. Crime is down by more than a quarter since 2010, according to the independent crime survey for England and Wales. It is at the lowest level since that survey started in 1981.

Mrs Murray: Devon and Cornwall is a region where the population increases significantly during the holiday season. Does the level of crime increase in line with these seasonal increases in the population?

Mike Penning: I visited my hon. Friend's constituency and saw the excellent work that the police are doing in her part of the world. Over many years, they have become very well adapted to dealing with crime relating to regional population changes. The figures are not broken down in that way, but we know that since 2010 crime is down in her constituency, as it is across England and Wales.

Stephen Kinnock (Aberavon) (Lab): Over the past five years the Welsh police force has seen swingeing cuts, with an average of over 10% being cut from front-line staff across the force. What plans does the right hon. Gentleman have to ensure that Wales continues to have a functioning police force?

Mike Penning: I think it is a disgrace that anybody should run down the excellent work that the police force does in their constituency. Police forces in Wales are doing a simply fantastic job. Crime is down, and we can prove that because the figures are there for us to see. The hon. Gentleman should stop running down the police and support them.

24. [900764] **Alan Mak** (Havant) (Con): Crime in my constituency is down, but the sale of so-called legal highs remains a cause of great concern to my constituents. Will the Minister assure them that sufficient powers will be given to the police and other authorities to clamp down on these substances?

Mike Penning: So-called legal highs or psychoactive substances are a menace to our society. I am really pleased that Her Majesty's Opposition, along with the other parties in the other House, are supporting the Psychoactive Substances Bill, which is coming to this House for its Report stage on 15 July. It will be here soon and we can get this menace off our streets.

Diana Johnson (Kingston upon Hull North) (Lab): A growing area of crime is online abuse. The police suspect at least 20,000 people in the United Kingdom of accessing online abuse, but, as of March 2015, only 264 have been charged. It is unclear how many of the rest are living or working with children. When does the Minister expect the police to be able to follow up and carry out safeguarding assessments of all those suspected of viewing online child abuse?

Mike Penning: The National Crime Agency has ongoing reviews, and investigations are taking place. We want more of these people to be prosecuted. [Interruption.] Labour Front Benchers shout, but this is something new: it has happened only in the past five years. The NCA is working on it and we will make sure that we get as many of these people behind bars, if prosecutions are possible.

Philip Davies (Shipley) (Con): The Metropolitan Police Commissioner has expressed concern that knife crime in the capital has gone up since the scaling back of stop and search. Will the Minister guarantee that he will leave it to officers to make judgments as to who are the right people to stop and search, and not allow crime to rise on the altar of political correctness?

Mike Penning: I met the commissioner only a couple of days ago and we talked about the issues my hon. Friend has raised, including when we would enact the provisions promoted by our friend Nick de Bois. I signed the commencement orders on Friday, the police will have those powers within two weeks, and we hope that prosecutions will take place within three to four months. It will be for the police to decide, but they now have the powers.

Mr Barry Sheerman (Huddersfield) (Lab/Co-op): Surely the Minister is aware—those of us on the anti-stalking commission suddenly came to realise this—of how much stalking is done on the internet. My hon. Friend the Member for Aberavon (Stephen Kinnock) was not running down his police force; he was asking for it to be given more resources so that it could do its job better. So many of our police forces do not have the techniques, technology or back-up to tackle cybercrime seriously.

Mike Penning: The NCA has a cyber-unit whose work is done nationally and regionally through the regional organised crime units. We have introduced two new pieces of legislation, but more needs to be done. I was the Minister for online child protection, so I know all too well what needs to be done. What I told the hon. Member for Aberavon was that the police force is doing a fantastic job with fewer resources and we should be proud of what it is doing.

Police Funding

3. **Andy McDonald** (Middlesbrough) (Lab): What assessment she has made of the level of regional variation in real-terms funding changes for police forces. [900743]

The Minister for Policing, Crime and Criminal Justice (Mike Penning): The way the funding formula works means that there is no change based on the region someone is in.

Andy McDonald: The Government have made vague references to a review of the grossly unfair police funding formula, but there is no confirmation as yet of when it will conclude. Cleveland, which has one of the highest numbers of crimes per head of population, has experienced a reduction of 18% in overall funding since 2010, whereas Surrey, which has one of the lowest numbers, has experienced a reduction of 12%. That shows how Cleveland has been disadvantaged by cuts being made with no account taken of local need and circumstances. What assistance will the Minister give to forces that are struggling to keep officers on the front line, pending the review?

Mike Penning: The funding formula for 2015-16 has been announced. Crime in Cleveland has dropped by 12%, which is what I think the hon. Gentleman was alluding to. We will consult this summer on the new funding formula for 2016-17 so we have a fairer formula than that which we inherited from the Labour party.

Helen Whately (Faversham and Mid Kent) (Con): What discussions has the Secretary of State had with her counterparts in France to avoid a repeat of the disruption last week in Calais, which placed such an onerous burden on the Kent police and the people of Kent?

Mike Penning: My ministerial colleagues and the Secretary of State have many conversations with their French counterparts at all levels, particularly in Calais.

19. [900759] **Rosie Cooper** (West Lancashire) (Lab): The Lancashire police federation is clear that further cuts to police budgets will soon result in policing becoming reactive, with only the capacity to deal with 999 calls. Given that 83% of Lancashire police's work does not generate a crime number, who is going to pick up the work that the police cannot do because of the cuts?

Mike Penning: What we have proven since 2010 is that police forces can do better with less and they are being much more efficient around the country, including Lancashire where crime is down by 10%. The funding formula for 2015-16 is out, so forces know exactly what they can spend, and the 2016-17 consultation will start soon. You never know: Cleveland may do better. There will be winners and losers, but I hope it will be fairer.

Mr Philip Hollobone (Kettering) (Con): Crime levels overall in Northamptonshire have fallen substantially in the past five years, despite a very difficult funding background. However, violent crime remains stubbornly high. Might the funding available for our police forces reflect levels of violent crime?

Mike Penning: One of the things we definitely want is for hon. Members, the police and crime commissioners and local communities to be part of the consultation, and my hon. Friend's comments could well be part of that commentary.

Jack Dromey (Birmingham, Erdington) (Lab): Recorded crime has risen in the west midlands and Northumbria and fallen in Surrey, yet West Midlands police and Northumbria police have been hit by Government cuts twice as hard as Surrey police. The Prime Minister now talks of fairness in one nation, but how can it be fair that the areas of highest need are the hardest hit by his Government?

Mike Penning: The funding reductions were the same across the country. We are making sure—I hope Her Majesty's Opposition take part in this—that we look very carefully at the changes we are proposing to funding and the funding formula. I look forward to sitting with the hon. Gentleman, which he has not taken the time to do in all the time I have been the Minister for Policing, Crime and Criminal Justice, and talking about the funding formula that he goes on and on about.

Modern Slavery

4. **Dr Tania Mathias** (Twickenham) (Con): What further steps her Department plans to take to eliminate modern slavery. [900744]

The Secretary of State for the Home Department (Mrs Theresa May): The Government are committed to stamping out the abhorrent crime of modern slavery. We are implementing the Modern Slavery Act 2015, providing the necessary tools to ensure that there are severe penalties for those who commit these heinous crimes, and enhancing the support and protection for victims. We are trialling advocates for trafficked children and have established Border Force safeguarding and trafficking teams at major UK ports of entry, who will work in partnership with local agencies and feed intelligence to the National Crime Agency.

Dr Mathias: I appreciate what is being done at ports of entry, but a major challenge is to identify victims once they are in households. How will the Secretary of State ensure that victims are identified in my Twickenham constituency and constituencies across the country?

Mrs May: My hon. Friend makes an important point because, obviously, modern slavery is often a hidden crime. The Government have been raising awareness of it so that anybody who identifies behaviour or anything else that they feel is suspect knows that they need to take it to the police. Individuals can then be referred to the national referral mechanism and we can ensure that the proper support is available to victims. The Government fund that support and it is currently provided through the Salvation Army. I pay tribute to the

Salvation Army, which celebrates its 150th anniversary this year and has done good work in society across all those 150 years.

Fiona Mactaggart (Slough) (Lab): The legal judgment last week about the detained fast track process followed the finding of the Helen Bamber Foundation earlier this year that in two thirds of the 300 cases that had been referred to it, there were signs of torture or trafficking. It is clear that the detained fast track is being abused by the Home Secretary's officials. I am glad that it has been suspended, but will she promise the House that the suspension will continue until it has had an opportunity to consider Stephen Shaw's report?

Mrs May: As I have indicated, we are reviewing the detained fast track. The Minister for Immigration announced to the House that we had suspended it. We are checking how we deal with these people to ensure that we mitigate the risk that those who have been subjected to torture could, inadvertently, be taken into the detained fast track. I say to the right hon. Lady that there will be many opportunities in the coming months to raise this subject in the House.

Mr Peter Bone (Wellingborough) (Con): The Home Secretary is right that the Salvation Army does an excellent job with adult victims of human trafficking, but that does not apply to child victims of human trafficking, who are given to local authorities to be looked after as missing children. Those children are often re-trafficked. Will she consider extending the Salvation Army programme to child victims?

Mrs May: My hon. Friend raises an important point, because one concern for us is that victims of trafficking who are taken in by local authorities might be removed from those authorities, and in effect re-trafficked, as he says. We are trialling child advocates in a number of local authority areas to see what system works best for children who are the victims of human trafficking.

Jess Phillips (Birmingham, Yardley) (Lab): Considering the thousands of victims of trafficking who have gone through the NRM, will the Home Secretary tell the House how many human trafficking-related convictions there were in the last 12 months? How does that figure fit with the Prime Minister's assertion that we are tackling those who commit these crimes?

Mrs May: The very reason why the last Government, in which I was Home Secretary, brought forward the Modern Slavery Act was to heighten the ability of our police and prosecutors to bring people to justice. There has been concern for many years, since before 2010, about the lack of prosecutions for modern slavery. The Act gives the police extra powers and has increased the sentences for people who commit this heinous crime. It will improve the ability of the law enforcement agencies to bring people to justice. That is why I look forward, under the Act, to seeing more of the perpetrators of these crimes brought to justice.

Gangmasters Licensing Authority

5. **John Pugh** (Southport) (LD): What plans she has for future resourcing of the Gangmasters Licensing Authority; and if she will make a statement. [900745]

The Parliamentary Under-Secretary of State for the Home Department (Karen Bradley): Future levels of Government funding for all public bodies will be considered as part of the next spending review. We are committed to resourcing the Gangmasters Licensing Authority to ensure it can deliver on its purpose of protecting vulnerable and exploited workers.

John Pugh: The Minister will recognise that the GLA is massively important in combating people trafficking and illegal working. Can she guarantee that its workforce will not be reduced?

Karen Bradley: I know that the hon. Gentleman takes a great interest in the GLA, which I agree does excellent work. He will know that we committed in the Modern Slavery Act 2015 to a review of it, and that is now taking place as part of the wider cross-Government review of a single labour market enforcement agency.

Lincolnshire Police (Funding)

6. **Stephen Phillips** (Sleaford and North Hykeham) (Con): Whether she plans to increase funding for Lincolnshire police. [900746]

The Minister for Policing, Crime and Criminal Justice (Mike Penning): As I said earlier, the Government are committed to a fundamental review of the police expenditure funding formula for 2016-17, and we look forward to consulting all partners.

Stephen Phillips: I pay tribute to my right hon. Friend for his work with Lincolnshire police to ensure that we get a fairer funding formula. We need to ensure equitable funding for all police forces. When is the review likely to report, and when will we know the effects for Lincolnshire police and every other force in the country?

Mike Penning: We will work to a tight timescale for consulting and getting the funding formula in place. I hope that we can announce the consultation process in the next few weeks.

I take this opportunity to praise front-line police and the chief constable in Lincolnshire—something that the shadow police Minister always forgets to do. They do a fantastic job, and we should praise them every day.

Sir Edward Leigh (Gainsborough) (Con): Lincolnshire police are in crisis for want of a mere £3 million to £4 million. In my area of 600 square miles, there is barely one police car on duty through the night. This is a crisis: £3 million would be a drop in the ocean compared with what we spend on international development, so will my right hon. Friend persuade the Chancellor to transfer just a little money to us? Charity begins at home.

Mike Penning: As my hon. Friend knows, I arranged for a Home Office team to do a deep dive in Lincolnshire to see exactly how the funding formula was working. Lincolnshire police have done a fantastic job—crime has dropped by 24% since 2010—and we will continue to support them.

Mr Ranil Jayawardena (North East Hampshire) (Con) *rose—*

Tom Pursglove (Corby) (Con) *rose—*

Mr Speaker: We are focused on Lincolnshire rather than Hampshire or Northamptonshire on this occasion, but we will hear from the hon. Members ere long in a different context, I feel sure.

Asylum Seekers (Syria)

7. **Owen Thompson** (Midlothian) (SNP): How many people from Syria have been (a) granted and (b) declined asylum in the last four years. [900747]

The Minister for Immigration (James Brokenshire): Since the Syrian crisis began in 2011, the UK has received more than 6,800 Syrian asylum claims and granted asylum or other forms of leave to more than 4,200 Syrians.

Owen Thompson: Given that Lebanon is currently accommodating a Syrian refugee population of somewhere near a quarter of its entire population, does the Minister agree that the international community, including the UK, needs to provide far more places for resettlement, and other opportunities such as flexible family reunion places, to relieve Syria's neighbours of some of the responsibility they are struggling to cope with?

James Brokenshire: Given the numbers and the scale of the challenge, the focus should be on regional aid in the areas affected. That is why the International Development Secretary has committed another £100 million to assist in tackling the Syrian crisis, with the total reaching £900 million. We are focused on the most vulnerable individuals, which is why we have been operating the vulnerable persons relocation scheme.

Sir Edward Garnier (Harborough) (Con): Does my right hon. Friend accept that the problem of people coming from Syria is reflected in the people leaving here to go to Syria? Will he have discussions with his fellow Ministers to ensure that the extremism Bill deals with youngsters and other vulnerable people being taken away from this country to Syria, so that they can be protected before that happens?

James Brokenshire: My right hon. and learned Friend makes an important point about the way in which people can be radicalised, and about how they can be vulnerable and exploited in that way. The new Prevent duty has been introduced precisely to ensure that all governmental agencies are focused on those issues to prevent such travel.

Mr Speaker: The Minister was determined to prove that the width of the question could be met by the width of the answer.

Keith Vaz (Leicester East) (Lab): To make an application in the United Kingdom many Syrian refugees face death by crossing the Mediterranean or, as I witnessed at the weekend, by running into the channel tunnel or jumping on speeding lorries in Calais. This is an EU problem. What is to be done about processing some of those applications on the north African shelf so that people are able to make their applications without risking death?

James Brokenshire: I congratulate the right hon. Gentleman on his reappointment as Chair of the Home Affairs Committee. I look forward to appearing before the Committee, no doubt before too long.

Keith Vaz: Next week.

James Brokenshire: There we are!

The right hon. Gentleman makes a serious point about the flow of people across the Mediterranean, which is why we have been clear about breaking that link of people thinking that they can get on to vessels and make that perilous journey northwards to the EU. I know that he has made interesting and important comments on this issue, but we must be clear not to establish new legal routes into the EU as that may make matters more difficult. I look forward to appearing before his Committee and giving further evidence.

Extremism

8. **Charlotte Leslie** (Bristol North West) (Con): What steps her Department is taking to tackle extremism. [900748]

11. **Victoria Atkins** (Louth and Horncastle) (Con): What steps her Department is taking to tackle extremism. [900751]

14. **Chris Green** (Bolton West) (Con): What steps her Department is taking to tackle extremism. [900754]

The Secretary of State for the Home Department (Mrs Theresa May): The terrible events in Tunisia show the importance of our work to defeat terrorism and extremism at home and overseas. We have already increased counter-terrorism funding, and last week a new duty came into effect on public servants to tackle radicalisation. We are determined to go further, and our counter-extremism strategy will set out a wide-ranging response, part of which will be implemented by the forthcoming counter-extremism Bill. Together, we must defeat these pernicious and poisonous ideologies.

Charlotte Leslie: What steps is my right hon. Friend taking to ensure that Islamic extremism does not filter into other existing criminal groups such as street gangs, particularly in prisons?

Mrs May: I thank my hon. Friend for raising that issue. The counter-extremism strategy will introduce comprehensive measures to stop extremism spreading. Extremism disruption orders were announced in the Queen's Speech, and we will also tackle extremist ideology head on in a number of ways, promoting opportunities that life offers to people living in our pluralistic society in Britain, and confronting the extremists' twisted narrative. We will work with others across the Government, including my right hon. Friend the Lord Chancellor in the Ministry of Justice, to consider what actions can be taken in prisons to tackle extremism.

Victoria Atkins: Notwithstanding the dreadful events of the past two weeks, does my right hon. Friend agree that we must tackle extremism across the board, and not focus only on Islamist extremism?

Mrs May: I thank my hon. Friend for raising that issue, and she is absolutely right. Our counter-extremism strategy will tackle extremism in all its forms, not just Islamist extremism but, for example, neo-Nazi extremism. I am sure we are all of one view that the anti-Semitic and anti-Muslim hatred that neo-Nazis perpetrate is evil and wicked, and that we must do something about it.

Chris Green: Preachers of hate want to foster a victim mentality in our community that they can then exploit. What is the Secretary of State doing to remove their platform?

Mrs May: There is not a simple answer to that issue, which is why the counter-extremism strategy will be comprehensive and will work across various aspects of Government. This is not just about government; we want to work with communities and society to ensure that we develop more support for, and understanding of, the values that we share. We need to promote those values and ensure that those who seek to divide us are not able to do so.

22. [900762] **Stephen Doughty** (Cardiff South and Penarth) (Lab/Co-op): The Home Secretary will be aware that this month marks the 20th anniversary of the horrific genocide in Srebrenica in Bosnia, when more than 8,000 mainly Muslim men and boys were brutally murdered. Will she join me in welcoming the work of the Remembering Srebrenica organisation that promotes faith and tolerance between people in this country, and more widely? That is exactly the sort of message that we should learn from such a terrible tragedy and when fighting extremism here at home.

Mrs May: The hon. Gentleman does well to remind us of the appalling events in Srebrenica, and I remember the shock we all felt when we saw what had happened. I applaud all organisations that aim to work among faiths to encourage tolerance and understanding, so that we all respect each other's faiths while being able to continue to worship as each individual wishes.

Yvette Cooper (Normanton, Pontefract and Castleford) (Lab): We have all been appalled by the terrible attack in Tunisia and our thoughts are with the families and friends of the 30 British nationals who have lost their lives. We know that tomorrow will also be a painful day for the families of the 52 people who died and the hundreds who were injured in the terrorist attacks in London 10 years ago. It is a day that none of us can forget, and tomorrow we will remember those who lost their lives. It is testament too to the hard work of our intelligence services and police that so many plots and attacks have been prevented since 7/7.

We all agree that action must be taken to prevent both violent and non-violent extremism here in Britain and that public sector organisations need to do more. I raised with the Home Secretary several times in the last Parliament my concern that the Government are still not doing enough to support community-led prevention programmes on extremism. May I urge her to look again at that and to make sure that it is a central part of her next strategy on extremism?

Mrs May: I thank the right hon. Lady for her comments and I intend to refer later to the 10th anniversary of 7/7. As she says, no one will ever forget that terrible day,

and our thoughts are with all of those who suffered as a result of those terrible attacks.

We have delivered a significant number of community-based projects through the Prevent agenda. It is right that we want to work with communities, and that will be part of our counter-extremism strategy, especially looking at those communities that are perhaps more isolated than others and working with them, as I was saying earlier, to help to ensure that we see across our society a valuing and a sharing of the values that we all hold, so that we do not allow those people who wish to radicalise youngsters and others to divide us.

Yvette Cooper: I welcome the Home Secretary's comments because I have seen some very good community-led projects, in Cardiff, Bradford and online, which so far have lived hand to mouth and have not had Government support or backing from the Department for Communities and Local Government or the Home Office. If she is able to offer that support in future, it would be hugely welcome.

May I also ask the Home Secretary about support for policing? She has rightly worked hard to prevent the counter-terror budget from being reduced and to ensure that it was supported, but she will know the concern from various senior police officers involved in counter-terrorism that neighbourhood police should also play a central role, working with communities in the prevention of extremism. Can she assure us that in the next spending round and in her Home Office budget decisions she will also ensure that neighbourhood policing and the wider policing work are properly protected so that they can play an important part in protecting the national security of our nation?

Mrs May: I can assure the right hon. Lady that in looking at the policing budget I will consider all aspects of policing, and I recognise the role that neighbourhood officers play. We do have Prevent officers working in local communities and doing an excellent job identifying issues there. They are working with local authorities, community groups, schools and others to ensure that we provide support and do what we all want to do—as she suggests—which is to eradicate extremism and the poisonous ideology that leads people to seek to do us harm.

21. [900761] **Alex Chalk** (Cheltenham) (Con): Does my right hon. Friend agree that it is imperative that the Government give the security agencies and law enforcement the powers they need to root out extremism and keep our country safe?

Mrs May: My hon. Friend makes a very important point and I am sure he will recognise the excellent work that is done by GCHQ in his constituency. We will publish a draft investigatory powers Bill in the autumn, which will be subject to pre-legislative scrutiny by both Houses, and we will bring forward the Bill in the new year. It will do exactly what he suggests is necessary—ensure that our law enforcement and security agencies have the powers they need to tackle this issue.

Ms Tasmina Ahmed-Sheikh (Ochil and South Perthshire) (SNP): What steps are the Secretary of State's Department taking to join up the work done here in the UK with

international work in this area? Does the Home Secretary agree that we need a consistent and joined-up approach if we are to tackle this issue effectively at home and abroad?

Mrs May: I can assure the hon. Lady that we do a great deal of work with colleagues across the international environment on this issue. Indeed, the UK has been at the forefront of two particular issues in Europe: encouraging the development, by Europol, of an internet referral unit similar to the counter-terrorism internet referral unit run here in the United Kingdom; and supporting the SSCAT project, the Syria strategic communication advisory team, a group funded by the European Union and based in Belgium that provides support for a number of countries around the EU to ensure that a counter-narrative message is given across Europe to defeat extremism.

Domestic Abuse Victims

9. **Christina Rees** (Neath) (Lab): What recent discussions she has had with the Secretary of State for Justice on the potential effect on victims of domestic abuse of repealing the Human Rights Act 1998. [900749]

15. **Nick Thomas-Symonds** (Torfaen) (Lab): What recent discussions she has had with the Secretary of State for Justice on the potential effect on victims of domestic abuse of repealing the Human Rights Act 1998. [900755]

The Parliamentary Under-Secretary of State for the Home Department (Karen Bradley): The new British Bill of Rights will continue to protect fundamental human rights, including those for victims of domestic abuse. The Government are committed to strengthening victims' rights further with a new victims law, which will enshrine key rights for all victims.

Christina Rees: The Ministers knows that the UN rapporteur, Rashida Manjoo, is worried about violence against women in the UK and the impact of the Government's austerity programme on relevant services. She has appealed for safeguards and guarantees that local authorities will continue to operate within the human rights framework in compliance the UK's international obligations. Does the Minister agree that repeal of the Human Rights Act 1998 would further undermine efforts to tackle violence against women and girls in the UK?

Karen Bradley: I am tempted to give the very short answer of no, I do not agree. Human rights did not come into existence in 1998 with the Human Rights Act. The Government are absolutely committed to maintaining Britain's high standards of human rights, which we have had for at least 800 years.

Nick Thomas-Symonds: Prior to the Human Rights Act 1998 and its incorporation of the European convention on human rights into UK law, victims would have had to go to the European Court of Human Rights in Strasbourg to enforce their rights. What the incorporation of the convention into domestic law did was to allow

them to enforce their rights here in the UK. Will the Minister acknowledge the benefits, to victims, of the Human Rights Act 1998?

Karen Bradley: I suspect victims would like to be able to go to the Supreme Court here in Britain to have their rights upheld. That is what the Government are looking at.

Crime Reporting

10. **Bob Blackman** (Harrow East) (Con): What recent guidelines her Department has issued on requirements in crime reporting. [900750]

The Minister for Policing, Crime and Criminal Justice (Mike Penning): The Home Office issues strict guidelines on how police should record crimes reported to them. They must comply with those guidelines. In April, the rules were amended to ensure that all crimes are now recorded within 24 hours of being reported to them, especially if those crimes are reported by carers, professionals and social workers, as well as by the victims.

Bob Blackman: There is concern that local police are having to report minor fights between siblings as crimes—a waste of police time when some sort of caution or discretion would be much more helpful. Will my right hon. Friend review the guidelines to make sure we are not wasting police time?

Mike Penning: The most important thing is that people have the confidence to come forward and report crimes such as domestic violence, which was dramatically under-reported over the years. If that has an effect on crime statistics, so be it. The police already have the discretion to give cautions. It is up to them what they do. We want people to come forward and report these crimes.

Bill Esterson (Sefton Central) (Lab): Both reporting and fighting crime have become much harder in Merseyside now there are 600 fewer police officers since the Minister's Government came to power. Is not the real guilty party when it comes to running down the police the Minister and his colleagues, who have run down police numbers and taken away their ability to fight crime?

Mike Penning: I do not know if the hon. Gentleman has noticed, but since 2010 crime in his constituency has fallen. That is because the police are doing fantastic work and a great job with less assets and less money.

Immigration Policies (International Students)

12. **Steven Paterson** (Stirling) (SNP): What recent discussions she has had with the Secretary of State for Business, Innovation and Skills on the potential effect of the Government's immigration policies on the number of international students enrolling in UK universities. [900752]

The Minister for Immigration (James Brokenshire): The Home Secretary regularly meets her Cabinet counterparts to discuss a range of issues, including how we can continue to attract the brightest and the best to

study at our world-class institutions, while also bearing down on abuse. The UK remains the second most popular destination for university students.

Steven Paterson: I am grateful for that answer. In the 2013-14 academic year, 1,685 non-EU students studied at Stirling University, but the UK Government's decision in 2012 to abolish the post-study work visa means that at the end of their studies they cannot remain and contribute to the local economy or the national economy of Scotland. Given that reconsideration of these visas has been recommended under Smith commission proposals, will the Minister undertake to reintroduce them or at least devolve the powers to do so?

James Brokenshire: It is important to understand that the numbers coming to our universities from outside the EU continue to grow. In the year ending September 2014, there was a 3% increase in the number of university-sponsored study visa applications for higher education institutions in Scotland. The hon. Gentleman raises the issues relating to the Smith commission and, certainly at official level, discussions have continued. However, I would highlight the risk: post-study work was abused—there is a route already in existence to allow that at the appropriate salary level—but obviously we will continue to discuss the issue.

Andrew Bridgen (North West Leicestershire) (Con): Does my right hon. Friend agree that there are no limits on the number of foreign students who can come here, provided they meet requirements for speaking the English language and educational achievement, and as long as they can support themselves while they are in our country?

James Brokenshire: My hon. Friend is absolutely right that there are no limits on the number of students whom we welcome to this country and who enrich our universities, but our focus is on ensuring that they leave at the end of their studies. It should not be about work; it should be about study.

23. [900763] **Deidre Brock** (Edinburgh North and Leith) (SNP): Further to the question from my hon. Friend the Member for Stirling (Steven Paterson), does the Minister agree that there is an economic case to be made for greatly expanding the number of international students at university on these islands, that the income derived from them helps universities to maintain their standards, and that allowing young graduates to remain after their studies and make a contribution to the economy, paying taxes, growing businesses and so on, is an economic benefit that we would be foolish to shun?

James Brokenshire: As I have already indicated, there is no cap on the number of students coming to study at our world-leading universities, but the National Audit Office reported back in 2009-10, under the arrangements that existed under the last Labour Government, that 50,000 students may have come here to work and not to study. That is the abuse we have seen when we take our eye off the ball, and that is why we have made those reforms and why we need to continue to focus on the overall student situation.

Antisocial Behaviour (Cities)

13. **Rachael Maskell** (York Central) (Lab/Co-op): What steps the Government are taking to address antisocial behaviour in cities. [900753]

The Minister for Security (Mr John Hayes): New and more effective antisocial behaviour powers were introduced in the Anti-social Behaviour, Crime and Policing Act 2014 to protect the public and to stop such behaviour before it can escalate.

Rachael Maskell: With the Saturday night and, now, daytime alcohol-related antisocial behaviour culture at a serious level in York, resulting in families not going into the city and businesses suffering, will the Minister confirm that there will be no further reductions to policing in York and that adequate policing will be put in place at weekends to ensure we get these problems under control?

Mr Hayes: I know this is not the first time the hon. Lady has raised this matter; she raised it in business questions, I seem to recall. She has indeed championed the interests of York in this regard, but I simply say this. We have introduced the new powers precisely because we understand the relationship between alcohol consumption and crime. The new powers simplify what was there already, making it more effective. I hope that, as a new Member of this House, she will welcome those changes.

Victoria Prentis (Banbury) (Con) *rose*—

Mr Speaker: Order. I was going to give the hon. Lady an opportunity on this question if she wants, because child abuse images online are an extremely antisocial form of behaviour.

17. [900757] **Victoria Prentis:** They are extremely antisocial, Mr Speaker; in fact, I can think of few more antisocial kinds of behaviour than videoing children and posting their images online. Does my right hon. Friend agree that social media and other communications companies have a responsibility to work with Government and the police to reduce access to indecent images such as these?

Mr Hayes: I do agree with that. Everyone has a role to play in combating this problem, and I welcome the groundbreaking pledges by 20 leading companies at the #WeProtect summit on global action to remove child sexual abuse images from the internet and develop new tools and techniques to tackle this crime. The Government will continue to work with companies, organisations and civil society to make it much more difficult for perpetrators of this heinous, hideous crime.

Topical Questions

T1. [900731] **Mr Douglas Carswell** (Clacton) (UKIP): If she will make a statement on her departmental responsibilities.

The Secretary of State for the Home Department (Mrs Theresa May): As was indicated earlier, tomorrow we will mark the 10th anniversary of the terrorist attacks on 7 July 2005. It was indeed a dark day in this

country's history, when ordinary people just going about their daily lives, many of them on their way to work, were cruelly and despicably attacked. Fifty-two people were killed and many hundreds more were injured. Our thoughts and prayers are with those who died and those who still live with the consequences of that terrible day.

Since 7/7, the terrorist threat has continued to evolve, and it is serious. Last year the joint terrorism analysis centre raised the threat to the UK to severe, meaning that an attack on the United Kingdom is highly likely. Recently we of course saw another despicable attack, in Tunisia, where 38 people, including 30 British nationals, lost their lives—the largest loss of British lives to terrorism since 7/7.

The Government are clear: we must fight the threat we face on every front with everything we have. We are working to counter the wider extremism, which may not be violent in its nature, but which we believe can play a part in feeding and sanctioning narratives that inspire acts of terrorism. We must form a partnership with communities and organisations to promote the fundamental values that unite us and confront the pernicious ideology that seeks to divide us. That is why, as I indicated earlier, we will introduce a new counter-extremism strategy to protect people and communities, and ensure that we work to defeat extremism in all its forms.

Mr Carswell: Last year, the number of illegal migrants intercepted by the Port of Dover police increased from 148 to 563. What extra steps are the Government taking to prevent illegal migration?

Mrs May: In relation to those who try to come across to the United Kingdom clandestinely, we have been improving the security of ports where they have juxtaposed controls such as Calais and, of course, Coquelles. We are also looking at questions of security around our ports here in the UK. I would like to pay tribute to the work of Border Force officers and the police in ensuring that the number of clandestines is and has been identified.

T2. [900732] **Wendy Morton** (Aldridge-Brownhills) (Con): Can the Security Minister reassure me that the police and the intelligence services will have new powers to stay ahead of extremist groups and individuals, not least in terms of technology?

The Minister for Security (Mr John Hayes): Yes, I can. The principles and practices of our enemies may often be barbarically archaic, but the methodology they use is up to the minute. It is vital that we match that with the resources, the techniques and the skills for our security services to counter those threats.

Mr David Hanson (Delyn) (Lab): I join the Home Secretary in remembering the victims of the attack 10 years ago. It was a heinous crime, which will live with people right up to today and beyond.

It is now over nine months since the migrant crisis started at Calais, and things are not getting any better for travellers, hauliers, the people of Calais or, indeed, for those individuals who have been trafficked there. Given the situation and recent concerns in the town of Calais, will the Home Secretary or her Minister confirm now what steps she has taken with the French Government to assess, identify and agree with the French authorities

either asylum refugee claims or removal at the border? What steps is she taking to ensure that we improve security in France for UK citizens travelling through the Pas-de-Calais to the port?

The Minister for Immigration (James Brokenshire): The Government have taken a number of measures to enhance security. The Home Secretary had discussions with her opposite number, Bernard Cazeneuve, last week on this specific element. We have invested £12 million into Calais and are looking at providing enhanced fencing at Coquelles in order to see the speeding up of freight and other traffic through both those points. We saw the appalling situation last week of industrial action being taken in France, which compounded the issues, which is why we are working continuously with our French counterparts. They are deploying more police resourcing and Border Force has deployed to Calais and Coquelles as well to enhance screening and assure our security.

T3. [900733] **Heidi Allen** (South Cambridgeshire) (Con): Can the Home Secretary give reassurances that in respect of our plans to increase online surveillance powers for the police and security services, the public will not, as many fear, lose their right to their own privacy?

Mrs May: I can reassure my hon. Friend that, as I indicated in response to my hon. Friend the Member for Cheltenham (Alex Chalk), we will introduce a draft investigatory powers Bill later this year which will ensure that law enforcement and security agencies have up-to-date powers available to them within the right legal framework, which will respect the need both to provide security and for privacy. I do not see privacy and security as a zero-sum game, as we can enjoy our privacy only if we have our security.

T9. [900740] **Graham Jones** (Hyndburn) (Lab): I have written to the Home Secretary about the risk of fraudulent use of internet wills. I have encountered one such case in my constituency. Fraud is a criminal matter, not a civil matter, but the police seem to be turning their back on that case. Will the Home Secretary look into the issue of internet wills and their use?

The Minister for Policing, Crime and Criminal Justice (Mike Penning): I thank the hon. Gentleman for raising the issue. We are already looking into it. The practice is taking place across the country, and we do not know the exact extent of it, but we will, I hope, work together to eliminate this horrible crime.

T4. [900734] **Bob Blackman** (Harrow East) (Con): As we heard earlier, the new Prevent duties were introduced last week. Will the Security Minister update the House on how the legislation will be used to identify and eliminate extremism?

Mr Hayes: Governments have their part to play in delivering the national interest and the common good, but don't we all? It is vital for communities themselves to play a part, and public services too. The organisations that we have asked to do their bit in respect of their new duties—including prisons, schools, colleges, health

authorities and local authorities—already have a duty of care, including pastoral care. They are very well placed to identify radicalism, protect vulnerable people, and secure our national wellbeing and national interest.

Andrew Gwynne (Denton and Reddish) (Lab): Earlier, Ministers were selective about positive crime statistics. What has the Home Secretary got to say about the 32% increase in sexual exploitation and sexual offences, which is a really serious matter? Will she tell us what plans she has to involve the perpetrators in the criminal justice system?

Mike Penning: We can only bring these abhorrent people to justice if their crimes are reported. There is clearly more confidence now than ever before about coming forward to report both historic crimes and crimes that are taking place today. As I said earlier, that will affect the figures, but I think it is a positive development, and I think we should be very pleased that people have that confidence.

T5. [900736] **James Cartlidge** (South Suffolk) (Con): Many UK haulage firms are being caught up in the terrible events in Calais, including Kersey Freight, which is based in Hadleigh, in my constituency. Drivers have been intimidated, and they are now starting to suffer financially as a result of the crisis. May I urge my right hon. Friend the Home Secretary to do all that she can to support our haulage companies in these challenging times?

James Brokenshire: My hon. Friend is right to highlight the pressures on hauliers who are seeking to facilitate trade between the United Kingdom and Europe, and the challenges that they have been facing. We have been working closely with the haulage industry, and last week I had three separate meetings with representatives of different parts of it. We are making sure that hauliers are being given the best information, and we are also working with the French authorities to ensure that the area is policed and the security that our hauliers expect is being delivered.

Natalie McGarry (Glasgow East) (SNP): In June 2012, the United Kingdom Government signed up to the Istanbul convention on preventing and combating violence against women and domestic violence. Will the Minister tell us why, three years later, organisations such as Women's Aid are criticising the Government for not taking further action?

The Parliamentary Under-Secretary of State for the Home Department (Karen Bradley): The hon. Lady will know that primary legislation is necessary if we are to comply with all the articles in the Istanbul convention, including article 44, which concerns extra-territoriality. We are negotiating with the devolved Administrations to ensure that we can introduce such legislation. I should add that the Government comply with everything else in the convention. We have criminalised forced marriage, for example, and we have taken steps to deal with female genital mutilation. We have done more than any previous Government, but we do not ratify conventions until we are absolutely certain that we comply fully with them.

T6. [900737] **Sir Edward Leigh** (Gainsborough) (Con): The policy of European Governments on migrants is weak, and because it is weak, it is cruel, encouraging traffickers to bring more and more of them in. What action is the Home Secretary taking to enforce the Dublin convention, whereby migrants are returned to the place where they first entered the European Union? That is happening in only 3% of cases. What is she doing to enforce the traditional law of the sea whereby people are picked up in a humane way, looked after, and returned to where they came from?

James Brokenshire: My hon. Friend has made an important point about the established principle enshrined in the Dublin regulation that those in need of protection should seek asylum in the first safe country that they enter. Since 2003, when the regulation came into force, it has allowed us to transfer more than 12,000 asylum seekers from the UK to other European states. As for the point that he rightly made about organised criminality, we have established a new taskforce to ensure that we have the best intelligence so that we can pursue traffickers, who seem to see people as some sort of commodity that they can trade, with all the risks and loss of life that that can bring.

Catherine West (Hornsey and Wood Green) (Lab): Does the Home Secretary share my concern about the wellbeing of women survivors of domestic violence, many of whom have been denied legal aid and are then repeatedly brought back to court by their former partners because they are not represented by skilled advocates?

Karen Bradley: I take the treatment of victims and survivors incredibly seriously, as do my right hon. Friends the Home Secretary and the Prime Minister. We are determined that victims will have their voice heard, that they will be listened to, and that they will be treated with dignity. That is why we have introduced 144 independent domestic violence advocates, stationed at police stations and custody cells to make sure that victims get the respect and dignity they deserve.

T7. [900738] **Caroline Ansell** (Eastbourne) (Con): On the occasion of her visit to the Eastbourne and Willingdon constituency, I was very pleased to show the Home Secretary the new partnership-working between local officers at the borough council and local police officers; that is shared space, partnership-working which is really delivering for local people because of the ease with which communications can be shared. I am very pleased to say that that also extends to elected Members, having just received a call from the district commander about this. Does my right hon. Friend agree that such partnership-working, neighbourhood policing rooted in the community and working with agencies is a successful model?

Mike Penning: Eastbourne is setting the right trend around the country, and I know the Home Secretary was very impressed when she visited the local authority. That is exactly the sort of way in which we can save money by cutting backroom costs, while also working better together than apart.

Danny Kinahan (South Antrim) (UUP): Northern Ireland relies a great deal on nurses from throughout the world to be able to have an efficient health service.

The rule that an individual must earn £35,000 before they can stay will damage our health service. Will the Minister allow flexibility or change the immigration ruling for Northern Ireland?

James Brokenshire: I am happy to look into those specific points and write to the hon. Gentleman, but we take advice on this from the Migration Advisory Committee which looks at this independently, setting the figures and assessing the information, so as to inform us in making our determinations.

T8. [900739] **Sir Alan Haselhurst** (Saffron Walden) (Con): Is my right hon. Friend aware of the rising number of complaints about excessive waits in the EU entry channels at Stansted, causing the airport to slip to the bottom of the airport service quality scores in the last 12 months? Can he tell me what steps he might take to help the airport operator overcome this problem?

James Brokenshire: I highlight to my right hon. Friend that the vast majority of legitimate passengers pass through the border control at Stansted quickly, and Border Force is increasing staff numbers at Stansted, maximising the use of e-passport gates and improving its approach to staff rostering. I can also say to him that I will be meeting Manchester Airports Group, the operators of Stansted, next week, when no doubt we will be able to go into this in more detail.

Robert Ffello (Stoke-on-Trent South) (Lab): I draw the House's attention to my entry in the register of interests. Given that many commercial drivers coming in through Calais are now not checking the loads as they come through because they fear they might be attacked, what guidance has the Minister given to police and border agencies on the UK side to deal with commercial drivers who have allowed somebody to come through, or will he at least review the situation?

James Brokenshire: I know the hon. Gentleman has taken a close interest in this matter for some time. There is clear guidance. It was one of the issues that came up in my meetings last week. Our accreditation scheme sets out in clear terms those hauliers that are part of it and the guidance that is in place, but we will certainly continue to look at what more can be done.

Nigel Adams (Selby and Ainsty) (Con): Tens of thousands of mobile phones are reported stolen every year when the reality is that many of them are lost by the owners, particularly in licensed premises. Will the Minister look at changing the crime status of the loss of mobile phones in licensed premises, because registering these phone losses as serious crimes can have a serious impact on the night-time economy and visitors, particularly when it comes to licensing?

Mike Penning: I will take a close interest in what goes on in pubs and what gets lost in pubs and nightclubs and report back.

Margaret Ferrier (Rutherglen and Hamilton West) (SNP): I am alarmed at the effect this Government's immigration policy is having on young married couples

like my constituents Kudzai and Merai Mupunga, who are being denied their basic human right to a family life. Will the Secretary of State meet me to discuss the impact of the minimum income threshold on them and many others?

James Brokenshire: The minimum income threshold was set with specific advice from the Migration Advisory Committee and has been upheld by the courts, and that is the basis on which we will continue to operate it.

Concessionary Television Licences

3.35 pm

Chris Bryant (Rhondda) (Lab) (*Urgent question*): To ask the Secretary of State for Culture, Media and Sport if he will make a statement on the Government's proposals on concessionary television licences.

The Secretary of State for Culture, Media and Sport (Mr John Whittingdale): My right hon. Friend the Chancellor of the Exchequer will be making his Budget statement on Wednesday, but following news reports on Sunday, I would like to take the opportunity now to confirm details of the agreement that we have reached with the BBC. Under the agreement, the BBC will take on the cost of providing free television licences for those households with over-75s, and that will be phased in from 2018-19, with the BBC taking on the full costs from 2020-21. Having inherited a challenging fiscal position, the Government are pleased that the BBC has agreed to play its part in contributing to reductions in spending, like much of the rest of the public sector, while at the same time further reducing its overall reliance on taxpayers.

As part of these new arrangements, the Government will ensure that the BBC can adapt to a changing media landscape. The Government will therefore bring forward legislation in the next year to modernise the licence fee to cover public service broadcast catch-up TV. In addition, the Government will reduce the broadband ring fence to £80 million in 2017-18, to £20 million in 2018-19, to £10 million in 2019-20 and to zero in 2020-21. The Government will consider carefully the case for decriminalisation in the light of the Perry report and the need for the BBC to be funded appropriately. No decision will be taken in advance of charter renewal.

The Government anticipate that the licence fee will rise in line with the consumer prices index over the next charter review period, subject to the conclusions of the charter review on the purposes and scope of the BBC, and the BBC demonstrating that it is undertaking efficiency savings at least equivalent to those in other parts of the public sector. The commitment made in the Conservative manifesto that all households with an over-75-year-old will be eligible for a free TV licence will be honoured throughout the Parliament. As requested by the BBC, it will take responsibility for this policy from thereon.

Charter review will provide an opportunity to consider wider issues relating to the purposes and scope of the BBC. We look forward to using it to engage on the full range of issues with the public, industry and the House. I will be making an announcement about the process for the review in due course.

Chris Bryant: What an utter shambles! It is not even the Chancellor who comes to give the Budget any more; elements are briefed to the Sunday newspapers, and then the Chancellor goes on the BBC to tell the BBC and the nation what will be in his Budget three days later. There was a time when Chancellors were forced to resign because elements of their Budget were leaked. Now, we get every single element of the Budget briefed deliberately, and he has the chutzpah to pretend that it is a proper process.

I am absolutely certain, however, that the Secretary of State agrees with me. Does he not agree that the process for charter renewal and agreeing the financial settlement for the BBC

“must be open and transparent, licence fee payers must be consulted and Parliament should have an opportunity to debate...significant changes to funding responsibilities.”?

Does he not agree that:

“No future licence fee negotiations must be conducted in the way of the 2010 settlement”?

I ask that not because they are my words, but because those are the words he wrote only a year ago, when he was the Chair of the Culture, Media and Sport Committee. I am sure he will agree that this is no way to run a wheel stall, let alone the world's most respected broadcaster.

Of course, at a time of straitened national finances, every public body must make savings, including the BBC, but the BBC is the cornerstone of the creative industries in this country and viewers and listeners want a strong BBC that makes programmes that inform, educate and entertain. There is a proper way of dealing with the BBC: a Green Paper, an oral statement to Parliament and an open consultation process. We should agree what the BBC is for and then how to fund it before introducing a new charter. Instead, we have exactly what the Chancellor did in 2010, which the Secretary of State condemned last year—another backroom deal. As I said before, former Chancellors have resigned in such circumstances and yet the Secretary of State still comes here with this shabby little deal.

Let me ask some specific questions. When will the full charter renewal process be brought to this House? When will he publish the Perry report, which he mentioned, on the decriminalisation of non-payment of the licence fee? Obviously, that is another £250 million that might be missing from the BBC's budget. Under the new agreement announced by the Secretary of State, will the BBC have the power to end concessionary licences for those over 74? By how much to the Government intend to cut the BBC's overall income? By £650 million, £850 million or £1 billion? How many jobs does he expect to go in an industry that is one of the few in the world in which we excel? Will the licence fee remain for the full 10 years? Will the BBC be allowed to charge for the use of the iPlayer and will those who already have a licence be required to pay extra to use it? Incidentally, when was the Secretary of States told about this new policy? Late last night, half an hour ago or just before he came to the Chamber, or has he been involved all the way?

If there is a means of protecting the public finances while securing the BBC's future, we will wholeheartedly support it, but if this is just a smash-and-grab raid on the BBC and if it ends up undermining it, we will oppose the Secretary of State every step of the way.

Mr Whittingdale: I am slightly surprised that the hon. Gentleman seems to be so upset that I have taken the trouble to come and answer his question today in detail. The Government have in response to his question spelt out in some considerable detail precisely the terms of the agreement that we have reached with the BBC and I can tell him that I and the Chancellor have been involved in discussions throughout with the BBC to reach this agreement. We are all content that it delivers our objective of helping to reduce the deficit while giving the BBC

[Mr Whittingdale]

some of the guarantees it needs about its future financing and the system by which the licence fee is raised. However, this does not pre-empt charter renewal and I can tell the hon. Gentleman that the charter renewal process will be open and transparent and will involve as many of those who wish to participate as possible. Before the summer recess, I will come to the House to give further details and will publish the Green Paper on which the charter renewal process will be based. At the same time, I hope to be in a position to publish the Perry report.

The hon. Gentleman appeared to ask a number of questions that were already answered in the course of my statement. I can tell him once again that the case for decriminalisation, which is considered in the Perry report, will be considered as part of the charter renewal process, as will the future scale and scope of the BBC. We anticipate that, in the period after that process, the licence fee will rise in line with CPI, as long as the charter renewal process does not result in any changes to the purposes and scope of the BBC. All those points were spelt out in my statement today. It is right that the charter renewal process should be open. No decisions have yet been taken and we will publish the details very soon.

Jesse Norman (Hereford and South Herefordshire) (Con): Thanks to the support of the House, it is an honour to follow my right hon. Friend as Chair of the Committee. Does he share my view that the scope and funding of the BBC must be considered together, given that that has not always happened in the past? If that is the case, can he assure the House that that will form part of his plans over the next year?

Mr Whittingdale: I agree with my hon. Friend, and I should also like to take this opportunity to congratulate him on taking on the important position of Chairman of the Culture, Media and Sport Select Committee. I can absolutely confirm that the scale and scope of the BBC will lie at the heart of the charter renewal process, and that the level of the licence fee will be considered as part of that. He is right to suggest that what we decide about the scale and scope will determine how much money is needed. If it is concluded that more money is needed, we will consider any bid from the BBC at that time. The guarantee we have given is that the licence fee will rise in line with CPI over the next charter period, subject to the conclusion of the charter review. I have to say to my hon. Friend that that is exactly what I have just said in my statement.

John Nicolson (East Dunbartonshire) (SNP): We have been down this route before. In 2010, the coalition announced plans to require the BBC to fund licences for the over-75s, and the Government are now apparently chancing their arm again. The Secretary of State is on record as saying that it would be difficult to justify his mother not having to pay her licence fee. I can tell him how he could justify it. If it were not means-tested for his mum, it would be means-tested for mine, and my mum, like thousands of pensioners across the country, would simply be far too embarrassed to fill in a form to get a free television licence. I will introduce you to her sometime, Mr Speaker. Can I get clarity from the Secretary of State on whether he will require, or allow, the BBC to means-test television licences for the over-75s?

Mr Whittingdale: I repeat what I have just said in my statement, which is that there was a clear commitment in the Conservative manifesto that all households with an over-75-year-old will be eligible for a free television licence, and that commitment will be honoured throughout this Parliament. Following that, the BBC has requested to take on responsibility for that policy, but that will happen during the course of the next Parliament.

John Redwood (Wokingham) (Con): I welcome my right hon. Friend's announcement, but will he confirm that in the bigger review he will pay special attention to how the BBC is currently competing, using tax-based subsidy, to undercut other media providers and drive them out of the market?

Mr Whittingdale: My right hon. Friend raises an important point. That point will certainly be considered during the course of the charter renewal, but it is the kind of issue that is best considered over a period, when we will have the opportunity to hear from all those affected by the activities of the BBC.

Mr Ben Bradshaw (Exeter) (Lab): This Government have already forced the licence fee payer to fund broadband roll-out and the failed vanity project of local TV, and now they are making the BBC a branch office of the Department for Work and Pensions. Does the right hon. Gentleman not accept that this represents a significant assault on the BBC's independence, and that it is to Parliament, not the Government, that the BBC is answerable? Just before the election, he published a report on the future of the BBC in which he said that it was of paramount importance that this House and the other place should be consulted fully on anything to do with charter renewal. He has broken that promise today, and I am extremely disappointed that he has done so.

Mr Whittingdale: On the right hon. Gentleman's first point, I have already announced that we will be phasing out the broadband ring-fence over a period. I seem to recall that it was his Government who financed the digital switchover from the licence fee. As I have said, the licence fee settlement is a matter that will be considered as part of the charter renewal process, as it will obviously be affected by any decision taken on the purposes and scope of the BBC as a result of the charter review. We have sought to give the BBC the assurances that it has requested, but that has not in any way pre-empted the decisions that may be reached as a result of the charter review.

Julian Knight (Solihull) (Con): My right hon. Friend will no doubt hear many protestations of poverty on behalf of the BBC today, but is he aware of the vast sums spent by the BBC on delivering Salford media city and the new Broadcasting House in London, and how this bipolar approach has effectively drained the rest of the country of investment, particularly the midlands?

Mr Whittingdale: I believe that the BBC's investment in Salford was beneficial. It is important that the BBC demonstrates that it is serving all the regions and nations of the UK. Nevertheless, we will certainly consider the points my hon. Friend raises as part of the charter review.

Helen Goodman (Bishop Auckland) (Lab): I am very sympathetic to what the Secretary of State has said about removing the broadband ring fence and raising the licence fee by CPI, but would it not have been more sensible to end this foolish subsidy, rather than sticking with the Tory manifesto commitment and messing up the BBC's finances? What exactly will the financial burden be on the BBC as a result of this decision?

Mr Whittingdale: I am interested to hear that the hon. Lady is calling for the removal of free television licences for the over-75s. However, the Conservative manifesto spelled out clearly that they would be preserved for the entirety of this Parliament, and I can tell her that this party does not break its manifesto pledges.

Damian Green (Ashford) (Con): I am delighted that my right hon. Friend has been able to give the full details of the financing package, rather than the partial details we heard on Sunday. Does he agree that the BBC, with its many excellent world-class services, is one of the British institutions most admired around the world, and is he confident that that can remain the case under the financial settlement he has set out today?

Mr Whittingdale: I am grateful to my right hon. Friend and agree with him entirely on both points.

Jonathan Edwards (Carmarthen East and Dinefwr) (PC): When fully implemented, this will effectively be a cut of around 18% in the BBC's disposable budget, based on the value of today's licence fee, with liabilities increasing as a result of an ageing population. What guarantees can he give to S4C that its budget will not face a similar cut in future?

Mr Whittingdale: The BBC has a good record of achieving efficiency savings, and I am confident that that will continue over the coming years. Taking on the cost of providing free TV licences is being phased in and will not start until 2018. With regard to S4C, I think that it is reasonable to expect it to make the same kinds of efficiency savings that the Government are looking for the BBC to make.

Sir Peter Bottomley (Worthing West) (Con): My right hon. Friend has calmed down the atmosphere surrounding this, and we look forward to a deal that the BBC as well as this House can live with. It is important that the BBC should be able to go on exploiting and introducing new technology as well as keeping old services going. Is the age of 75 fixed forever? If it can be changed, will it be changed by proposals from the BBC or by this House?

Mr Whittingdale: The age of 75 is fixed for the duration of this Parliament, because that was a pledge in the Conservative manifesto. As I have indicated, after that the BBC will take responsibility for the policy, so it may examine a number of options.

Ms Gisela Stuart (Birmingham, Edgbaston) (Lab): Of the £942 million raised in the west midlands on the back of the licence fee, only about 8.5% is spent in the region. When the Secretary of State modernises the licence fee arrangements, will he include an obligation

to have regional commissioners so that spending in the regions is more in keeping with the amount of money raised in the regions?

Mr Whittingdale: I am aware that this matter has recently been debated, and my hon. Friend the Minister for Culture and the Digital Economy responded at that time. The point that the hon. Lady raises will certainly form part of the charter review, and we will consider those options, and any others, at that time.

Mr David Nuttall (Bury North) (Con): A compulsory licence fee might have been an appropriate way of funding the BBC back in the 1920s, but it is no longer justified in the 21st century. Does the Secretary of State agree that if the BBC's output is as popular as everyone claims, if it changed to a subscription model people would be queuing up to buy a licence?

Mr Whittingdale: My hon. Friend makes an argument that I am sure will be one that we can consider at the time of charter review. I encourage him and, indeed, anybody else to make such submissions at that time.

Paul Farrelly (Newcastle-under-Lyme) (Lab): I want to congratulate the Secretary of State publicly on his appointment. We served together for 10 years on the Select Committee, during which time we looked at the BBC many times. In our last report, in a conclusion proposed by him as Chair, we said:

"It was wholly wrong that the 2010 licence fee settlement, which permitted the licence fee revenue to be used for new purposes, was not subject to any public or parliamentary consultation. We recommend that income from the licence fee... be used only for the purpose of broadcasting or the production of public service content on television, radio and online."

Why, just five months on, does he no longer agree with himself? Why, so early on in his appointment, has he not stuck to his guns but rather allowed the Chancellor to call all the shots?

Mr Whittingdale: The hon. Gentleman and I agreed many times when we served together on the Committee, but I do not agree with him on this occasion. What I have announced does not conflict with what is in the Select Committee report. The licence fee settlement will be subject to debate and a widespread consultation. This is not a licence fee settlement. We have sought to give the BBC some confidence, when it comes to plan for the future, that if the charter review does not conclude that there should be changes in purposes and scope, it can look forward to a rise in line with inflation after that time. That does not rule out any option that we will consider during the process of charter review.

Philip Davies (Shipley) (Con): Given that the BBC gets in more income every time a new home is built, does the Secretary of State agree that it has been pretty well protected during the period of austerity that other parts of the public sector have faced? Does he also agree that if the BBC ever feels short-changed from sucking on the teat of the licence fee payer, it can always try its luck in the commercial sector and move to a subscription model?

Mr Whittingdale: My hon. Friend is absolutely right. While the BBC's licence fee has been frozen since 2010, its income has nevertheless been rising year on year due

[*Mr Whittingdale*]

to the growth in the number of households. That is not widely recognised but it should certainly be taken into account in these decisions.

Kate Hoey (Vauxhall) (Lab): I welcome the continued commitment to the concessionary licence fee for over-75s, which is a lifeline for many of the elderly. Millions of people in this country love the BBC, but millions also believe that it has sometimes got involved in too much frippery and has gone wide of what its basic remit should be. Will the Secretary of State make sure that these kinds of things are looked at during the discussions on the licence fee renewal?

Mr Whittingdale: That is exactly the kind of matter that it is appropriate to consider during the course of the charter review. I hope that the hon. Lady and others will make submissions if they feel strongly on these points.

Michael Ellis (Northampton North) (Con): I welcome my right hon. Friend's announcement, and I would like him to work with the BBC to improve the position. The *Northampton Chronicle and Echo* and the *Northampton Herald & Post* are very good local newspapers. Does he agree that they, and many other local newspapers around the country, should not be put in jeopardy by an overweening BBC website and other BBC branches and units that have had a tendency, using taxpayer-subsidised licence fees and other sources, to have an effect on those local press organisations?

Mr Whittingdale: I am aware of the concerns of the local newspaper industry and others about the impact of the BBC's licence fee-funded activities on commercial providers. That is certainly one element that we will consider during the course of the charter review.

Barry Gardiner (Brent North) (Lab): The Secretary of State has insisted that the Conservative party does not break its manifesto commitments, but it would appear that it is quite happy to get somebody else to pay for them. Given that the BBC is going to have a reduced income as a result of his announcement today, will he say how much that reduction will be and what discussions he has had with the Foreign Secretary about whether it will affect the World Service, which many of us care deeply about?

Mr Whittingdale: I have already given the House the figures for the reduction and the phasing in of the cost of maintaining the free licence fee for over-75s. The precise effect of that on the BBC's income will also be affected by other factors, such as that mentioned by my hon. Friend the Member for Shipley (Philip Davies), namely the rising number of households that will be paying the licence fee. On the effect on the World Service, this does not come into effect until 2018 and the World Service is one of the BBC activities that we will consider during the course of the charter review.

Andrew Bridgen (North West Leicestershire) (Con): It is clear that the BBC and its former employee, the shadow Secretary of State, the hon. Member for Rhondda (Chris Bryant), believe that the continued criminalisation of 150,000 of our citizens each year—70% of whom are

women—is a price worth paying to protect the BBC's income stream. What does the Secretary of State think about that?

Mr Whittingdale: I am, of course, aware of my hon. Friend's views on this issue and it was partially as a result of his pressing that case that we commissioned the report by David Perry examining the consequences of decriminalisation. We will publish that report when we issue the Green Paper. It will form part of and inform the charter review process and we will take decisions in the light of that.

Seema Malhotra (Feltham and Heston) (Lab/Co-op): We should be proud of the BBC, which is respected and valued, not just in Britain, but across the world, for the quality of its output. What impact does the Secretary of State expect a £650 million bill—a fifth of the BBC's budget—will have on the BBC's ability to invest and to remain a world leader and a great advertisement for Britain across the world?

Mr Whittingdale: As the hon. Lady knows, my announcement today is the result of an agreement with the BBC. I am confident that the BBC will be able to continue to provide exactly the kind of world-class programming she has described within the new financial settlement.

Tom Pursglove (Corby) (Con): What discussions are being held on the importance of the BBC identifying new streams of revenue generation?

Mr Whittingdale: The potential for changing the licence fee in the long term as the mechanism for funding the BBC is a matter that we will examine during the course of charter review. Personally, I am not particularly attracted to some options, such as advertising, but others will certainly be worth considering as a longer-term option for the future.

Nia Griffith (Llanelli) (Lab): Companies such as Tinopolis in my constituency are part of a very important Welsh-language broadcasting industry. Worryingly, the Secretary of State has told us that he would anticipate the BBC cutting its contribution to S4C funding. What guarantee can he give about direct Government funding to S4C and does he anticipate cuts to an industry that has already suffered enormous cuts and has a long lead-in time for good-quality programmes?

Mr Whittingdale: As the hon. Lady knows, the Government already fund S4C with £6.7 million of direct funding and we have already set out our intention for the next two or three years. Beyond that, it is something that we will consider at the time.

Mr Nigel Evans (Ribble Valley) (Con): The Secretary of State may remember when I sat on his Select Committee and had a go at the former chief of the BBC Trust, Michael Lyons, about some of the eye-watering salaries it paid to top executives and so-called top talent, including the £6 million it was paying Jonathan Ross. I have read recently that it will be paying Chris Evans millions just so that he can present "Top Gear". Is not it absolutely right that the BBC should get a grip on some of these salaries and that it should play its role in ensuring some restraint in the coming years?

Mr Whittingdale: As I am sure my hon. Friend will agree, it is not for the Government to set individual salaries for employees of the BBC, but I have sympathy with his views. The BBC has already made quite a lot of progress in this area. Some of the salaries that my hon. Friend describes as eye-watering are no longer being paid, but obviously the BBC will need to cut its cloth to live within its financial means.

Jason McCartney (Colne Valley) (Con): With BBC productions such as “Happy Valley”, “Remember Me” and “Peaky Blinders” having been filmed in my beautiful part of west Yorkshire, will the Secretary of State encourage the BBC to continue investing in regional production?

Mr Whittingdale: I congratulate my hon. Friend on his election to the Select Committee. I am sure that he will take advantage of his position there to make those points. I absolutely agree that the BBC has a duty to serve all the nations and regions of this country, both in the content that it broadcasts and through where that content is made.

Mr Peter Bone (Wellingborough) (Con): I do not know whether the amplification was wrong when the shadow Secretary of State asked the urgent question, but it seemed extremely loud and almost like a rant, which is not like him at all. However, he made a very important point about this information appearing in the media before the Budget. I am sure that the Chancellor is as concerned about that as the Secretary of State, so I wonder whether the Secretary of State has initiated a leak inquiry.

Mr Whittingdale: I cannot enlighten my hon. Friend as to how the information came before the newspaper. However, as a result of that happening, we thought it only right to come to the House at the earliest opportunity to respond in detail to the urgent question tabled by the hon. Member for Rhondda (Chris Bryant).

David Rutley (Macclesfield) (Con): Like many people in the House, I fully respect the BBC’s broadcasting values, but does my right hon. Friend agree that it is time for a full review of its online ambitions to ensure that the national media, particularly national newspapers, are not disadvantaged?

Mr Whittingdale: I agree with my hon. Friend. It is time that we had a thorough review of every aspect of the BBC’s activities. That is the precise purpose of the charter review that we are shortly to embark upon.

Peter Heaton-Jones (North Devon) (Con): Speaking as a former long-term inmate of the BBC, I wonder whether the Secretary of State agrees that the most

important thing is to ensure that the licence fee is fit for purpose in the 21st century and, in particular, to close down the iPlayer loophole. We must encourage the BBC to continue to make efficiency savings because, as I saw for myself, great swathes of middle management could be cut tomorrow and “EastEnders” would still start at half past 7.

Mr Whittingdale: I agree with my hon. Friend on both points. On the iPlayer loophole, the original conception of the licence fee was that those who enjoyed watching television should pay a licence fee from which the BBC would be funded. Of course, at that time, the opportunity to view catch-up television did not exist, but I think those who created the licence fee would have thought that it should apply equally to those watching catch-up and those watching live TV. It is merely to reassert that principle that the Government have agreed to change the law so that catch-up TV is treated in exactly the same way as live TV in respect of the requirement to pay the licence fee.

Bob Blackman (Harrow East) (Con): Will my right hon. Friend update the House on what changes there will be to the processes of identifying those who are eligible and granting exemptions to the households that qualify?

Mr Whittingdale: The future of the licence fee and specifically the decriminalisation aspect, which relates to the enforcement point, have been examined in detail by David Perry. I do not want to anticipate the publication of his report, but that will feed into the charter review, as will the other aspects that my hon. Friend has raised.

Mr Philip Hollobone (Kettering) (Con): Given that most people get most of their broadcast news from the BBC, in the next two years BBC News will face one of its greatest ever challenges in having to remain impartial over whether this country should decide to leave the European Union or not. How will the Secretary of State satisfy himself that the BBC is adhering to its trust principles to inform and educate without appearing to be on one side of the argument or the other?

Mr Whittingdale: The BBC is of course subject to a requirement to maintain impartiality and objectivity, as are all broadcasters. I agree that the importance of maintaining that principle is, if anything, even greater for the BBC. My hon. Friend will be aware that the BBC Trust currently considers complaints about impartiality and fairness, but the BBC’s governance arrangements will be one of the issues that we will look at during the charter review.

Greece

4.10 pm

The First Secretary of State and Chancellor of the Exchequer (Mr George Osborne): I last updated the House on the situation in Greece a week ago. Since then the Greek Government have failed to make the International Monetary Fund payment that was due, and the Greek people expressed a decisive view in yesterday's referendum and rejected the creditors' terms. Greece is a proud nation and a very long-standing ally of the United Kingdom, and we respect the decision of its people, but there is considerable uncertainty about what happens next. We need to be realistic: the prospects of a happy resolution of the crisis are, sadly, diminishing.

Over the past 24 hours the Prime Minister and I have spoken to some of our counterparts, I have spoken to the head of the IMF, and just a few minutes ago I spoke to the chair of the Eurogroup. We are urging all sides to have a final go at trying to reach an agreement that defuses the crisis. The next steps are the European Central Bank discussion taking place right now, tonight's Franco-German summit and tomorrow's gathering of eurozone leaders. If there is no signal from those meetings that Greece and the eurozone are ready to get around the table again, we can expect the financial situation in Greece to deteriorate rapidly. For now, the British Government's position remains the same: we will do whatever is necessary to protect the UK's economic security at this time.

This morning, the Prime Minister chaired a meeting attended by the Governor of the Bank of England, myself and other members of the Government to review our response to the ongoing crisis. So far the financial market reaction has been relatively contained, private sector exposures are far less than three years ago, and the eurozone authorities have said that they stand ready to do whatever is necessary to ensure the financial stability of the wider euro area. But the risks are growing, so it is right that we remain vigilant and monitor the situation carefully. I am in regular contact with the Governor to oversee developments as they unfold.

We are also acting to protect British residents and holidaymakers in Greece. Last week, I told the House that the Department for Work and Pensions and public service pension administrators had started contacting Greek residents who draw a British state pension or public sector pension from a Greek bank account. I can now confirm that the DWP has spoken to 2,000 people, advising them on how to switch payments to non-Greek bank accounts if they wish. It has now enabled people in Greece who receive a UK state pension to set up a UK bank account if they do not already have one. International payments into Greece are still exempt from the restrictions that the Greek authorities have placed on the banking system, so I can confirm today that UK Government payments, including state pension and public service pension payments, will continue to be made in the usual way.

We are doing more to keep holidaymakers and residents informed about the developing situation. We are in regular contact with the travel industry, to understand the impact on British nationals; we have increased the number of Foreign Office staff in our embassy in Athens, to be prepared for whatever happens; and on the islands

of Crete, Corfu, Rhodes and Zakynthos, where many British tourists are and where we already have a vice-consular presence, we have deployed more consular staff to support the teams there. But it is unrealistic to think that we can provide a consular presence on all the Greek islands, which is why we urge everyone travelling to Greece to look at the travel advice before they go. It is clear that British holidaymakers should take sufficient euros in cash to cover the duration of their stay, emergencies, unforeseen circumstances and any unexpected delays. Travellers should be careful and take sensible precautions against theft.

As the economic crisis in Greece persists, there are greater risks of shortages. In recent days the media have reported a shortage of medical supplies in Greece, so I reiterate the Foreign Office's advice on its website that UK travellers take sufficient supplies, including prescription medicines, for the duration of their trip. We will continue to ensure that the travel advice is regularly updated with the latest information, and our ambassador in Athens will provide regular updates on the UK response in Greece.

Finally, we have put in place measures to support British businesses. HMRC's time to pay arrangements are now open to help businesses that are experiencing cash-flow problems as a result of banking controls in Greece. Under the leadership of my right hon. Friend the Business Secretary, the Department for Business, Innovation and Skills has published detailed guidance to help businesses; it can be found on the Government website. Businesses that are experiencing problems with Greek contracts can call the business support helpline that will direct them to commercial lawyers with experience in the Greek market, or they can contact their Member of Parliament and we will help provide direct advice. The Minister of State for Trade and Investment met major UK companies and business groups last week to discuss the situation, and he will have further meetings this week.

This is a critical moment in the economic crisis in Greece, and no one should be under any illusions. The situation risks going from bad to worse, and Britain will be affected the longer the Greek crisis lasts and the worse it gets. There is no easy way out, but even at the 11th hour we urge the eurozone leaders and Greece to find a sustainable solution. Here in Britain we must redouble our efforts to put our house in order. In the Budget in two days' time, I will set out exactly how we will do that.

4.15 pm

Chris Leslie (Nottingham East) (Lab/Co-op): Yesterday's referendum in Greece presents the European Union with the most fundamental test that it has faced for a generation. Although the Greek people have given their backing to their Government, that does not overrule the position of other elected eurozone Governments who are now faced with an incredible dilemma. It is imperative for the Greek Government and their creditors to sit down and plan for an orderly and pragmatic way forward, and to avoid impulsive and precipitate steps that could spark turmoil or chaos.

What are the Chancellor and Prime Minister doing to press both sides to find a new timetable and some breathing space, at least to allow planning for all eventualities to take place? Greece's position in the euro

and the European Union affects us all. Will the Prime Minister and the Chancellor actively engage with both sides of this impasse and do what they can to help reach an agreement? Is there more scope for proactive diplomacy, and will the Chancellor say more about the substance of conversations that he has had with Greek and other eurozone Ministers since last week's statement to the House? The Chancellor needs to play his part. What is he saying to the International Monetary Fund, with whom we have direct influence, about emerging options for restructuring Greek debt? Last week the IMF signalled that an alternative analysis was necessary, so can he clarify what course the British Government are advising the IMF to take?

Let me ask the Chancellor about some immediate issues affecting the UK. Can he reassure the House that Britain's financial system is properly insulated against risks emanating from a possible Greek exit from the euro? At a time of such heightened anxieties about banking across Europe, can he explain why today he has announced a reduction in the level of protection for bank deposits in the UK? What can be done to help British firms selling goods or services to Greece that might be awaiting payment because of the suspension of Greek banks? He did not mention UK Trade & Investment in his statement, but what changes are being made to its advice and assistance at this time?

The Chancellor mentioned the need for British tourists who are setting off on their summer holidays to ensure that they check advice from the Foreign Office, but can he reassure those who are travelling that the Government are working closely with tour operators and airlines so that travel arrangements are not adversely affected by disruptions to the currency in Greece? Can he give the House more details about the capacity of the embassy and consular networks to stand ready to help with the volume of inquiries that are likely to ensue?

Last night the President of the European Parliament called on European Union member states to prepare for a possible humanitarian intervention in the coming weeks, given that children and the sick and vulnerable in Greece may feel the strain of any volatility in the basic operations of a normal economy. How are the British Government responding to that? More broadly, will the Chancellor acknowledge what the Bank of England's Financial Policy Committee has noted in recent months—that our wider balance of payments problems and widening trade deficit over the past five years presents a potential vulnerability that should not be ignored? The minutes of the last Financial Policy Committee meeting state that that

“could, in adverse circumstances, trigger a deterioration in market sentiment towards the United Kingdom.”

Wednesday's Budget must do more to help our exports and productivity so that our economy is strong enough to cushion any external turbulence that may arise.

Finally, does the Chancellor agree that both sides of this stand-off still have much work to do? The eurozone countries need to do their best to offer Greece the opportunity to return to negotiations, and the Greek Government need to face up to their responsibilities for stronger governance and economic reform. These are serious times for Greece, for Europe and for the United Kingdom, especially if a disorderly chain of events now follows. I urge the Chancellor to do what he can to prevent that scenario from occurring, but to prepare fully in case it does come to pass.

Mr Osborne: I thank the hon. Gentleman for his remarks and his questions, which were sensibly put. I agree that what we want is an orderly way forward, and the risk is a disorderly financial situation in Greece. I have spoken to several of my counterparts, including, as I have just said, the head of the Eurogroup and the managing director of the IMF; the Prime Minister has spoken to the German Chancellor and others. The simple fact is that the eurozone is waiting for the Greek Government to make a new proposal. They have requested a new programme, and they are expecting to receive the details of that request at the eurozone meeting that will be held tomorrow, but we should not underestimate the importance of the Franco-German summit tonight to see what general approach the eurozone will take to this situation.

Greece is now in arrears, so the IMF cannot actually make any payments under the terms under which it has always operated. The IMF would in any case have to operate alongside the eurozone, as it has made very clear.

The UK is monitoring developments in the four branches of the Greek banks and the one subsidiary that we talked about. That subsidiary is regulated by the Prudential Regulation Authority, but the Bank of England is also keeping a close eye on those four branches.

The hon. Gentleman asked about the bank deposit regulation and the insurance we offer. It is an EU directive that sets that rate in euros. The pound has strengthened and we actually achieved a bit of flexibility in the way the directive operates by delaying the change we need to make to the end of this year, to give plenty of time for people to become aware of the change and so that they know how much of their deposits will be protected.

We are in contact with the various tour operators, which are generally well organised to deal with various situations that might occur in holiday destinations. As I said, we have taken the precaution of increasing the consular staff—not just in Athens, but on the islands where we have a consular presence.

The blunt truth is that there are two timetables at the moment, and it is not clear how they will become aligned. The first timetable is political—the meetings that need to take place, the eurozone working together to find a common position and the proposal from the Greeks. All that looks like it will take some time. At the same time, the other timetable is the situation in the financial system in Greece—that, of course, is operating at a much faster pace. The challenge for the eurozone and for Greece is to bring those two timetables together and find an orderly solution.

Mr Andrew Tyrie (Chichester) (Con): I realise that the Chancellor will want to be somewhat guarded in his reply, but how far can he go towards agreeing that Greece probably cannot recover at current euro exchange rates and almost certainly will not be able to repay all its debts, so the best course now—for Greece and the eurozone—would be to encourage Greece to recreate its own currency and for the eurozone to take all the necessary steps to prevent contagion?

Mr Osborne: Just as when people try to tell us what currency we should adopt we do not take too kindly to it, we should respect the decision of the Greek Government

[Mr Osborne]

and people about the currency that they want to use. Clearly the Greek Government are saying that they want to remain in the euro. The tension, which has been there all along, is between that desire to remain in the euro and the conditions of membership that the other members of the eurozone are placing on them. That is the dilemma that has not yet been resolved.

Stewart Hosie (Dundee East) (SNP): I thank the Chancellor for his statement and for early sight of it. The Scottish National party agrees with much of what he said.

Most people recognised last week that, irrespective of the outcome of the referendum, negotiations and difficult decisions would still have to be undertaken by both Greece and its creditors. The Chancellor observed last week that senior eurozone figures had said that had Greece voted yes, then negotiations would begin to try to find a satisfactory outcome. Given that Greece voted no to the troika conditions, but voted to remain part of the EU and the eurozone, will the Chancellor try to persuade his Finance Minister counterparts in the EU and colleagues in the ECB and IMF that they, too, should respect the outcome of the referendum, stay calm and return to the negotiating table to find a long-term sustainable solution to Greece's problems? That is in all our best interests.

It is worth noting that, as the Chancellor said, the markets have barely moved since the referendum result. They, at least, clearly discounted the possibility of a no vote, even if others did not. Peripheral country 10-year bond yields, in particular in Spain and Italy, have barely moved and are at about 2.3%. The FTSE Eurofirst 300 index is off by about 1.2% as of earlier this afternoon, although bank stocks are down a little more. However, market sentiment may change and bond yields and European banking stocks in particular may yet come under further pressure. May I ask what are the contingency plans for that eventuality; not the detail—I understand the sensitivity—but perhaps the degree of liaison between the Greek central bank, the ECB and the Fed? What plans are there, in addition to what he has laid out, to support businesses that export to Greece, particularly in light of capital controls, to ensure cash-flow problems do not damage perfectly viable businesses here?

The Greek people have voted against further austerity, which they argue—many would agree—has failed so far. The Greek Government have a clear mandate to negotiate on that basis. I very much welcome what the Chancellor said about respecting the decision of the Greek people. I hope he and his Government will continue to respect that decision. As he said, this situation risks going from bad to worse. Even if the immediate crisis passes, the risks that do exist may do so for some considerable time.

Mr Osborne: The hon. Gentleman is right in his assessment of the current state of the markets. There has been a muted reaction, although Greek bond spreads have increased. I think that is in part because eurozone leaders and Finance Ministers have acted with some restraint post the result. Some of the language we heard on all sides before the referendum has been toned down, which is very sensible. I think people are now looking at

the crucial meetings that will take place tonight and tomorrow to see whether they will get around the table and try one final time to reach a way forward.

On the hon. Gentleman's specific point about export businesses, we are in contact with the various business representative bodies. We have the helpline available and HMRC is able to help with cash-flow problems. I repeat the point I made earlier: if Members of Parliament have specific cases, they should bring them to us and we will make sure that the businesses in their constituencies get specific advice. The hon. Gentleman can have my assurance that we remain in regular contact with the European authorities. The Governor of the Bank of England remains in very close contact with the head of the European Central Bank. We are prepared for what happens. I note again that there is a very fast timetable happening in the financial system in Greece. We have to make sure that the political timetable keeps pace with it.

Several hon. Members *rose*—

Mr Speaker: Order. In belatedly congratulating the right hon. and learned Member for Rushcliffe (Mr Clarke) on his birthday last Thursday, I express the hope that he was able to celebrate with something more than mineral water and muesli.

Mr Kenneth Clarke (Rushcliffe) (Con): I am glad to say I was, Mr Speaker. I was not going to ask my right hon. Friend about my birthday, but thank you very much for your kind remarks.

Will my right hon. Friend continue to give support to those of our sensible European allies who insist that the Greek Government cannot just expect a third bailout and a second restructuring of their debts, so that Irish, Portuguese, Spanish and other taxpayers can continue to pay for untenable levels of public expenditure, including generous early retirement schemes, bloated public sector payrolls and so on? Does he also accept that if in the next week or two the Greek Government just print a new currency, called the new drachma, it will be a quite worthless means of exchange that will probably not be used by the Greek population or by foreign suppliers of commodities? There is therefore no alternative to the Greek Government eventually agreeing structural reform, to give them a competitive economy for the future and to rejoin the European community of nations.

Mr Osborne: First, let me join in congratulating my right hon. and learned Friend on his birthday. The points he makes are echoed by many eurozone Governments that we speak to. There are countries in the European Union with lower GDP per capita incomes and there are Governments in the eurozone who have undertaken incredibly difficult structural reforms—he names our close neighbours in Ireland—so these points are regularly made. It is clear that there needs to be major structural reform of the Greek economy and certain conditions set on eurozone membership, and that is why the eurozone is waiting for the latest proposal from the Greek Government. Equally, we urge all parties in this, including those other eurozone Governments, to be open to new offers and to be ready to sit round the table.

Ms Gisela Stuart (Birmingham, Edgbaston) (Lab): If reports are to be believed that some of the big banks are running out of euro notes and that the Greek Government are able to print only €10 notes—any larger ones have to

be imported—has Her Majesty's Treasury made any provision to fly out euro notes to our pensioners or tourists who may be stranded and simply cannot get hold of euros?

Mr Osborne: What I should say, without going into too much detail, is that we have a number of contingency plans. We just hope we do not have to put them into operation.

Sir William Cash (Stone) (Con): Does my right hon. Friend agree that although Greece bears responsibility, there is also the intensely political German question. Statements by the Germans recently seem increasingly self-righteous about compliance with European rules, when they themselves have been in defiance of the stability and growth pact for many years and the surplus rules. There is also the question of their over-lending to Greece, against the background of their export policy and currency manoeuvres. Does my right hon. Friend recall that in 1953, under the London debt agreement, Germany received £86 billion of debt, and does he agree that they might well be rather more generous in their attitude towards debt relief in respect of the Greek people?

Mr Osborne: We should understand that of course the German Government, and therefore the German people, are one of the largest creditors and therefore take a close interest in developments in Greece. Under the terms of an application for a new programme from the European stability mechanism, that requires a vote in the Bundestag, so there are clearly some key German political issues here. Where I agree with my hon. Friend is on the observation he makes about the stability and growth pact. One can argue that many of the problems that the eurozone has encountered in recent years were because of the lax interpretation of the rules, not least by France and Germany, over a decade ago. To be fair to the German Government and others, they have tried to strengthen those rules in recent years.

Jeremy Corbyn (Islington North) (Lab): Does not the Chancellor think that something quite remarkable happened yesterday in Greece? Half its young people are out of work, public services are collapsing and there is desperate poverty around the country, yet the Greek people rejected the European Union's proposals for further austerity and further cuts, seeking instead to renegotiate with the EU? When even the International Monetary Fund says that the debt is unpayable and has to be restructured over a longer period, does he not think that that should concentrate the minds of the EU and the German Government to do something urgently so that the banks in Greece can reopen, people can get back to work and the Government—the elected Government—can continue a programme of developing and expanding the economy, which is the only real way forward? Further austerity will create only deeper misery and shorter lives for a very desperate people.

Mr Osborne: It may surprise the hon. Gentleman to find that I agree with him on a number of points. First, I agree that we should respect the result of the referendum and the democratic decision of the Greek people. I agree that we need to see the Greek economy grow, although I would say that that requires structural reforms,

as my right hon. and learned Friend the Member for Rushcliffe (Mr Clarke), the former Chancellor, said. I hope we agree, too, that there are many members of the eurozone and that this cannot be just a unilateral decision by the Greek Government and the Greek people, because other peoples and other Governments are involved, including creditor nations. The final thing we agree on is that I think the hon. Gentleman would be an excellent leader of the Labour party.

John Redwood (Wokingham) (Con): The Chancellor is quite right that there are two timetables here. In his discussions with the leading players in the eurozone, was there any sense of urgency? Do they understand that unless they find a way of getting money into the Greek banking system soon, huge extra damage will be caused to the Greek economy when people will be unable to settle transactions or trade with the Greeks, and that there could be further desperate consequences to the Greek banking system? Does he agree that if the banking system goes down and cannot reopen sensibly, everybody will be far worse off and it would be a major disaster for the eurozone as well as for Greece?

Mr Osborne: My right hon. Friend makes the correct observation about the speed of events. To be fair, in speaking to my counterparts, I have found that they do accept the sense of urgency, but trying to get the political systems and political meetings to deliver at the right pace is, of course, difficult. That is the big challenge in the coming days. Whatever the outcome for Greece's future membership of the euro, we want it to take place in an orderly rather than a disorderly way. Bridging between where we are today and the eventual outcome is something that the authorities in the eurozone need to work on.

Mr David Winnick (Walsall North) (Lab): Has it not been made clear by the Greek Government that the vote yesterday was not about leaving Europe or even the eurozone, but about the constant humiliation the country has suffered over the years and the economic pressures piled on it? Should it not be borne in mind that we are dealing with a country that said a very firm no to Mussolini, that bravely opposed the Nazi barbarians and that opposed the military gangsters who took over the country in 1967? Is this not a people and a country that should be treated with respect, not humiliated day by day?

Mr Osborne: The hon. Gentleman is right to refer to the heroic history of the Greek people and the many times at which they have fought for their freedom. I would make this observation, however. If they join the eurozone, they are joining an arrangement with other member states, other Governments and some central institutions, so they cannot take a unilateral course. That is why Britain did not want to join the euro, but Greece did join it, so that requires an agreement with the other Governments and the other peoples of the eurozone, as well. What the hon. Gentleman said about the people of Greece could be said equally about the people of Spain.

Mr Steve Baker (Wycombe) (Con): ConservativeHome and others are reporting an analysis of IMF figures according to which funds that were thought to be for

[Mr Steve Baker]

the Greek bail-out are apparently being used to bail out banks in other eurozone countries. Is that true, and, if it is true, does it not put a completely different complexion on the plight of the Greek people?

Mr Osborne: I have not seen that analysis, but I will have a look at it and report back to my hon. Friend.

Kate Hoey (Vauxhall) (Lab): I appreciate that the Chancellor of the Exchequer does not want to dictate to the Greek Government about what kind of currency they should use, but will he have a word with the Prime Minister about the possibility of the two of them pointing out during their next conversation with the Greek Prime Minister that there is a bright future outside the eurozone, and suggesting that the Greeks look at the example of the United Kingdom and leave the eurozone—which, of course, we never joined?

Mr Osborne: My experience of the Greek Government is that they are very well versed in events here in the United Kingdom. They have certainly noticed our economic revival. I repeat, however, that it is not for us to say which currency they should use.

Mr Peter Lilley (Hitchin and Harpenden) (Con): Does my right hon. Friend recall that when this country helped to persuade the rest of the world to forgive the debts of the heavily indebted poor countries, we argued first that lenders who lend too much share some of the responsibility with Governments who borrow too much, and should pay the cost, and secondly that the citizens of those countries are rarely to blame for the profligacy of their rulers, but have to suffer if they are forced to attempt to repay sums that cannot be repaid? Will he repeat those arguments to our colleagues in Europe?

Mr Osborne: My right hon. Friend has made a very good observation. The people who suffer when Governments get their economic policies wrong are often the poorest in the countries concerned. Sadly, we know that to our cost, given what happened in this country five or six years ago.

My right hon. Friend has also made a good point about the sustainability of debt repayments and the like. One of the big challenges that are looming is the repayment that is due to the European Central Bank. The discussion between Greece and its creditors has always been about ensuring that Greece pays what it owes but pays in a way that it can afford, and ensuring that it can grow its economy and undertake the structural reforms that are necessary to sustain its repayments. Indeed, that is an element of the discussion that is taking place now.

Jonathan Edwards (Carmarthen East and Dinefwr) (PC): In 1934, following the great depression, most of Europe's Governments had a significant amount of their liabilities written off for good. In the case of the United Kingdom, that was about 25% of its debt. We have already heard about the London debt agreement of 1953 in relation to Germany. Is it not the case that, as *The Daily Telegraph* reported in February, debt write-offs

are not unusual at times of crisis, and does that not indicate that crippling austerity is not the only way forward for Greece?

Mr Osborne: Debt sustainability is clearly one of the big issues for the Greek Government, but—and this, I believe, was also true of the discussions that took place in the 1950s—there must also be some agreement on the creditors' part that economic reforms are in place that will allow the country to grow and thrive in the future. At present, the two sides cannot agree. The Greeks want the restructuring, while the eurozone wants more conditionality, and more evidence of the structural reforms that it believes will help the Greek economy to grow. What we are doing is urging the two sides to try to reach some kind of agreement.

Crispin Blunt (Reigate) (Con): My right hon. Friend is urging a sustainable solution on our eurozone partners. Is he really saying that if he were a eurozone Finance Minister, he would fancy the task of going to his Parliament to seek authority to throw more good money after bad at the intransigent and unrealistic Government who so unhappily appear to represent the view of the Greek people?

Mr Osborne: I do not want to speculate on how this country would behave if it were a member of the eurozone. Thankfully, that is one of the pressures that our Government do not have to bear. However, this does remind everyone that a country that joins in a currency with other nation states and creates collective institutions will find itself bound by those rules, and will find that some of its unilateral, albeit democratically endorsed, decisions are not necessarily accepted by everyone else.

Helen Goodman (Bishop Auckland) (Lab): Obviously the Chancellor is focused on the short term, but under any scenario one of the issues the Greek Government must get to grips with is improving their revenue-raising. Has any thought been given to technical assistance programmes along the lines of those run for the east European countries, to increase their capacity to raise taxes more effectively?

Mr Osborne: The hon. Lady draws attention to the very poor record on revenue collection in Greece. It is one of the things that most frustrates its creditors and it comes up regularly in the discussions with the other eurozone Governments. There is actually some history to this: there is a tradition of non-payment—if we can put it like that—going back through Greek history, partly because of the Governments it has had in the past. To be fair to the current Government, and indeed their immediate predecessors in Greece, they have talked about trying to improve revenue collection. The British Government have offered assistance; members of the British civil service have been out on secondment and the like over recent years to try to improve revenue collection. Unfortunately, however, at the moment revenue collection has almost dried up.

Sir Roger Gale (North Thanet) (Con): My right hon. Friend has many aspects of this on his mind at the moment, but those of us who seek to protect the interests of ex-pat UK citizens know that they will be hugely

appreciative of the fact that he is seeking to safeguard their pension rights and exportable benefit rights, but there are others, particularly those living in Cyprus, who are also dependent on the Greek banking system, so will my right hon. Friend have a word with the Minister for Europe, sitting to his right, and make sure consular assistance is made available to all ex-pat UK citizens who might be affected by the Greek banking crisis?

Mr Osborne: Of course, we do keep a close eye on the situation in Cyprus. A couple of years ago we provided a lot of support to British citizens or others receiving, for example, British pensions in Cyprus when its banking system collapsed.

One of the challenges with people in Greece who receive a British pension but have a Greek bank account is that if we simply stop the money going in, in order to try to protect the payment from whatever might happen, we do not know whether that might disrupt an agreement they have, for instance, with money coming out of their bank account to pay for rent, or for other things, and of course the Greek Government have not so far put restrictions on pensioners in Greece. We monitor this very carefully, and we have contacted a couple of thousand of the people affected to see if they want to switch bank account and offer them a British bank account facility if they want one. We keep this under daily review.

George Kerevan (East Lothian) (SNP): In the light of both the unprecedented and potentially disastrous public attacks by Christine Lagarde against the Greek Government and the referendum result, will the right hon. Gentleman now urge the International Monetary Fund to make available to Greece the some £1.6 billion in profits the fund has made from charging the Greek Government for their emergency loans?

Mr Osborne: I do not accept that characterisation of the managing director; I think she has played a very important and constructive role in this crisis. The IMF exists to lend to countries that are by definition in some distress, but it, too, has rules, which have been established for many decades. One of them is that countries in arrears to the IMF cannot receive payments, and unfortunately last week Greece went into arrears.

Wendy Morton (Aldridge-Brownhills) (Con): Given this uncertainty and the popularity of Greece and the Greek islands as we approach the main holiday season of the year, what reassurances can the Chancellor give me that I can pass on to my constituents that we will continue to give updated advice and information?

Mr Osborne: All the reports we have back from our consular staff and the various travel companies is that people are enjoying their holidays in Greece, are not seeing the disruptions, and are able to use their credit cards and the like, so we have not changed our travel advice to say people should not travel to Greece. What we have said, however, is that people should anticipate unforeseen—or, indeed, potentially foreseen—circumstances and make sure they take more cash with them than they might otherwise have done, so they are covered for different eventualities. If they do that, they can enjoy their holiday, and make a contribution to the Greek economy, which is very important, but they should take cash with them.

Peter Grant (Glenrothes) (SNP): Does the Chancellor see the irony in the fact that the people of Greece are being hounded by financial institutions that would not exist had they not been bailed out at taxpayer expense to a sum far, far greater than the one the Greek Government now owe? Will he not accept that that is perhaps a sign that the Governments of Europe have to balance up their act and understand that Europe's first priority should be to meet the needs of Europe's citizens, not satisfy the greed of Europe's bankers?

Mr Osborne: In the end, it is impossible for any country to defy the financial markets. That is something this country has learned to its cost in the past. What we want to see in Greece is investment flowing into the country, the banks reopening and the economy growing. That is why we look forward to the proposals that the Greek Prime Minister says he will bring to the eurozone summit tomorrow.

Mr Christopher Chope (Christchurch) (Con): Does my right hon. Friend agree that it would not be anything for the Greek people to be ashamed of if they decided that they were best off getting out of the straitjacket of the eurozone and were able to wrest away from the controls of the European vulture funds?

Mr Osborne: I will not exactly use the language that my hon. Friend uses, but I think he would absolutely agree that we need to respect the rights of the Greek people to make their own decisions on their future. They have clearly expressed their view in the referendum, but of course they are part of a currency where other populations care about the arrangements with Greece. Governments in Ireland, Spain and the like ask, "We have undertaken a lot of these reforms and measures, so why are the same things not demanded of the Greeks?" That is the challenge that the eurozone faces. Where my hon. Friend and I agree is that we are well out of it and are happy with our pound sterling.

Keith Vaz (Leicester East) (Lab): Since 1 January, 66,000 people have illegally crossed the border between Greece and Turkey. That is 360 a day, many of whom travel through the island of Kos to get to the Greek mainland. Greece requires urgent help to police not only its border, but the border of the EU. If we do not help Greece on this particular issue, the migrants will fall into the hands of people traffickers and end up in Calais, where the issue will become a problem for Britain and France. What can we do to help the Greeks with this issue?

Mr Osborne: The right hon. Gentleman is right to draw our attention to the serious migrant issues in Greece. I think we all remember seeing the television images a few weeks ago of the boat crashing into the rocks off the beaches in Greece. I know that the Home Secretary and other European Interior Ministers have spoken to the Greek Government about the direct assistance we can provide to help them police their borders and deal with what is, of course, a common challenge.

Christopher Pincher (Tamworth) (Con): I am grateful for the steps the Chancellor is taking to help British businesses and to advise holidaymakers, but he will

[Christopher Pincher]

know that many more British holidaymakers will shortly be making the journey to Greece. Has he any indication of any tour operator that is unduly exposed to the Greek market and therefore at heightened risk of failure? Will he, along with his colleagues on the Front Bench, continue to monitor the situation?

Mr Osborne: We keep in touch with all the tour operators. Most of them have very big operations in Greece, but they are satisfied with the arrangements and the support we are providing. As I say, these holidays are going ahead. People are not seeing any great disruption and are making a contribution to the Greek economy. We want to continue to provide good travel advice. We will change the travel advice if we feel we need to, but the travel advice at the moment is not, “Do not travel to Greece”; it is just, “Make sure you are prepared.”

Richard Burgon (Leeds East) (Lab): Does the Chancellor agree with the Greek Prime Minister, who stated after the referendum result was announced last night that the IMF’s recent report on its sustainability confirms the Greek position that debt restructuring is necessary to reach a final sustainable solution to end the crisis both for Greece and for Europe? Does he not agree that a European conference on debt cancellation is a necessary part of that solution?

Mr Osborne: The sustainability of Greece’s debt payments is clearly a big issue. That is why it failed to meet the IMF payment last week and faces such a big challenge with the ECB repayment later this month. That is one of the challenges, but alongside it—and the IMF draws this to our attention as well—there must be some indication that the Greek Government can undertake the kind of reforms that will modernise the Greek economy, make sure it is a success and ensure a stream of tax revenues in the future. No one is pretending that it is easy, but that is the substance of the negotiation.

Jeremy Quin (Horsham) (Con): I am thinking of what has been going on recently in China, in particular, and know that my right hon. Friend will be well aware that there are always dangers to the global economy. He has always been very alert to the deficiencies of governance within the eurozone. Does he believe that that governance has reformed sufficiently to prevent another similar crisis in the future in another eurozone state?

Mr Osborne: My hon. Friend is right to draw the House’s attention to some of the economic issues in China, but if we can stay in the western hemisphere for the purposes of this statement, the eurozone is a much better place than it was in 2012 to deal with any contagion from the Greek crisis. That is reflected in the fact that the bond spreads for the peripheral countries have not gone out today, because the ECB is prepared to do, in its words, “whatever it takes” in its outright monetary transactions policy. We have the European stability mechanism, which is, in other words, a sort of central bail-out fund. We have more of the machinery in place than we did in 2012, which is why we are not seeing quite as much contagion. I would make a general observation I have made before, however. I do not think

people should underestimate the medium to long-term impact of a country leaving the euro and showing that it is possible to exit that currency.

Derek Twigg (Halton) (Lab): The Chancellor said in his statement last week and has said since that we must hope for the best and prepare for the worst. I asked him last week what the worst was. May I ask again what the worst will be for the UK?

Mr Osborne: The worst for the UK and the whole of Europe will be a completely disorderly situation over the next few weeks that has an impact on Europe’s financial system. As Britain is one of the most open economies in the world, that will impact on us. We saw the impact of the problems in the eurozone in 2012 and how they spilled over into the UK. That is the challenge of any financial crisis and it is a challenge for the UK as an open economy. That is why we are urging those on all sides to try to resolve the situation.

Sir Edward Garnier (Harborough) (Con): The United Kingdom Exchequer will be exposed whether Greece stays in or leaves the euro. Will my right hon. Friend publish, if he can, the assumptions on which his assessment of those contingencies can be made?

Mr Osborne: Of course, we have a very small direct exposure as our banking system has greatly reduced its Greek liabilities. We have four pretty small Greek branches and one subsidiary. We are not directly exposed to loss and although we are a member of the IMF, no country has ever lost money supporting the IMF. Of course, people ask what might happen to Greece should it leave the euro, but I think we can leave that for another day.

Barry Gardiner (Brent North) (Lab): Will the Chancellor remind the House of the amount of money that this country made available to the IMF as part of its assistance package to Greece? He has reasserted today that no country has ever lost money by lending it to the IMF, but of course the IMF has said that it believes that a serious restructuring is required for Greece to get through its current difficulties. That implies that the moneys owed to the IMF will not be repaid.

Mr Osborne: The IMF has existed since it was created out of the Bretton Woods conference and, by definition, it exists to support countries that are in very real financial distress. That is its business: lending to countries that are having real problems managing their debts. It is important to say again, however, that Britain and other members of the world community that support the IMF have never lost money in this way, because the IMF holds contingency reserves. It is also the preferred creditor. Frankly, I do not think that the prospect of us losing money through the IMF is that strong.

Suella Fernandes (Fareham) (Con): Thankfully, the global stock markets proved resilient despite yesterday’s result. However, bank shares were among some of the biggest fallers, with Barclays down by 1.7%. What is my right hon. Friend’s advice to banks that fear that the crisis could increase losses from bad loans and drive up borrowing costs for Governments?

Mr Osborne: All British banks have greatly reduced their exposure to Greece over the past few years. Continental banks have also reduced that exposure, so British banks are less indirectly exposed. Collectively, less than 1% of the core tier capital of the British banking system is exposed to Greece. We are therefore much better prepared than we might have been a few years ago. Also, our own economy is stronger and we are not in such a vulnerable position in regard to our public finances as a result of the difficult decisions we have taken. We are in a much stronger position to deal with whatever comes, but we are an open economy, and a financial crisis in Europe is not something that will just pass Britain by.

Mr Clive Betts (Sheffield South East) (Lab): The Chancellor has rightly said that a number of difficult issues need to be resolved if agreement is to be reached between Greece and its creditors. Last week, the IMF said that even if all the other issues were resolved, any agreement would be unsustainable unless debt relief formed part of the package. Do the Government agree with the IMF on that key point?

Mr Osborne: We agree that a key issue is Greece's ability to make its debt repayments. That is self-evidently the case because it failed to make a debt repayment to the IMF last week, and it also has to make a big debt repayment to the European Central Bank. I do not think it is right simply to pick out one piece of the IMF's advice. It has also stated strongly that the Greek economy needs major structural reform, for example. We have to look at the IMF's advice in the round, which is why it is such a valuable institution.

Craig Mackinlay (South Thanet) (Con): I cannot help wondering whether the resignation of the Greek Finance Minister, Mr Varoufakis, might result in an opening for the former Chief Secretary to the Treasury, the right hon. Member for Birmingham, Hodge Hill (Liam Byrne). Does my right hon. Friend acknowledge the importance of a strong economy and a plan to eliminate the deficit? Put in simple terms, does he agree that we need to live within our means?

Mr Osborne: My hon. Friend is right to say that countries need to live within their means. As a Government, we have addressed that matter over the past five years, and I shall address it again in a couple of days' time in the Budget. Mr Varoufakis has now resigned, and I shall be moving on to yet another Greek Finance Minister, but I doubt that the next one will have quite the dress style of the one we have just lost.

Debbie Abrahams (Oldham East and Saddleworth) (Lab): Could the Chancellor be more specific about the risks to the UK's economic security and, in particular, about the measures that he is going to introduce to mitigate those risks?

Mr Osborne: The risks stem from the fact that we are the world's largest financial centre. We are also the global centre for the trading of the euro. We are a very open economy; on most measures, we are the most open and interconnected of all the world's advanced economies. We are therefore affected by financial conditions in Europe. We saw that a few years ago, but we are in a much stronger place than we have been in the past

because we have been paying down our very large deficit, because we have been strengthening our economy, because we have been recapitalising our banking system and making sure our banks are stronger, and because we have a much better system of regulation, in which the Bank of England is in charge of regulating the banks. Those are all steps that we have taken. I do not think anyone will be particularly surprised to hear that when we assemble in a couple of days to hear the Budget, we will hear the further measures needed to reduce that budget deficit and ensure that we fix the roof while the sun is shining.

Nadhim Zahawi (Stratford-on-Avon) (Con): Such external shocks do focus the mind. May I bring the Chancellor back closer to home? He has tough decisions to make next Wednesday. Has he had any representations from the Opposition Benches about where those cost savings should come, and support for the long-term economic plan?

Mr Speaker: That has very little to do with Greece. The hon. Gentleman has put his point on the record, but it is nothing to do with the statement today, to the details of which we ought to attend.

Graham Stringer (Blackley and Broughton) (Lab): The Chancellor, in a moderate and balanced statement, said that he respects the Greek decision. That is in sharp contrast to some of the eurocrats and Ministers from other eurozone countries, who have made bullying and intemperate statements to the Greek Government. Will the Chancellor tell the House what steps he and the Prime Minister have taken to stop the same people trying to interfere in our referendum about our future in the European Union?

Mr Osborne: As I think we saw in the past week, some of those intemperate statements might have had the exact opposite effect to the one that they were intended to have, which reminds us not to interfere in other people's democracies.

Stephen Hammond (Wimbledon) (Con): Although the bond yields in Spain, Italy and Portugal rose only 12 basis points this morning, and despite what the eurozone said about whatever measures are necessary, the spread over German bonds suggests that there is still a real risk of contagion. Can the Chancellor confirm that thanks to his action, any measures taken by the eurozone will have a very limited impact on the UK financial system and limited cost for the UK taxpayer?

Mr Osborne: My hon. Friend is right. We have reduced our exposure, as I said, to the Greek economy and, absolutely crucially, the Prime Minister made sure we were out of the bail-out funds for Greece that existed when we came to office. With hindsight, that looks like one of the most important decisions we took.

Andrew Gwynne (Denton and Reddish) (Lab): The form of any contagion is not yet known, but surely one of the dangers is capital flight from the poorer southern eurozone economies to the richer northern economies. That would not just be a disaster for Greece, Italy, Portugal and Spain, but it would have ramifications for the wider European Union, which are political, as the Chancellor has intimated. Given that, what discussions

[Andrew Gwynne]

are he and his officials having with European Finance Ministers to make sure that the European single market is not undermined?

Mr Osborne: The hon. Gentleman is right that capital flies from countries in distress. That is why the Greek Government have had to impose capital controls. We see German bund spreads coming down today. That is a consequence of an open and free market and, as I said in reply to an earlier question, it is difficult to defy that market, as Greece is seeing. More broadly, we want to make sure that the eurozone finds some sustainable way forward so that we avoid these tensions, which spill out into the political system.

Several hon. Members *rose*—

Mr Speaker: Order. Accommodating remaining colleagues will require brevity, to be exemplified by Mr Philip Davies.

Philip Davies (Shipley) (Con): Is not the genesis of the problem that the EU allowed Greece to fiddle the figures in order to join the euro in the first place? Is not this blinkered pursuit of a political project of ever-closer union, rather than thinking through the economic consequences, the reason why we need to leave the European Union?

Mr Osborne: I know my hon. Friend has consistently held that view since he put it in his maiden speech, as I remember from listening to him many years ago. He identifies two challenges. One, fiddling the figures, we have addressed in this country by creating the Office for Budget Responsibility. When it comes to ever-closer union, that is precisely one of the issues that we are seeking to address in the renegotiation that we are conducting with the European Union.

Bill Esterson (Sefton Central) (Lab): The Chancellor has been asked a number of times about the worst-case scenario for this country as a result of the crisis. Can he spell out what that would look like for the people of this country?

Mr Osborne: As I have said, Britain is not immune to the problems in the European economy. Some 50% of our exports go to the European Union, even if only a very small proportion of that goes to Greece, and we are a very large financial centre, so there would be an impact on our economy if the Greek crisis continued to deteriorate. That is why it is absolutely in our interests that there is a solution.

Julian Knight (Solihull) (Con): On a humanitarian point, considering that some international drug companies are currently holding off shipping to Greece as a result of the crisis, are there any early contingency plans in place, or discussions in the UK and the EU, for moving in medical aid should our friends suffer a social and economic collapse, the likes of which were seen when Argentina defaulted in 2000?

Mr Osborne: My hon. Friend is right to remind us that, although we are talking about a financial crisis, there is real human suffering in Greece, because the

banking system has effectively shut down for many Greek citizens and businesses. There are reports of a shortage of medicines, which is why I drew attention in my statement to the Foreign Office's advice—I was reiterating advice that has been in place—to take adequate supplies of prescription medicines, in particular. On his specific point, we have been talking with the British pharmaceutical companies, which have continued to supply the Greek market, and of course we stay in touch with them regularly.

Rachael Maskell (York Central) (Lab/Co-op): Infant mortality has doubled and there has been a sharp rise in HIV, TB, suicide and other physical and mental health conditions in Greece. Therefore, I want to see that we ensure that we make provision for emergency medical and humanitarian support in these vital discussions this week.

Mr Osborne: The hon. Lady is perfectly right to draw to the House's attention the very difficult situation that Greek families can find themselves in at the moment. That is all the more reason why we need to find a resolution. As I have said, the British pharmaceutical companies, which are important suppliers to the Greek medical system, are continuing to make those supplies, despite the imposition of capital controls. The whole question of what should happen if Greece falls out of the eurozone is something that I think we should return to if that eventually arises. Greece is one of this country's oldest allies and of course we will always stand by it.

Robert Jenrick (Newark) (Con): The Chancellor has said that we must not underestimate the impact of these events on the UK economy. Whatever happens, the weak and stagnating economies of southern Europe, in particular, will continue to deteriorate. Looking towards the Budget and the months ahead, will my right hon. Friend use all his offices to pivot the UK economy towards growing and emerging economies elsewhere in the world, particularly as he did decisively with the UK's leading role in the Asian Infrastructure Investment Bank?

Mr Osborne: My hon. Friend makes a good point. British exports are too dependent on European markets and have been badly hit by weaknesses in the European economy over the past five years. That is why we have put a huge effort into trying to expand our trade and investment in fast-growing parts of the world, such as Asia. We want to be part of the new institutions there, such as the Asian Infrastructure Investment Bank. However, some southern European economies, such as Spain's, have shown a remarkable turnaround, because they have taken difficult decisions, reformed their economies and are now reaping the benefits.

Gareth Johnson (Dartford) (Con): Britain is quite rightly a good friend of Greece, but does the Chancellor agree that the situation there reminds us that in the end economic logic must prevail? Countries must live within their means, and failure to tackle debt, for example, can lead only to economic and financial disaster.

Mr Osborne: My hon. Friend makes a very good observation. Countries that fail to live within their means are exposed to the forces of the international

bond markets and the flight of investor confidence. Five years ago, Britain had a budget deficit of over 10% of its national income. We have reduced that budget deficit, and this week we are going to take further steps to finish the job.

Mr Peter Bone (Wellingborough) (Con): The Chancellor will be aware of the detailed contingency plan that the eurozone has for a Greek exit from the euro. With the markets calm, would not this be the time to implement that plan?

Mr Osborne: As I say, it is not for us to dictate to the Greek people or to the eurozone whether Greece should leave. I repeat: the elected Government of Greece say that they want to remain in the eurozone, so we should at least respect that intention, and we will see whether they can work with their partners to deliver it.

David Rutley (Macclesfield) (Con): I welcome the steps that my right hon. Friend is taking to secure UK economic interests in the current difficult circumstances. Given that one of the challenges of the situation is the lack of a clear and orderly exit mechanism from the eurozone, are there any plans within the eurozone to address this issue after the short-term challenges facing Greece have been solved?

Mr Osborne: My hon. Friend makes a good observation. There is no straightforward mechanism for a country to exit the eurozone; it is not provided for in the treaties. Of course, if the eurozone wanted to propose a change to the treaties, then we would be very willing to sit down and discuss it.

Stephen Phillips (Sleaford and North Hykeham) (Con): My right hon. Friend will know that 90% of the world's physical trade travels by sea. He may also know that Greek individuals and companies are the largest owners by tonnage in all sectors of the market. Any reduction in tonnage across the world is not only damaging to international trade but potentially highly inflationary. Has he given any consideration to this, and what discussions has he had with partners to ensure that sufficient shipping tonnage remains available for all international trade?

Mr Osborne: We have stayed in touch with all interested parties. Of course, the shipping industry is an incredibly important part of the Greek economy and the global economy, but we do not currently see a particular disruption to the shipping industry that we should be alarmed about.

Tom Pursglove (Corby) (Con): What support are the travel operators giving the Chancellor in his efforts to disseminate information to travellers going to Greece from this country?

Mr Osborne: It is fair to say that the travel companies have been behaving very well and co-operating with us very closely. At any one point in the month of July, there are 150,000 British citizens on holiday in Greece. The companies are therefore used to communicating on a large scale, and they are one of our main points of contact with holidaymakers. I say again that people travelling to Greece should check out the Foreign Office travel advice.

Alan Mak (Havant) (Con): While the Greek people gave a clear answer in Sunday's referendum, there is still a huge amount of concern across Europe that is worrying to working families in this country. Can my right hon. Friend assure me and my constituents that he is taking all necessary steps to protect their economic security?

Mr Osborne: I can assure my hon. Friend that we will go on delivering economic security for the working people of Britain. I will come back to the House on Wednesday to deliver a Budget that does just that.

Mr Philip Hollobone (Kettering) (Con): I support the comments by the right hon. Member for Leicester East (Keith Vaz), the Chair of the Home Affairs Committee. The Greek-Turkish border is already the leakiest part of the EU's external frontier, and one of the biggest threats to this country from a complete social and financial collapse in Greece is thousands more migrants making their way through to Calais and trying to get into this country. Will we use our good offices within the EU, and outside the eurozone, to ensure that the EU provides all the necessary support to plug the gaps in the Greece-Turkey part of the EU external border?

Mr Osborne: My right hon. Friend the Home Secretary is working very actively on precisely this issue. My hon. Friend reminds us, at the end of this statement, that although this is of course a big issue for the eurozone, it is also an issue for the whole of Europe, including the United Kingdom. We want to see a resolution of this Greek crisis. Even at this eleventh hour, we want the eurozone and Greece to sit down and try to find a sustainable way forward.

English Votes on English Laws

Application for emergency debate (Standing Order No. 24)

5.19 pm

Mr Alistair Carmichael (Orkney and Shetland) (LD): I seek leave to propose that the House should debate a specific and important matter that should have urgent consideration, namely the means by which the Government seek to deliver the objectives outlined by the Leader of the House in his statement on English votes on English laws.

Last Thursday the Leader of the House outlined a scheme that goes well beyond anything the Government have previously proposed or on which they have consulted, including an exclusion of Scottish Members from voting on parts of the Budget. Their wish is effectively to set up an English Parliament within this United Kingdom House of Commons and to do so by inviting the House to amend its Standing Orders. The substantive issue will be debated in due course, but that is not what I seek to bring to the House now. Rather, it is the process that I submit is specific and important and that should be given urgent consideration.

I am not one of those who has ever sought to avoid answering the West Lothian question. On the contrary, I long for the day when the English members of my family may benefit from devolution in the way that we have done in Scotland since 1999. This, however, is not the way to do it.

In this Session alone, we have already spent four days debating a Bill giving extra powers to the Scottish Parliament. We still have more to come, after which consideration will move to the other place. Addressing the democratic position of the people of England, however, is apparently to be done from scratch, in one day, in this Chamber alone. Obviously, I am concerned

about the message this proposal sends to the people of Scotland, but, quite apart from that, I happen to think that the people of England deserve better treatment than this.

Let there be no doubt: we are dealing with a major constitutional change. It is one that undermines a fundamental principle of the workings of this House, namely that no matter where we come from, once we get here we are all equal. To seek to do this in one day by amendment to our Standing Orders may be technically competent, but it is, I would suggest, an abuse of process. It is constitutionally outrageous and I fear that it puts a further unnecessary strain on the Union. That is what the House must consider and what the country must hear debated before we go any further.

Mr Speaker: The right hon. Gentleman asks leave to propose a debate on a specific and important matter that should have urgent consideration, namely the means by which the Government seek to deliver the objectives outlined by the Leader of the House in his statement on English votes on English laws. I have listened carefully to the application from the right hon. Gentleman and I am satisfied that the matter raised by him is proper to be discussed under Standing Order No. 24. Has the right hon. Gentleman the leave of the House?

Application agreed to.

Mr Speaker: Leave has very clearly been given. The right hon. Gentleman has the leave of the House. What remains is for me to communicate to the House the necessary details. The debate will be held tomorrow, Tuesday 7 July, and in conformity with normal practice on these occasions—albeit these occasions are relatively infrequent—it will be held as the first item of public business. It will last for three hours and it will arise on a motion that the House has considered the specified matter set out in the right hon. Gentleman's application.

Points of Order

5.24 pm

Angela Rayner (Ashton-under-Lyne) (Lab): On a point of order, Mr Speaker.

Mr Charles Walker (Broxbourne) (Con): On a point of order, Mr Speaker. [*Interruption.*]

Mr Speaker: Order. I appreciate that the House is in a state of some animation, but if there are Members who, quite unaccountably, are leaving the Chamber before the points of order from the hon. Members for Broxbourne (Mr Walker) and for Ashton-under-Lyne (Angela Rayner), I hope they will do so quickly and quietly, so that the rest of the House can listen with rapt attention to the said points of order. I know that the hon. Gentleman will defer to a newer Member.

Angela Rayner: Thank you, Mr Speaker. Members will miss a great point of order if they leave now. I wish to correct the record in *Hansard* of last Thursday's Adjournment debate on Hatfield colliery. In column 1742, the Minister for Small Business, Industry and Enterprise made reference to potentially "sexist comments" that I was meant to have made. That was not the case; I was merely pointing out that it was Mrs Thatcher's Government who started the miners' problems. My point related to ideology and was nothing to do with gender. I was not able to correct the matter at the time, as the right hon. Member for Broxtowe (Anna Soubry) refused to allow me into the debate. Can we ensure that the record is corrected or moved?

If you will indulge me a little more, Mr Speaker, I am also incredibly disappointed that I still have not heard from the Secretary of State for Health regarding last Monday's point of order. Will you remind him that I sit in this place not for myself, but to represent many thousands of Ashton-under-Lyne constituents? What can I do to get them the respect they deserve?

Mr Speaker: There are two responses to the hon. Lady's point of order, for which I am most grateful. In respect of the first matter, she has now put what she regards as the correct interpretation of past statements on the record, and it is there for all to see.

In relation to the second matter—how the hon. Lady can get the respect she seeks and, specifically, a response to the point of order that she articulated last week—she will already have learned of the very quick journey that can be made from here to the Table Office. The Table Office staff are unfailingly professional, courteous and helpful. She may have to use the device of the Order Paper and follow-up questions to extract what she wants from a Minister. Knowing as I do already the assiduity of the hon. Lady, I feel sure that she will have recourse to the Table Office sooner rather than later.

Mr Charles Walker *rose*—

Sir Edward Leigh (Gainsborough) (Con) *rose*—

Mr Speaker: I will keep the knight of the shire until a bit later.

Sir Edward Leigh *rose*—

Mr Speaker: Order. The hon. Gentleman can resume his seat. I am saving him up; it would be a pity to squander him at too early a stage of our proceedings.

Mr Walker: On a point of order, Mr Speaker. On Friday, I met 55 black cab drivers—fantastic men and women—at Cheshunt boxing club. They are very concerned about Transport for London's unwillingness to enforce its regulations in respect of the business practices of Uber. It is difficult for me to bring those concerns to the Floor of the House because licensing is a devolved matter and is the responsibility of the Mayor of London. As a procedural expert, Mr Speaker, will you advise me on how I can bring the concerns of 55 black cab drivers to the Floor of the House of Commons so that their voice can be heard by this place?

Mr Speaker: On a very important procedural matter, the Chair of the Procedure Committee has, unsurprisingly, found his own salvation and, what is more, he is well aware of the fact. We will leave it there for today.

Sir Edward Leigh: On a point of order, Mr Speaker. Whatever one's views on English votes for English business, I have considerable sympathy for the right hon. Member for Orkney and Shetland (Mr Carmichael) and the decision that you have made. It strikes me that so often in this place, we fill out time with Whips desperately trying to bring people in, when really important debates, such as this one and the ones on the Iraq war and the Syria war, are limited to one day.

I know that you will say immediately, Mr Speaker, that you do not have control over business, but as the Chairman of the Procedure Committee is here and you are here, I just wonder whether we may look at this matter so that, in future, you might have the ability to mark business as of particular national importance so that it gets two days of debate. That used to happen in our proceedings many years ago, when we often had longer debates, such as the famous Norway debate, which lasted more than one day.

Mr Speaker: I say three things to the hon. Gentleman. First, I think that matter would usefully fall within the bailiwick of the Procedure Committee. My understanding is that the Committee, chaired by the hon. Member for Broxbourne (Mr Walker), is currently considering a work programme for the Parliament, and the hon. Member for Gainsborough (Sir Edward Leigh) might just have added to that workload.

Secondly, I am deeply sympathetic to the proposition that there should be fuller debates on very important matters. The hon. Gentleman might be aware that the right hon. Member for Sutton Coldfield (Mr Mitchell) and others raised precisely that point at business questions last Thursday. As yet there has not been a definitive response, but the hon. Gentleman might want to add to the pressure.

Lastly, I say to the hon. Gentleman that some of these matters might be attended to in the event of the creation of a House business Committee, which was of course a commitment of the previous coalition Government. I am sure it just happened to slip their

[Mr Speaker]

memory and they did not get round to introducing it. Knowing what a terrier the hon. Gentleman is, I have a feeling he will probably return to the standard.

Mr Peter Bone (Wellingborough) (Con): Further to that point of order, Mr Speaker. On a point of clarification, I understand that the reason why the House business Committee was not introduced in the last Parliament was a conflict between the two Government parties, the Tories and the Liberal Democrats. Now that is not the case, there does not seem to be any reason why that Committee could not be introduced.

Mr Speaker: The hon. Gentleman is an experienced enough denizen of this House to know that sometimes when one objection is removed, others manifest themselves. It does not automatically follow that what he wants and has long hankered after will happen, but it might. Knowing him as I do, I have a feeling that he will be campaigning to ensure that it does.

Kirsty Blackman (Aberdeen North) (SNP): On a point of order, Mr Speaker. On 13 June I submitted a written question to the Leader of the House about English votes on English laws, asking which Bills would affect England only and which would affect England and Wales only. Today I have received the response. Included in the list of England and Wales only Bills is the Scotland Bill. [Laughter.] Yes, that was much the response that I gave. I would appreciate it if the matter could be looked into and the correct response provided.

Mr Speaker: I am grateful to the hon. Lady, who has put her point on the record and fully entertained her right hon. and hon. Friends in this early part of the day. It is not a matter for the Chair, but might I suggest that the hon. Lady could be keen to elaborate upon that point in tomorrow's debate? If she were minded to say, "But Mr Speaker, I have already made the point", I would say to her that repetition is not a novel phenomenon in the House of Commons.

Ian Mearns (Gateshead) (Lab): On a point of order, Mr Speaker. Just this afternoon I have been informed that unfortunately, no nominations for membership of the Backbench Business Committee have been forthcoming from the Government. Will you indulge me by using your offices to see whether nominations can be extracted from them?

Mr Speaker: My response to the hon. Gentleman, betraying a modicum of surprise if not complete stupefaction, is that providing Government Back-Bench members of the Committee is obviously a matter for the Government. A number of bodies within the House, including the House of Commons Commission, remain to be fully constituted. I make the point, in the gentlest terms, that it is important that we make progress on these matters before we rise for the summer recess. The Backbench Business Committee, upon which the hon. Gentleman served as a Back-Bench Member in the last Parliament and which he is now privileged to chair, is an extremely important Committee in the House's

deliberations, and I very much hope, and am confident, that it will be treated with the appropriate respect by Government Whips.

The Treasurer of Her Majesty's Household (Anne Milton) indicated assent.

Mr Speaker: A senior Government Whip is nodding vigorously in assent to my proposition, which I hope the hon. Gentleman will regard as some encouragement.

BILLS PRESENTED

BAT HABITATS REGULATION BILL

Presentation and First Reading (Standing Order No. 57)

Mr Christopher Chope, supported by Mr Peter Bone, Philip Davies and Sir Edward Leigh, presented a Bill to make provision to enhance the protection available for bat habitats in the non built environment and to limit the protection for bat habitats in the built environment where the presence of bats has a significant adverse impact upon the users of buildings.

Bill read the First time; to be read a Second time on 5 February 2016, and to be printed (Bill 38).

UK BORDERS CONTROL BILL

Presentation and First Reading (Standing Order No. 57)

Mr Christopher Chope, supported by Mr Peter Bone, Philip Davies and Sir Edward Leigh, presented a Bill to make provision to ensure that the United Kingdom has absolute control over the right to prevent non-UK citizens from entering the United Kingdom; to determine the circumstances in which non-UK citizens may be required to leave the United Kingdom; and for connected purposes.

Bill read the First time; to be read a Second time on 20 November, and to be printed (Bill 39).

ILLEGAL IMMIGRANTS (CRIMINAL SANCTIONS) BILL

Presentation and First Reading (Standing Order No. 57)

Mr Christopher Chope, supported by Mr Peter Bone, Philip Davies and Sir Edward Leigh, presented a Bill to make provision for criminal sanctions against those who have entered the UK illegally or who have remained in the UK without legal authority.

Bill read the First time; to be read a Second time on 4 March 2016, and to be printed (Bill 40).

HOUSE OF LORDS (MAXIMUM MEMBERSHIP) BILL

Presentation and First Reading (Standing Order No. 57)

Mr Christopher Chope, supported by Mr Peter Bone, Philip Davies and Sir Edward Leigh, presented a Bill to provide for a maximum limit on the number of Peers entitled to vote in the House of Lords; and to provide for a moratorium on new appointments.

Bill read the First time; to be read a Second time on 6 November, and to be printed (Bill 41).

BENEFIT ENTITLEMENT (RESTRICTION) BILL

Presentation and First Reading (Standing Order No. 57)

Mr Christopher Chope, supported by Mr Peter Bone, Philip Davies and Sir Edward Leigh, presented a Bill to make provision to restrict the entitlement of non-UK

Citizens from the European Union and the European Economic Area to taxpayer-funded benefits.

Bill read the First time; to be read a Second time on 5 February 2016, and to be printed (Bill 42).

OVERSEAS VOTERS BILL

Presentation and First Reading (Standing Order No. 57)

Mr Christopher Chope, supported by Mr Peter Bone, Philip Davies and Sir Edward Leigh, presented a Bill to make provision to facilitate an increase in the registration of voters resident overseas who are eligible to participate in United Kingdom Parliamentary elections; to extend the criteria for eligibility to register as an overseas voter; to enable those registered as overseas voters to cast their votes through use of the internet; and for connected purposes.

Bill read the First time; to be read a Second time on 26 February 2016, and to be printed (Bill 43).

CONVICTED PRISONERS VOTING BILL

Presentation and First Reading (Standing Order No. 57)

Mr Christopher Chope, supported by Mr Peter Bone, Philip Davies and Sir Edward Leigh, presented a Bill to make provision for rules relating to the exclusion of convicted prisoners from participation in parliamentary and local elections.

Bill read the First time; to be read a Second time on 30 October, and to be printed (Bill 44).

EUROPEAN PARLIAMENT ELECTIONS BILL

Presentation and First Reading (Standing Order No. 57)

Mr Christopher Chope, supported by Mr Peter Bone, Philip Davies and Sir Edward Leigh, presented a Bill to make provision for an open list system for elections to the European Parliament.

Bill read the First time; to be read a Second time on 4 March 2016, and to be printed (Bill 45).

WORKING TIME DIRECTIVE (LIMITATION) BILL

Presentation and First Reading (Standing Order No. 57)

Mr Christopher Chope, supported by Mr Peter Bone, Philip Davies and Sir Edward Leigh, presented a Bill to limit the application of the EU Working Time Directive; and for connected purposes.

Bill read the First time; to be read a Second time on 22 January 2016, and to be printed (Bill 46).

OFF-SHORE WIND FARM SUBSIDIES (RESTRICTION) BILL

Presentation and First Reading (Standing Order No. 57)

Mr Christopher Chope, supported by Mr Peter Bone, Philip Davies, Sir Edward Leigh and Mr David Nuttall presented a Bill to make provision for the limitation of subsidies for the development and operation of off-shore wind farms.

Bill read the First time; to be read a Second time on 26 February 2016, and to be printed (Bill 47).

Mr Speaker: As I have had occasion to say to the hon. Member for Christchurch (Mr Chope) in a previous Parliament, he will be a very busy bee.

Scotland Bill

[4TH ALLOCATED DAY]

Further considered in Committee

[MR DAVID CRAUSBY *in the Chair*]

Clause 31

CROWN ESTATE

5.36 pm

Mr Alistair Carmichael (Orkney and Shetland) (LD): I beg to move amendment 23, in clause 31, page 30, line 34, leave out “may” and insert “must”.

The Temporary Chair (Mr David Crausby): With this it will be convenient to discuss the following:

Amendment 52, page 30, line 36, leave out “Ministers” and insert “Parliament”.

Amendment 57, page 30, line 37, at end insert—

‘(1A) The Treasury and Scottish Ministers must agree a scheme transferring to the control of each of Shetland Islands Council, Orkney Islands Council and Comhairle nan Eilean Siar (“the island authorities”) on the transfer date all the existing Scottish functions and rights of the Commissioners relating to those parts of the Scottish zone surrounding each of the island authorities.

(1B) The exact extent of the parts of the Scottish zone to be transferred under subsection (1A) will be agreed by the Treasury and Scottish Ministers in consultation with the island authorities and in accordance with the principles contained within the United Nations Convention on the Law of the Sea articles 16, 74 and 84.”

This Amendment would require the relevant functions of the Crown Estate in the Shetland Islands, Orkney and Na h-Eileanan Siar (the “Western Isles”) to be transferred to the councils for those areas. Articles 16, 74 and 84 of the UN Convention on the Law of the Sea set out principles for defining geographical extent in relation to the territorial sea, exclusive economic zones and the Continental shelf respectively.

Amendment 125, page 31, line 22, at end insert—

‘() The scheme must not include any alteration to the Sovereign Grant Act 2011.”

The Sovereign Grant Act 2011 made provision for the honour and dignity of the Crown and the Royal Family and about allowances and pensions under the Civil List Acts of 1837 and 1952.

Amendment 126, page 31, line 22, at end insert—

‘() The scheme must not include any reduction in the pro rata payments due to Her Majesty under the Sovereign Grant Act 2011.”

This amendment is to ensure that Scotland continues to contribute its share towards the costs of the Monarchy.

Amendment 127, page 31, line 22, at end insert—

‘() The scheme must not include any permanent alienation of the rights of the Crown.”

This amendment protects the position of future Sovereigns in respect of the rights of the Crown.

Amendment 24, page 32, line 25, leave out “C” and insert “A”.

Amendment 25, page 32, line 31, leave out “then, instead of the type C procedure”.

Amendment 26, page 32, line 31, leave out “I” and insert “A”.

Clause 31 stand part.

Amendment 134, in clause 32, page 33, line 44, leave out subsection (2).

This amendment delivers a more explicit reference to the devolution of competence over gender quotas in respect of public bodies in Scotland but ensures that it is “not limited to” gender quotas, as agreed in the Smith Commission report.

Amendment 167, page 33, line 46, after “2006” insert “(other than enforcement under Part 1 of that Act)”

Amendment 161, page 34, leave out lines 3 and 4.

Amendment 162, page 34, line 4, at end insert—

“Equal opportunities in relation to an appointment as a member of a Scottish public authority.”

Amendment 123, page 34, line 13, at end insert—

“including a requirement for gender balance among the members of the Scottish Parliament and members of boards of Scottish public authorities;”

The Amendment would ensure continued progression towards achieving gender balance among members of the Scottish Parliament and on boards of Scottish public authorities.

Amendment 168, page 34, line 18, leave out “the Equality Act 2010 and Part 1 of that Act” and insert “and the Equality Act 2010”

Amendment 135, page 34, line 25, leave out subsection (6) and insert—

“In section 2 (power to amend section 1)—

(a) in subsection (7) omit “the Scottish Ministers or”,

(b) in subsection (10), before “Ministers” insert “Welsh””

Amendment 136, page 34, leave out lines 39 to 42 and insert—

“(4) Part 1 comes into force on such day as the Scottish Ministers may by order appoint so far as it—

(a) confers a power on the Scottish Ministers;

(b) relates to a public authority in respect of which such a power is exercisable.”

This amendment would clarify Scottish Ministers ability to commence the relevant sections of Part 1 of the Equality Act 2010, which was subject to a Legislative Consent Motion in 2010.

Amendment 137, page 35, line 2, leave out subsection (10).

Clause 32 stand part.

Amendment 27, in clause 33, page 35, leave out lines 18 and 19.

Amendment 53, page 35, line 18, leave out sub-sub-paragraph (b).

Amendment 28, page 35, leave out lines 24 and 25.

Amendment 29, page 35, leave out lines 26 to 30.

Amendment 138, page 35, leave out lines 26 to 30 and insert—

“This Schedule does not reserve the transfer of all the functions of a tribunal referred to in sub-paragraph (2) to a Scottish tribunal, so far as the functions are exercisable in relation to Scottish cases or a specified category of Scottish cases, in accordance with provision made by Her Majesty by Order in Council.”

This amendment would ensure that all functions exercisable in relation to Scottish cases or a specified category of Scottish cases should transfer to the Scottish Parliament.

Amendment 139, page 35, leave out from beginning of line 31 to end of line 7 on page 36.

Amendment 140, page 36, line 22, at end insert—

() For the avoidance of doubt, this Schedule does not reserve—

(a) a Scottish tribunal’s practice and procedure when exercising functions that have been transferred to it by virtue of this paragraph, or

(b) the fees and expenses chargeable for, or in connection with, proceedings before a Scottish tribunal when it is exercising those functions.”

This amendment makes clear that competence over a tribunal’s practice, rules of procedure and fees in relation to transferred cases becomes devolved, as per the Smith Commission recommendation.

Amendment 54, page 37, line 17, at end insert—

“(7A) Scottish Ministers, in conjunction with the Advisory, Conciliation and Arbitration Service (ACAS) shall establish and oversee a process, involving Scottish businesses and trades unions, to end the current employment tribunal fee system in Scotland.”

Clause 33 stand part.

Amendment 141, in clause 34, page 37, line 28, leave out from “relating” to “to” in line 29.

This amendment would remove a restriction on the full devolution of speed limits in relation to emergency vehicles.

Clauses 34 and 35 stand part.

Amendment 142, in clause 36, page 41, leave out lines 15 to 18 and insert—

“(a) in relation to vehicles used on roads in Scotland means the Scottish Ministers.”

This amendment would amend section 130(3) of the Road Traffic Regulation Act 1984 so that Scottish Ministers are added into the provision as the relevant ‘national authority’.

Amendment 143, page 41, line 19, at end insert—

“(18) In section 130 (application of Act to Crown)—

(a) in subsection (3) for “Secretary of State” substitute “relevant authority”, and

(b) after that subsection insert—

(3A) In subsection (3) “relevant authority”—

(a) in relation to vehicles used on roads in Scotland means the Scottish Ministers,

(b) otherwise, means the Secretary of State.””

This amendment would amend section 130(3) of the Road Traffic Regulation Act 1984 so that Scottish Ministers are added into the provision as the relevant ‘national authority’.

Clauses 36 and 37 stand part.

Schedule 2 stand part.

Clauses 38 to 40 stand part.

Amendment 144, in clause 41, page 42, line 32, at end insert—

() After subsection (3) insert—

(3A) Without limiting subsection (3), the Scottish Ministers may grant a licence upon the condition that the licence holder makes an annual rental payment to the Scottish Ministers.

(3B) In subsection (3A), “rental payment” means payment of an amount to be calculated by reference to the area of land to which the licence relates.””

In Clause 41, the Secretary of State has retained the power to set the consideration payable for licences. This could restrict Scottish Ministers’ ability to set other charges that form integral aspects of the licensing regime: for example, the Department of Energy and Climate Change (DECC) charge a ‘land rental’. This would enable Scottish Ministers to introduce a similar scheme in Scotland.

Clauses 41 and 42 stand part

Amendment 30, in clause 43, page 45, line 7, at end insert—

“(aa) in the list of subject-matter, leave out “(c) the Estate Agents Act 1979,””

Amendment 145, page 45, line 9, leave out from “insert—” to the end of subsection (8) and insert—

“The provision of consumer advocacy and advice.

Enforcement and redress for breach of consumer rights.”

(3) In Section C8 (product standards, safety and liability) after the heading “Exceptions” insert—

“The provision of consumer advocacy and advice.

Enforcement of, and redress for breach of, consumer rights.”

(4) In Section C9 (weights and measures) after the reservations insert—

“*Exceptions*

The provision of consumer advocacy and advice.

Enforcement of, and redress for breach of, consumer rights.”

(5) In Section C10 (telecommunications)—

(a) for the heading “Exception” substitute “Exceptions”;

(b) after that heading insert—

“The provision of consumer advocacy and advice.

Enforcement and redress for breach of consumer rights.”

(6) In Section C11 (posts)—

(a) for the heading “Exception” substitute “Exceptions”;

(b) after that heading insert—

“The provision of consumer advocacy and advice.

Enforcement of, and redress for breach of, consumer rights.”

(7) In Section D1 (electricity)—

(a) for the heading “Exception” substitute “Exceptions”;

(b) after the exception relating to the Environmental Protection Act 1990 insert—

“The provision of consumer advocacy and advice.

Enforcement of, and redress for breach of, consumer rights.”

(8) In Section D2 (oil and gas), at the end of the exceptions insert—

“The provision of consumer advocacy and advice.

Enforcement of, and redress for breach of, consumer rights.”

This amendment would provide an exception to reservation C10 in Schedule 5 to the Scotland Act which covers telecommunications and devolves responsibility for consumer enforcement and redress to the Scottish Parliament. It also removes unnecessary references to a public body and to the holder of a public office.

Clauses 43 and 44 stand part.

Amendment 146, in clause 45, page 47, line 3, leave out from “insert-“ to the end of subsection (1) and insert—

“*Exceptions*

The number of relevant gaming machines authorised (if any) in respect of premises licences under the Gambling Act 2005.

“*Interpretation*

A “relevant gaming machine” is a gaming machine (within the meaning of section 235 of the Gambling Act 2005) for which the maximum charge for use is more than £10.”

This amendment replaces the reference to betting premises with a more general reference to gambling premises, giving full effect to Smith Commission recommendation 74.

Amendment 31, page 47, line 7, leave out “for which the maximum charge for use is more than £10”.

Amendment 163, page 47, line 7, leave out “£10” and insert “£2”.

Amendment 159, page 47, line 8, at end insert—

“and the designation of licensing standards officers in Scotland as authorised persons for the exercise of inspection and enforcement functions in respect of such licences.”

This Amendment would allow the Scottish Parliament to include Licensing Standards Officers (LSOs) in Scotland as authorised persons who may exercise inspection and enforcement functions under the Gambling Act 2005 in respect of the number of gaming machines authorised under a betting premises licence.

Amendment 147, page 47, line 13, leave out from “means” to the end of subsection (4) and insert—

“(a) the Scottish Ministers in respect of premises in Scotland in so far as the order varies the number of gaming machines authorised (if any) for which the maximum charge for use is more than £10, or

(b) otherwise, the Secretary of State.”

This amendment replaces the reference to betting premises with a more general reference to gambling premises, giving full effect to Smith Commission recommendation 74.

Amendment 32, page 47, line 17, leave out

“for which the maximum charge for use is more than £10”.

Amendment 164, page 47, line 18, leave out “£10” and insert “£2”.

Amendment 165, page 47, line 18, after “£10” insert —

“() the content and the speed of play,”

Amendment 166, page 47, line 18, after “£10” insert—

“() the number of staff required to supervise such machines,”

Amendment 160, page 47, line 20, at end insert—

“(4A) In section 304 of that Act (authorised persons), after subsection 4(c) insert—

“(d) Licensing Standards Officers (LSOs) of Scottish local authorities, appointed in terms of section 13 of the Licensing (Scotland) Act 2005.””

This Amendment would include Licensing Standards Officers (LSOs) in Scotland as authorised persons who may exercise inspection and enforcement functions under the Gambling Act 2005 in respect of the number of gaming machines authorised under a betting premises licence.

Amendment 33, page 47, line 35, leave out subsection (6)

Clause 45 stand part.

New clause 22—*Obstructive parking*—

“(1) In section E1 of Schedule 5 to the Scotland Act 1998 (Road transport) after “Exceptions”, insert—

“The subject matter of sections 19 to 22 (Stopping on verges, etc, or in dangerous

positions, etc.) of the Road Traffic Act 1988;

The subject-matter of section 41(5) (Regulation of construction, weight,

equipment and use of vehicles) of the Road Traffic Act 1988 in so far as it relates

to the making of regulations making it an offence to cause or permit a vehicle to

stand on the road so as to cause any unnecessary obstruction of the road.”

(2) After section 51 of the Road Traffic Offenders Act 1988 (Fixed penalty offences) insert new section 51A—

“51A Offences under Road Traffic Act 1988

(1) Any offence in respect of a vehicle under regulations made by Scottish Ministers under section 41(5) (Regulation of construction, weight, equipment and use of vehicles) of the Road Traffic Act 1988 is a fixed penalty offence for the purposes of this Part of this Act if it is specified as such in those regulations, but subject to subsection (2) below.

(2) An offence under an enactment so specified is not a fixed penalty offence for those purposes if it is committed by causing or permitting a vehicle to be used by another person in contravention of any provision made or restriction or prohibition imposed by or under any enactment.”

(3) Before proposing a change in regulation of a subject matter falling under this section, Scottish Ministers shall—

(a) consult the Secretary of State, and

(b) publish and lay before the Scottish Parliament an assessment of the impact on road safety of any difference between the proposed change in Scotland and road traffic rules in other parts of the United Kingdom.””

This amendment is intended to ensure that offences in relation to parking on pavements can be enforced by the Scottish Parliament. Other offences would be unaffected. This amendment is based on Mark Lazarowicz's Private Members' Bill from the last Parliament, which was supported in principle by the then Secretary of State for Scotland.

New clause 26—Health and safety—

“In Part 2 of Schedule 5 to the Scotland Act 1998 (Employment), leave out Section H2 (Health and Safety).”

This new Clause would remove from the list of reserved matters in the 1998 Act (and so transfer to the Scottish Parliament) the subject-matter of Part I of the Health and Safety at Work etc. Act 1974 (Health, safety and welfare in connection with work, and control of dangerous substances and certain emissions into the atmosphere), the Health and Safety Commission, the Health and Safety Executive and the Employment Medical Advisory Service.

New clause 27—Business associations—

“In section C1 in Part 2 of Schedule 5 to the Scotland Act 1998 (Business associations) at the end of the exceptions insert—

- “(c) the law on partnerships and unincorporated associations,
- (d) the creation of new forms of cooperative enterprise,
- (e) the creation of new forms of mutual enterprise,
- (f) the creation of economic interest groups where the European Economic Interest Group under regulation EEC 2137/85 is not available because the members do not come from more than one member state.”

New clause 41—Scottish Government review of measures taken to promote gender equality in Scottish Parliament—

“Scottish Ministers shall, within six months of the day on which this Act is passed, publish and lay before the Scottish Parliament a comprehensive review of the measures which the Scottish Government is taking to further and to promote gender equality in the membership of the Scottish Parliament and on the boards of Scottish public authorities.”

This New Clause requires Scottish Ministers to publish a review of the measures they are taking to promote gender equality among members of the Scottish Parliament and on boards of Scottish public authorities.

New clause 47—Employment and industrial relations—

“In Part 2 of Schedule 5 to the Scotland Act 1998, omit Section H1 (employment and industrial relations).”

This new clause would devolve employment and industrial relations to the Scottish Parliament.

New clause 48—Health and safety—

“(1) In Part 2 of Schedule 5 to the Scotland Act 1998 (“the 1998 Act”), omit Section H2 (health and safety).

(2) The Health and Safety Executive is a cross-border public authority for the purposes of the 1998 Act.

(3) The 1998 Act applies in relation to the Health and Safety Executive in the same way as it applies in relation to cross-border public authorities specified in an Order in Council under section 88(5) of the 1998 Act.”

This new clause would devolve health and safety to the Scottish Parliament and designates the Health and Safety Executive as a cross-border public authority.

New clause 49—Equal opportunities—

“In Part 2 of Schedule 5 to the Scotland Act 1998, omit Section L2 (equal opportunities).”

This new clause would devolve equal opportunities to the Scottish Parliament.

New clause 56—Abortion—

“In Part 2 of Schedule 5 to the 1998 Act, leave out section J1 (abortion).”

This amendment removes the specific reservation of abortion, thus transferring competence over abortion to the Scottish Parliament.

New clause 57—Crown property—

“(1) Part 1 of Schedule 5 to the Scotland Act 1998 (general reservations) is amended as follows

(2) Omit paragraph 2(3)

(3) In paragraph 3(3), omit paragraph (a)

(4) After paragraph 3, insert—

“3A Without prejudice to paragraphs 2 and 3, paragraph 1 does not reserve—

(a) removing or altering functions of, or conferring functions on, the Crown Estate Commissioners in relation to the holding or management of property within paragraph 3(1),

(b) where a function of the Crown Estate Commissioners of holding property is so removed, the transfer of any property held in exercise of the function.”

(5) Functions relating to Crown property are, so far as they relate to Crown property in or relating to the Scottish offshore region, to be treated for the purposes of the Scotland Act 1998 as exercisable in or as regards Scotland.

(6) In subsection (5)—

“Crown property” means property within paragraph 3(1) of Part 1 of Schedule 5 to the Scotland Act 1998,

“Scottish offshore region” has the same meaning as in the Marine and Coastal Access Act 2009 (see section 322 of that Act)

(7) In section 1(2) of the Civil List Act 1952 (payment of hereditary revenues into the Scottish Consolidated Fund), omit “from bona vacantia, ultimus haeres and treasure trove”.

This alternative to clause 31 would reduce the complexity of the current arrangements relating to the Crown Estate by removing the reservation relating to the management of the Crown Estate and provides the Scottish Parliament with full legislative competence in relation to the management of the Crown Estate in or as regards Scotland. It would also transfer any functions of the Crown Estate Commissioners in relation to rights to the continental shelf beyond the 200 nautical mile limit adjacent to Scotland.

New clause 59—Party political broadcasts—

“In Section K1 of Part 2 of Schedule 5 to the Scotland Act 1998 (broadcasting), after the reservation insert—

“Exceptions

The regulation of

(a) party political broadcasts in connection with elections that are within the legislative competence of the Parliament, and

(b) referendum campaign broadcasts in connection with referendums held under Acts of the Scottish Parliament.”

In recommending that the Scottish Parliament should have all powers in relation to Scottish Parliament and local government elections, the Smith Commission stated specifically that this would include party political broadcasts. This new clause delivers on that proposal.

New clause 60—Broadcasting—

“Leave out section K1 in Part 2 of Schedule 5 (Broadcasting) to the 1998 Act.”

This new clause would devolve broadcasting to the Scottish Parliament.

New clause 61—Levies in respect of agriculture, taking wild game, aquaculture and fisheries etc.—

“(1) In Part 2 of Schedule 5 to the Scotland Act 1998, Section A1 is amended as follows.

(2) In the Exceptions, after the exception for devolved taxes insert—

“Levies in respect of agriculture, taking wild game, aquaculture and fisheries (including sea fisheries) or a related activity: their collection and management.”

(3) After the Exceptions insert—

“Interpretation

“agriculture” includes horticulture, fruit growing, seed growing, dairy farming and livestock breeding and keeping, and the use of land as grazing land,

meadow land, osier land, market gardens and nursery grounds.

“aquaculture” includes the breeding, rearing or cultivation of fish (of any kind), seafood or aquatic organisms.

“related activity” means the production, processing, manufacture, marketing or distribution of—

- (a) anything (including any creature alive or dead) produced or taken in the course of agriculture, taking wild game or aquaculture, or caught (by any means) in a fishery,
- (b) any product which is derived to any substantial extent from anything so produced or caught.”

This new clause would give the Scottish Parliament general legislative competence in respect of agricultural, aquacultural and fisheries levies.

New clause 63—Assessment of the Scottish Parliament having the power to alter the National Minimum Wage in Scotland—

“(1) The Secretary of State shall instruct the Low Pay Commission to undertake and publish, within 12 months of the date on which this Act is passed, an analysis of the economic impact of the Scottish Parliament having the power to alter the United Kingdom National Minimum Wage.

(2) The Secretary of State must require the analysis to assess the effects of the Scottish Parliament having the power to alter the United Kingdom National Minimum Wage on the Scottish and United Kingdom economies, with a specific focus on the following areas—

- (a) the risks of establishing a two tier minimum wage across the United Kingdom, including an analysis of any possible negative impact on employment conditions for United Kingdom and Scottish workers;
- (b) the importance of maintaining the principle of minimum standards across the UK, and the extent to which low pay issues differ in Scotland from the rest of the UK;
- (c) the Scottish and United Kingdom labour market, in particular the effect of a different level of minimum wage in Scotland on the jobs and working hours of Scottish and United Kingdom workers;
- (d) entitlement in Scotland to both devolved and reserved welfare payments;
- (e) the possible effects on business investment in Scotland and the rest of the United Kingdom;
- (f) any other considerations that would arise from having different minimum wages in communities on either side of the border;
- (g) the institutional infrastructure required to establish, monitor and enforce it;
- (h) the implications for EU Directives on Posted and Agency Workers;
- (i) the impact on wage levels in Scotland and the United Kingdom; and
- (j) a report on how the National Minimum Wage can rise faster in Scotland and across the United Kingdom to 58% of median earnings or more than £8 per hour by 2019.”

The new clause requires the Low Pay Commission to assess the impact on the Scottish and UK economies of the Scottish Parliament having the power to establish a different rate of the National Minimum Wage (NMW) in Scotland. The analysis includes what institutional infrastructure would be required, the relationship with EU Directives, the long-term impact on wages, and ways to faster increase the NMW, whilst maintaining the principle of the UK NMW framework.

New clause 64—Enforcement of Part 1 of Equality Act 2006—

“In the Exceptions under Section L.2 of Part 2 of Schedule 5 to the 1998 Act, insert—

“The enforcement of Part 1 of the Equality Act 2006.”

New clause 66—Health and Medicines—

“In Part 2 of Schedule 5 to the 1998 Act, leave out “Head J (Health and Medicine)””

The new clause would remove health and medicine, including abortion, xenotransplantation, embryology, surrogacy, genetics, medical supplies, poisons and welfare foods from the list of matters reserved to the UK Parliament, allowing the Scottish Parliament to make separate provision in these matters for Scotland.

Mr Carmichael: I welcome you back to the Chair, Mr Crausby.

We have an embarras de richesses in the range of issues before the Committee for the next three hours, so I will try to keep my remarks as brief as possible. I am pleased that at the top of the list of amendments come those from different parts of the House about the future devolution of the Crown Estate commission.

Perhaps I am on something of a roll today: the future of the Crown Estate commission has been important to me throughout my political life. The Crown Estate was the subject of my maiden speech in this House some 14 years ago, and, revisiting the issue ahead of today’s debate, it was interesting to note that there has been some progress, particularly under the auspices of its current chief executive, Alison Nimmo. We have seen a greater willingness of the Crown Estate to engage with the communities that it most directly affects, and in the previous Parliament we heard about the creation of the coastal communities fund that brought back some 50% of Crown Estate dividends relating to the use of the seabed to coastal communities around the country. That has made a significant difference to a number of projects in a wide range of communities.

It remains the case that the operation of the Crown Estate remains unsatisfactory for island and coastal communities—especially those throughout Scotland that seek to establish a future for themselves in the development of marine technologies and renewable energy generation, which continue to rely on the good will and co-operation of the Crown Estate in relation to the construction and maintenance of piers and harbours, and for which the aquaculture industry remains an important source of livelihoods for many people. We need to see that operation devolved, in particular as it relates to the function of the seabed and territorial waters.

Mr Angus Brendan MacNeil (Na h-Eileanan an Iar) (SNP): The right hon. Gentleman says that the operation of the Crown Estate is unsatisfactory and needs to be devolved. It was unsatisfactory and needed devolving four years ago when he was in government, and he opposed its devolution. Why did he oppose that devolution and why has he now had a damascene conversion and changed his mind—on devolution not just to Scotland but to councils? Many people do not want the issue left at council level, decided in council boardrooms; they want it devolved to the islands.

Mr Carmichael: Four years ago, I was very much in favour of devolution to the communities: it was something on which we could not build a consensus—[*Interruption.*] The hon. Gentleman has asked a question; if he calmed down a little, he could listen to the answer.

Four years ago, we could not build a consensus on this issue and that was a matter for regret. I regularly pursued the issue, as I am sure the Secretary of State

[Mr Alistair Carmichael]

will recall. I am delighted now to be able to place publicly on the record my enthusiasm for devolution to council areas—possibly even sub-council areas. That is why amendment 57 seeks to facilitate the devolution to the Western Isles, Orkney and Shetland of the powers of the Crown Estate commissioners, so that the communities have the day-to-day responsibility and reap the financial benefits.

I have always been of the view that power is best exercised closest to the community affected by it, and the seabed as a resource could be much better managed if it were under the control of local communities—*island communities*, in particular.

Alex Salmond (Gordon) (SNP): I am fascinated by this lack of consensus in the last Government. Was the current Secretary of State for Scotland someone with whom the right hon. Gentleman was unable to form a consensus on the issue of devolution of the Crown Estate?

Mr Carmichael: I shall allow the Secretary of State to speak for himself when he has the opportunity to do so later; I am sure we will all be on tenterhooks to hear what he has to say.

It is manifestly the case that the seabed as a resource could be better managed—and it would be if it were managed by the communities most directly affected. That would generate more income. There are tremendous opportunities for generating income from the seabed, many of which are thwarted because the Crown Estate commissioners over the years have taken an especially narrow construction of their duties under the Crown Estate legislation.

I fully accept that amendment 57 seeks to promote the interests of the Western Isles, Orkney and Shetland. I remind the House that the issue was the subject of two reports to the Scottish Affairs Committee in the last Parliament, and has also been pursued vigorously by the three island authorities in their engagement in the “Our Islands Our Future” process, which I was keen to encourage when I was Secretary of State.

I suggest that if we were able to achieve devolution to the three island authorities first, the way would be smoothed for those in the Highland region area, and Argyll and Bute in particular. I know that the issues relating to the islands and coastal communities in those council areas are very similar to those for the Western Isles, Orkney and Shetland.

Mr MacNeil: Would it not be a better approach to devolve to the islands? I see the Liberals are now ignoring and forgetting about Mull, Tiree and Islay, but the intention of the Scottish Government—to devolve to the island communities themselves—is a far better approach and we have to make sure we can have it in Scotland. We could have had it four years ago, when I moved an amendment on this issue. We did not get it four years ago, however, because the right hon. Gentleman and his party opposed it.

5.45 pm

Mr Carmichael: I seek to build consensus today. It is unfortunate that the hon. Gentleman is not minded to do so. I say to him simply this: if he speaks to his

colleagues in the Comhairle, he will find they have enthusiasm for this matter. They pressed me and others in government very hard in the previous Parliament to proceed on this. It would be to his benefit and to the benefit of his constituents if he were minded to give his support.

Amendments 27 to 29 have their genesis, as do many others, in briefings provided by the Law Society of Scotland. They relate to the administration of tribunals in Scotland. This was some of the most difficult and challenging work for both the Smith commission and the Government. The analysis of the Devolution (Further Powers) Committee in the Scottish Parliament and the Law Society of Scotland is that what remains in the Bill is imperfect, because it does not give full effect to paragraphs 63 and 64 of the Smith commission report. Paragraph 63 states:

“All powers over the management and operation of all reserved tribunals (which includes administrative, judicial and legislative powers) will be devolved to the Scottish Parliament other than the Special Immigration Appeals Commission and the Proscribed Organisations Appeals Commission.”

Paragraph 64 states:

“Despite paragraph 63, the laws providing for the underlying reserved substantive rights and duties will continue to remain reserved (although they may be applied by the newly devolved tribunals).”

In implementing paragraph 63, there must be scope for the continued reservation of the substantive law and that may take forms that will require some limitation on the functions transfer. However, it is the assessment of the Law Society of Scotland that the limitations on transfer should only be such as are objectively necessary and that they must not be unduly restrictive of the principle in paragraph 63.

It seems to be a notion of some novelty in Whitehall that tribunals can be running independently and applying legislation that goes across the whole of the United Kingdom. I could never share that analysis of novelty, having practised in sheriff courts and watched over many years the practice in the High Court and the Court of Session do exactly that. I never quite understood—perhaps the Secretary of State will be able to explain it tonight—why this is so difficult.

Amendment 30 is another Law Society of Scotland amendment. It deals with the regulation of estate agents in Scotland under the Estate Agents Act 1979. I remind the House that much estate agency in Scotland is done by firms of solicitors acting as estate agents. They do it very effectively within the context of Scottish land law practice and conveyancing which, being Roman in origin, is fundamentally different from the law applicable in other parts of the United Kingdom.

I would suggest in support of the Law Society’s amendment that devolving the regulation of estate agents makes perfect sense. It is another aspect of our business and commercial life, as well as our personal and private life, that is managed completely differently in the Scottish context and in Scottish law. It is an anomaly that we should take this opportunity to address.

Amendments 31 and 32 deal with gaming machines in licensed betting premises. They seek to remove the limitation

“for which the maximum charge for use is more than £10”.

Paragraph 74 of the Smith commission agreement stated:

“The Scottish Parliament will have the power to prevent the proliferation of Fixed-Odds Betting Terminals.”

It is the analysis of both the Law Society and, again, the Devolution (Further Powers) Committee that the Bill does not achieve that end. Removing the maximum charge would most effectively achieve the objectives set out in the Smith commission.

Likewise, the effect of new clause 26 would be to devolve the functions of the Health and Safety Executive. Health and safety enforcement in Scotland is already practically devolved. Control over occupational health issues—many of which are practically unique in profile to Scotland, such as those in offshore oil and gas and in agriculture—should now be formally devolved to Scotland. That would be a recognition of the practice that has developed since devolution and the creation of the Scottish Parliament in 1999. It is merely a recognition in law of something that is already widely practised.

Finally, new clause 27 is fairly technical and, again, was drafted by the Law Society of Scotland. It would give effect to the particular models of business incorporation that we have in Scots law and is a recognition that that, too, should be under the control of the Scottish Parliament.

Sir Edward Leigh (Gainsborough) (Con): I rise to speak to my new clause 66, on health and medicines, which reads:

“In Part 2 of Schedule 5 to the 1998 Act, leave out “Head J (Health and Medicine)”.

In the helpful Member’s explanatory statement, which the Clerks helped me with, I say:

“The Amendment would remove health and medicine, including abortion, xenotransplantation, embryology, surrogacy, genetics, medical supplies, poisons and welfare foods from the list of matters reserved to the UK Parliament, allowing the Scottish Parliament to make separate provision in these matters for Scotland.”

I put forward the new clause hesitantly. I just want to probe the Government for an explanation of why the Scottish Parliament is not going to be allowed, under our Scotland Bill, to debate or decide these matters.

These matters are, of course, of vital interest to any nation. I well recall that whereas our debates on, say, social security, when we are discussing spending extra billions of pounds, are sometimes extremely poorly attended and attract very little interest, as soon as we get into what I would call these “Moral Maze” issues, where people have strong personal views and there are often free votes, our Parliament really comes into its own. That is what makes a Parliament. It is part of being a Parliament, and what we are trying to create in the Scottish Parliament is, in its essence, a real Parliament. Scotland may be a small nation, but it is a proud nation and it has its own individual point of view, which I would have thought was best determined by the Scottish people, through their Parliament.

John Pugh (Southport) (LD): Does the hon. Gentleman recognise that Northern Ireland already has some of the powers that he aspires to give to Scotland?

Sir Edward Leigh: Yes, I was going to come to that point, which is important. I have obtained the help of the Library in finding out exactly what happens in Northern Ireland with regard to abortion, which I will describe in a moment.

My research assistant shares my generally pro-life view—I suppose it is no secret that I will always take the pro-life argument, whether on capital punishment, assisted

suicide or abortion. I have my own views, which I appreciate are not the views of everybody in this place. When I was thinking about tabling this new clause, he said to me, “Is this wise? What would the Scottish Parliament decide? Would its views be more like ours in the UK Parliament?” I said to him, “It’s completely irrelevant what my views are or what your views are. That’s a value judgment. It’s not for me for decide.” Frankly, I have no idea whether, if the Scottish Parliament was allowed to decide the law of abortion, it would take my pro-life view and amend the Abortion Act 1967 or not. I have no idea and it is none of my business.

I would have thought that a self-respecting Parliament could and should be trusted to deal with abortion, especially as I understand that the Scottish Parliament already deals with assisted dying. Indeed, in January 2010, the End of Life Assistance (Scotland) Bill was introduced in the Scottish Parliament by Margo MacDonald MSP. It sought to permit assistance to be given to persons who wished to have their lives ended under certain conditions. The Scottish Parliament disagreed with the general principles of the Bill, which is apparently being reintroduced, and that discussion is going on. That is fair enough. When Lord Falconer introduced his Assisted Dying Bill in the other place, he did not seek to extend it to Scotland. Obviously we trust—quite rightly in my view—the Scottish people, through their Parliament, to decide what is arguably an even more important issue than abortion, namely whether assisted dying should become legal. I cannot see the logic—this is why I am trying to probe my right hon. Friend the Minister—in allowing the Scottish Parliament to decide on assisted dying, but not abortion.

Let me deal with the intervention by the hon. Member for Southport (John Pugh). I know he has tabled an amendment on this issue and I look forward to hearing from him later. No doubt he can make these points far more powerfully than I can. The Abortion Act 1967 never extended to Northern Ireland, where abortion continues to be regulated by provisions in criminal law. Under the Offences Against the Person Act 1861, all abortions are illegal in Northern Ireland, subject to very limited exceptions specified in the Criminal Justice Act (Northern Ireland) 1945 and application of case law, chiefly *R v. Bourne* of 1939. Abortion is currently allowed in Northern Ireland subject to limited circumstances where the pregnancy threatens the life of the woman or where it would affect her physical or mental health in a way that is permanent or long term.

That is the situation in Northern Ireland and, believe me, I have no idea what the Scottish Parliament would decide if it was given this power. In a sense, we already have abortion on demand in this country—that is itself a controversial statement. For all I know, the Scottish Parliament may want to clear up the law in its own way, and I do not see why it should not be allowed to.

Alex Salmond: I thought it might help the hon. Gentleman if I gave him a little bit of history. If I remember correctly, the late Donald Dewar wanted this power devolved in the Scotland Act 1998, but was prevented by some sort of star chamber that was presiding over that legislation. Given that that was what Donald Dewar wanted to be done all those years ago, is it not more than passing strange that it is not being done even now?

Sir Edward Leigh: I am grateful to the right hon. Gentleman for describing that bit of history. I understand that this was discussed by the Smith commission—again, we can be given further details—and there was disagreement. Presumably a majority did not want the power to be passed. However, this is not the Smith commission. We are perfectly entitled to disagree with the Smith commission and, following the remarks of the right hon. Gentleman, we are perfectly entitled to give the Scottish Parliament that power.

Indeed, this is a power that other devolved Administrations around the world have. In the United States abortion is a state matter, within the framework of the Supreme Court decision in *Roe v. Wade*, as altered by subsequent decisions. If I was an American politician, I imagine I would be quite a strong states' rights person. The United States has an increasingly intrusive and proactive Supreme Court, but the power of states to decide on these important matters, such as the death penalty, is jealously guarded in America. Despite the power that is given to the states in the United States, I do not believe that the republic is any weaker, that the union is any weaker or that these matters cannot be properly decided by people. People can take a different attitude on these great moral issues of the day, depending on whether they live in Massachusetts or Texas, and I think that is probably the case in other parts of the world too. I am therefore not sure I understand the logic—it can presumably be explained to us—of why abortion has been excluded.

When I tabled the new clause, I thought I should try to make it as wide as possible because I was aware that the hon. Member for Southport had already tabled a specific amendment. I included issues such as embryology, surrogacy, genetics, medical supplies, poisons and welfare foods because I did not want this to be a debate only about abortion. It struck me that all those other matters were of great interest, with issues of great national debate raging around them. I see no reason why the Scottish Parliament should not have some control over them.

6 pm

The Human Fertilisation and Embryology Act 1990 established a legislative framework that governs assisted reproduction and embryology research in the United Kingdom. It was amended by the Human Fertilisation and Embryology Act 2008, which set up as a UK-wide independent regulator. I do not claim to have any particular knowledge and there may be powerful arguments why we should have a UK-wide body, but I would have thought that Scotland, with all its expertise, history and traditions, is perfectly capable of having its own human fertilisation and embryology Act and system, but I remain to be advised by the Secretary of State.

Scotland has always had a separate legal system. It might be said, "Surely it is unwise to have a different law for these issues, depending on whether someone lives south or north of the border". I would have thought that that argument had already been defeated by the fact that the Scottish Parliament can decide on assisted dying. If the Scottish people and Parliament decided to allow it, people would not have to travel to Dignitas in Switzerland; they could just take a train to Glasgow. Have we not already arrived at the principle that, with a separate legal system, there is no harm in having a different law on these great moral issues?

We have a different law in the UK as a whole from that of Northern Ireland, and I would not have thought that the roof would fall in if we had a different law on abortion. We had different laws in the past, and people used to run off and elope to Gretna Green. I am not aware that that subjected the United Kingdom to tremendous stresses and strains.

I thus put forward new clause 66 in a spirit of hesitancy, but I hope that the points I have made are not entirely unreasonable and that the Secretary of State will consider them carefully.

Mr MacNeil: I rise to oppose or to provide a different perspective on the amendments tabled by the right hon. Member for Orkney and Shetland (Mr Carmichael). I fear that he wants to do two damaging things through his amendments. He wants to bind what the Scottish Government are doing in regard to other islands by devolving to island council authorities when the ambition should be greater and power should be given to communities. What we have is not a defined community, but a community or group of individual communities. His amendments are also restrictive, and I think it is wrong for this Parliament to tell the Scottish Parliament what it should do in the next step of devolving powers. It would be far more useful and far more innovative if the Scottish Parliament had the flexibility to do what it saw as right rather than putting into the long grass the cases of our islands of Mull, Tiree or Coll or Islay or a number of other islands that are not mentioned here.

Mr Carmichael: I remind the hon. Gentleman that my amendment provides for agreement between the Scottish Government and the Treasury. Surely that would make the design of the scheme open to full input from the Scottish Parliament.

Mr MacNeil: If the right hon. Gentleman wants the full input of the Scottish Parliament, why is he trying to bind its hands? He should leave his amendment to one side and leave the Scottish Parliament as the most democratic institution and forum representing the Scottish people, allowing us to arrive at the most democratic, most sought and most wanted forum as the solution.

We know from the island authorities that they are more than happy with the direction of travel that the Scottish Government have taken. I come from one of the minor islands within a local authority area, and I know that the people who live in my island want to control themselves, not be controlled by a council chamber 100 miles away. From Uist, the council chamber is 70 to 100 miles away, while Harris, linked to the same island geographically, does not want to be controlled in Stornoway 45 miles away. In Ness and Lewis, they would rather have control themselves. We need to look at what the communities want, rather than sitting here in Westminster and prescribing what is required in these places. Let us make sure that we give the Scottish Parliament the power and authority, and then we can discuss with the communities exactly what they want, rather than have grandstanding amendments. These amendments stand in direct contradiction to where the right hon. Gentleman was four years ago—in government and in a position to influence, but he did not do so.

Mr Carmichael: I remind the hon. Gentleman that the Western Isles Council, the Comhairle themselves, were urging me to take this course of action. Do they not have democratic legitimacy as well?

Mr MacNeil: Absolutely, and when the right hon. Gentleman was in government and he was urged to do this, what did he do about it? Did his Government take the advice of the Comhairle nan Eilian Siar when we has in government?

Mr Carmichael: If the hon. Gentleman speaks to his colleagues in local government—I know he does not always do so—I am pretty sure that they will tell him that I was an enthusiastic promoter of their cause within government.

Mr MacNeil: I know what they wanted, but it is clear from that answer that the right hon. Gentleman did not take their advice. He had no influence on that Government, but he is now telling us to take their advice. He has a very different agenda. If he had accepted our amendment four years ago, we would already have had control, because the Scottish Government would have given it to us. In fact, he was a blocking force and an obstacle to progress for Scotland four years ago, as he still is. As for his colleagues who were here at the time, as a result of that very attitude, they are gone. Instead, I am one of 56 Scottish National party Members, rather than the mere five last time. I should thank the right hon. Member for Orkney and Shetland for his intransigence four years ago, because it was that very intransigence that led to this raft of colleagues beside me, together debating the Scotland Bill.

The Crown Estate has tremendous control over areas of life in Scotland. It takes millions out of salmon farming each year, and we want more control over what we are doing there. We could stimulate growth and activity in different areas. If we control the taxes, we can do what we feel like. We could do something about revenues from marine renewable energy going south and ensure that they stay within Scotland. Secondly, we could ensure that no development is hampered because of the money demanded by the Crown Estate—rentiers' money that it is lucky to be getting. Years ago, it got nothing from the seabed, but a lucky windfall has now come its way in the shape of offshore renewables.

What is required is for the powers to go to the Government in Edinburgh and for that Government to decide what happens with the community of the realm in Scotland. That is where power and sovereignty rests—with the community of the realm and the people of Scotland. It is for them to decide exactly what they want. Yes, the powers should be devolved. As the Secretary of State said four years ago, the idea of the SNP was to devolve at any cost. He did not listen then, but by goodness, he is listening now.

Mr Jacob Rees-Mogg (North East Somerset) (Con): Thank you, Mr Crausby—[*Interruption.*] I did not hear that interruption by the hon. Member for Na h-Eileanan an Iar (Mr MacNeil), which is always a great loss because his interventions are some of the most amusing that we ever hear. On this occasion, however, I am going to disagree with him. I do not like clause 31 at all; I think it is fundamentally misconceived.

I have tabled a number of amendments, which I hope will improve it—if it is possible to make a silk purse out of sow's ear.

Let me start by explaining why I do not like the clause in principle. I think there is a danger that it is attempting to give away something that does not actually belong to the state. The Crown Estates belong to the sovereign and are given in trust to the Government at the beginning of every reign. This started at the beginning of the reign of George III and has been recommitted by every monarch subsequently. However, the Crown Estates must return entire to a new sovereign at the beginning of a new reign. It is not possible—it is not right; it is not proper—for the Government to give away the Crown Estates or to put them in such a state that an incoming sovereign could not take them back in their entirety. I therefore have concerns about the underlying principle of clause 31 in that it is seeking to divide the Crown Estates, which ought not to be divisible because of the unity they are required to have at the beginning of each reign.

I also do not like it symbolically because, although I am very sympathetic to the demands of the SNP for more government in Scotland and for more rights for the Scottish Parliament, I think the Crown is more important than the union of Parliaments.

Alex Salmond *rose*—

Mr Rees-Mogg: It is an honour to give way to the right hon. Member for Gordon (Alex Salmond).

Alex Salmond: I wonder whether the hon. Gentleman is familiar with the phrase “the land belongs to the people”. Surely that applies to the foreshore as well—except the bit that belongs to Caledonian MacBrayne, I suppose.

Does the hon. Gentleman regret jumping at the bait from the metropolitan press? I refer to the silly, foolish, extraordinary story that appeared three weeks ago suggesting that the Crown's income would be damaged by the devolution of the Crown Estate. Does he regret jumping so quickly at that bait on a hook, and associating himself with such a scurrilous rumour?

Mr Rees-Mogg: I am very grateful for the right hon. Gentleman's characteristically helpful intervention. What was so wonderful about that bait was the outpouring of patriotic royal fervour that it elicited from my friends in the Scottish National party. I must confess that I was thrilled and surprised when a party that I had thought to have republican leanings turned out, to a man and woman, to contain some of the staunchest monarchists in the land. That is desperately reassuring—

Mr MacNeil *rose*—

Mr Rees-Mogg: And it is, of course, an even greater honour to give way to the hon. Member for Na h-Eileanan an Iar.

Mr MacNeil: I am also grateful to the hon. Gentleman, who has described giving way to the hon. Member for Na h-Eileanan an Iar as a greater honour than giving way to the right hon. Member for Gordon (Alex Salmond). I wanted to repeat that for the purpose of my own amusement.

[Mr MacNeil]

May I return to the hon. Gentleman to the quip that I made at the beginning of his speech? I said that he had contributed to this debate four years ago, on 15 March 2011. Times have changed since then, but it clear that, in another sense, times have not really changed, because the argument that he was advancing then—the argument that the Crown Estate was the property of the monarch—is the argument that he is advancing now. Indeed, in many respects it is an argument that has been advanced for hundreds of years. It is time to move on. It is time for the royal windfall to end, and for royalty to end its control of local people. As I am sure the hon. Gentleman knows—because we have been friends for a number of years—I say that as a staunch monarchist myself.

Mr Rees-Mogg: The hon. Gentleman really cannot have it both ways. He teased the right hon. Member for Orkney and Shetland (Mr Carmichael) for being inconsistent, because four years ago he had been against the devolution of the Crown Estate and today he was in favour of it. Now he has objected to my being consistent, in that I opposed it four years ago and continue to oppose it today. Either the right hon. Member for Orkney and Shetland is right to have changed his mind, or I am right not to have changed mine. Both cannot be true.

Mr MacNeil: I congratulate the hon. Gentleman on his consistency, and, similarly, I congratulate myself on mine. I want this power to be moved to Scotland so that the most democratic forum in Scotland—the Scottish Parliament—can decide, in consultation with the people of Scotland, exactly what happens to the Crown Estate.

Mr Rees-Mogg: The problem with that view is that it does not respect the rights of property. The Crown is entitled to protection of the rights of property as much as—indeed, some might say more than—anyone else in this country. If even Her Majesty’s property, the property of the sovereign herself, is not sacrosanct and protected, but can be taken for the benefit of the people—whatever that means—no one’s land is safe.

Mr MacNeil: I am very grateful to the hon. Gentleman for giving way again. I am also grateful to my hon. Friend the Member for Inverness, Nairn, Badenoch and Strathspey (Drew Hendry) for having a word in my ear.

In Scotland, the people are sovereign, whereas here, as the hon. Gentleman will of course know, the Treasury already controls the vast majority of the revenues of the Crown Estate, and gives pocket money—albeit a tremendously large amount of pocket money—to the monarch.

Mr Rees-Mogg: I find the concept of sovereignty coming from the people very attractive. I do not dispute the concept of sovereignty rising from the people to this Parliament, with our sovereign Lady the epitome of it, the symbol of it, the very pinnacle of our society and of our nation. Within that concept, however, all subjects, and Her Majesty herself, have rights of property, and those rights should not be arbitrarily taken away. It worries me that clause 31 is going in that direction in deciding that Parliament can allocate a property right

without having established that that property right belongs to Parliament, and that it is for Parliament to dispose of it in the first place.

Mr MacNeil: I am grateful to the hon. Gentleman for giving way again. He is being very generous, as are you, Mr Crausby.

The hon. Gentleman speaks of the personality of the sovereign. He says that the sovereign cannot choose to whom to give the estate, and that it will go to the next sovereign. The important difference between England and Scotland is that in Scotland the people are sovereign. As the hon. Gentleman knows from his history books, there was Mary Queen of Scots and there was Elizabeth of England. There were the people, there was the country, and there were two different nations.

Mr Rees-Mogg: I am well aware of the difference of terminology in relation to Mary Queen of Scots and Elizabeth I, the “English Queen”.

Mr MacNeil: The Queen of England.

Mr Rees-Mogg: The Queen of England. The two were different, in a sense, and there is a conception of popular sovereignty in Scotland that may differ from that in England—although it is perfectly possible that the reference to “Mary Queen of Scots” may have been due to concern about having a woman as monarch, and to the fact that in earlier times people were happier to have a King of Scotland than to have a King of the Scots. I am not entirely sure that the hon. Gentleman might not be more in tune with the late John Knox and his “blast of the trumpet”. I myself am not sure that I want that particular trumpet to be blown, because I think that it is a trumpet that sounds a rather wrong note. For once I am sounding more modern than the hon. Member for Na h-Eileanan an Iar! I think that the issue of property rights is fundamental, and I also think that the Crown is indivisible.

6.15 pm

George Kerevan (East Lothian) (SNP): I am surprised that such an ardent and professional monarchist as the hon. Gentleman is unaware that the Crown Estate is divided by jurisdiction, and there are other jurisdictions within the Commonwealth in which Crown property is managed separately. For instance, there is a receiver general for the Crown properties in Jersey. If the Scottish people wished to continue with the monarchy, it would be perfectly sensible for the Crown Estate to be managed separately rather than property being divided, as the hon. Gentleman has suggested.

Mr Rees-Mogg: The hon. Gentleman has been more helpful to me than he may have realised. I think that the symbolic importance of this division is that it is symbolic of independence for Scotland rather than further devolution. I think that the indivisibility of the Crown in one nation is such that the Crown Estate ought not to be divided.

Mr Dominic Grieve (Beaconsfield) (Con): My hon. Friend is clearly right. The Act of Union created the Crown of the United Kingdom of Great Britain, and therefore, in so far as the Crown Estate is concerned—

George Kerevan: That happened 100 years before.

Mr Grieve: The Union of the Crowns happened 100 years before, but in my view it is clear that the constitutional union came about as a result of the Act of Union, and that therefore the Crown Estate is indeed indivisible. The fact that it may be subject to a different jurisdictional framework in Scotland is neither here nor there, and to that extent the example of Canada or Jersey is not relevant to the debate.

Mr Rees-Mogg: I am grateful to my right hon. and learned Friend, who I think is absolutely spot on. The indivisibility of the Crown within the United Kingdom is central to the Unionist case, and I think that if a Unionist Government are willing to divide the Crown, that is a very dangerous step. I would rather give the Scottish Parliament other powers—some of which are the subject of other amendments—than give it this very important power relating to the Crown, which, as has already been pointed out, has been indivisible for longer than the Parliaments have been united. It brought the two countries together, and that was then established firmly in law.

Mr MacNeil: Will the hon. Gentleman give way?

Mr Rees-Mogg: Of course I give way to the hon. Gentleman.

Mr MacNeil: I am grateful to the hon. Gentleman for his incredible generosity. He said that the Crown property was indivisible, but, of course the United Kingdom itself was not indivisible, given that it was divided in 1922. Although most people do not realise it, the United Kingdom is not yet 100 years old. I think that Doris Day is older than the United Kingdom of Great Britain and Northern Ireland. However, the question that is puzzling me is not that of Doris Day's age, but what happened to the Crown properties that were once held and are now in the Republic of Ireland.

Mr Rees-Mogg: My assumption is that they were devolved to the Government of the Republic of Ireland, which is a perfectly reasonable thing to do when one is abolishing the monarchy. If SNP Members were, in fact, closet republicans—which, given the other arguments that we have heard recently, I do not think they are—it would be perfectly rational for them to argue that the estate should be confiscated from the Crown and should go to an independent Scotland. However, that is not the argument that we are having today. Today, there seems to be broad acceptance in the House that the monarchy should remain part of the Scottish settlement—as well as the settlement for the rest of the United Kingdom—come what may, even if Scotland were to become independent.

Mr MacNeil: I think that the hon. Gentleman is absolutely right. What today's debate is about is whether the monarch's estate—the Crown Estate—should be controlled by Her Majesty's Government here, or by Her Majesty's Government in Scotland. My colleagues and I are suggesting that Her Majesty's Government in Scotland would be a far better Government to control Her Majesty's estate.

Mr Rees-Mogg: I do not think that the hon. Gentleman—I was about to say “my hon. Friend”—is bold enough. What he should say, and what I, in logic, would be bound to accept, is that if that is to be determined by one Government, it could be argued that it should be determined only by the Scottish Government in relation to the whole Crown Estate. However, that would not be my argument.

Alex Salmond: I am able to help the hon. Gentleman with a precedent. It turns out that in 1923 the Crown Estate was given to the Irish Free State Government to be collected. The pertinent point is that in 1923 southern Ireland was under the Crown, as the hon. Gentleman will recall, so we now have an exact precedent for doing what he says is impossible to do.

Mr Rees-Mogg: I am terribly sorry to say that we do not have an exact precedent. We have exactly the wrong precedent, and the right hon. Gentleman is making my argument: we should be very nervous of doing this because it would lead inexorably to a division between the state—we divide the Crown, and we divide the state. There we are: I am finding a good deal of agreement between my position and that of SNP Members, but neither of us is in perfect harmony with those on the Treasury Bench, who seem to want to put this forward with the view that it does not risk a fundamental division in the Crown. That is what worries me; it is why I think it is a mistake, and why I have tabled a number of amendments that I hope will meet with universal approbation. Indeed, I am very surprised that many SNP Members, after all their protestations of loyalty to the Crown following the suggestion that the sovereign grant might lose a bit of money, did not add their names to my amendments. I was hoping for that, but I hoped in vain.

I would like to explain my amendments in reverse order, because amendment 127 is perhaps the key one. It states

“The scheme must not include any permanent alienation of the rights of the Crown.”

Roger Mullin (Kirkcaldy and Cowdenbeath) (SNP): The hon. Gentleman will be aware that his amendment is completely at odds with section 1(2) of the Crown Estate Act 1961, which gives unfettered management to the Crown Estate. This amendment would remove that.

Mr Rees-Mogg: No, all my amendment is seeking to do is ensure that at the beginning of a new reign the Crown Estates are returned entire. It is about a

“permanent alienation of the rights of the Crown.”

That does not mean that one property may not be sold for another property; it means that the assets must be retained within a single pool and that they must not be disposed of without receiving counter-value in return. It is a permanent alienation of the rights, not of specific properties, which is why I phrased it this way, rather than relating it to specific properties or the seashore or any of the other elements of the Crown Estate. It is about preserving entire that which does not belong to this House to give away. It would be wrong of this House to exceed its authority and risk giving away something that is not its.

[Mr Rees-Mogg]

I accept that it is highly unlikely that a future sovereign will exercise his right to have the Crown Estates returned to him, but the fact that it is unlikely does not mean that we should abandon property rights lightly.

Amendment 126 addresses the pro rata payments under the Sovereign Grant Act 2011. I was delighted that the First Minister of Scotland was clear that she did not wish to see any reduction in the Sovereign Grant Act. The Crown estates are 3.9% funded from Scotland; that is the percentage of income that comes from the Scottish Crown estates. That feeds through to the 15% that is received by the sovereign to pay their expenses. This would merely provide a protection for that.

Drew Hendry (Inverness, Nairn, Badenoch and Strathspey) (SNP): The Crown Estate is public land and its commissioners are a statutory corporation, and the Crown Estate revenues are paid directly to the UK Government Treasury. It has no direct role in paying for the Queen or the royal household. Does the hon. Gentleman not agree that that is contrary to the position he is trying to put forward?

Mr Rees-Mogg: No, I do not agree. I enjoyed participating in the Sovereign Grant Act debates, when I thought Her Majesty ought to get rather more than the measly 15% that was being proposed. It is based on the income of the Crown Estates and it is conceivable that if the Crown Estates were managed in a less than efficient way, the total amount raised would be reduced and therefore the grant from the Consolidated Fund would be reduced in a pro rata manner. This amendment is putting in a protection.

Drew Hendry: Does the hon. Gentleman not agree, however, that, as the Chancellor himself has said, there are other mechanisms for paying? The Crown Estate just happens to be one such mechanism.

Mr Rees-Mogg: The Crown Estate was a brilliant way of settling the issue. It is of course just one way, and we have tried other methods, but the civil list, for instance, ended up failing as a method of paying for the Crown because of inflation. It had historically been set for the lifetime of a sovereign and was done once in a reign, but inflation bit into that and the amount granted to the Queen in 1952 became so small 20 years into her reign that it needed to be increased. The great advantage of the Sovereign Grant Act is that it took the detailed petty politics out of ensuring we have a monarchy that is funded to do what we want our monarchy to do.

Dr Philippa Whitford (Central Ayrshire) (SNP): Is it not the case that the reduction in subsidies to onshore wind and other renewable energies is likely to have a bigger impact on the setting of the sovereign grant than anything we are likely to do in Holyrood?

Mr Rees-Mogg: Hon. Members may have got the impression that I am a monarchist; I think there are few things more important in this nation than the monarchical system that we have. None the less I am consistent in my capitalist views; I do not want even my sovereign to benefit from subsidies that are paid by the Government

and fall on the backs of hard-pressed people in North East Somerset who cannot afford their energy bills. I am not that much of a monarchist.

Mr MacNeil *rose*—

Mr Rees-Mogg: Perhaps the hon. Gentleman is more of a monarchist than I am.

Mr MacNeil: I certainly am, it would seem, and I can hear the timbers in Buckingham palace quivering as we speak; we have now found limits to the hon. Gentleman's loyalty. We are talking here about the Queen and everyone else in the country getting the benefits of onshore wind. If the monarch still had the power to shout, "Off with his head," I would fear for the hon. Gentleman tomorrow morning.

Mr Rees-Mogg: One has to be careful of onshore wind turbines if one is at risk of losing one's head; I believe the heads of bats get regularly cut off by the turbines.

Subsidies are a different point, but I would certainly not want the sovereign grant to benefit from state subsidies. I think that is a very bad method of funding almost anything. The Government picking winners tends not to work and tends to increase costs.

Amendment 126 would merely ensure that the pro rata amount would remain the same, and amendment 125 would mean the scheme agreed by the Treasury and the Scottish Parliament could not be altered to the disadvantage of the Sovereign Grant Act.

As I have said, the Sovereign Grant Act is an extraordinarily good way of funding the monarchy. It means Her Majesty is the highest marginal tax rate payer in the country. The Queen pays a tax rate of 85% whereas nobody else pays more than 45%. The Crown Estates are taken from the Queen at the beginning of the reign and the revenue is then taken to the Government. So the Queen subsidises her own Government throughout her reign. That is not an unreasonable situation, but the Sovereign Grant Act returns it, and that should be protected in any development of devolution.

Mr MacNeil: Everybody subsidises the Government through their taxes, and we in Scotland particularly subsidise the Government having paid more tax per capita every year for the last 31 years.

Incidentally, the hon. Gentleman might be pleased to know that Doris Day's birthday is 3 April 1922; I thank the ever-vigilant SNP press officer Stuart Easton for that piece of information.

Mr Rees-Mogg: I wish Doris Day many happy returns, albeit somewhat belatedly, but the hon. Gentleman is not right that all these Scottish taxpayers have paid more tax for 31 years, because some—very distinguished—SNP Members of Parliament are not 31 years old, so certainly have not been paying tax for that long.

Sir Edward Leigh (Gainsborough) (Con): My hon. Friend is giving a very fine Tory speech, not one from the Whiggish camp as we have been hearing from others, but I wonder whether in the deepest recesses of

his soul he is a Jacobite, and thinks that if there had been a different settlement we may not have had this problem. The serious point, however, is that we must allow the Public Accounts Committees of both Parliaments to look at the royal finances properly, which they cannot do at the moment.

Mr Rees-Mogg: I think that that is a terrible Jacobean, rather than Jacobite suggestion. Although this is not immediately relevant to the debate, I do not think the Public Accounts Committee should be looking at the royal finances. Her Majesty should be allowed some privacy on that, but that is a side issue.

6.30 pm

I want to conclude on the fundamental principle: the clause is a move towards independence. It is rightly welcomed by the SNP, but it should be resisted by Unionists. It divides the Crown, which should not and cannot be divided; it is fundamentally indivisible. I have tabled amendments to protect the revenue for the Crown because there was a genuine outpouring of royalist fervour from Scotland, and in particular from the SNP, after it was suggested that that source of revenue was being attacked. It is better to put that into the Bill than rely on generalised assurances of goodwill and good faith.

The other point is that I want to protect that which is not ours to give away. It is important that it is held together as one Crown Estate for the beginning of each new reign, rather than being cut up. If Scotland becomes independent, all that is different, but we should not pave the way for independence by cutting up the Crown. I think the measure was put in as something that is relatively easy to do. There are many more important areas that would give more real power to the Scottish Parliament than the Government and the Smith commission did not hand over, such as full fiscal autonomy, as my hon. Friend the Member for Gainsborough (Sir Edward Leigh) proposed. The Crown Estate seems to be one of those baubles that can be passed around, but symbolically, whatever else it is, it is not a bauble. It is essential to our understanding of the nation: one nation, one Crown.

Jack Dromey (Birmingham, Erdington) (Lab): It is always a pleasure to follow the hon. Member for Downton Abbey. I want to speak on employment in relation to section H1 in part 2 of schedule 5 to the Scotland Act 1998 and new clause 63. I rose from the Grunwick picket line ultimately to be elected as the deputy general secretary of the Transport and General Workers Union. I have believed all my life in the old trade union legends of “unity is strength” and “solidarity for ever.” I have seen the consequences of disunity, including in Scotland. I remember the activities of ruthless gangmasters in the fields and fish farms of Scotland, which our agricultural section was battling against. I remember the shameful pressures that were brought to bear by supermarkets on the slaughterhouses and packing plants of the meat industry. They drove down costs along the supply chain and led to a two-tier workforce. Newly arrived migrant workers—overwhelmingly, they were agency workers—were on poorer conditions of employment. Scottish workers here for generations were directly employed full-time on better conditions of employment. That divided workforces and damaged social cohesion—there was exploitation and undercutting.

Not once did we blame the workers concerned; we sought to unite them, and it was tough. I remember one plant in Scotland where there was a fight involving 100 workers in a car park, such were the strong divisions in the workforce over that two-tier labour market. We united that workforce around a recognition that it was not newly arrived migrants who were the problem, but ruthless employers seeking to undermine and undercut.

Unity was what we achieved, not only among workers in Scotland, but between workers in Scotland and England and across the four nations of the United Kingdom. As a consequence, we won landmark achievements for workers. The Gangmasters (Licensing) Act 2004 was the most complex private Member’s Bill taken through Parliament in 30 years, and it established the Gangmasters Licensing Authority. Jim Sheridan, a former Transport and General Workers Union convener at Barr and Stroud in Glasgow, sponsored that Bill. We also achieved equal treatment for agency workers and the directly employed. Finally, following a landmark inquiry by the Equality and Human Rights Commission into what had happened in parts of the north of England and Scotland, the supermarkets were compelled to end the two-tier labour market in the meat industry supply chain. Those battles, which changed life for the better and the laws protecting workers for the better would never have been won without a unity of workers north and south of the border, and a Labour Government.

Even under a Conservative Government, great battles were fought and won for Scotland and for Scottish workers—battles that could not have been won without that unity of Scottish and English workers. I will give two examples. First, I was privileged to lead the great battle against the closure of Rosyth dockyard. The yard was privatised in 1987. In 1991, a Conservative Government, encouraged by Conservative Members of Parliament in the south-west, moved down the path of closing Scotland’s biggest industrial establishment, Rosyth dockyard. Some 20,000 jobs hung on that decision. The Conservatives down south were saying, “Close Rosyth. Bring the work down to Devonport and we will see all the Navy’s work done on the south coast of England.”

Mr MacNeil: I thank the hon. Gentleman for his work in that period in Scotland; we have spoken about it privately before. Does he recognise that the problem of that period was that Scotland had a UK Government, like today, that we did not elect? Had we been an independent country then, we would not have had those problems and we would not have needed his mighty efforts to try to stem the damage that the then Tory Government were doing. The steps they took contribute today to the £1 billion annual defence underspend in Scotland.

Jack Dromey: Two unions saved Rosyth. The first was the campaign led by the TGWU that united the whole of Scottish public and political life. More than that, it united Rosyth and Devonport. I remember addressing a meeting of 9,000 workers at Devonport. They would have been the beneficiaries of the closure of Rosyth, and they were being encouraged by the Conservatives to back that closure, but they said no—they stood by the workers of Rosyth. The other union that saved Rosyth was the Union of England and Scotland. Had we had a Westminster Government making decisions

[*Jack Dromey*]

simply in the interests of England, we would have seen the closure of Rosyth. For me, the lesson of that great battle was that unity and solidarity north and south of the border are critical.

I shall give another example. The only time that British Aerospace was ever defeated on a workplace closure was in 1989, after it had announced the closure of the Bishopton royal ordnance factory. I was proud to lead the campaign against that, too, and we won. The factory ultimately stayed open for another 13 years, employing 500 workers directly and 1,000 in the supply chain. Again, absolutely key to that were the workers down south in the Chorley factory, which was the other explosives factory. They said, "If Bishopton is closed, we will not handle the work." Although they were English workers being told that it would be in the English interest to agree to the betrayal of Scottish workers, they refused to do it.

Mr MacNeil: I do not fully recognise the rosy picture that the hon. Gentleman is painting of that unity. If we remember, in the lifetime of the last Labour Government some 10,000 defence-related jobs were lost from Scotland, and we also have the £1 billion defence underspend in Scotland. We are told that we have greater public spending in Scotland, but that does not include those defence figures, because they come under non-identifiable spending. These non-identifiable spending figures are grossly and dramatically skewed towards the south-east and south-west of England, and Scotland is seeing an underspend. If the Union was as the hon. Gentleman is presenting it, we would not have that underspend; we would have our own taxes being spent in Scotland in that area and not have those taxes being shipped south in an area of non-identifiable spending.

Jack Dromey: I used a not dissimilar argument when it came to the lobbying on where the aircraft carriers would be built. I argued that there should be fair treatment of Scotland, with Rosyth playing a key part in the construction and assembly of those aircraft carriers.

The lesson of history on those great battles was that unity of Scotland and England and unity of Scottish and English workers are key. On other fronts, I have to say that some of the proposals emanating from the SNP cause grave concern, such as those on the future of pay bargaining. We fought throughout the Conservative years against the regionalisation of public sector pay bargaining. We were able effectively to see that off. To go down the path of separate agreements for Scotland, then for England, then for Wales and then for the regions of England would once again divide workers when unity is strength.

Chris Stephens (Glasgow South West) (SNP): I respect the hon. Gentleman's trade union activity. On pay bargaining, though, I fear that he is somewhat confused, as local government pay in Scotland is separate from that in England and Wales. In Scotland, the two-tier workforce agreement is still in place, which the Conservative Government dumped when they were elected in 2010. There are already discrepancies.

Jack Dromey: Some Scottish national agreements exist alongside agreements covering the rest of the UK, but is it really being said that we want the progressive atomisation of pay bargaining? Where does that ultimately lead?

Another example that surprises me about the Scottish National party's position is on the transfer of undertakings regulations. Under a Conservative Government, I took the case of the Eastbourne dustmen all the way to the European Court of Justice. The Court compelled the Government to extend the acquired rights directive to England, Scotland, Wales and Northern Ireland, which had been denied coverage for 10 years after the passing of TUPE. The lesson for me is that such fundamental rights are best obtained across the four nations of the United Kingdom.

Alex Salmond: When I, as First Minister, negotiated a no compulsory redundancy agreement with the civil service unions in Scotland, should I have not done that because the Government down here were not prepared to do so? When I negotiated with the Fire Brigades Union to stop the embezzlement of part of their pensions, which was being pursued down here, should I have not done that because this Government refused to do it?

Jack Dromey: In my trade union life, I frequently negotiated no compulsory redundancy agreements in a whole number of cities and throughout England, Wales and Scotland.

Chris Stephens: The hon. Gentleman seems to be very concerned about pay discrepancies. What is his view of the Scottish Trades Union Congress's position? It said in evidence to the Scottish Parliament's Devolution (Further Powers) Committee that issues such as the minimum wage fitted better in a devolved Scotland.

Jack Dromey: I shall come to exactly that point. New clause 63 in essence says, "Look before you leap." I do not want unity and solidarity between England and Scotland and between English and Scottish workers to become history. I do not want the border between England and Scotland to become an exploitation zone with employers able to take advantage of different arrangements.

Dr Daniel Poulter (Central Suffolk and North Ipswich) (Con): The hon. Gentleman is right that in some cases collective pay bargaining can bring benefits. We recognise that in the NHS, for example, Scotland has devolved powers to set pay arrangements, as does Wales, but the national pay review bodies recognise that discrepancies and differences in the pay scales and pay agenda in England and Scotland or in England and Wales can drive workforce patterns of behaviour and affect retention and recruitment. That might well be the point that he is trying to make.

Jack Dromey: That is exactly right. When the national framework, particularly for the national health service, was constructed—I was involved in the early stages of that construction—it provided a framework for the whole of the UK, within which was a certain flexibility that has been used subsequently.

Mr MacNeil: The hon. Gentleman has been very kind in giving way. A few moments ago, he asked rhetorically where this takes us on pay. Had Labour agreed to allow the minimum wage to be devolved to Scotland, that would have taken us to a higher minimum wage. Instead, Labour's position left control of the minimum wage across the entire United Kingdom in the hands of a Tory Government. Had the minimum wage been devolved to Scotland and gone up, as it would have done, that would have put pressure on that lot on the Government Benches to increase the minimum wage in England. Sometimes, centralised control is worse for the entire body than localised control in various corners.

Jack Dromey: I am sorry, but the lesson for me from my whole history in the trade union movement has been that battles for a higher minimum wage—and I would like to see the minimum wage become the living wage—are best fought by workers north and south of the border standing together in solidarity and unity.

Dr Philippa Whitford: The Scottish Government are recognised as a living wage employer. Does the hon. Gentleman not feel that having a Government who are willing to push the living wage, as the Scottish Government are, and to push employers to pay it, sets an example that makes it easier to get it followed down here, rather than having everyone in the United Kingdom kept down?

6.45 pm

Jack Dromey: We have been acting on the living wage north and south of the border. I was a founder member of the drive for the living wage in London. TGWU organisers, together with TELCO—the East London Citizens Organisation—and then London Citizens, organised 4,000 cleaners in Canary Wharf and the City of London. I am proud to say that I organised the first strike in the history of the House of Commons to win the living wage here. I am now working to drive up the living wage in Birmingham, which is the most advanced council of any in the country in enjoying the living wage. I have been at conferences of people from north and south of the border, all working together to drive up the living wage throughout the economy. I am sorry, but I will never give way on the thrust of what I am saying: these battles, whether they are for the minimum wage to become the living wage or for the implementation of the living wage, are best fought through solidarity between workers and all our country.

Owen Thompson (Midlothian) (SNP): I have listened intently to the hon. Gentleman's résumé of the actions he has taken, but for how long does he feel that it is appropriate for Members in Scotland to wait for a living wage economy to be introduced when we have such support for it from the Government and from local government across the nation? Should we be going at the pace of the slowest by waiting for the UK Government to take action?

Jack Dromey: Down south, together with workers from up north, we are working to drive the living wage. We are not waiting for our Government to embrace the living wage. We are driving it, city by city, council by council. In Birmingham, 134 private employers have now signed up to the minimum wage.

Alex Cunningham (Stockton North) (Lab): The hon. Member for Central Ayrshire (Dr Whitford) mentioned the Scottish Government's reputation for being a living wage employer. Is my hon. Friend aware of the work they are doing to persuade the contractors on their payroll, such as contract cleaners and others, to pay the living wage?

Jack Dromey: Let me give an example of what really matters on the living wage. In Birmingham, it affected not just the directly employed but the schools, and then all the contractors. Now, all future care contracts will be based on the living wage. Forgive me, but I say with the greatest of respect to the SNP Members in the Committee today that I have fought a fair few battles in Scotland for workers over the years—I suspect a few more battles than have been fought by Members of the SNP—and nothing will ever persuade me against the notion that the unity and solidarity of workers north and south of the border and of the nations of the United Kingdom is in the best interests of winning for workers.

Mr Grieve: I had not intended to speak in the debate, but the rather pejorative comments of the hon. Member for Birmingham, Erdington (Jack Dromey) in which he described my hon. Friend the Member for North East Somerset (Mr Rees-Mogg) as representing Downton Abbey prompted me to do so. My hon. Friend might at times appear to have a rather archaic way of approaching some of these issues, but in practice his analysis of the devolution of the Crown Estate that is proposed in the Bill is correct.

The Crown Estate is indivisible, because it is the Crown Estate of the United Kingdom. There is absolutely no reason why the revenue from it should not be allocated in different ways, including to the Scottish Government—I have no difficulty whatever with that proposal—but an issue arises in relation to the duty of this House to fulfil what is both a statutory and, in a sense, a fiduciary duty to ensure that the estate is properly managed and to hold to account the Ministers and, ultimately, the Commissioners who are responsible for that. The point has been made that the provisions in the Bill do not allow for the estate's alienation, but that does not mean that it could not be so mishandled in the course of its management that its value did not diminish substantially. I assume that, as a result of the Bill and of Sewel motions, this House would no longer be in a position to scrutinise how that management was taking place if that were to happen.

The Crown is a reserved matter, and the running of the Crown Estate is intimately concerned with the affairs of the Crown, so this proposal is a constitutional novelty that my hon. Friend the Member for North East Somerset was quite right to highlight. I hope that the Secretary of State will tell us more about the issues relating to alienation, about the management of the Crown Estate and about the extent to which this House—which is ultimately supposed to maintain the dignity of the Crown—will have a role hereafter in respect of those parts of the Crown Estate that are being managed elsewhere.

Mr MacNeil: The right hon. and learned Gentleman referred to the proposal as a "novelty". He might have missed the earlier intervention by my right hon. Friend

[*Mr MacNeil*]

the Member for Gordon (Alex Salmond), who said that the administration of the Crown was given to the Irish Free State in 1923. What view does he take of that novel innovation?

Mr Grieve: I disagree with the right hon. Member for Gordon (Alex Salmond), because the creation of the Irish Free State in 1923 involved the creation of a separate sovereign state. In the light of last year's referendum result, that is not what we are doing here. We are trying to create a quasi-federal state that will recommend itself to the citizens of all parts of the United Kingdom while preserving this basic unity. One of the bases of that unity is the Crown, and the Crown Estate is intimately linked to the Crown. That is why matters relating to the Crown have always been reserved here. To that extent, the proposed change should not pass without comment, and I will be interested to hear from the Secretary of State how the safeguards will be introduced.

There are other oddities relating to the way in which the clause is drafted. Indeed, I have spent quite a lot of time trying to fathom out why it has been drafted in this way. I think it is understood that parts of the Crown Estate could end up not being devolved, because certain aspects of partnership operations would not allow for that to happen. I would be grateful for the Secretary of State's comment on the fact that the option appears to have been preserved for the creation of a completely new and separate Crown Estate in Scotland, based on purchases made in Scotland by the Crown Estate Commissioners of the United Kingdom, who are still based in London. Without that option, the wording of some of the provisions in clause 31—particularly of proposed new subsection 90B(5)—would otherwise be incomprehensible. I would be interested to hear what the Secretary of State has to say about that. I must assume that it has been done deliberately in order to allow for the possibility of the Crown Estate's Commissioners of the United Kingdom to continue to make investments north of the border if they so wish. There is nothing wrong with that, but it raises further questions.

Perhaps I am approaching this from too much of a lawyer's point of view, but the nature of this debate does not seem to lend itself to simplicity. The lack of simplicity has the potential to undermine the aim that I have, as a Unionist, to find a long-term or permanent settlement—albeit not the one under which I lived 20 years ago—that will last for the United Kingdom and for all its parts. I hope that the Secretary of State will forgive me for saying that this aspect of the legislation highlights an underlying concern that we are gently salami-slicing our constitution.

The right hon. Member for Orkney and Shetland (Mr Carmichael) raised the question of changing the Standing Orders of this House by means of only one afternoon's debate. I have considerable sympathy with that point, and I hope that I will be in a position to add to it tomorrow. There might be good reasons why that is the only way we can proceed, but I believe that we shall have insufficient time in which to debate the matter properly.

For all those reasons, I hope that my right hon. Friend will provide the answers to all my specific questions on the details of the Bill in due course. It strikes me that

the end product could be two Crown Estates north of the border, one of which has been devolved—although it is unclear how this Parliament would retain its fiduciary duty to ensure the estate's good management—and another completely new one that could be created some time in the future.

Mr MacNeil: The right hon. and learned Gentleman talks about the possibility of two Crown Estates, but there could be more, such is the potential for innovation in Scotland. The move to give control of the Crown Estate to Edinburgh is not the end of the story. We could see separate Crown Estates for the island of Eriskay, the islands of South Uist and North Uist and the island of Benbecula, for example. Things could change quite a lot. He is very much mistaken to suggest that the Crown Estate is the glue that holds the United Kingdom together. We are looking at what will work practically and for the benefit of the people who live in island and coastal communities.

Mr Grieve: I certainly do not think that the Crown Estate is the glue that holds the United Kingdom together. I can reassure the hon. Gentleman on that. There are all sorts of other things that provide that glue.

I said that I was perhaps looking at this too much from a lawyer's point of view, but I like to look at structures that have some coherence. This particular structure is showing signs of not being coherent. One of the problems with these debates in which we try to reach a sensible and lasting constitutional settlement is that although I would love to accept the arguments put forward by the hon. Member for Na h-Eileanan an Iar (Mr MacNeil), I am conscious of the fact that he does not really want a solution to the problem. Just as the Irish question is said to have changed every time Mr Gladstone asked it, so the hon. Gentleman changes the question each time an answer comes up. He has a desire for certain structures, and although I will do my best at all times to deliver what the Scottish people want, I do not always find it easy to accept the songs that he sings, which are generally designed to lure the Union of the United Kingdom on to the rocks.

Sir Edward Leigh: My right hon. and learned Friend said that the Crown Estate was not the glue that held the United Kingdom together. Nothing much is going to change in regard to the Union following these changes to the Crown Estate. The Government are to be commended for the fact that we are having four days to debate these matters, enabling us to go into great detail. However, I support something that he said earlier, and I hope that others were listening. When we are discussing a subject as fundamental as English votes for English laws, which has a direct relationship with the preservation of the Union, particularly in regard to the Barnett formula, one day's debate is simply not enough.

Mr Grieve: I am grateful to my hon. Friend for his comments, but I do not want to be out of order, so I shall not stray too far along that road.

My hope is that we can find a sensible long-term settlement that will meet the desires of the people of the United Kingdom, but my main worry is that that will prove elusive if we pursue a series of measures that do not seem to have been fully reasoned through. I hope

that the example in this vignette is one on which my right hon. Friend the Secretary of State will be able to provide all the reassurance I need. Nevertheless, I would not be doing my duty as a Member of Parliament if I did not flag it up.

7 pm

Alex Salmond: What my hon. Friend the Member for Na h-Eileanan an Iar (Mr MacNeil) provides is the Castlebay answer to the Scottish question, to which the right hon. and learned Member for Beaconsfield (Mr Grieve) should listen with great care. It is always put forward with the ultimate good will.

I am in a race against time because I have 3% power left in my iPad and I want to read into the record the following quotation:

“The Scottish Government agrees with the Islands Councils that marine activities in the territorial waters of Scotland adjacent to the islands can have impacts on the community as well as delivering financial benefits to the local economy. The Scottish Government committed in *Scotland's Future* to ensuring the island communities benefit by receiving more than 50 per cent of Crown Estate seabed leasing revenues.

The marine assets of island communities are key to their future and the wealth that is generated should be reinvested to safeguard that future. The Scottish Government will therefore ensure that 100 per cent of the net income from the islands seabed is passed to island communities.”

That is a clear statement from a document entitled “Empowering Scotland’s Island Communities”, which I launched as First Minister last year with the three island convenors from the three island authorities, and which was broadly supported, particularly because it made the point of support not just to local authorities but to island communities, and it encompassed all the island communities of Scotland.

There was a similar declaration of intent in the principles agreed in the Smith commission. The bona fides of the Scottish Government on this matter, I may say to the right hon. Member for Orkney and Shetland (Mr Carmichael), have just been demonstrated massively in the general election in the support that was gained across these communities and in Orkney and Shetland in particular. Given these substantial bona fides, the agreement and the Smith commission, why on earth does he feel it necessary to write into the Bill what the Scottish Parliament and the Scottish Government should do with powers that are devolved?

There is nothing in the actions or performance of the Scottish Government and the Scottish Parliament, and the massive support that they have received across island communities, that should put anyone in any doubt of the intent, once the Crown Estate revenue is devolved, to make sure that our coastal communities and our island communities benefit in full measure. It is the very antithesis of devolution to write prescriptively into legislation what will be done after the powers are devolved. From someone who admitted in the Chamber today that he could not find agreement, or consensus, as he put it, when he was Secretary of State for Scotland to get the power devolved in the first place, it takes substantial brass neck to put forward the amendment that he tabled.

Speaking of brass neck, although he does it so elegantly, the hon. Member for North East Somerset (Mr Rees-Mogg) was found out three weeks ago by jumping to the bait of

the—I was going to say the tabloid press, but the tabloids were innocent in this matter; it was the disreputable press—*The Daily Telegraph*, the *Daily Mail*, *The Times* and so on, added to on this occasion, disgracefully, by *The Guardian* and Channel 4, which leapt on to the totally misleading, erroneous story that a plot was afoot to cut the Crown revenue. As has been pointed out factually, the Crown revenue does not come from the Crown Estate. It is merely used as a proxy for the level of the royal grant.

The hon. Gentleman attempted to reinterpret his mistake and his charging in to get a few column inches—I had better call them inches in his case, as opposed to centimetres—in those disreputable newspapers, by telling us that it was some elaborate ruse to tempt out the monarchist tendencies in the Scottish Government so that he could ensure that those loyalist noises would come from the Scottish Government, as they were outraged by the very suggestion that any republican sympathies had broken out. The hon. Gentleman would have done himself more credit if he had just said, “The press got it wrong and I got it wrong, and we should all look before we leap where these matters are concerned.”

Mr Rees-Mogg: The truth is that that did lead to a wonderful outpouring of monarchical fervour from Scotland. That is to be commended. I am just a bit worried that the former leader of the Scottish National party is not as supportive of the monarchy as his successor.

Alex Salmond: I was objecting not to the outpouring, but to the suggestion from the hon. Gentleman that he had planned this all along—that this was all part of some dastardly scheme he had dreamt up. That stretched our credulity rather too far.

I know that the acronym IPSA—the Independent Parliamentary Standards Authority—is not beloved in this Chamber, and on coming back to this House I can see why. How on earth have Members managed to order their affairs and deal with goodness only knows what over the past few years? IPSA is not beloved, but IPSO—the Independent Press Standards Organisation—should be beloved. Today IPSO, the new self-regulating press arrangement, delivered a humiliating rebuff to *The Daily Telegraph*. Although it is printed on the front page in microscopic form, none the less there it is on the front page, a full-scale apology to the First Minister of Scotland for the totally erroneous story that was published during the general election campaign, with which some Members of the House are familiar and some are very familiar indeed, concerning her views on which UK Government she preferred.

IPSO is on a winning run and should now pursue those dreadful papers—right-wing bastions such as *The Guardian*, and those even further right-wing bastions such as *The Daily Telegraph*, *The Times* and the *Daily Mail*, which published such a dreadfully inaccurate story and tried to muddy the waters of this debate about the Crown Estate and cast aspersions on the monarchical loyalties of our First Minister of Scotland.

It is important that the reason for the overwhelming wish to see these matters devolved is a real belief in the island and coastal communities of Scotland that local management of these resources will achieve considerable benefits overall. It is a question not of reducing revenues, but of increasing economic activity. For many years

[Alex Salmond]

I represented a fishing constituency, and I can tell Members that the Crown Estate has not been a popular institution among many of our fishing communities. Many of our small harbours in particular found the harbour dues on the foreshore extremely onerous. The only victory I can remember was in the town of Gardenstown in Banffshire, where the harbour commissioners were suffering from the imposition of a very substantial bill from the Crown Estate commission.

We were able to discover a royal deed from Charles II, from a time when he had been crowned King of Scots but was still to assert his rightful throne south of the border. He had a fantastic time one night in Gardenstown as he was gathering an army before the battle of Dunbar and as a result, in a fit of generosity, wrote an exemption from all Crown dues. We were able to produce that deed from the 17th century, and Gardenstown harbour, I can report to the House, is free from the imposition of the Crown Estate revenue, but other communities in Scotland have not been as fortunate. Members will therefore understand full well why there is a general desire to see such resources being applied to the economic benefit of local communities.

My final point applies to other clauses that we are debating and particularly to the speech that we heard from the hon. Member for Birmingham, Erdington (Jack Dromey). His idea that the devolution of key aspects of labour relations and wage policy will lead to a diminution of standards does not stand up to any examination of the reality of devolution in Scotland. I pointed out to him the no compulsory redundancy agreement which, uniquely, the civil service unions have negotiated by the SNP Government. The pensions benefit that the Fire Brigades Union has—a small benefit in terms of the overall imposition on public sector unions, but none the less a benefit that the union values—happened because the Scottish Government were able to negotiate it. Our nursing community—nurses in the national health service—was mentioned. Nurses last year got a pay rise in Scotland because the Scottish Government followed the recommendations of the pay review, whereas the Government down here did not.

Given that experience and given the fact that the Scottish Government are an accredited living wage employer, the suggestion that people sacrifice those benefits so that the hon. Gentleman can get his uniformity, which he seems to think is crucial across the United Kingdom, would explain why there is a divergence opening up between his views and those of the Scottish Trades Union Congress on how best to achieve progressive change in Scotland.

That is a matter of great current interest, because this week we will discuss the Budget, and one of the issues of greatest importance under discussion will be the diminution of in-work benefits. Thousands of people across all our constituencies face the prospect of a substantial reduction in their standard of living as a result of the course that the Chancellor has set. He says, of course, that he wants to end the situation in which huge subsidies are going to a range of private sector employers. One approach that the Scottish Government might take, were we to have control of the minimum wage legislation, would be to increase the minimum wage quickly to the living wage, thereby reducing in-work benefits through the early increase of wages, as opposed

to reducing them before any wage increases are forthcoming, which I think is the fate that is in store for workers across our constituents.

The challenge is therefore twofold. First, Members who believe that the right course of action is to increase the minimum wage towards the living wage, or to see the living wage more generally applied, would like to see that as a prerequisite before in-work benefits are cut. Secondly, with regard to the suitable amendments before the Committee, for Members representing Scottish constituents, and for those who are sympathetic to progressive politics, would it not be safer, given all the evidence to place matters in the hands of the Scottish Parliament and the Scottish Government, to achieve that and protect the living standards of Scottish workers?

Drew Hendry: I rise to support new clause 57. The transfer of the Crown Estate in Scotland and its assets was a key commitment agreed to by the cross-party Smith commission, and I know that the Secretary of State will be keen to deliver it in full. The Heads of Agreement stated, in paragraph 32:

“Responsibility for the management of the Crown Estate’s economic assets in Scotland, and the revenue generated from these assets, will be transferred to the Scottish Parliament. This will include the Crown Estate’s seabed, urban assets, rural estates, mineral and fishing rights, and the Scottish foreshore for which it is responsible.”

We have heard a lot today about the nonsense of connecting payments of the Crown Estate and the royal grant, so I will not go into that. I think it is fair to say that unfortunately we will not be supporting the amendment tabled by the hon. Member for North East Somerset (Mr Rees-Mogg).

The amendment proposed by the hon. Member for Edinburgh South (Ian Murray) has the look of a sensible proposal. Were it not for the Treasury’s approach to the transfer scheme, it might have been worthy of support. However, when put together with the Treasury transfer scheme, it would have the effect of removing from Ministers the ability to exercise management functions, which would be logical and necessary.

The Bill, as it stands, fails to meet the promises of the Smith commission. New clause 57 would reduce the frankly unnecessary complexity of the current arrangements relating to the Crown Estate. By removing the reservation relating to the management of the Crown Estate, it would provide the Scottish Parliament with full legislative competence in relation to the management of the Crown Estate in or as regards Scotland. It would also transfer any functions of the Crown Estate Commissioners in relation to the rights to the continental shelf beyond the 200-mile limit adjacent to Scotland.

If the Government are truly committed to delivering on the promises of the Smith commission, much needs to be done to reduce the level of unnecessary complexity in the Bill. As drafted, it provides for restrictions on the Scottish Parliament’s ability to legislate and for retention of the Crown Estate Act 1961 powers. These carve-outs and powers of direction were not envisaged by the Smith commission. For example, the area of the continental shelf beyond the 200 nautical mile limit, where the Crown Estate has “spill over” responsibilities, is not covered by the proposals.

The Bill also excludes assets not wholly owned by the Crown Estate. The most striking example must be Fort Kinnaird shopping centre in Edinburgh. As I pointed

out earlier, the Smith commission agreed that the Crown Estate's economic assets in Scotland, and the revenue generated from them, would be transferred to the Scottish Parliament, and that specifically included urban assets. To be clear, that is economic assets and urban assets. Fort Kinnaird generates net revenue of up to £8.4 million a year—surely a significant urban asset—yet the Bill seeks to exclude it from transfer on the basis that for the Crown Estate it is not an asset. That is nonsense. The Crown Estate is in a 50:50 partnership with a company called Hercules. The seventh labour of Hercules was to capture the Cretan bull. In this particular piece of mythology that we are debating tonight, it is no Herculean feat to capture the bull contained in this exception. This is an asset. Therefore, to honour the Smith commission agreement, it must be included.

7.15 pm

Another serious issue—I am grateful to the right hon. and learned Member for Beaconsfield (Mr Grieve) for pointing this out earlier—is the proposal to allow the Crown Estate that is not devolved in this agreement to continue to operate within Scotland, potentially using assets remaining in Scotland, and revenues raised in Scotland, effectively to compete head-to-head with the devolved assets. Although there is a suggestion that that route would not be used by the remaining Crown Estate, there is no guarantee or protection from any future decision taken. It would surely be best to protect against the devolved Crown Estate becoming a “toom tabard”—an empty jacket—as a consequence of corporate power wielded outside Scotland.

Let me turn to the amendment proposed by the right hon. Member for Orkney and Shetland (Mr Carmichael). He might not remember that, as a former leader of Highland Council, I was one of the people who asked him over many years for the devolution of the Crown Estate, as did my predecessor in that role, Michael Foxley, the Lib Dem leader of Highland Council, and he, too, received no response—I am looking around for the right hon. Gentleman, but I cannot see him in the Chamber. I am sure that he has tabled his amendment for the best of reasons, but it does not take into account local communities or local authorities with island communities that have supported and have an interest in the “Our Islands: Our Future” proposals, such as the highlands and Argyll and Bute. They, as well as those other communities, must be taken into account.

The Smith commission recommended that, following the transfer to the Scottish Parliament, responsibility for the management of those assets would be further devolved to local authority areas such as Orkney, Shetland and Na h-Eileanan an Iar, and to other areas that seek such responsibilities. As we heard earlier from the former First Minister, the Scottish Government plan to allocate 100% of the net income from the islands' seabed leasing revenues to island communities, rather than to central Government. That is not for Westminster to decide; it is an issue for Scotland and the ministerial island working group, which incidentally is meeting this Wednesday to progress discussions. In discussions today with a council leader from the island group, I was assured that they are content with the Scottish Government's proposals on a commitment to further devolution to the islands once powers are devolved to the Scottish Parliament.

In conclusion, there is an opportunity to really deliver on the Smith commission if these obvious issues are

addressed through our new clause. Communities across Scotland have been waiting for and are expecting the full devolution of the assets and revenues of the Crown Estate in Scotland. Let us see that promise delivered by making sure that the Bill lives up to the serious expectations of the people of Scotland. I commend new clause 57 to the Committee.

Ian Murray (Edinburgh South) (Lab): It is a pleasure to serve under your chairmanship, Sir David. I was incredibly surprised to hear during an earlier point of order that this is apparently an English and Welsh only Bill, so perhaps that is the first point the Secretary of State for England and Wales would like to clear up when he comes to the Dispatch Box. It is a great privilege to speak for the Opposition on day four of the Committee's considerations. I will speak to amendment 52, which is the first in this group standing in my name and that of my hon. Friend the Member for Caerphilly (Wayne David), and to all the other amendments and new clauses that stand in our names.

The Labour party has tabled 34 amendments to this section of the Bill, and 81 amendments to the entire Bill so far. It is a shame that the Secretary of State, who has been derided for some of this in the Scottish media, has not accepted any of these amendments, although he says that he is looking at the sensible ones. Will he enlighten the Committee on which amendments those are and on his direction of travel? That would allow to us shape some of our thoughts on Report.

Alex Salmond: That is indeed a mighty number of amendments. I am looking at the lack of support that the hon. Gentleman is carrying on his Benches. The hon. Member for Birmingham, Erdington (Jack Dromey) told us that he had organised the first strike in the House of Commons. From the look of the Labour and Tory Benches, that strike seems to be ongoing.

Ian Murray: Given the time limits that we have on this debate, I feel that we have just wasted 30 seconds through a rather unnecessary intervention by the right hon. Gentleman, but, as we always say, it is quality and not quantity when we are having these debates. *[Interruption.]* I find it strange that I have been on my feet for less than two minutes—I have barely got to the end of the first page of my speech, half of which has been amended—and the baying from SNP Members has already started. If they just sat and listened for a few moments, they might find that I actually agreed with them on some of these amendments. I would have carried on to the second page of my speech had not the right hon. Gentleman intervened on me at that point. *[Interruption.]* I feel that a bit of common courtesy might be called for in these important debates. In fact, we might get an awful lot further if we had a bit of common courtesy.

These parts of the Bill cover Scotland's road and rail infrastructure, its Crown Estate territories, and controls over tribunals and equalities legislation. The Secretary of State and the UK Government must deliver on these proposals, and go further. However, it is also for the Scottish Government to explain what they want to do with these powers; to date, they have studiously avoided doing so. *[Interruption.]* We have heard a lot in today's debate, but also in the other three debates—

Alex Salmond: It says here.

Ian Murray: It does say here, because it is a speech, and that tends to be what happens. The right hon. Gentleman chunters from a sedentary position, “It says here”, but he was reading from his iPad earlier—with 3% of its battery left, as he told the Committee. If we are not supposed to read speeches in this place, I am not sure what we are supposed to do.

Alex Salmond *rose*—

Ian Murray: I will give way to the right hon. Gentleman, but first I say this: he is wasting the time of the Committee in a time-limited debate that should finish at 8.37 pm, and we want to get on to some of the substantive issues.

Alex Salmond: I was reading from the iPad because I was quoting from the Scottish Government document, “Empowering Scotland’s Island Communities”, released last year, which says exactly what the Scottish Government intend to do with the revenue from the Crown Estate in relation to island and local communities. Having learned that, would the hon. Gentleman now care to withdraw his remark?

Ian Murray: The right hon. Gentleman asks me to withdraw my remark, but he asked to intervene before I made it, so he obviously wanted to intervene about something else. As they used to say on the radio, “What’s your point, caller?” [*Interruption.*] I can stand here and waste time until 8.37 pm if SNP Members want me to. I believe that many of them want to speak, but if they want to continue to waste time, that is entirely up to them. I can stand here all evening and then allow the Minister to speak shortly before we move on.

I believe that most of the clauses in this part of the Bill match the spirit and letter of the Smith agreement, but we wish to make sure that there is clarity, and to go slightly further. We have identified areas where the Bill can go further, primarily by placing more specific duties on the Scottish Parliament and Scottish Ministers, and also on the Secretary of State to deliver on these powers. Labour’s amendments would require the Scottish Parliament to work towards gender balance in the membership of the Scottish Parliament and on the boards of Scottish public authorities; require the Scottish Parliament to establish a process to end the system of employment tribunal fees in Scotland; devolve the enforcement of equalities legislation to the Scottish Parliament; and make sure that Scotland can, if it so wishes, implement a not-for-profit people’s railway.

We have already heard some debate about the Crown Estate, so I will canter through this part of my speech rather quickly to allow other Members to speak. Clause 31 transfers management of the Crown Estate’s Scottish assets and income to Scottish Ministers. That terminology is vital in terms of some of the questions we have for the Secretary of State. These assets account for about 3.9% of Crown Estate revenues. They include several rural estates; commercial property in Edinburgh; mineral and salmon fishing rights; approximately half of the coastal foreshore; and almost the entire seabed, including rights on the continental shelf. Crucially, the clause does not transfer rights over joint investments. As the hon. Member for Inverness, Nairn, Badenoch and

Strathspey (Drew Hendry) said, there has been considerable local press coverage about Fort Kinnaird in Edinburgh as it is not owned by the Crown Estate but is merely a joint investment. Why it is specifically excluded given that—the hon. Gentleman is absolutely right—even if it is just a 50% shareholding, it should be deemed to be an asset in terms of a being shareholding? It would be useful if the Secretary of State clarified that.

I largely agree with the clause as drafted, albeit with two small amendments. The first is the amendment tabled by the right hon. Member for Orkney and Shetland (Mr Carmichael). I understand that the reason for the current wording of the clause is that the Treasury requires the legislative consent of Scottish Ministers before making such a scheme. However, once that consent has been given, as I assume it would be, the wording does not definitely require the formation of a scheme. Our amendment 52 would replace reference in line 36 to “Scottish Ministers” with “Scottish Parliament”. Ministers are transient, whereas the Scottish Parliament is permanent, and that should be recognised in all the clauses of this Bill.

The transfer of Crown Estate assets entails the transfer of staff and tenants to a new employer and landlord. It is vital that that transition is as smooth as possible to minimise unnecessary disruption and anxiety to workers and to tenants. I would welcome an assurance from the Government that every effort is being made to ensure that that will be the case. The right hon. and learned Member for Beaconsfield (Mr Grieve) and the hon. Member for North East Somerset (Mr Rees-Mogg) asked some legitimate questions that the Secretary of State should take on board and try to answer.

Finally on the Crown Estate, will the Secretary of State deal with the issue of the coastal communities fund? That is not directly funded by the Crown Estate but by the Treasury as part of the revenues of the Crown Estate. Will that situation continue or will the responsibility transfer to the Scottish Government? The fund is hugely important for Scottish coastal communities, and it is important to get clarity on its continuation, whether paid for by the Treasury or by the Scottish Government.

We will support amendment 57, in the name of the right hon. Member for Orkney and Shetland, as we believe in the concept of double devolution to get powers into the hands of the communities best placed to use them effectively. I agree with what the right hon. Member for Gordon (Alex Salmond) said about coastal communities. I recognise, however, that the right hon. Member for Orkney and Shetland is using this as a probing amendment to make sure that the issue can be on the agenda. He is right that it does not have to be included in the Bill, but I am glad that it has been raised.

Clause 32 devolves powers over equal opportunities bodies to the Scottish Parliament. The Labour party has always been a staunch proponent of women’s rights and the promotion of female representation. As respected organisation Engender has observed, there is compelling evidence to suggest that lack of gendered power balance in the wider public domain has a major impact on equality of outcomes across Government Departments. I therefore welcome the transfer of these powers, which will add to the tools available to the Scottish Parliament to tackle gender inequality in all its guises. There are very few legislative opportunities to provide for meaningful advancement in these areas, so we should grab those

opportunities when they arise. We have seen that voluntary quotas or non-statutory targets can go some way towards this but are not as effective as legislation.

Our amendment 123 would amend clause 32 to include a specific requirement for gender balance among Members of the Scottish Parliament and members of boards of Scottish public authorities. That would devolve the issue to the Scottish Parliament and allow for it to be debated and properly implemented there. The Scottish Parliament has achieved much to be proud of, but in this area we are lagging behind our European partners. We should also deal with the dreadful record on such issues in this place. In appealing for the Committee's support on this, I reassert my belief that equality is not a party-political issue. I want us to work together on it. I thank the cross-party campaigning group Women 50:50 for their support for the amendment and their "It's as easy as 123" campaign. I hope that Members will also support new clause 41, which would require Scottish Ministers to undertake and publish a review of the measures they are taking further to help and promote gender equality in the membership of the Scottish Parliament and on the boards of Scottish public authorities.

New clause 66, tabled by the hon. Member for Gainsborough (Sir Edward Leigh) and new clause 56, tabled by the hon. Member for Southport (John Pugh), propose the devolution of abortion law and other connected laws, with regard to the relevant section of the Scotland Act 1998, to the Scottish Parliament. We will vote against the new clauses if they are pressed to a vote because we believe that a woman's right to choose should be determined by robust medical evidence and not by where they live.

There is no reason why women in Edinburgh should face a different experience from women in Exeter. Many would argue that the current system needs to be improved, but that would be best achieved in a UK framework and should be part of a debate separate from that on the constitution.

Mr MacNeil: That is remarkable, because those matters are linked to countries' constitutions. The limits are different in almost each and every European country. Why cannot they be different or the same across the UK—whatever the most democratic forums in each part of the UK choose? I am surprised at the hon. Gentleman's negation of democracy.

7.30 pm

Ian Murray: The next part of my speech offers an explanation of our opposition to devolving that particular issue across these islands.

Mr MacNeil: What about Northern Ireland?

Ian Murray: The hon. Gentleman is chuntering again. I will come on to the Northern Ireland issue. This is an incredibly serious issue and we should discuss it in a sober, proper and mature manner. Whether someone is pro-choice or pro-life, these are incredibly sensitive and emotive issues to which we should give due consideration.

Our opposition to devolving this particular issue is threefold. First, we stand with the 13 organisations from Scottish civic society, including Amnesty International, Scottish Women's Aid and the Scottish Trades Union Congress, which have called on us to vote against the amendments. We share their concerns that the proposal

has not been properly consulted on and that, on existing evidence, it could lead to harming a woman's right to choose. The statement they have sent to all Members of this House concludes:

"Women across the UK have fought for women's bodies to be their own and, to this day, fight opposition to a woman's right to choose. We do not wish this amendment to open the doors to those who seek to undermine this right."

John Pugh: Does the hon. Gentleman seriously think that the Scottish Parliament would disregard those sentiments?

Ian Murray: I do not think that the Scottish Parliament would disregard them, but it is worth giving proper consideration to the Smith commission's proposals and the cross-border issues, rather than just devolving the issue of abortion for the sake of it.

Sir Edward Leigh: May I have the hon. Gentleman's view on the logic of allowing the Scottish Parliament to deal with assisted dying, which is just as emotive and important an issue, but not with abortion?

Ian Murray: That is the framework of the Scotland Act 1998.

Mr MacNeil: Is it logical?

Ian Murray: Well, devolution in a lot of instances is not logical, because—[*Interruption.*] I am answering the intervention of the hon. Member for Gainsborough (Sir Edward Leigh). If the hon. Member for Na h-Eileanan an Iar (Mr MacNeil) wants to intervene, I am more than happy to allow him to do so, but he must let me answer the intervention first. A lot of devolution is illogical, because that is how devolution works.

I hope that the hon. Member for Na h-Eileanan an Iar will allow me to get to the second and third reasons for our opposition to the devolution of abortion at this stage. As I have said, our first reason for opposing it is that we are being asked to do so by women's organisations in Scotland. Secondly, the Smith commission clearly stated that

"a process should be established immediately to consider the matter further."

That has not happened. On 21 July, a Scottish Government spokesperson told the BBC that talks with UK Government Ministers on the devolution of abortion law had begun prior to the election. I would welcome an intervention from the Secretary of State or, indeed, anyone on the SNP Front Bench to inform the House about the discussions that have taken place so far, but the Smith agreement is clear and the promised process has not emerged.

This is not the proper process for which Smith asked. I understand that the issue was put on the table rather late in the day at the Smith commission and that it was agreed that there would be a proper process of discussion, debate and dialogue before any particular change is made to the constitution or the law.

Dr Philippa Whitford: Does not the hon. Gentleman think that this could be the start of that process? If there is an agreement in principle that the powers will be devolved, that discussion can begin. If we throw the amendment out, it will disappear.

Ian Murray: There is a point of difference between us on how we interpret this issue. The 13 organisations that have written to us are experts in this field and have asked us to vote against the amendment, and I think we should listen to them. I do not disagree with the hon. Lady. Everyone has their own views, not only on this, but on the devolution process. I just feel that, having weighed up all the issues, we should listen to what the 13 organisations have said, follow the proper process outlined by Smith and see where we go.

The third reason for our opposition is that the UK already has a two-tier system on abortion, with a different legal position in Northern Ireland. That has been heavily criticised by human rights organisations and the United Nations. We do not wish to create yet another category of abortion law in the United Kingdom that could fall foul of them. That is not to say that devolution might not be desirable at some point in the future, but let us go through the proper process.

The devolution of abortion law would mean that the Scottish Parliament would have to start from scratch. The law is established and is operating effectively in the United Kingdom. It should continue to operate across the UK and be determined by the best clinical advice available.

Let me turn to new clause 64, which would fully devolve responsibility for enforcement of equalities legislation to the Scottish Parliament. An important principle of devolution is that it should not lead to the exercise of power becoming disjointed across nations. As some of my hon. Friends have made abundantly clear, we believe that legislation on employment rights must remain consistent across the United Kingdom in a single market, in order to avoid any erosion of those rights and a subsequent race to the bottom on pay, terms, conditions and practices.

To quote the Trades Union Congress:

“Any move to devolve responsibility for employment and trade union rights could have profound implications not just for working people in Scotland, but across the whole of the UK. The TUC would strongly counsel against a ‘race to the bottom’, with the Scottish and Westminster governments competing to attract investment by promoting a more de-regulated labour market.”

That is what we see right across the world in terms of competing markets, particularly labour markets. I agree with the TUC. Given that we do not propose to devolve employment law, it would be neither consistent nor desirable to devolve equalities legislation, because they are inextricably linked. I will speak about the specific issue of the national minimum wage at the end of my contribution.

Chris Stephens: The hon. Gentleman has quoted the TUC, but in various debates on the Bill he has quoted the STUC. Will he confirm that the STUC is clear that employment law and health and safety law should be devolved to the Scottish Parliament?

Ian Murray: I do not disagree with the hon. Gentleman: that is the STUC’s view. The TUC takes a slightly different view. We have to be very careful, as the TUC points out, that we do not create a race to the bottom. As I have said, it strongly counsels against a race to the bottom.

Mr MacNeil: We want a race to the top.

Ian Murray: We all want a race to the top, but we need to make sure that we are doing all these things properly, with cross-border agreement between Governments both north and south of the border.

It would not be inconsistent to devolve the enforcement of equalities legislation, as suggested by the STUC and our new clause 64. The STUC argued in its submission to the Smith commission:

“Ultimately equality law is governed by European minimums and...the law as it currently stands is positive and tends to support the advancement of equality. The major barrier to achieving equality therefore is not the law, but practice, culture and indeed discriminatory attitudes. Therefore enforcement is key to advancing equality and major gains could be made if enforcement was carried out in line with Scottish expectations and the needs of the Scottish economy.”

I hope that Members will recognise the logic of that assertion and support new clause 64, which would allow for the creation of a bespoke enforcement regime in Scotland that would take a full view of the distinct nature of the Scottish equalities landscape, but within the UK and EU legislative framework.

Clause 33 devolves to the Scottish Parliament new powers over the administration of employment tribunals. My amendment 54 would add a specific requirement on Scottish Ministers to initiate a process, in conjunction with the Advisory, Conciliation and Arbitration Service and the Scottish trade unions, to end the system of employment tribunal fees in Scotland.

My amendment is barely different from an amendment tabled by SNP Members. We all wish to see the end of employment tribunal fees, because there is no doubt that the figures show that they are a barrier to justice. Those are not just my words; they are also included in a letter to the former Justice Secretary signed by 40 QCs and 400 barristers who argued that

“fees are a significant barrier to access to justice and are preventing employees from being able to complain about contraventions of their employment rights.”

The letter further observed:

“The introduction of fees has had no discernible impact on the outcome of cases.”

It surely cannot be fair for a pregnant woman who is being discriminated against at work and who might have just lost her job to have to find a £1,200 fee at a time when family budgets are more stretched in order to seek redress in an employment tribunal. When I was the shadow Minister for employment relations in the last Parliament, we made those arguments consistently during debates on the Small Business, Enterprise and Employment Act 2015. You may have chaired that Bill Committee, Sir David, so you will be well versed with those issues. This policy is fundamentally unfair; it is a tax on justice.

Fortunately for those of us in Scotland, the Bill is an ideal opportunity to do something about employment tribunal fees. Amendment 54 would enshrine in law the Scottish Government’s responsibility to establish a proper process to put an end to these pernicious and unfair charges in the Scottish tribunal system. I hope that we will get support for that amendment.

Alan Brown (Kilmarnock and Loudoun) (SNP): There is agreement across the Opposition Benches on making employment tribunals fairer and eliminating the fees, but is the hon. Gentleman’s strategy not completely wrong? He wants fairness in Scotland that cannot be

introduced in England. That is at odds with his arguments about having solidarity on both sides of the border. He is picking and choosing what he will support and what he will not support. He has a lack of strategy, rather than a strategic approach.

Ian Murray: This amendment is about people paying a fee to enter the employment tribunal system. It would give the Scottish Parliament full control over how that system operates, under the legislative framework of the United Kingdom. That is how a lot of issues work, including health and safety and the Scottish courts system. That is how the justice system in Scotland, which has always been independent of the rest of the UK, operates and it is a perfectly fair way for devolution to work.

Amendments 159 and 160 relate to fixed odds betting terminals and the supervision, inspection and enforcement under the Gambling Act 2005. My hon. Friend the Member for Hyndburn (Graham Jones) might go into that in more detail if he catches your eye, Sir David.

I am not sure whether the hon. Member for North Ayrshire and Arran (Patricia Gibson) is in her place, but in an earlier sitting of the Committee, she mentioned that the Scottish Parliament controls much of road safety, but does not have legislative competence over pavement parking. As she did not table an amendment to sort that out, we brought forward new clause 22, which has the full support of the Living Streets charity, to rectify the anomaly. It intends to ensure that parking offences such as parking on pavements or by dropped kerbs and double-parking can be enforced by the Scottish Parliament. I am grateful to Living Streets for bringing this matter to our attention. Having spent a day blindfolded with the guide dogs in Corstorphine in Edinburgh, I think we should all take cognisance of the way in which people with sight problems are able to get around our towns and cities.

Clause 39 devolves executive competence in relation to the policing of railways in Scotland by specifying as a cross-border authority the British Transport police authority. The clause is in keeping with the Smith agreement, but it was not part of the agreement that the British Transport police should be devolved in order that it may be abolished. That is what is being proposed by the Scottish Government, who want to transfer the existing functions of the British Transport police to Police Scotland. The abolition is vehemently opposed by the unions and the British Transport police, and their strong views should be taken into account. Will the Secretary of State comment on that issue?

Finally, new clause 63 calls for an assessment by the Low Pay Commission of the effect of the Scottish Parliament having the power to alter the national minimum wage rate for Scotland. The national minimum wage is one of the proudest achievements of the last Labour Government and we will defend it to the death. However, it has become a maximum wage for too many people and we must encourage the private sector to move beyond the minimum wage to a living wage. Low pay is one of the biggest political issues of our time, particularly in the run-up to the Budget, with the proposed cut to tax credits.

Mr MacNeil: I am anxious to know why Labour want control over the minimum wage in Scotland to be in the hands of the Tories.

Ian Murray: The minimum wage in Scotland is not in the hands of the Tories; it is in the hands of the Low Pay Commission.

Mr MacNeil: It is in the hands of the Tories.

Ian Murray: I do not know whether the hon. Gentleman realises this, but it is the Low Pay Commission that recommends the rate of the national minimum wage to the Government. As someone who sat on the Committee that considered the statutory instruments that implemented the recommendations of the Low Pay Commission, I say that I would like its recommendations to go further, but it is up to the commission to set the rates.

I say to the hon. Gentleman that we had a firm manifesto commitment to ask the Low Pay Commission to increase the national minimum wage over a period of time to 58% of median earnings. We have to be careful in this area. That is what new clause 63 is about. If he reads it, he will see that. We have to be extremely cautious about not undermining the national minimum wage by devolving it to Scotland. The new clause is perfectly clear about what we are trying to achieve. It asks the Low Pay Commission to complete a full analysis of the consequences of devolving this power.

If the hon. Gentleman does not believe me, he should look at what we received from the Bakers, Food and Allied Workers Union today. It is promoting a £10 minimum wage, so it has no axe to grind in terms of our policy on 58% of median earnings, because it wants to go much higher. It has been campaigning on that rather successfully for some time. It says that devolving the national minimum wage to Scotland could enable the vision of the Prime Minister's Government of lower pay in some regions to come true, particularly in northern constituencies and in Scotland. It states:

"We need to be extremely cautious over the...demand for devolving powers surrounding the minimum wage. This move would bring about an end to the national minimum wage"

in Scotland. We are saying that we need to be cautious. I ask the hon. Gentleman to read new clause 63 before he intervenes again. I will allow him to intervene again if he does so.

7.45 pm

Callum McCaig (Aberdeen South) (SNP): Low pay is one of the key problems of our age, as has been said. The minimum wage is in need of being undermined because it undermines people's lives. I would be happy for the Scottish Parliament to increase the minimum wage in Scotland and to fundamentally undermine the minimum wage, so that the embarrassment of poverty wages is eradicated right across the United Kingdom.

Ian Murray: That is exactly what we want to see. We want the issue of poor wages across the United Kingdom to be resolved in its entirety. The hon. Gentleman will remember that in 1998, many of my colleagues and former colleagues sat all night for three nights in a row to ensure that the National Minimum Wage Act was passed by this House. It eradicated the worst of low pay in our country, such as security guards being paid 60p an hour. As I said, the national minimum wage has become a maximum wage for too many people and we have to drive it up across the United Kingdom to eradicate poor pay. I caution the hon. Gentleman that there is a danger that we will undermine the national minimum wage across the United Kingdom if we fragment it.

Mr David Anderson (Blaydon) (Lab): As one of the first people to give evidence to the Low Pay Commission in 1998, I think I have some knowledge about this issue. The unions up and down these islands have always said, “Do not vary the rate on a regional or sub-national basis.” There has to be one complete and utter rate across the whole of the United Kingdom, because if there is not, it will open the door for those who want to undermine it, including the people sitting on the Government Benches opposite.

Ian Murray: My hon. Friend is absolutely right. There is no bigger champion of workers’ rights, the national minimum wage and union rights in this place. We must deal with poverty pay. *[Interruption.]* If the hon. Member for Na h-Eileanan an Iar wants to read new clause 63, I am happy to let him intervene again, but he obviously has not because he does not realise that new clause 63—*[Interruption.]* If he will allow me to explain, new clause 63 asks the Low Pay Commission to do a full analysis of the potential consequences of fragmenting the national minimum wage across the United Kingdom. That is something that Opposition Members of all colours should wish to see, because if we undermine the national minimum wage, we undermine the entire structure that is meant to prevent low pay in this country.

Mr MacNeil: It is terrible that Labour sees the national minimum wage only as something to be undermined; it is something that has to be bolstered. What does the hon. Gentleman think the effect would be on the national minimum wage in England, Wales and Northern Ireland if it were increased in Scotland by, say, 10%? It would drive it higher.

Ian Murray: In fact, what the hon. Gentleman has just said is exactly what it says in new clause 63, which tells the Low Pay Commission to look at the consequences. The consequence of undermining the political consensus on the national minimum wage would be fragmentation and a race to the bottom. The TUC is clear in its press release today:

“It is also a complete false economy... Breaking up the national minimum wage would carry similar risks, leaving workers in many parts of the country facing poorer pay in depressed local economies.” It speaks of a potential “race to the bottom”. We should listen to the people who have fought for their entire lives for the national minimum wage. The difference between me and the hon. Gentleman is that he does not agree that everyone across the entire United Kingdom deserves better pay. The fight to eradicate poor pay in this country does not stop at the border.

Peter Grant (Glenrothes) (SNP): Has the hon. Gentleman completely forgotten that some of the biggest advances in progressive social legislation that England has seen in the past 15 years happened after, and only because, they were introduced by the devolved Administrations of Scotland, Wales and Northern Ireland? This place would not have introduced the right to work in a smoke-free environment had it not happened in the devolved Assemblies and Parliaments. The right of responsible access to the countryside happened in the devolved Assemblies, otherwise it would never have happened here. Freedom of information would never have happened here if it had not happened first in the devolved Assemblies.

Does the hon. Gentleman not understand that we need to trust the people of Scotland to elect a Parliament that believes in a legally enforceable living wage? That is the quickest and surest way to make sure that workers across these islands can enjoy a living wage, rather than trusting a Conservative Government to introduce it.

Ian Murray: It is clear that the Scottish National party’s strategy is not to have a proper debate and discuss the fundamental points about the risk of undermining the national minimum wage, but merely to paint people as being in the pockets of other Governments or political parties.

The hon. Gentleman is right that many progressive Governments have pushed forward issues such as he mentioned, but the national minimum wage, freedom of information and the ban on smoking inside were progressive changes pushed through by Labour Governments. The Labour party will fight for the national minimum wage not to be fragmented and undermined in a race to the bottom. The TUC has agreed with that, and the Bakers, Food and Allied Workers Union felt that it had to put out a press release today to ensure that the minimum wage was not undermined. My new clause 63 suggests that the Low Pay Commission looks sensibly at proposals to ensure that that does not happen.

Chris Stephens: The hon. Gentleman has mentioned the views of the TUC and the BFAWU. Can he confirm that the two largest trade unions in Scotland, Unison Scotland and Unite Scotland, gave evidence to the Smith commission saying that they wanted responsibility for the national minimum wage to be devolved to the Scottish Parliament?

Ian Murray: They have argued that, but the Union of Shop, Distributive and Allied Workers and the GMB have argued that it should not be devolved because they are worried about a race to the bottom. If the hon. Gentleman reads my new clause 63, he will see that I am asking for the Low Pay Commission to look at the issue and ensure that the minimum wage is not undermined. The worst possible result that this Parliament could leave for future generations would be the undermining of the national minimum wage not just in Scotland but across the entire United Kingdom. I hope that the Committee will support the new clause, to ensure that we do not throw the baby out with the bathwater. Let us listen to what the unions and the TUC are telling us. I commend all our amendments and new clauses to the House.

Several hon. Members *rose*—

The Temporary Chair (Sir David Amess): Order. I was about to say that five hon. Members were seeking to catch my eye, but now it seems that there are about six or seven. We must also hear from the Secretary of State, and the knife will fall at 8.37 pm. May I ask colleagues to bear that in mind, so that I can call everyone?

John Pugh: I shall be brief, Sir David.

I wish to speak to new clause 56, which Members who survey it will acknowledge is a modest and rational proposal. The Smith commission was minded to make abortion a devolved matter, and the new clause would

align the Bill with that intention. It would allow a similar level of devolution to that in Northern Ireland and give the Scottish Parliament the same rights as it has with regard to euthanasia and nearly every other health matter.

There are two reasons for the new clause, one negative and one positive. The positive reason is that the Scottish Parliament and Scottish politicians have proved themselves eminently capable of debating thorny, complex and controversial moral topics without acrimony, maturely, lucidly and in an evidence-based way. That was shown in the recent Scottish Parliament debate on euthanasia. We acknowledge that a Scottish life is worth no more and no less than any other life, but regulating how and when life is terminated in Scotland can justifiably be done in the Scottish Parliament by Scottish authority. It is regulated differently by all nations in Europe.

I rebut entirely the allegation that the hon. Member for Edinburgh South (Ian Murray) made that a decision might not be taken in the light of robust medical evidence. The Scottish Parliament would certainly take such evidence into account, but that allegation illustrated the negative reason for the new clause. Debates in this place on any change in abortion regulation, however minor, become polarised horribly and quickly. If abortion is mentioned, up go the barricades to defend the right to life or the right to choose. On no other issue is there such a dialogue of the deaf in this Chamber, with the slightest concession to one side being seen as enabling the wholesale destruction of the other. We witnessed the recent debate on gender discrimination in abortion, during which there was total agreement throughout the Chamber but total stalemate at the end of the day.

The situation is certainly complicated by the fact that Members have wider agendas. That does not particularly help, because people suspect ulterior motives, but to be fair, it is normal in any debate and should not hamper or inhibit the discussion of issues such as gender discrimination in abortion, the advice given to people seeking an abortion or time limits on abortion. It should not, but it evidently and repeatedly does. The House is normally left defending the Abortion Act 1967—with all its weakness, which are acknowledged even by some of its major proponents—as though it were holy writ.

I am charitable enough to think that Scotland, despite its Calvinist past, is not quite so fundamentalist in that respect. Whatever its current values, in the light of the best available evidence it could cope with something a little more sophisticated than our tribal deliberations here, which are laden with history and suspicion. It could frame regulation that, although it would not satisfy every conscience, would at least suit the times and fit the facts. I would sincerely welcome the views of the Government and the Scottish nationalists on the new clause, and I would welcome the Scottish dimension.

Stewart McDonald (Glasgow South) (SNP): Scottish Members of Parliament have been sent a joint statement by the trade union community in Scotland and several third sector and women's groups in Scotland, urging us to vote against amendments tabled by the hon. Member for Southport (John Pugh) and the hon. Member for Gainsborough (Sir Edward Leigh). It is well known that those Members are from the pro-life side of the debate, and the concern of those organisations is not entirely illegitimate. In fact, it is perhaps understandable.

Those Members are right that the Scottish Parliament can handle the abortion debate. I would argue that any hope of curtailing a woman's right to choose—I accept that hon. Members have not expressly said that they want to do that—would be misplaced, but our Parliament can handle the matter just as it has handled assisted suicide, equal marriage and section 28. I wish to draw on those examples of how our Parliament has matured into the national forum that it is today.

During the debate on section 28 in the early days of the Scottish Parliament, there was a huge noise against its scrapping from the forces of social conservatism. We can compare that with the national debate on the equal marriage legislation. It would be uncharitable of me not to mention that one of the finest speeches on that legislation came from the Scottish Conservative leader in that Parliament. We are not a nation of social conservatives. I understand the concerns of the organisations that have released the joint statement, but we in Scotland have proven that we understand the weight of arguments and can handle them in a sensitive fashion.

It has been suggested that my hon. Friends in the Scottish National party and I will be choosing between nationalism and feminism tonight. I find that a false choice; indeed, I find it an offensive statement. It is a reductionist analysis and a crass comment. I want the power in question to come to Scotland not just because I want all powers to come to Scotland but because I want to improve and protect a woman's right to choose and to access quality healthcare. I believe we can do that, and I want to make progress at the earliest opportunity. That is my motivation, as it will be for many other Members of the House. Progress was never made without taking control and arguing—not always helpfully—on tough and important issues. This is indeed a tough and important issue, but we must make progress on it. No one knows how hard that can be more than women, and as a gay man I find myself having considerable sympathy with that.

8 pm

Angela Crawley (Lanark and Hamilton East) (SNP): It is worth noting early in the debate that so far we have had 100% participation of male speakers. However, the Labour party also has 100% male representation in the Chamber, and I thank the hon. Member for Edinburgh South (Ian Murray) for raising the topic of equality. Before I address the amendments in detail, it is worth noting that the Committee has not agreed to a single proposal that the Scottish National party has tabled to the Scotland Bill. I need not remind anyone that the SNP won all but three seats in Scotland only a few weeks ago. The Scottish people gave the SNP a mandate to speak on their behalf, and this Parliament should take account of that.

Amendment 134 delivers a more explicit reference to the devolution of competence over gender quotas in respect of public bodies in Scotland, but ensures that it is “not limited to” gender quotas, as agreed in the Smith commission report. Amendment 162 creates an exception to the reservation that will clearly cover gender quotas in respect of public bodies in Scotland. One of the most frequent questions that this Government ask is, “What would you do with the new powers proposed, and why do you want additional ones?” The answer is simple: in terms of equalities the Bill does not go far enough. If the amendments are accepted, the Scottish Government could go much further.

[Angela Crawley]

The SNP manifesto contained an extensive range of proposals to reduce gender inequality. Scotland's First Minister, Nicola Sturgeon, has signalled clearly the need for a more equal representation of men and women in public life, and she has led by example. The Scottish Cabinet is one of only three Cabinets in the developed world to have an equal number of men and women—something that has yet to be replicated by the Conservative or Labour parties.

If these amendments are accepted, the Scottish Government will take action and introduce proposals to ensure 50% female representation on public boards, and press for the same to happen across the United Kingdom. They will encourage this Government to work with the private sector to increase the number of women represented at the most senior levels in major companies. They have called for early action on equal pay audits for larger companies, ensuring that women get the salaries they are entitled to. They have called for regulations to compel employers of more than 250 people to publish annual gender pay gap information, starting in 2016-17.

Brendan O'Hara (Argyll and Bute) (SNP): Does my hon. Friend share my dismay at Scottish Labour's record in local government on equal pay, which is nothing short of appalling? Will she join me in urging Glasgow city council to settle its 5,000 plus outstanding claims as quickly as possible?

Angela Crawley: I thank my hon. Friend for that intervention—South Lanarkshire, North Lanarkshire and Glasgow councils are in much the same situation, with a Labour administration that has failed to take action on equal pay. There are still a number of outstanding claims.

The Scottish Government will introduce an equal pay Bill to deliver equal pay law that works for women in Scotland. They would consult on how new regulations or structures can be created by the Bill to expedite the equal pay claims process, and ensure that settlements are enforced quickly—something that Labour administrations in Scotland have failed to do. They will seek to maintain the protections provided by the Equality Act 2010, and will ask the Government to engage with key stakeholders on potential improvements. They will support calls to establish a race committee to advise the work of the Equality and Human Rights Commission.

I welcome new clauses 56 and 66 on devolving abortion laws to the Scottish Parliament—we welcome powers for Scotland. I hasten to remind Members that I will focus on the substantive subject of who has the power to make laws, rather than on the views of individual Members on this matter. The SNP remains absolutely clear: the Scottish Government have no plans to change the legislation, but we will support and welcome the devolution of further powers to the Scottish Parliament under the Bill.

Together with our colleagues in the Scottish Government we will demand that section 78 of the Equalities Act 2010 is commenced. Under the Bill, however, it remains reserved, and to see real change we need to go further. The amendments have been tabled for a simple reason: it is unacceptable that 45 years after the Equal Pay

Act 1970, the gender pay gap remains. Urgent action needs to be taken, and the Scottish Government have proven that where they have power, they take action. They have extended childcare provision and made it more flexible. They have funded campaigns to promote family-friendly working in Scotland, including an investment of £100,000 in the working families initiative that supports a range of activities to promote flexible working. They have ensured that public authorities with more than 150 employees publish their gender pay gap, and they have provided continued support for CareerWISE, which encourages girls and young women to consider careers in science, engineering and technology.

The Office for National Statistics showed that in Scotland the gender pay gap sits at 8.9% for full-time employees compared with 9.4% for the UK and 9.9% for England. On part-time employment, it sits at -7.2% in Scotland, compared with -5.5% for the UK and -5.6% in England. Although the SNP welcomes the fact that Scotland is leading the way on gender equality, we recognise that more has to be done. I therefore support the amendments and new clauses, and urge us to continue discussing these issues. If the Government will not act to reduce inequality, they should not stand in the way of the Scottish Government.

Chris Stephens: I declare my membership of Unison and my trade union activity over the past 20 years. It was disappointing to hear the hon. Member for Caerphilly (Wayne David) shout across to SNP Members that we do not care for workers and working people—I hope he will reflect on that because a number of SNP Members have been involved in trade union activity in the past.

Wayne David: If the hon. Gentleman was concerned about workers throughout the United Kingdom, he would certainly accept Labour's amendment to consider all the pros and cons of a case for the fragmentation of the national minimum wage.

Chris Stephens: I care about workers across the world, and I will be quoting from the Scottish Trades Union Congress and stating how it views the situation.

In speaking to new clause 47, I will not only outline why we believe it to be necessary, but produce supporting evidence from independent organisations in Scotland that have stated the clear benefits they see from devolving employment law. We believe that having such powers at Holyrood is essential to driving forward fairer pay and better working conditions in Scotland. Our priority is empowering Scotland to tackle inequality, for which we have a clear mandate from the voters. If the route out of poverty is work, it follows that we must argue for real powers to deliver it.

A coherent and integrated Scottish employment policy would address inequality and poverty by helping to get people into work, sustain employment and tackle low pay. That is why we seek the devolving of the national minimum wage to Scotland as a priority, as that would enable the Scottish Parliament to do more to address low pay and in-work poverty.

Our 2015 general election manifesto set out plans to raise the minimum wage to £8.70 by 2020, which is equivalent to the average national minimum wage growth between 1999 and 2007, and would go some way to reversing the below-inflation increases that took place

between 2007 and 2014. Putting that power firmly in Scotland's hands would allow us to legislate for further increases to match the living wage over time. Devolution would also allow the Scottish Government to integrate national minimum wage policy into the devolved income tax and welfare systems to ensure a targeted and joined-up approach to addressing in-work poverty.

Why do we need employment law to be devolved? The recent report by Citizens Advice Scotland, "Fair Enough?", sets out in detail the problems with the current employment law system. Last year, the service dealt with 46,540 cases of unfair treatment in the workplace, and fully expects that number to rise. Those cases include dismissal for unfair reasons such as sickness, attempting to take holiday or even pregnancy. Some workers were even informed of their dismissal by text message. That backs up my own experiences before arriving in this place, where—even in local government—employers engaged in behaviour that they thought they could legally get away with rather than adhere to best practice.

There is widespread anger in Scotland at the attacks on employment rights, equalities and trade union rights from the coalition, and now from the majority Tory Government. Their approach is leading to an economy in which work is less well paid, less secure and less permanent. Local economies suffer in a low-wage, low-reward economy. A better way is required. For example, devolution of this issue would enable us to end the unfair and exploitative zero-hours contracts that create unacceptable levels of uncertainty and financial insecurity for low-paid workers.

Our policy approach to employment law and workplace issues is evidence based. In February 2014, the Scottish Government commissioned the "Working Together" independent review of progressive workplace policies and practices in the public and private sectors in Scotland. The review group was convinced that the economic and social challenges and opportunities facing Scotland were more likely to be addressed successfully in an environment where trade unions played their full part.

Following the review, the Fair Work Convention was established to develop a fair employment and workplace framework based on national and international research and leading-edge practice for Scotland, and to deliver a practical blueprint for implementation by 2016. It will provide independent advice to the Scottish Government on all matters relating to fair work, and it could play a bigger role in future years. For instance, the Fair Work Convention could work with ACAS, trade unions and other stakeholders, such as Citizens Advice Scotland, to promote awareness of basic rights at work and how to assert them for employees and employers alike. The convention could also take on a role overseeing enforcement of employment law under Scots law. In other words, we have thought through how this would work in practice.

There is a strong economic argument that devolving employment law would bring opportunities for innovation that would enhance productivity, workplace development, labour market security and resilience. We observe a lack of coherence in the Government's proposals because they would devolve the administration of tribunals, but not the substantive laws they administer, including employment law. Far from settling the issue, that keeps the pot boiling: a lack of clarity and purpose in legislation

means that the only guarantee is that it will be revisited at some point. This is an opportunity to do it right the first time.

8.15 pm

Andy McDonald (Middlesbrough) (Lab): The hon. Gentleman's amendments would devolve the pneumoconiosis legislation to Scotland. What is the Scottish Government's intention for that scheme, which pays out to workers who suffer that condition?

Chris Stephens: I will come back to that point.

Our approach is evidence based. The 30 detailed recommendations of the "Working Together" report are a strong foundation to build on if we have more powers, and I commend that report to the Committee. We also support the devolution of trade union laws to maintain the largely stable and productive industrial relations in Scotland, underpinned by the long-standing strategic partnership between the Scottish Government and the Scottish Trades Union Congress.

Alex Salmond: My hon. Friend will be familiar with the Scottish Government's action to reverse the House of Lords ruling on pleural plaques. If the Scottish Government had not had the power to do that, in the case of a significant condition that was being wrongfully put outwith the scope of industrial compensation, many people in Scotland would be in an extremely disadvantaged position—people who had suffered worry for years. Is not that an example of why these powers should be devolved?

Chris Stephens: I agree with my right hon. Friend, and he signed two memorandums of understanding with the STUC on improving workers' rights in Scotland.

The devolution of trade union laws would also allow us to block the proposed assaults on workers' rights, such as current plans to restrict the right to take industrial action. We seek protection for working people from a Government that are charging down an ideological cul-de-sac with an anti-trade union agenda based on a historical prejudice and a casual approach to legislation that borders on incoherence. The question for the Committee is whether Scotland can take a different approach based on the needs of Scotland.

New clause 48 would devolve the Health and Safety at Work etc. Act 1974. That would enable the Scottish Parliament to take responsibility for all aspects of workplace health and safety legislation, regulation and enforcement. The Smith commission did not recommend the devolution of health and safety law, but it did recommend a review of

"the functions and operations of the Health and Safety Executive in Scotland and...how the future requirements to best serve the people of Scotland could be delivered operationally whilst remaining within a reserved health and safety legislative framework".

In other words, a bit of a waffle, served up with fudge.

We consider that the Scotland Bill would benefit from being strengthened by devolving workplace health and safety legislation and regulation to the Scottish Parliament. In evidence to the Scottish Parliament Devolution (Further Powers) Committee, Dave Moxham, general secretary of the STUC, said that

"the trade union movement in Scotland is looking extremely closely and with a not uncritical eye at the potential to devolve a range of powers relating to what we categorise as workplace

[Chris Stephens]

protections, including employment law, the minimum wage and health and safety, that in our view fit the committee's prescription for improving the quality of work and wages and reducing the benefits bill."

While we recognise the value of being able to deliver a distinctively Scottish approach, our amendment would make provision for the UK-wide Health and Safety Executive to continue to deliver health and safety regulation in Scotland as a cross-border public authority. That would ensure continued enforcement in the short term while allowing the Scottish Parliament to develop an alternative approach in the future. Making the Scottish Parliament responsible for workplace health and safety in Scotland would ensure that regulation is informed by evidence and the needs of Scottish workers and businesses. While providing for the continued role of the Health and Safety Executive in the short term, Holyrood would be able to consider ways to improve health and safety law in Scotland.

Further devolution would also allow for greater coherence across regulatory bodies, with some areas such as fire and environmental protection already devolved. In particular, the tensions across the devolved regulatory duties of local government, such as food safety, and the reserved ones, such as health and safety, could be addressed.

In areas where there are strong cross-border interests and specialist requirements, such as offshore oil and gas, there would be mechanisms to ensure the Scottish and UK regimes complement each other. Devolving health and safety law would thus empower the Scottish Parliament to consider potential improvements to the regime, while being mindful of cross-border needs and sensitivities. The Unison Scotland submission to Smith accurately pointed out that devolution of powers over health and safety could improve Scotland's poor record in health and safety at work.

Hannah Bardell (Livingston) (SNP): Two years ago this August, I sat in an emergency room when a helicopter went down off the coast of Shetland. Sadly, the service company I worked for lost a colleague in that accident. During my time there, I had to communicate a number of offshore industrial accidents. It would be fair to say that my hon. Friend's views chime with mine. First-hand experience tells me that having powers over regulation could help us to improve our safety record both onshore and offshore, and in industries such as oil and gas.

Chris Stephens: My hon. Friend gives a first-hand account of why our health and safety laws should be devolved to the Scottish Parliament.

Scotland has different industry structures that may in part explain the differences. In addition, other aspects of health and safety, including the NHS and local authority roles, are already devolved and could be joined up more effectively if the whole service was devolved.

In conclusion, we have outlined the rationale for greater control over all aspects of workplace policy. We have a policy approach informed by consultation and backed up by evidence. With the electoral mandate from the people of Scotland to deliver, I urge all Members to consider carefully our proposals and respect the good intent behind them.

The Secretary of State for Scotland (David Mundell):

I was pleased that in the Committee stage, we had an acknowledgement that we have had four full days of debate on the Floor of the House, making this one of a small number of Bills to have received the highest level of scrutiny. The Bill has not been sent upstairs to a Committee Room, but debated on the Floor of the House of Commons so that all 59 of Scotland's MPs have been able to take part in the debate. I am very pleased that more MPs have been taking part in each day as we have proceeded.

Pete Wishart (Perth and North Perthshire) (SNP): Yes, we have debated the Bill, but no amendments have been accepted by the Government even though that is the express desire of the Scottish Parliament. The Secretary of State said in *Scotland on Sunday* that he was minded to have amendments accepted in the House of Lords. Does he not believe that these important amendments must see the daylight for elected Members and that it must not be for unelected Lords—that repository for cronies and donors—to make up their mind on what is included in the Bill?

David Mundell: I am sure that sounded good when the hon. Gentleman wrote it down. It should not come as a surprise to Members that the Government have not accepted amendments at this stage of the Bill's progress. Unlike in Holyrood, which has only one substantive amending stage, this House has two opportunities for Members to table amendments before a Bill passes on to the other place: Committee and Report. We brought to the House a Bill that had already benefited from considerable scrutiny, including by the Devolution (Further Powers) Committee, and which contained significant changes from the draft clauses.

Ian Blackford (Ross, Skye and Lochaber) (SNP): Will the Secretary of State give way?

David Mundell: I just want to make this point.

This is the stage where the Bill should be held up for further scrutiny on the Floor of the House, so that arguments can be tested and alternative arguments laid out.

Ian Blackford: Will the Secretary of State give way?

David Mundell: If I could just finish my point.

I was interested to hear the rationale for the points made by the hon. Member for Glasgow South West (Chris Stephens). In a previous day's debate, an amendment was moved on why national insurance contributions should be devolved to the Scottish Parliament, yet not one Member spoke to that amendment or explained to the House why Scotland would benefit from the devolution of national insurance contributions.

The Committee stage has provided an opportunity for amendments to be put forward. I accept that some amendments are genuine and could, if adopted, make the Bill better. Some amendments have not been genuine amendments. We spent a long time debating full fiscal autonomy when it was quite clear that the SNP Scottish Government did not want to see the amendments relating to that passed. We have had a series of amendments laid before Parliament over the four days. I am giving an absolute commitment that we will reflect on them and come back on Report with amendments to the Bill.

I recognise that there have been many constructive contributions to today's debate, not all by the hon. Member for Na h-Eileanan an Iar (Mr MacNeil) it has to be said.

Mr MacNeil *rose*—

David Mundell: A number of proposed technical changes could clearly improve the Bill.

Mr MacNeil: On a point of order, Mr Amess. The Secretary of State has named me and my constituency. Do I not have the right to intervene on him?

The Temporary Chair (Sir David Amess): That is not a point of order; that is a point of debate.

David Mundell: There has been considerable discussion on the Bill. I want to concentrate on a few of the very important issues that have been raised.

The devolution of managing the Crown Estate's wholly owned assets in Scotland, the revenue arising from those assets and the competence to legislate on those management functions was a significant and important element in the debate on the clause 31 group. The clause gives effect to the Smith commission. It allows for the Scottish Crown Estate's assets to be managed by the Scottish Government or such other person nominated by them, and that the Scottish Government should receive the revenue from the management of those assets. Going forward, the clause means that the Scottish Parliament will have the competence to legislate for the management of those assets. It provides for the protections envisaged by the Smith commission to ensure the transfer is not detrimental to defence or other UK-wide critical national infrastructure.

I am not in favour of the approach taken in new clause 57. I will explain why. It enables the Scottish Parliament to legislate on the Crown Estate commissioners, which was not agreed by the Smith commission. It does not provide for the important protections for national security and vital UK-wide infrastructure, and it does not protect Scottish Crown Estate employees who are so vital to ensuring that we transfer the Crown Estate in Scotland as a viable, ongoing enterprise.

I actually agree with the right hon. Member for Gordon (Alex Salmond) on something—this is quite an occasion—because I do not believe that the Scottish Parliament should be proscribed on what it is required to do in its management of the Crown Estate. I do not accept it is appropriate to table an amendment that suggests what further devolution should take place in Scotland. I have complete confidence in the Scottish Parliament to determine that in an appropriate way.

Let me say in response to the Opposition's amendment 52 that we believe it is right for the responsibilities to be transferred to Scottish Ministers. The Scottish Parliament is a legislative rather than an executive body, and for that reason it is not equipped to undertake the management functions that are currently exercised by the Crown Estate Commissioners.

I can assure the Committee, in response to amendments 125 and 126, that the sovereign grant paid to Her Majesty the Queen will not be reduced as a result of devolution of the Crown Estate to Scotland and that Scotland will continue to contribute to the sovereign

grant. The annual amount of the sovereign grant is determined in accordance with a formula that is based on the revenues received from the Crown Estate Commissioners. However, there is a mechanism to ensure that the value of the sovereign grant cannot fall below the amount from the previous year. The changes made in the Scotland Bill will not and cannot cause the sovereign grant to reduce. Even though management of the Scottish assets and revenues from those assets are to be devolved, Scottish taxpayers will continue to contribute to the grant, through the contributions to the Consolidated Fund.

Ian Blackford: We keep hearing from the right hon. Gentleman and the Government about the respect that they have for the Scottish Parliament. In the general election, Scotland returned 56 SNP Members of Parliament, who stood on a platform of delivering home rule for Scotland. Every legitimate amendment that we have brought to this House has been vetoed by Government Members. When they talk about English votes on English laws, why do we not have Scottish votes on Scottish laws?

8.30 pm

David Mundell: I think I did hear that contribution on at least one other day during the debate, so I understand where the hon. Gentleman is coming from. I reiterate, once again, that we will reflect on the amendments that have been brought forward. I am meeting the Deputy First Minister on Wednesday to hear what the Scottish Government's approach to many of these matters is and how we will work over the summer to look at how, together, we can improve the Bill.

Ms Tasmina Ahmed-Sheikh (Ochil and South Perthshire) (SNP): Will the Secretary of State give way?

David Mundell: I will not, because I have very little time to comment on all the issues raised in this debate.

I want to comment on a couple of further matters that were raised in relation to the Crown Estate, one of which was about Fort Kinnaird—which, for Members not from Scotland, is a shopping centre in Edinburgh, and apparently a very successful one. The management of the Crown Estate's wholly and directly owned Scottish assets is what is to be transferred under the transfer scheme. Fort Kinnaird is not wholly and directly owned by the Crown—

Drew Hendry *rose*—

Tommy Sheppard (Edinburgh East) (SNP) *rose*—

David Mundell: Let me complete this point. Fort Kinnaird is held by an English limited partnership in which the Crown Estate manages an interest alongside other commercial investors. The partnership owns property in other parts of the United Kingdom. Fort Kinnaird has never been wholly and directly owned by the Crown. Revenues from the Crown Estate's interest in Fort Kinnaird will therefore continue to be passed to the UK Consolidated Fund for the benefit of the UK as a whole.

The hon. Member for Edinburgh South (Ian Murray) raised the coastal communities fund. Coastal communities funding has been allocated for 2014-15, 2015-16 and

[David Mundell]

2016-17. The Government have committed themselves to the coastal communities fund until 2016-17. Devolution of the Crown Estate in Scotland will not impact on this funding.

In answer to the points raised by my right hon. and learned Friend the Member for Beaconsfield (Mr Grieve), the position on the Crown Estate Commissioners is that they will still be able to make commercial investments in Scotland, as and when opportunities arise in the Scottish market.

Martin John Docherty (West Dunbartonshire) (SNP): Will the Secretary of State give way?

David Mundell: If I may, I want to comment on the important amendments dealing with abortion. The Abortion Act 1967 sets a common legal framework for abortion to be performed in Great Britain. New clause 56 would give the Scottish Parliament the power to amend that legislation—as, indeed, would new clause 66, tabled by my hon. Friend the Member for Gainsborough (Sir Edward Leigh). Clearly a number of views have been expressed in this Committee and in communications to Members of this House about the devolution of the policy and about the current policy. The Government do not consider the amendment appropriate at this time.

Hon. Members will be aware that abortion was one of the issues identified in the Smith commission agreement for further consideration. However, the Smith commission did not state that devolution should happen now, through this Bill. It stated that a process should be put in place to consider the matter further. In keeping with that recommendation, a process was established between the UK Government and the Scottish Government to consider the issue. Discussions are at an early stage. Accepting the amendment would pre-empt those discussions. However, as has been said a number of times in this debate, there is no reason why the Scottish Parliament should not be able to decide an issue of this significance, because it has demonstrated its ability to do so on numerous other significant issues.

I shall conclude my remarks as time demands. I recognise that there have been a number of constructive approaches from hon. Members, seen in their amendments to the equal opportunities clause. I think we all agree on the outcome we seek—that Scottish Ministers and the Scottish Parliament should have competence for socio-economic inequality and any duties attached to that. I have asked officials to look at the technical suggestions made to improve the drafting, but I want to put some matters on the record in my remaining time.

We believe that the clause provides a broad, flexible framework within the Scottish Parliament so that it can introduce additional equal opportunities measures, including gender quotas. I had a very useful meeting last week with Alex Neil to discuss this issue. The Smith commission agreed that the Equality Act 2010 should remain reserved and that the subject matter of the Equality Act 2006 falls within the scope of the equal opportunities reservation. That is why the clause is clear on this point. No reference was made in the agreement to devolving the functions of the Equality and Human Rights Commission. The commission is open to discussion

as to how accountability to the Scottish Parliament for its activities in Scotland might be strengthened. I would expect that to be a matter of discussion with the Scottish Government, should they wish to make it so.

The Government do not, however, agree that legislation should determine the gender balance of the Scottish Parliament. That is for the electors and the parties in Scotland to decide. As for gender balance on boards, we believe that the clause delivers the Smith commission agreement, but I will take these points away and look further at the drafting suggestions.

Martin John Docherty: I am delighted that the Secretary of State has given way to me. Will he go back to the matter of the Crown Estate? He seems to be proposing a two-tier system in respect of the Crown Estate in Scotland. If the Government are going to bring forward English votes on English laws, the same system will not apply in England, and there is only one Crown Estate in England. It will eventually get all the money, whereas there is a two-tier system for Scotland—

8.37 pm

Three hours having elapsed since the commencement of proceedings, the debate was interrupted (Programme Order, 8 June).

The Chair put forthwith the Question already proposed from the Chair (Standing Order No. 83D), That the amendment be made.

Amendment 23 negatived.

The Chair then put forthwith the Questions necessary for the disposal of the business to be concluded at that time (Standing Order No. 83D).

Clause 31 ordered to stand part of the Bill.

Clause 32

EQUAL OPPORTUNITIES

Amendment proposed: 162, page 34, line 4, at end insert—

“Equal opportunities in relation to an appointment as a member of a Scottish public authority.”—(*Angela Crawley.*)

Question put, That the amendment be made.

The Committee divided: Ayes 249, Noes 312.

Division No. 38]

[8.37 pm

AYES

Abrahams, Debbie	Blackman-Woods, Dr Roberta
Ahmed-Sheikh, Ms Tasmina	Blenkinsop, Tom
Alexander, Heidi	Blomfield, Paul
Ali, Rushanara	Boswell, Philip
Allen, Mr Graham	Brennan, Kevin
Anderson, Mr David	Brock, Deidre
Arkless, Richard	Brown, Alan
Austin, Ian	Brown, Lyn
Bailey, Mr Adrian	Brown, rh Mr Nicholas
Bardell, Hannah	Buck, Ms Karen
Barron, rh Kevin	Burgon, Richard
Beckett, rh Margaret	Butler, Dawn
Benn, rh Hilary	Cameron, Dr Lisa
Berger, Luciana	Campbell, rh Mr Alan
Betts, Mr Clive	Campbell, Mr Ronnie
Black, Ms Mhairi	Carmichael, rh Mr Alistair
Blackford, Ian	Champion, Sarah
Blackman, Kirsty	Chapman, Jenny

Cherry, Joanna
 Clwyd, rh Ann
 Coffey, Ann
 Cooper, Julie
 Cooper, Rosie
 Cowan, Ronnie
 Cox, Jo
 Crawley, Angela
 Creagh, Mary
 Cruddas, Jon
 Cryer, John
 Cummins, Judith
 Cunningham, Alex
 Cunningham, Mr Jim
 Dakin, Nic
 David, Wayne
 Davies, Geraint
 Day, Martyn
 Docherty, Martin John
 Donaldson, Stuart
 Doughty, Stephen
 Dowd, Jim
 Dowd, Peter
 Dromey, Jack
 Durkan, Mark
 Eagle, Maria
 Edwards, Jonathan
 Efford, Clive
 Elliott, Julie
 Ellman, Mrs Louise
 Esterson, Bill
 Evans, Chris
 Farrelly, Paul
 Fellows, Marion
 Ferrier, Margaret
 Field, rh Frank
 Fitzpatrick, Jim
 Ffello, Robert
 Fletcher, Colleen
 Flynn, Paul
 Fovargue, Yvonne
 Foxcroft, Vicky
 Gapes, Mike
 Gardiner, Barry
 Gethins, Stephen
 Gibson, Patricia
 Glass, Pat
 Glindon, Mary
 Godsiff, Mr Roger
 Grady, Patrick
 Grant, Peter
 Gray, Neil
 Green, Kate
 Greenwood, Lilian
 Greenwood, Margaret
 Griffith, Nia
 Gwynne, Andrew
 Haigh, Louise
 Harman, rh Ms Harriet
 Harpham, Harry
 Harris, Carolyn
 Hayes, Helen
 Hayman, Sue
 Healey, rh John
 Hendrick, Mr Mark
 Hendry, Drew
 Hepburn, Mr Stephen
 Hillier, Meg
 Hodgson, Mrs Sharon
 Hoey, Kate
 Hollern, Kate
 Hopkins, Kelvin

Hosie, Stewart
 Hunt, Tristram
 Huq, Dr Rupa
 Hussain, Imran
 Irranca-Davies, Huw
 Jarvis, Dan
 Johnson, rh Alan
 Johnson, Diana
 Jones, Gerald
 Jones, Graham
 Jones, Mr Kevan
 Jones, Susan Elan
 Kane, Mike
 Kaufman, rh Sir Gerald
 Keeley, Barbara
 Kerevan, George
 Kerr, Calum
 Kinnock, Stephen
 Kyle, Peter
 Lammy, rh Mr David
 Lavery, Ian
 Law, Chris
 Leslie, Chris
 Lewell-Buck, Mrs Emma
 Lewis, Clive
 Lewis, Mr Ivan
 Long Bailey, Rebecca
 Lucas, Caroline
 Lynch, Holly
 MacNeil, Mr Angus Brendan
 Mactaggart, rh Fiona
 Madders, Justin
 Mahmood, Mr Khalid
 Mahmood, Shabana
 Mann, John
 Marris, Rob
 Marsden, Mr Gordon
 Maskell, Rachael
 Matheson, Christian
 Mc Nally, John
 McCabe, Steve
 McCaig, Callum
 McCarthy, Kerry
 McDonagh, Siobhain
 McDonald, Andy
 McDonald, Stewart
 McDonald, Stuart C.
 McDonnell, John
 McFadden, rh Mr Pat
 McGarry, Natalie
 McGinn, Conor
 McGovern, Alison
 McLaughlin, Anne
 Meacher, rh Mr Michael
 Meale, Sir Alan
 Mearns, Ian
 Monaghan, Carol
 Monaghan, Dr Paul
 Moon, Mrs Madeleine
 Morden, Jessica
 Mullin, Roger
 Murray, Ian
 Newlands, Gavin
 Nicolson, John
 O'Hara, Brendan
 Onn, Melanie
 Onwurah, Chi
 Osamor, Kate
 Oswald, Kirsten
 Owen, Albert
 Paterson, Steven
 Pearce, Teresa

Perkins, Toby
 Phillips, Jess
 Phillipson, Bridget
 Pound, Stephen
 Powell, Lucy
 Pugh, John
 Qureshi, Yasmin
 Rayner, Angela
 Reed, Mr Jamie
 Reed, Mr Steve
 Rees, Christina
 Reynolds, Jonathan
 Rimmer, Marie
 Ritchie, Ms Margaret
 Robertson, Angus
 Robinson, Mr Geoffrey
 Rotheram, Steve
 Ryan, rh Joan
 Salmond, rh Alex
 Shah, Naz
 Sharma, Mr Virendra
 Sheerman, Mr Barry
 Sheppard, Tommy
 Sherriff, Paula
 Shuker, Mr Gavin
 Siddiq, Tulip
 Skinner, Mr Dennis
 Slaughter, Andy
 Smeeth, Ruth
 Smith, rh Mr Andrew
 Smith, Angela
 Smith, Cat
 Smith, Jeff
 Smith, Nick
 Smith, Owen
 Spellar, rh Mr John
 Starmer, Keir

Stephens, Chris
 Stevens, Jo
 Streeting, Wes
 Stringer, Graham
 Stuart, Ms Gisela
 Tami, Mark
 Thewliss, Alison
 Thomas, Mr Gareth
 Thomas-Symonds, Nick
 Thompson, Owen
 Thomson, Michelle
 Timms, rh Stephen
 Trickett, Jon
 Turley, Anna
 Turner, Karl
 Twigg, Derek
 Twigg, Stephen
 Umunna, Mr Chuka
 Vaz, rh Keith
 Vaz, Valerie
 Weir, Mike
 West, Catherine
 Whiteford, Dr Eilidh
 Whitehead, Dr Alan
 Whitford, Dr Philippa
 Williams, Mr Mark
 Wilson, Corri
 Wilson, Phil
 Winnick, Mr David
 Winterton, rh Ms Rosie
 Wishart, Pete
 Wright, Mr Iain
 Zeichner, Daniel

Tellers for the Ayes:
Liz Saville Roberts and
Hywel Williams

NOES

Adams, Nigel
 Afriyie, Adam
 Aldous, Peter
 Allan, Lucy
 Allen, Heidi
 Andrew, Stuart
 Ansell, Caroline
 Argar, Edward
 Atkins, Victoria
 Bacon, Mr Richard
 Baker, Mr Steve
 Baldwin, Harriett
 Barclay, Stephen
 Barwell, Gavin
 Bebb, Guto
 Bellingham, Mr Henry
 Benyon, Richard
 Beresford, Sir Paul
 Berry, Jake
 Berry, James
 Bingham, Andrew
 Blackman, Bob
 Blackwood, Nicola
 Blunt, Crispin
 Boles, Nick
 Bone, Mr Peter
 Borwick, Victoria
 Bottomley, Sir Peter
 Bradley, Karen
 Brady, Mr Graham
 Brazier, Mr Julian
 Bridgen, Andrew

Brine, Steve
 Brokenshire, rh James
 Bruce, Fiona
 Buckland, Robert
 Burns, Conor
 Burns, rh Sir Simon
 Burrowes, Mr David
 Burt, rh Alistair
 Cairns, Alun
 Carmichael, Neil
 Cartledge, James
 Cash, Sir William
 Caulfield, Maria
 Chalk, Alex
 Chishti, Rehman
 Chope, Mr Christopher
 Churchill, Jo
 Clark, rh Greg
 Clarke, rh Mr Kenneth
 Cleverly, James
 Clifton-Brown, Geoffrey
 Coffey, Dr Thérèse
 Collins, Damian
 Colville, Oliver
 Costa, Alberto
 Cox, Mr Geoffrey
 Crabb, rh Stephen
 Crouch, Tracey
 Davies, Byron
 Davies, Chris
 Davies, David T. C.
 Davies, Glyn

Davies, James
 Davies, Mims
 Davies, Philip
 Davis, rh Mr David
 Dinenage, Caroline
 Djanogly, Mr Jonathan
 Donaldson, rh Mr Jeffrey M.
 Donelan, Michelle
 Double, Steve
 Dowden, Oliver
 Doyle-Price, Jackie
 Drax, Richard
 Drummond, Mrs Flick
 Duncan, rh Sir Alan
 Duncan Smith, rh Mr Iain
 Dunne, Mr Philip
 Ellis, Michael
 Ellison, Jane
 Ellwood, Mr Tobias
 Elphicke, Charlie
 Eustice, George
 Evans, Graham
 Evans, Mr Nigel
 Evennett, rh Mr David
 Fabricant, Michael
 Fallon, rh Michael
 Fernandes, Suella
 Field, rh Mark
 Foster, Kevin
 Fox, rh Dr Liam
 Francois, rh Mr Mark
 Frazer, Lucy
 Freeman, George
 Freer, Mike
 Fuller, Richard
 Fysh, Marcus
 Garnier, rh Sir Edward
 Garnier, Mark
 Gauke, Mr David
 Ghani, Nusrat
 Gibb, Mr Nick
 Glen, John
 Goldsmith, Zac
 Goodwill, Mr Robert
 Gove, rh Michael
 Graham, Richard
 Grant, Mrs Helen
 Gray, Mr James
 Grayling, rh Chris
 Green, Chris
 Green, rh Damian
 Greening, rh Justine
 Grieve, rh Mr Dominic
 Griffiths, Andrew
 Gyimah, Mr Sam
 Halfon, rh Robert
 Hall, Luke
 Hammond, Stephen
 Hancock, rh Matthew
 Hands, rh Greg
 Harper, rh Mr Mark
 Harrington, Richard
 Harris, Rebecca
 Hart, Simon
 Haselhurst, rh Sir Alan
 Heald, Sir Oliver
 Heapey, James
 Heaton-Harris, Chris
 Heaton-Jones, Peter
 Henderson, Gordon
 Herbert, rh Nick
 Hermon, Lady

Hinds, Damian
 Hoare, Simon
 Hollinrake, Kevin
 Hollobone, Mr Philip
 Holloway, Mr Adam
 Hopkins, Kris
 Howarth, Sir Gerald
 Howell, John
 Howlett, Ben
 Huddleston, Nigel
 Hunt, rh Mr Jeremy
 Hurd, Mr Nick
 Jackson, Mr Stewart
 Javid, rh Sajid
 Jayawardena, Mr Ranil
 Jenkin, Mr Bernard
 Jenkyns, Andrea
 Jenrick, Robert
 Johnson, Gareth
 Johnson, Joseph
 Jones, Andrew
 Jones, rh Mr David
 Jones, Mr Marcus
 Kawczynski, Daniel
 Kennedy, Seema
 Kinahan, Danny
 Kirby, Simon
 Knight, rh Sir Greg
 Knight, Julian
 Kwarteng, Kwasi
 Lancaster, Mark
 Latham, Pauline
 Leadsom, Andrea
 Lee, Dr Phillip
 Lefroy, Jeremy
 Leigh, Sir Edward
 Leslie, Charlotte
 Letwin, rh Mr Oliver
 Lewis, Brandon
 Lewis, rh Dr Julian
 Liddell-Grainger, Mr Ian
 Lidington, rh Mr David
 Lilley, rh Mr Peter
 Lopresti, Jack
 Lord, Jonathan
 Loughton, Tim
 Lumley, Karen
 Mackinlay, Craig
 Mackintosh, David
 Main, Mrs Anne
 Mak, Alan
 Malthouse, Kit
 Mann, Scott
 Mathias, Dr Tania
 May, rh Mrs Theresa
 Maynard, Paul
 McCartney, Jason
 McLoughlin, rh Mr Patrick
 McPartland, Stephen
 Menzies, Mark
 Mercer, Johnny
 Merriman, Huw
 Metcalfe, Stephen
 Miller, rh Mrs Maria
 Milling, Amanda
 Mills, Nigel
 Milton, rh Anne
 Mordaunt, Penny
 Morris, Anne Marie
 Morris, David
 Morris, James
 Morton, Wendy

Mowat, David
 Mundell, rh David
 Murray, Mrs Sheryll
 Murrison, Dr Andrew
 Neill, Robert
 Newton, Sarah
 Nokes, Caroline
 Norman, Jesse
 Nuttall, Mr David
 Offord, Dr Matthew
 Opperman, Guy
 Parish, Neil
 Patel, rh Priti
 Paterson, rh Mr Owen
 Pawsey, Mark
 Penning, rh Mike
 Penrose, John
 Percy, Andrew
 Perry, Claire
 Phillips, Stephen
 Philp, Chris
 Pickles, rh Sir Eric
 Pincher, Christopher
 Poulter, Dr Daniel
 Pow, Rebecca
 Prentis, Victoria
 Prisk, Mr Mark
 Pritchard, Mark
 Pursglove, Tom
 Quin, Jeremy
 Quince, Will
 Raab, Mr Dominic
 Redwood, rh John
 Rees-Mogg, Mr Jacob
 Robertson, Mr Laurence
 Robinson, Mary
 Rosindell, Andrew
 Rudd, rh Amber
 Rutley, David
 Sandbach, Antoinette
 Scully, Paul
 Selous, Andrew
 Shapps, rh Grant
 Sharma, Alok
 Shelbrooke, Alec
 Simpson, rh Mr Keith
 Skidmore, Chris
 Smith, Chloe
 Smith, Julian
 Smith, Royston
 Solloway, Amanda
 Soubry, rh Anna
 Spelman, rh Mrs Caroline
 Spencer, Mark

Stephenson, Andrew
 Stevenson, John
 Stewart, Bob
 Stewart, Iain
 Neill, Robert
 Stewart, Rory
 Streeter, Mr Gary
 Stride, Mel
 Stuart, Graham
 Sturdy, Julian
 Sunak, Rishi
 Swayne, rh Mr Desmond
 Swire, rh Mr Hugo
 Syms, Mr Robert
 Thomas, Derek
 Throup, Maggie
 Timpson, Edward
 Tolhurst, Kelly
 Tomlinson, Justin
 Tomlinson, Michael
 Tracey, Craig
 Tredinnick, David
 Trevelyan, Mrs Anne-Marie
 Truss, rh Elizabeth
 Tugendhat, Tom
 Turner, Mr Andrew
 Tyrie, rh Mr Andrew
 Vaizey, Mr Edward
 Vara, Mr Shailesh
 Vickers, Martin
 Villiers, rh Mrs Theresa
 Walker, Mr Charles
 Walker, Mr Robin
 Warburton, David
 Warman, Matt
 Watkinson, Dame Angela
 Wharton, James
 Whately, Helen
 Wheeler, Heather
 White, Chris
 Whittaker, Craig
 Whittingdale, rh Mr John
 Wiggin, Bill
 Williams, Craig
 Williamson, rh Gavin
 Wilson, Mr Rob
 Wollaston, Dr Sarah
 Wood, Mike
 Wragg, William
 Wright, rh Jeremy
 Zahawi, Nadhim

Tellers for the Noes:
Margot James and
George Hollingbery

Question accordingly negatived.

Amendment proposed: 123, page 34, line 13, at end insert,

“including a requirement for gender balance among the members of the Scottish Parliament and members of boards of Scottish public authorities;”—(*Ian Murray.*)

Question put, That the amendment be made.

The Committee divided: Ayes 193, Noes 313.

Division No. 39]

[8.50 pm

AYES

Abrahams, Debbie
 Alexander, Heidi
 Ali, Rushanara

Allen, Mr Graham
 Anderson, Mr David
 Arkless, Richard

Austin, Ian
 Bailey, Mr Adrian
 Barron, rh Kevin
 Beckett, rh Margaret
 Benn, rh Hilary
 Berger, Luciana
 Betts, Mr Clive
 Blackman-Woods, Dr Roberta
 Blomfield, Paul
 Brennan, Kevin
 Brown, Lyn
 Brown, rh Mr Nicholas
 Buck, Ms Karen
 Burgon, Richard
 Butler, Dawn
 Campbell, rh Mr Alan
 Campbell, Mr Ronnie
 Carmichael, rh Mr Alistair
 Champion, Sarah
 Chapman, Jenny
 Clwyd, rh Ann
 Coffey, Ann
 Cooper, Julie
 Cooper, Rosie
 Cox, Jo
 Creagh, Mary
 Cruddas, Jon
 Cryer, John
 Cummins, Judith
 Cunningham, Alex
 Cunningham, Mr Jim
 Dakin, Nic
 David, Wayne
 Davies, Geraint
 Doughty, Stephen
 Dowd, Jim
 Dowd, Peter
 Dromey, Jack
 Durkan, Mark
 Eagle, Maria
 Efford, Clive
 Elliott, Julie
 Ellman, Mrs Louise
 Esterson, Bill
 Evans, Chris
 Farrelly, Paul
 Field, rh Frank
 Fitzpatrick, Jim
 Ffello, Robert
 Fletcher, Colleen
 Flynn, Paul
 Fovargue, Yvonne
 Foxcroft, Vicky
 Gapes, Mike
 Gardiner, Barry
 Glass, Pat
 Glindon, Mary
 Godsiff, Mr Roger
 Green, Kate
 Greenwood, Lilian
 Greenwood, Margaret
 Griffith, Nia
 Gwynne, Andrew
 Haigh, Louise
 Hamilton, Fabian
 Harman, rh Ms Harriet
 Harpham, Harry
 Harris, Carolyn
 Hayes, Helen
 Hayman, Sue
 Healey, rh John
 Hendrick, Mr Mark

Hepburn, Mr Stephen
 Hillier, Meg
 Hodgson, Mrs Sharon
 Hoey, Kate
 Hollern, Kate
 Hopkins, Kelvin
 Hunt, Tristram
 Huq, Dr Rupa
 Hussain, Imran
 Irranca-Davies, Huw
 Jarvis, Dan
 Johnson, rh Alan
 Johnson, Diana
 Jones, Gerald
 Jones, Mr Kevan
 Jones, Susan Elan
 Kane, Mike
 Kaufman, rh Sir Gerald
 Keeley, Barbara
 Kinnock, Stephen
 Kyle, Peter
 Lammy, rh Mr David
 Lavery, Ian
 Leslie, Chris
 Lewell-Buck, Mrs Emma
 Lewis, Clive
 Lewis, Mr Ivan
 Long Bailey, Rebecca
 Lynch, Holly
 Mactaggart, rh Fiona
 Madders, Justin
 Mahmood, Mr Khalid
 Mahmood, Shabana
 Mann, John
 Marris, Rob
 Marsden, Mr Gordon
 Maskell, Rachael
 Matheson, Christian
 McCabe, Steve
 McCarthy, Kerry
 McDonagh, Siobhain
 McDonald, Andy
 McDonnell, John
 McFadden, rh Mr Pat
 McGinn, Conor
 McGovern, Alison
 McInnes, Liz
 Meacher, rh Mr Michael
 Meale, Sir Alan
 Mearns, Ian
 Moon, Mrs Madeleine
 Morden, Jessica
 Murray, Ian
 Onn, Melanie
 Onwurah, Chi
 Osamor, Kate
 Owen, Albert
 Pearce, Teresa
 Perkins, Toby
 Phillips, Jess
 Phillipson, Bridget
 Pound, Stephen
 Powell, Lucy
 Pugh, John
 Qureshi, Yasmin
 Rayner, Angela
 Reed, Mr Jamie
 Reed, Mr Steve
 Rees, Christina
 Reynolds, Jonathan
 Rimmer, Marie
 Ritchie, Ms Margaret

Robinson, Mr Geoffrey
 Rotheram, Steve
 Ryan, rh Joan
 Shah, Naz
 Sharma, Mr Virendra
 Sherriff, Paula
 Shuker, Mr Gavin
 Siddiq, Tulip
 Skinner, Mr Dennis
 Slaughter, Andy
 Smeeth, Ruth
 Smith, rh Mr Andrew
 Smith, Angela
 Smith, Cat
 Smith, Jeff
 Smith, Nick
 Smith, Owen
 Spellar, rh Mr John
 Starmer, Keir
 Stevens, Jo
 Streeting, Wes
 Stringer, Graham
 Stuart, Ms Gisela

Adams, Nigel
 Afriyie, Adam
 Aldous, Peter
 Allan, Lucy
 Allen, Heidi
 Andrew, Stuart
 Ansell, Caroline
 Argar, Edward
 Atkins, Victoria
 Bacon, Mr Richard
 Baker, Mr Steve
 Baldwin, Harriett
 Barclay, Stephen
 Barwell, Gavin
 Bebb, Guto
 Bellingham, Mr Henry
 Benyon, Richard
 Beresford, Sir Paul
 Berry, Jake
 Berry, James
 Bingham, Andrew
 Blackman, Bob
 Blackwood, Nicola
 Blunt, Crispin
 Boles, Nick
 Bone, Mr Peter
 Borwick, Victoria
 Bottomley, Sir Peter
 Bradley, Karen
 Brady, Mr Graham
 Brazier, Mr Julian
 Bridgen, Andrew
 Brine, Steve
 Brokenshire, rh James
 Bruce, Fiona
 Buckland, Robert
 Burns, Conor
 Burns, rh Sir Simon
 Burrowes, Mr David
 Burt, rh Alistair
 Cairns, Alun
 Carmichael, Neil
 Cartledge, James
 Cash, Sir William
 Caulfield, Maria
 Chalk, Alex

Tami, Mark
 Thomas, Mr Gareth
 Thomas-Symonds, Nick
 Timms, rh Stephen
 Trickett, Jon
 Turley, Anna
 Turner, Karl
 Twigg, Derek
 Twigg, Stephen
 Umunna, Mr Chuka
 Vaz, rh Keith
 Vaz, Valerie
 West, Catherine
 Whitehead, Dr Alan
 Williams, Mr Mark
 Wilson, Phil
 Winnick, Mr David
 Winterton, rh Ms Rosie
 Wright, Mr Iain
 Zeichner, Daniel

Tellers for the Ayes:
Tom Blenkinsop and
Graham Jones

NOES

Chishti, Rehman
 Chope, Mr Christopher
 Churchill, Jo
 Clark, rh Greg
 Clarke, rh Mr Kenneth
 Cleverly, James
 Clifton-Brown, Geoffrey
 Coffey, Dr Thérèse
 Collins, Damian
 Colville, Oliver
 Costa, Alberto
 Cox, Mr Geoffrey
 Crabb, rh Stephen
 Crouch, Tracey
 Davies, Byron
 Davies, Chris
 Davies, David T. C.
 Davies, Glyn
 Davies, James
 Davies, Mims
 Davies, Philip
 Davis, rh Mr David
 Dinenage, Caroline
 Djanogly, Mr Jonathan
 Donaldson, rh Mr Jeffrey M.
 Donelan, Michelle
 Double, Steve
 Dowden, Oliver
 Doyle-Price, Jackie
 Drax, Richard
 Drummond, Mrs Flick
 Duncan, rh Sir Alan
 Duncan Smith, rh Mr Iain
 Dunne, Mr Philip
 Ellis, Michael
 Ellison, Jane
 Ellwood, Mr Tobias
 Elphicke, Charlie
 Eustice, George
 Evans, Graham
 Evans, Mr Nigel
 Evennett, rh Mr David
 Fabricant, Michael
 Fallon, rh Michael
 Fernandes, Suella
 Field, rh Mark

Foster, Kevin
 Fox, rh Dr Liam
 Francois, rh Mr Mark
 Frazer, Lucy
 Freeman, George
 Freer, Mike
 Fuller, Richard
 Fysh, Marcus
 Gale, Sir Roger
 Garnier, rh Sir Edward
 Garnier, Mark
 Gauke, Mr David
 Ghani, Nusrat
 Gibb, Mr Nick
 Glen, John
 Goldsmith, Zac
 Goodwill, Mr Robert
 Gove, rh Michael
 Graham, Richard
 Grant, Mrs Helen
 Gray, Mr James
 Grayling, rh Chris
 Green, Chris
 Green, rh Damian
 Greening, rh Justine
 Grieve, rh Mr Dominic
 Griffiths, Andrew
 Gyimah, Mr Sam
 Halfon, rh Robert
 Hall, Luke
 Hammond, Stephen
 Hancock, rh Matthew
 Hands, rh Greg
 Harper, rh Mr Mark
 Harrington, Richard
 Harris, Rebecca
 Hart, Simon
 Haselhurst, rh Sir Alan
 Heald, Sir Oliver
 Heappey, James
 Heaton-Harris, Chris
 Heaton-Jones, Peter
 Henderson, Gordon
 Herbert, rh Nick
 Hermon, Lady
 Hinds, Damian
 Hoare, Simon
 Hollinrake, Kevin
 Hollobone, Mr Philip
 Holloway, Mr Adam
 Hopkins, Kris
 Howarth, Sir Gerald
 Howell, John
 Howlett, Ben
 Huddleston, Nigel
 Hunt, rh Mr Jeremy
 Hurd, Mr Nick
 Jackson, Mr Stewart
 Javid, rh Sajid
 Jayawardena, Mr Ranil
 Jenkin, Mr Bernard
 Jenkyns, Andrea
 Jenrick, Robert
 Johnson, Gareth
 Johnson, Joseph
 Jones, Andrew
 Jones, rh Mr David
 Jones, Mr Marcus
 Kawczynski, Daniel
 Kennedy, Seema
 Kinahan, Danny
 Kirby, Simon

Knight, rh Sir Greg
 Knight, Julian
 Kwarteng, Kwasi
 Lancaster, Mark
 Latham, Pauline
 Leadsom, Andrea
 Lee, Dr Phillip
 Lefroy, Jeremy
 Leigh, Sir Edward
 Leslie, Charlotte
 Letwin, rh Mr Oliver
 Lewis, Brandon
 Lewis, rh Dr Julian
 Liddell-Grainger, Mr Ian
 Lilley, rh Mr Peter
 Lopresti, Jack
 Lord, Jonathan
 Loughton, Tim
 Lumley, Karen
 Mackinlay, Craig
 Mackintosh, David
 Main, Mrs Anne
 Mak, Alan
 Malthouse, Kit
 Mann, Scott
 Mathias, Dr Tania
 May, rh Mrs Theresa
 Maynard, Paul
 McCartney, Jason
 McLoughlin, rh Mr Patrick
 McPartland, Stephen
 Menzies, Mark
 Mercer, Johnny
 Merriman, Huw
 Metcalfe, Stephen
 Miller, rh Mrs Maria
 Milling, Amanda
 Mills, Nigel
 Milton, rh Anne
 Mordaunt, Penny
 Morris, Anne Marie
 Morris, David
 Morris, James
 Morton, Wendy
 Mowat, David
 Mundell, rh David
 Murray, Mrs Sheryll
 Murrison, Dr Andrew
 Neill, Robert
 Newton, Sarah
 Nokes, Caroline
 Norman, Jesse
 Nuttall, Mr David
 Offord, Dr Matthew
 Opperman, Guy
 Parish, Neil
 Patel, rh Priti
 Paterson, rh Mr Owen
 Pawsey, Mark
 Penning, rh Mike
 Penrose, John
 Percy, Andrew
 Perry, Claire
 Phillips, Stephen
 Philp, Chris
 Pickles, rh Sir Eric
 Pincher, Christopher
 Poulter, Dr Daniel
 Pow, Rebecca
 Prentis, Victoria
 Prisk, Mr Mark
 Pritchard, Mark

Pursglove, Tom
 Quin, Jeremy
 Quince, Will
 Raab, Mr Dominic
 Redwood, rh John
 Rees-Mogg, Mr Jacob
 Robertson, Mr Laurence
 Robinson, Mary
 Rosindell, Andrew
 Rudd, rh Amber
 Rutley, David
 Sandbach, Antoinette
 Scully, Paul
 Selous, Andrew
 Shapps, rh Grant
 Sharma, Alok
 Shelbrooke, Alec
 Simpson, rh Mr Keith
 Skidmore, Chris
 Smith, Chloe
 Smith, Henry
 Smith, Julian
 Smith, Royston
 Solloway, Amanda
 Soubry, rh Anna
 Spelman, rh Mrs Caroline
 Spencer, Mark
 Stephenson, Andrew
 Stevenson, John
 Stewart, Bob
 Stewart, Iain
 Stewart, Rory
 Streeter, Mr Gary
 Stride, Mel
 Stuart, Graham
 Sturdy, Julian
 Sunak, Rishi
 Swayne, rh Mr Desmond
 Swire, rh Mr Hugo
 Syms, Mr Robert
 Thomas, Derek

Throup, Maggie
 Timpson, Edward
 Tolhurst, Kelly
 Tomlinson, Justin
 Tomlinson, Michael
 Tracey, Craig
 Tredinnick, David
 Trevelyan, Mrs Anne-Marie
 Truss, rh Elizabeth
 Tugendhat, Tom
 Turner, Mr Andrew
 Tyrie, rh Mr Andrew
 Vaizey, Mr Edward
 Vara, Mr Shailesh
 Vickers, Martin
 Villiers, rh Mrs Theresa
 Walker, Mr Charles
 Walker, Mr Robin
 Warburton, David
 Warman, Matt
 Watkinson, Dame Angela
 Wharton, James
 Whately, Helen
 Wheeler, Heather
 White, Chris
 Whittaker, Craig
 Whittingdale, rh Mr John
 Wiggins, Bill
 Williams, Craig
 Williamson, rh Gavin
 Wilson, Mr Rob
 Wollaston, Dr Sarah
 Wood, Mike
 Wragg, William
 Wright, rh Jeremy
 Zahawi, Nadhim

Tellers for the Noes:
Margot James and
George Hollingbery

Question accordingly negated.

Clauses 32 to 37, schedule 2 and clauses 38 to 45 ordered to stand part of the Bill.

Clause 46

GAELIC MEDIA SERVICE

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

The Temporary Chairman (Sir David Amess): With this it will be convenient to discuss the following:

Clauses 47 and 48 stand part.

Amendment 157, in clause 49, page 49, line 6, after “operator” insert—

“or not for profit operator”.

Amendment 158, in clause 49, page 49, line 8, leave out “does not” and insert “may”.

Clause 49 stand part.

Amendment 149, in clause 50, page 49, leave out from beginning of line 32 to line 50 on page 50 and insert—

“(4) The Scottish Ministers may not make regulations under section 9 unless they have consulted the Secretary of State about the proposed regulations.

(5) Subsection (1) does not prevent the Secretary of State making a support scheme in relation to Scotland under section 9, or varying or revoking regulations made by the Scottish

Ministers under that section with the agreement of the Scottish Ministers”

This amendment would remove the requirement in Clause 50 for the agreement of the Secretary of State as a pre-requisite to the exercise of certain powers by the Scottish Minister. It includes a requirement for the agreement of Scottish Ministers before the Secretary of State may vary or revoke instruments made by the Scottish Ministers.

Clause 50 stand part.

Amendment 150, in clause 51, page 52, leave out from beginning of line 10 to end of line 3 on page 53 and insert—

“(5) The Scottish Ministers may not make an order under section 33BC unless they have consulted the Secretary of State about the proposed order.

(6) The power of the Secretary of State to make an order under section 33BC is exercisable so as to make any provision that may be made by the Scottish Ministers under that section, or vary or revoke an order made by the Scottish Ministers under that section, but only with the agreement of the Scottish Ministers.”

This amendment would remove the requirement in Clause 51 for the agreement of the Secretary of State as a pre-requisite to the exercise of certain powers by the Scottish Minister. It includes a requirement for the agreement of Scottish Ministers before the Secretary of State may vary or revoke instruments made by the Scottish Ministers.

Amendment 151, page 53, leave out from beginning of line 45 to end of line 37 on page 54 and insert—

“(5) The Scottish Ministers may not make an order under section 33BD unless they have consulted the Secretary of State about the proposed order

(6) The power of the Secretary of State to make an order under section 33BD is exercisable so as to make any provision that may be made by the Scottish Ministers under that section, or vary or revoke an order made by the Scottish Ministers under that section, but only with the agreement of the Scottish Ministers.”

This amendment would remove the requirement in Clause 51 for the agreement of the Secretary of State as a pre-requisite to the exercise of certain powers by the Scottish Minister. It includes a requirement for the agreement of Scottish Ministers before the Secretary of State may vary or revoke instruments made by the Scottish Ministers.

Amendment 152, in clause 51, page 55, leave out from beginning of line 28 to end of line 21 on page 56 and insert—

“(5) The Scottish Ministers may not make an order under section 41A unless they have consulted the Secretary of State about the proposed order.

(6) The power of the Secretary of State to make an order under section 41A is exercisable so as to make any provision that may be made by the Scottish Ministers under that section, or vary or revoke an order made by the Scottish Ministers under that section, but only with the agreement of the Scottish Ministers.”

This amendment would remove the requirement in Clause 51 for the agreement of the Secretary of State as a pre-requisite to the exercise of certain powers by the Scottish Minister. It includes a requirement for the agreement of Scottish Ministers before the Secretary of State may vary or revoke instruments made by the Scottish Ministers.

Amendment 153, in clause 51, page 57, leave out from beginning of line 15 to end of line 7 on page 58 and insert—

“(5) The Scottish Ministers may not make an order under section 41B unless they have consulted the Secretary of State about the proposed order.

(6) The power of the Secretary of State to make an order under section 41B is exercisable so as to make any provision that may be made by the Scottish Ministers under that section, or vary or revoke an order made by the Scottish Ministers under that section, but only with the agreement of the Scottish Ministers.”

This amendment would remove the requirement in Clause 51 for the agreement of the Secretary of State as a pre-requisite to the exercise of certain powers by the Scottish Minister. It includes a requirement for the agreement of Scottish Ministers before the Secretary of State may vary or revoke instruments made by the Scottish Ministers.

Clauses 51 and 52 stand part.

Amendment 154, in clause 53, page 60, leave out lines 9 to 17.

This amendment removes restrictions on the consultation process with the Scottish Government and Scottish Parliament in relation to renewables incentive schemes.

Clauses 53 and 54 stand part.

Amendment 155, in clause 55, page 63, line 18, at end insert—

“(0) the Scottish Ministers,”

Clause 55 as currently drafted would allow Scottish Ministers to make a reference to the Competition and Markets Authority only in the most exceptional circumstances. This amendment would enable Scottish Ministers to make a reference without the involvement of the Secretary of State.

Clauses 55 to 64 stand part.

New clause 50—*Commission on social and economic rights*—

“(1) The Secretary of State shall appoint a commission on social and economic rights.

(2) The Secretary of State shall invite the Presiding Officers or Speakers of the House of Commons, House of Lords, National Assembly of Wales, Northern Ireland Assembly and the Scottish Parliament each to nominate no more than three persons to the commission on social and economic rights.

(3) The commission on social and economic rights must report on—

(a) the practicality of making the Scottish Parliament and Scottish Government subject to the rights contained in the International Covenant on Economic, Social and Cultural Rights; and

(b) the consequences of Scottish devolution for the attainment of economic and social rights throughout the United Kingdom.

(4) The Secretary of State may by regulations determine the role, composition, organisation and powers of the commission on social and economic rights.’

The purpose of this New Clause is to create a commission to consider whether economic and social rights could be made justiciable in Scotland, and the prospects for achieving fuller attainment of economic and social rights throughout the United Kingdom.

New clause 52—*Office of Wellbeing*—

“(1) Scottish Ministers shall appoint an independent Office of Wellbeing to monitor and report on the wellbeing impacts of fiscal and macro-economic policy in Scotland, with a particular focus on inequalities of wellbeing.

(2) The First Minister must publish at least once a year a wellbeing statement setting out the relevant social, economic and environmental policies of Scottish Ministers and their intended effects on the wellbeing of the people of Scotland.

(3) The Office of Wellbeing may commission independent research.

(4) The Office of Wellbeing must report at least once a year on progress being made against the wellbeing statement made by the First Minister and may report from time to time on any other relevant matter.

(5) The costs of the Office of Wellbeing shall be borne by the Scottish Parliament.

This Clause establishes an independent Office of Wellbeing, akin to the Office for Budget Responsibility, to ensure that expert consideration is given to the interplay between the economic, fiscal and macro-economic policies of the Scottish and United Kingdom Governments and their environmental, economic and social effects.

New clause 65—Rail Services—

‘In Part 2 of Schedule 5 to the Act, in section E2, after “Exceptions” there is inserted—

“The provision of rail passenger services that are Scotland-only services (and so far as they include other services, include only cross-border services designated by the Scottish Ministers), including the power to decide who will run such services, the provisions of the Railways Act 1993 notwithstanding.”

This amendment would devolve rail services in Scotland giving Scottish Ministers full powers and flexibility to decide who would run such services.

The Minister of State, Department of Energy and Climate Change (Andrea Leadsom): Thank you, Sir David. It is a great pleasure to be introducing these clauses. Clauses 46 and 47 deliver the Smith commission agreement and provide Scottish Ministers with greater influence over the strategic direction—[*Interruption.*]

The Temporary Chairman: Order. Members owe the Minister the courtesy of leaving the Chamber quietly.

Andrea Leadsom: Thank you, Sir David.

Clauses 46 and 47 deliver the Smith commission agreement and provide Scottish Ministers with greater influence over the strategic direction of the Commissioners of Northern Lighthouses and of MG Alba. They achieve that by enabling Scottish Ministers to appoint a member of the Northern Lighthouse Board and by giving Scottish Ministers the power to approve Ofcom appointments to MG Alba.

Clause 48 provides that the Secretary of State will be required to consult Scottish Ministers when setting the strategic priorities in relation to the exercise of functions in Scotland regarding the activities of Her Majesty’s Coastguard and the safety standards of ships. These functions are exercisable by the Secretary of State for Transport, but are in practice carried out in the UK by the Maritime and Coastguard Agency, an executive agency of the Department for Transport.

The Smith commission agreement was explicit in the devolution of the power to allow public sector operators to bid for rail franchises funded and specified by Scottish Ministers, and clause 49 achieves that.

Clauses 50, 51 and 52 implement the Smith commission agreement and devolve design and implementation powers relating to energy efficiency and fuel poverty to Scottish Ministers, while reserving responsibility for the overarching aspects that affect all consumers in Great Britain, such as scale, costs and apportionment of obligations, as well as the obligated parties. The clauses contain safeguards to give effect to the Smith commission agreement that the devolution of these powers

“be implemented in a way that is not to the detriment of the rest of the UK or to the UK’s international obligations and commitments on energy efficiency and climate change.”

It is the Government’s position that such provisions are necessary. Specifically, we believe that it would be in the interests of UK and Scottish Ministers that the benefits provided to consumers in one part of Great Britain should be proportionate to the costs on consumers in that part of Great Britain.

Scottish Ministers should be able to design supplier obligations for Scotland, but costs should be proportionate across regions, removing the possibility of competitive distortions and cross-subsidy by consumers across Great Britain. We will look at ways of making the costs of obligations clear and equitable between Scotland and the rest of Great Britain.

Clause 53 creates a formal consultative role for Scottish Ministers in the design of renewable electricity incentive schemes that will apply in Scotland. Clause 54 will enable Scottish Ministers to take decisions on safety zones for renewable energy installations in Scottish waters by making Scottish Ministers the appropriate Ministers, and it will enable them to take responsibility for ensuring that offshore renewable energy installations are removed or decommissioned at the end of their useful life. It ensures that consent to and decommissioning of offshore renewable energy installations and the management of Crown Estate assets in relation to such installations are the responsibility of Scottish Ministers, rather than being divided between Scottish Ministers and the Secretary of State.

Clause 55 delivers the Smith commission agreement by devolving to Scottish Ministers, when acting jointly with the Secretary of State, the power to require the Competition and Markets Authority to carry out a market investigation reference when they suspect that features of a market are preventing, restricting or distorting competition. Clause 56 requires Scottish Ministers to lay Ofgem’s annual report and accounts before the Scottish Parliament. To enable that, it ensures that copies will be provided to Scottish Ministers.

Clause 57 gives effect to two key elements of paragraph 38 of the Smith commission agreement relating to Ofcom. It gives Scottish Ministers the power to appoint one member to the Ofcom board to represent the interests of Scotland, and it requires Ofcom’s annual report and accounts to be laid before the Scottish Parliament. Clause 58 gives effect to paragraphs 39, 40 and 41 of the Smith commission agreement relating to the appearance of the Northern Lighthouse Board, Ofcom and Ofgem before the Scottish Parliament on matters relating to Scotland.

Finally, part 7 contains standard technical clauses, including general provisions associated with the Bill, such as transitional provisions, commencement arrangements and the short title.

Wayne David (Caerphilly) (Lab): Before speaking to amendments 157 and 158 to clause 49, I would like to comment on clauses 50 and 51, which relate to fuel poverty support schemes and energy company obligations. I would like the Minister to explain—indeed, to justify—why those clauses are constructed as they are. They amend existing primary legislation, but they are far from clear.

Our starting point must be paragraph 68 of the Smith commission’s report, which states:

“Powers to determine how supplier obligations in relation to energy efficiency and fuel poverty... will be devolved. Responsibility for setting the way the money is raised... will remain reserved.”

Importantly, it then states:

“This provision will be implemented in a way that is not to the detriment of the rest of the UK or to the UK’s international obligations and commitments on energy efficiency and climate change.”

Indeed, paragraph 68 is one of the more prescriptive in the report.

Clauses 50 and 51 also state clearly that any action proposed by Scottish Ministers should not be to the detriment of the United Kingdom as a whole. I want to press the Minister on the criteria to be used by the Secretary of State to determine whether a course of action proposed by Scottish Ministers would be to the detriment of the UK. That is clearly stated in clause 50, and at several points in clause 51. Specifically, proposed new section 14A(8)(b) in clause 50 refers to schemes likely to

“cause detriment to the United Kingdom”.

However, it does not state how detriment in all cases may be judged to have occurred. Proposed new section 14A(9) states that

“considerations that the Secretary of State may take into account include the costs imposed on suppliers by virtue of schemes made, or to be made, by the Secretary of State and the Scottish Ministers under section 9.”

That is section 9 of the Energy Act 2010.

In clause 51, proposed new section 33BCA(7) and others make similar references to “detriment” and to “costs”. Here, too, the phrase “may take into account” is used, which strongly implies that the Secretary of State will not be obliged to take costs into account. It seems that he will also be able to take other, non-specified factors into account. The same can be said of other amendments to existing legislation proposed in clause 51.

What I find worrying about the proposed new sections in clauses 50 and 51 is the lack of specificity and the significant discretion placed in the hands of the Secretary of State. Apart from the politics of this, there is a question of the lack of clarity and, with it, the possibility of any course of action being justiciable. I am not a lawyer—I am an ordinary person—but my experiences over the past decade or so tell me that if there is a lack of clarity in legislation, all too often it is the judges who end up providing that clarity.

I am thinking of the action taken two years ago by the UK Government against the Welsh Government. The Welsh Government wanted to protect Welsh agricultural workers after the UK Government abolished the Agricultural Wages Board, and the UK Government lost the case in the Supreme Court. That is simply an example that springs to mind of what can happen when legislative imprecision leads to legal problems. I would welcome the Minister’s response to the points I have made.

Let me turn to clause 49—Rail: franchising of passenger services. It amends section 25 of the Railways Act 1993 to remove the prohibition on public sector operators bidding for a franchise in relation to a Scottish franchise agreement. The Smith commission’s report stated clearly, in paragraph 65:

“The power will be devolved to the Scottish Government to allow public sector operators to bid for rail franchises funded and specified by Scottish Ministers.”

Labour’s amendment 157 would take a small but significant step further, but in a way that is in keeping with the spirit of the Smith commission’s report. In proposing to allow not-for-profit operators, it echoes the proposal by Gordon Brown prior to the referendum.

9.15 pm

As things stand, the Scottish Government are already responsible for letting and funding the ScotRail franchise. The legal framework for letting the franchise is provided by the Railways Act 1993, the Transport Act 2000 and the Railways Act 2005. These, collectively, preclude state-controlled organisations from bidding for franchises. Members might find it surprising, however, that state-controlled bodies from other countries are not precluded from holding a franchise. Abellio, an offshoot of the Dutch national state railway, was recently awarded the ScotRail franchise by the Scottish Government. That decision raised a few eyebrows. The general secretary of the RMT union said:

“Scotland could have taken control of its own railways. Instead, they have opted to go Dutch, meaning that profits will be sucked out of the system to underpin investment in fares in Holland.”

That is a real concern for many people. ASLEF’s general secretary spoke for many when he criticised the “perverse” decision by the SNP Government in Scotland.

Dr Whitford: In fact, the Scottish Government did not have the power to choose to give that franchise to a public service within Scotland, so to criticise them for giving it somewhere else seems a little perverse.

Wayne David: I will come to that, because it is an entirely predictable response from the SNP.

It is difficult to avoid the conclusion that the decision was indeed somewhat perverse. I say that because the Scottish Government could have delayed the tendering process in the full knowledge that they would soon have the power to award a franchise to a public or not-for-profit operator that could reinvest any profits back into Scotland’s railways, but they chose not to delay. They knew the legislation was coming and pre-empted it.

Dr Whitford: The Scottish Government have put a break in the franchise so that if we are lucky enough to have this power in the Scottish Parliament by 2020, we can give the franchise to our own public sector.

Wayne David: I am glad that the SNP accepts the point I am making.

It would have been better if, instead of putting nationalist sentiment first, the SNP considered harsh economic reality and the wellbeing of the Scottish people, but no—it decided to press ahead. As SNP Members are well aware, rail passengers are suffering badly as ScotRail has adopted an approach to industrial relations that the Scottish TUC’s Graeme Smith has described as “nothing short of shambolic”. Few would disagree with that comment.

Yesterday, ScotRail cancelled a third of its usual Sunday services after pay talks with train drivers’ union ASLEF stalled. Abellio ScotRail has written to staff to offer voluntary redundancy, even though the franchise was supposed to guarantee that that would not happen. In the light of these developments, it is important for us to say clearly that Abellio’s workforce planning and industrial relations are shambolic—and that is an understatement.

Why on earth is what is happening on the Scottish railways being allowed to happen? Surely what is needed is in-depth scrutiny and a review of the previous tendering

[Wayne David]

arrangements. In tabling amendment 158, our desire is not merely to put the spotlight on the foolish behaviour of the SNP Government in Scotland, but to ensure that they learn the lessons so that their mistakes cannot be made again. I hope that Members on both sides of the Committee will feel able to support our amendment on that basis.

Mr Graham Allen: Before I deal with the amendments and new clauses in my name, I should like to address a few words, through you, Sir David, to the other place. The way in which we are considering this Bill means that a large group of new clauses that try to give real life to the Smith commission proposals will not even be discussed this evening. They would give Scottish local authorities the general power of competence already enjoyed by English local authorities. They also refer to subsidiarity and to devolving power genuinely not just to the Scottish Parliament—of which I am one of the biggest supporters—but to Scottish local government. The new clauses would actually allow local government in Scotland to be constitutionally defined so that no one, either in this place or in the Scottish Parliament, could ever take away the rights and liberties of Scottish local government.

It is a flaw in our legislative process when we are not even allowed to debate those very important issues in our own Parliament. They have not even been dismissed. I very much hope that colleagues in the other place will note that those issues have not had a hearing. I think that many people—democrats from all parties—who were excited about the possibilities of what arose from the referendum and the Smith process will feel that this House has cheated them out of a proper debate on some of the wider issues of devolution.

This is going to happen again on another day, when the English version of devolution will be debased and devalued by a mere rearranging of the EVEL deckchairs in the House of Commons. I think people will live to regret that day, too.

Drew Hendry: As my colleagues have said, the principle of subsidiarity should not stop at local authorities. Does the hon. Gentleman agree that subsidiarity should be about people being able to take control themselves as and when they need to do so?

Mr Allen: I do not wish to be unkind to the hon. Gentleman, but subsidiarity is not stopping at local government in Scotland and many would argue that it is not really started at local government, either. There are many examples of how the Scottish Parliament, over which the hon. Gentleman's party has majority control—there is no one else to blame—is sucking up powers. That sucking sound we hear from north of the border is the powers going up from local government to Holyrood. On subsidiarity, if it were justiciable, local government and, in fact, any individual, could take the Scottish Government to court if they removed the constitutional powers that I would have suggested had we had time to discuss the new clauses in the next group of amendments, but sadly we are not going to reach them.

Drew Hendry: Has the hon. Gentleman studied the document by the Commission on Strengthening Local Democracy in Scotland? It was a cross-party and civic

society exercise in examining how Scotland might go forward. In fact, I as an SNP member was a signatory and co-author of that document and was on the commission.

The Temporary Chair (Sir David Amess): Order. Before the hon. Member for Nottingham North (Mr Allen) responds to that intervention, I would be grateful if he drew his remarks more closely to the amendments under discussion.

Mr Allen: The hon. Member for Inverness, Nairn, Badenoch and Strathspey (Drew Hendry) is putting a terrible temptation in my way, but I will resist it.

Owen Thompson: Will the hon. Gentleman give way?

Mr Allen: In a moment. Why do we need that document? I gently remind the hon. Member for Inverness, Nairn, Badenoch and Strathspey that we need it because of what his party has done to the police service, the fire service, local government, courts and colleges. I would be very happy to talk about the nationalisation of the police service in Scotland or the closure of 17 courts, but if I were to do so Sir David would call me to order. I could tell the Committee about the 23 local enterprise companies that were abolished and turned into just two, and give many other examples, but I will not stray there, Sir David, because I know you would say that I was out of order.

What I will say is that local government must play its part. Perhaps the hon. Gentleman and I can agree that local government has to be respected and recognised, and that my new clauses promote that possibility. Instead of that being at the whim of whoever happens to run the Scottish Government, it could be constitutionally defined. I suggest incorporating the words on subsidiarity from the Maastricht treaty. I suggest that the First Minister establishes a series of powers and competences for local government that can be changed only by a two-thirds majority in the Scottish Parliament. Those are ways in which, I hope he would agree, local government in Scotland could demonstrate to local government in England how to do things. Throughout the passage of the Bill—I hope the hon. Gentleman will give me credit for having been here on a considerable number of occasions—my concern has been to ensure that what is good enough for Scotland, and Scotland should have the very best, also applies to England.

I give way to the hon. Member for Midlothian (Owen Thompson), who has been very patient.

Owen Thompson: My hon. Friend the Member for Inverness, Nairn, Badenoch and Strathspey (Drew Hendry) mentioned the Commission on Strengthening Local Democracy. The Scottish Government have also introduced the Community Empowerment (Scotland) Bill, which contains powers for greater local community decision making. The Scottish Government have given greater decision-making powers to local communities than anyone has ever given them in Scotland. The hon. Member for Nottingham North (Mr Allen) mentioned police and fire matters. There is greater local scrutiny of those matters than there ever was under the fire and police boards.

The Temporary Chair (Sir David Amess): Order. This is very ingenious, but I would be grateful if the hon. Gentleman kindly related his remarks to the amendments before us.

Mr Allen: Certainly, Sir David. You are right to admonish the hon. Gentleman for trying to lure me, yet again, into discussing local government, which I would not wish to do. Although I worked hard to table eight new clauses on Scottish local government, it is probably of no concern to this Committee, which seems to regard it as an irrelevance. I think that that is mistaken, because local government is key to devolution in Scotland and in England, Wales and Northern Ireland.

To get back to the plot, Sir David, Lord Smith referred strongly in the foreword to his report to the need for localism in the further devolution of powers. He was very clear about that. If Members in all parties, collectively, can be clear about that too, we will see that each nation of the United Kingdom can be governed much more effectively when as much power as is humanly possible is given to the appropriate level. That includes not just Parliaments, Assemblies and Executives, but local government and—to pick up the very good point made by the hon. Member for Inverness, Nairn, Badenoch and Strathspey—beyond that, through double devolution, to neighbourhoods and communities, which can deliver many of the services that are currently over-centralised in Westminster, Whitehall and Holyrood.

I have tabled two of the new clauses in this group. New clause 50 concerns, in effect, a Bill of Rights. Earlier in the passage of the Bill, when I think you were in the Chair, Sir David, I suggested that the Scottish Parliament should continue with the Human Rights Act 1998, regardless of what this place does anywhere else in the United Kingdom. That Act should be safeguarded. I would go further, as I do in new clause 50. Human rights, as defined by the European convention on human rights, are very important. They are the fundamental block on which our liberties and freedoms rest, as I said in our earlier debates.

The issue of human rights could be taken further in Scotland through a discussion of economic and social rights. That is not an easy area, but it is perfectly possible for Scotland to lead in it. As the Scotland Bill is before the House, I have taken the opportunity to suggest that the Scottish Parliament could be a strong advocate of those rights. In the run-up to the elections next May, all parties in the Scottish Parliament should have a view on whether we can take human rights that one step further in one nation of the Union, even if human rights are being deferred, delayed and eroded in other parts of the United Kingdom.

One of the beauties of a federal system is that one part can pioneer and lead when other parts lag behind. The Minister knows that well from her experience of pushing forward ideas about early intervention and the treatment of children. She knows that if she works hard in her area, or if someone in one American state pioneers something, it is there as example for everyone else to pick up as and when resources allow. A varied ecology allows our politics to thrive and grow, and it is the antithesis of an over-centralised state based in Whitehall that tells everybody what to do whether they are in Nottingham, Aberdeen or Cardiff.

9.30 pm

Our basic rights are important, so I urge the parties in the Scottish Parliament to bring forward ideas about economic and social rights. Many of our European partner countries have had such systems for decades, and we can catch up. If the rest of the countries in the Union cannot do so, perhaps Scotland can show us the way and lead us towards a Bill of Rights that includes those contained in the international covenant on economic, social and cultural rights.

I urge the Committee at least to listen to the debate on new clause 50, and perhaps the other place will act, conscious that its duty is not merely to make amendments related to the Scotland Act 2012. There is a broader duty now on us—we are failing in it—and on the second Chamber. We can take the tremendous opportunity that we have been given by the results of the referendum and the election in Scotland to look afresh at our whole democracy and at how the separate pieces of the jigsaw come together to make the picture that we call the Union.

I also wish to speak to new clause 52, which proposes the establishment of an office of wellbeing. I have listened to colleagues from all parties discussing full fiscal autonomy, councils' ability to levy taxes and so on. Of course, there has been a wide variety of interpretations of statistics—how unusual is that in this place?—but when we have talked about Union-wide matters, the Office for Budget Responsibility has helped us have a rather more focused debate. I am sure the Minister knows far more about it than most in the Chamber. My new clause suggests that there be an office of wellbeing, which would perform pretty much the same task in Scotland.

The office of wellbeing would be independent and could commission independent research, but it would be appointed in the first instance by Scottish Ministers. It would meet and issue reports to the Scottish Parliament. That would ensure that the economic change that is happening in Scotland could be properly analysed and reported on. The information could then be of use to everybody else in the Union. Even the most bitter separatists would surely not wish to injure—

Chris Stephens: Are you referring to the Conservatives or us?

Mr Allen: Those who feel that they are being referred to should take that upon themselves, but surely they would not wish to injure the rest of the Union. Surely that is not a price that anyone would pay. A body that could analyse what happens as Scotland evolves would benefit its near neighbours, and it could be of great use as we continue the discussions on Scottish devolution.

Brendan O'Hara: Will the hon. Gentleman reflect on his terminology and on “bitter separatists”? Much of what he said was of great interest to many of us, but the spirit of it was perhaps lost by his use of those words.

Mr Allen: I seem to touch a nerve every time I use the word “separatist” to describe those people who wish to separate. [HON. MEMBERS: “ You said ‘bitter.’”] Well there may be bitter separatists and there may be lovely, generous warm separatists—I am sure there are; perhaps I am looking at many of them now. If people are

[Mr Graham Allen]

pursuing a project so enormous that they might get offended at the word “separatist”—[HON. MEMBERS: “You said ‘bitter!’”] Oh bitter—forgive me. In that case, so as to carry on in the right spirit I withdraw the word “bitter”. People of all temperaments who are separatists may wish to consider how they make their case, and they should not be too worried if someone refers to people who, for genuine reasons want to separate from the other countries in the Union, as “separatists”. That word has had a good outing now—hopefully, separatism and separatists will not cause such a problem now we have burst that bubble.

Mrs Anne Main (St Albans) (Con) *rose*—

Drew Hendry *rose*—

Mr Allen: I will give way to the hon. Member for St Albans (Mrs Main).

Mrs Main: I was hoping to suggest “ardent” so that we can all move on a little.

Mr Allen: I am happy with that—some are ardent and some are not so ardent, but whether they are separatists or any other word we care to use, the impact of some of their policies may be that Scotland separates from the Union. I would hate to see Scotland separate; I want the rest of the Union to learn from Scotland and ensure that England, Wales and Northern Ireland enjoy the fruits of devolution rather than this constricted, over-centralised system that we all labour under, and that even people such as me can become bitter about, even though I am not a separatist.

Sir Oliver Heald (North East Hertfordshire) (Con): I am sure the hon. Gentleman will agree that one cannot be too sensitive in a place where our visitors are known as “strangers”. He speaks about an office of wellbeing. How does he define wellbeing? Is it the same sort of wellbeing that we have in health and wellbeing arrangements in the NHS?

Mr Allen: Again, we can get hung up on the words, and the Office for Budget Responsibility could argue about what “responsibility” means. I am trying to suggest that there should be an independent body that can define some statistical basis for the economic arguments we will all have, whatever our political differences. I think the hon. Member for Inverness, Nairn, Badenoch and Strathspey wished to intervene, but I do not want to disturb him if he is looking at a good game on his PC.

Drew Hendry: I was not looking at a good game, but I thank the hon. Gentleman for allowing me to intervene. I wanted to pick up on the issue of pejorative terms because I do not think they help the debate. However, the hon. Gentleman should feel free to use whatever terms he wants because we will just go on representing Scotland. Perhaps the lessons that should be learned from Scotland are that the Scottish public voted in overwhelming numbers to return 56 SNP MPs and have them stand up and have Scotland’s voice heard, which it clearly is not being.

Mr Allen: Again, that confusion of the SNP equalling Scotland; I do not regard that—

Michelle Thomson (Edinburgh West) (SNP): The SNP has 95% of MPs.

Mr Allen: Yes, but I think 6% of the United Kingdom electorate voted for the SNP, so if we get into statistical battles—[*Interruption.*] We are in the federal Parliament now. Those who get annoyed must understand that this is not Holyrood and MPs are not entitled to do to local government in nations outside Scotland what has been done to local government inside Scotland. That writ, where what the SNP says goes and we must do, does not extend to the federal Parliament. So I would say to the hon. Member for Inverness, Nairn, Badenoch and Strathspey that in the rough and tumble of debate on the Union, there is a fundamental question. Some people wish to have devolution and some people wish to separate—I regard that not as pejorative but as accurate—and those debates must be heard here, even if the electoral system has handed a large number of seats to one particular party. It is a matter of respecting the views of everyone else. If that is done, that party might be able to claim that it represents the people of Scotland. But it cannot claim to be the exclusive voice of Scotland when so many people did not vote for that party and, of course, a large majority rejected the fundamental platform on which the SNP stands—separation from the Union.

Wayne David: We have heard a great deal about the fact there are 56 SNP Members. We are debating the Scotland Bill, so where are they? There are fewer than a dozen SNP Members in the Chamber. So much for being the voice of Scotland! [*Interruption.*]

The Temporary Chair (Sir David Amess): Order. Before the hon. Member for Nottingham North (Mr Allen) responds to that intervention, may I remind the Committee that the knife falls at 10 pm, and other hon. Members wish to speak? I have been very lax in allowing Members to drift on to the third group, which is not for discussion. I would ask the hon. Gentleman to draw his remarks much more closely to the amendments.

Mr Allen: If other hon. Members wish to speak—forgive me, but I did not see anyone else rising—it is a very good reason for me to shut up and sit down.

Callum McCaig: Amendment 154 addresses the consultation process on the renewable electricity incentive schemes. Paragraph 41 of the Smith commission report states:

“There will be a formal consultative role for the Scottish Government and the Scottish Parliament in designing renewables incentives”.

Clause 53 provides that that would not apply in relation to

“any levy in connection with a renewable electricity incentive scheme”—

or to anything that the Secretary of State deems to be a minor, technical or administrative change. In the light of recent matters that certain parties seem to think are minor, administrative or technical, but that my party views as a major attack on Scotland’s renewable energy industry, the inclusion of those words gives some cause for concern, as does the rowing back on what was promised in the Smith report.

The fundamentals of this are clear. The all-party devolution committee, about which we have heard much in the last few days of debate, said:

“Clauses 56 and 58 are identical to draft clauses 42 and 44 but Clause 53”—

the one I am talking about—

“has been changed, and does not require the Secretary of State to consult the Scottish Ministers about any levy in connection with a renewable electricity incentive scheme, it is understood that this relates to Contract for Difference—Supplier Operational Levies and Capacity Market—Settlement Cost Levies. These are levy payments made by Suppliers to cover the operational cost of administering Contract for Difference and Capacity Market.”

Such levies are fundamental to designing renewable incentives. The spirit and letter of Smith demand formal consultation with the Scottish Government. Frankly, I do not understand what the consultation on renewable incentives will be about if it does not include the money required to enable them to happen.

I want to hear from the Minister on this issue, but I have one final point to make about the message that will be sent to the renewable industry in Scotland and beyond if amendment 154 is rejected. Investors are already on edge because of the disastrous handing of the early closure of the renewables obligation. If the promise of meaningful consultation is withdrawn, it prompts the question of what else the Government have in store to wreck Scotland’s renewables potential.

9.45 pm

Andrea Leadsom: I am delighted to respond this evening. We have heard a wide range of views—albeit some ranging away from the proposed amendments—and I thank hon. Members for all their contributions.

The hon. Member for Caerphilly (Wayne David) spoke to clause 49, on which the Smith commission agreement was explicit that the power to allow public sector operators to bid for rail franchises funded and specified by Scottish Ministers would be devolved. Amendments 157 and 158 are unnecessary. Amendment 157 is not necessary as not-for-profit entities, public or private, are not precluded from being franchisees already. Amendment 158 would create unnecessary uncertainty by allowing discretion on whether a public sector bidder could join a live procurement process and therefore does not enhance the drafting in any way. New clause 65 would give the Scottish Parliament full competence over railways. That clearly goes beyond the Smith commission agreement, and would create the potential for unwanted disruption of networks and relationships between franchise authorities, passenger services and cross-border operations. I therefore urge right hon. and hon. Members to withdraw amendments 157 and 158 and new clause 65.

Turning to energy company obligations and fuel poverty, amendments 149 to 153 would depart from the Smith commission agreement. The agreement recognised that decisions that could impact on all Great Britain consumers have an impact on the Great Britain energy market as a whole and on UK international obligations that should be made at a Great Britain-wide level and remain reserved. Costs incurred by energy companies owing to supplier obligations affect all Great Britain’s consumers. Different costs incurred by a supplier in one area of Great Britain may cause competitive disadvantages and higher costs for customers in other areas. We think it would be in the interests of both UK and Scottish

Ministers that costs on consumers in one part of Great Britain should not be disproportionate to their benefits. We believe that proportionate costs across regions removes the possibility of those competitive distortions and cross-subsidy by consumers across Great Britain. We will look at ways of making the cost of obligations clear and equitable between Scotland and the rest of the Great Britain, and will work with the Scottish Government to identify the best way of achieving that.

The hon. Member for Caerphilly raised the question of who will decide what causes detriment to the UK. I can assure him that we will work with the Scottish Government to set up a process and methodology for evaluating the impact of schemes implemented in Scotland on their own, and in conjunction with schemes implemented in England and Wales, on the Great Britain energy market and on any relevant UK commitments and obligations. I can tell him that UK and Scottish Government officials have already begun working together to scope out how such a process could work.

Jim Shannon (Strangford) (DUP): The Minister refers to how to address the price of energy in different regions of the United Kingdom. One of the things we would like in Northern Ireland, if at all possible, is a connector between Scotland and Northern Ireland, which would reduce our prices. Is that part of the Government’s strategy? She has not mentioned Northern Ireland and I am conscious that I would like it included.

Andrea Leadsom: I think the hon. Gentleman means an interconnector. I am absolutely a huge fan of interconnectors. That is not a part of the Bill, but I can assure him that I am happy to discuss that at any time and to facilitate conversations with the Scottish Parliament. I am, however, quite sure he will not need me to do that and is able to discuss that with them directly.

Our proposals on energy company obligations and fuel poverty are fair to all consumers and align with the Smith commission agreement. I urge hon. Members to withdraw amendments 149 to 153.

Let me turn to renewables incentives. Amendment 154 would remove subsections (2) and (3) of new section 90C of the Scotland Act 1998, in clause 53, such that changes of a minor, technical or administrative nature would no longer be excluded from the requirement to consult Scottish Ministers, nor those made by the Secretary of State that are not subject to parliamentary procedure. The hon. Member for Aberdeen South (Callum McCaig) has raised his concerns about this area of consultation. Removing subsection (3) would remove the exclusion to consult the Scottish Ministers on any levy in connection with a renewable electricity incentive scheme. Amendment 154 would require consultation not just on the design of renewable incentive schemes, but on their operation. This would not be in keeping with the Smith commission agreement and would lead to over-complex and time-consuming consultations that would affect the smooth operation of the schemes.

Callum McCaig: The Smith commission refers to “a formal consultative role for the Scottish Government and the Scottish Parliament in designing renewables incentives”.

I simply cannot understand or fathom how excluding levies gives the Scottish Parliament a consultative role in designing those incentives.

Andrea Leadsom: Let me reassure the hon. Gentleman that we are talking about consultation with the Scottish Parliament on the design of renewable incentive schemes. The point I am making is that where there are minor, technical changes, the need to consult would be too time consuming and burdensome on both sets of Ministers. That is why we urge him not to press amendment 154.

Amendment 155 concerns the Competition and Markets Authority. A market investigation is a significant undertaking by the CMA, and the impact of business uncertainty and potential remedies may spread across the whole UK. Let us not forget that the CMA is funded by the UK Government, so it is only fair that, just like UK Ministers, Scottish Ministers should be required to involve the Secretary of State in any decision to require the CMA to undertake an investigation. I therefore urge hon. Members not to press amendment 155.

Turning to the amendments from the hon. Member for Nottingham North (Mr Allen), I fully recognise the position that he is trying to convey. He and I have had many conversations on wellbeing, and he will know that I am a big fan of devolution—I am a fan of devolution to local government and a fan of this devolution Bill. The Bill proposes fundamental changes that will give unique new powers to the Scottish Parliament that it has not had before. It will mean that, overall, this devolution settlement is one of the strongest anywhere in the world. The Bill will give significant new powers to Scotland, and it is important that all Members get the opportunity to do justice to those.

Equally, the hon. Gentleman will recognise that we do not want to be telling the Scottish Parliament whether it should be setting up its own commission on wellbeing or, indeed, what sort of commission it should establish. It will be for Scottish Ministers, with the support of their Scottish MPs, to decide when and if they want to establish their own commission for wellbeing and, of course, what sort of powers they want to devolve to their local government, local enterprise partnerships and so on.

Mr Graham Allen: I agree with what the hon. Lady is saying, but will she also touch on the rights of local government, so that it, too, can have responsibilities and clarity about its role? At the moment, that is unfortunately not the case in Scotland—or, indeed, any other part of the Union—but we now have an opportunity to give local government in Scotland that freedom.

Andrea Leadsom: The hon. Gentleman makes an interesting point. As my right hon. Friend the Secretary of State has said, he will be looking carefully at the debate and at all the feedback right across the House, giving consideration to all those proposals to see whether there is anything more we need to do to improve the settlement for Scotland. A lot of valuable contributions have been made and there is a long way to go with this devolution Bill. I am sure my right hon. Friend will listen to what the hon. Gentleman has to say, but at this point there is nothing further I can add to his comments, other than to say that I would of course entirely support any work done on wellbeing for any of the countries that make up the United Kingdom.

I think it is an incredibly important subject, and I certainly pay tribute to the hon. Gentleman for the work he has done. We have worked in close co-ordination

on giving every child the best start in life and on the importance of wellbeing. I pay tribute to the Scottish Parliament, too, because I am aware of the enormous strides made in Scotland on supporting wellbeing and the best possible start in life for every child. I commend that Parliament for its foresightedness. I sincerely believe that other parts of the United Kingdom have something to learn from its actions.

To conclude, the discussion of all the amendments has been important. Today has been a bit of a wash-up, in that we have discussed everything ranging from the new powers for Scottish Members and appointing new members to the Northern Lighthouse Board to Scottish television stations and taking parliamentary submissions from Ofcom and Ofgem. We have also talked about new powers for the Scottish Parliament to be able to decide on the measures it wants to make to deal with fuel poverty and about incentives for new supplier obligations in Scotland to deal with those struggling to pay their bills.

I think that this set of measures represents an enormous transfer of powers from the UK to Scotland. All right hon. and hon. Members should be very pleased about that. We have heard a number of views on all the issues raised today, but for the reasons I outlined, I believe that the Bill's clauses are in keeping with the Smith commission agreement, so I urge hon. Members to withdraw their amendments.

Clause 46 ordered to stand part of the Bill.

Clauses 47 to 52 ordered to stand part of the Bill.

Clause 53

RENEWABLE ELECTRICITY INCENTIVE SCHEMES

Amendment proposed: 154, page 60, leave out lines 9 to 17.—(Drew Hendry.)

Question put, That the amendment be made.

The Committee divided: Ayes 253, Noes 315.

Division No. 40]

[9.57 pm

AYES

Abrahams, Debbie	Brennan, Kevin
Ahmed-Sheikh, Ms Tasmina	Brock, Deidre
Alexander, Heidi	Brown, Alan
Ali, Rushanara	Brown, rh Mr Nicholas
Allen, Mr Graham	Buck, Ms Karen
Anderson, Mr David	Burden, Richard
Arkless, Richard	Burgon, Richard
Austin, Ian	Butler, Dawn
Bailey, Mr Adrian	Cadbury, Ruth
Bardell, Hannah	Cameron, Dr Lisa
Barron, rh Kevin	Campbell, rh Mr Alan
Beckett, rh Margaret	Carmichael, rh Mr Alistair
Benn, rh Hilary	Champion, Sarah
Berger, Luciana	Chapman, Jenny
Betts, Mr Clive	Cherry, Joanna
Black, Ms Mhairi	Clwyd, rh Ann
Blackford, Ian	Coffey, Ann
Blackman, Kirsty	Cooper, Julie
Blackman-Woods, Dr Roberta	Cooper, Rosie
Blenkinsop, Tom	Cowan, Ronnie
Blomfield, Paul	Cox, Jo
Boswell, Philip	Crawley, Angela
Bradshaw, rh Mr Ben	Creagh, Mary

Creasy, Stella
 Cruddas, Jon
 Cryer, John
 Cummins, Judith
 Cunningham, Alex
 Cunningham, Mr Jim
 Dakin, Nic
 David, Wayne
 Davies, Geraint
 Day, Martyn
 Docherty, Martin John
 Donaldson, Stuart
 Doughty, Stephen
 Dowd, Jim
 Dowd, Peter
 Dromey, Jack
 Durkan, Mark
 Eagle, Maria
 Efford, Clive
 Elliott, Julie
 Ellman, Mrs Louise
 Esterson, Bill
 Evans, Chris
 Farrelly, Paul
 Fellows, Marion
 Ferrier, Margaret
 Field, rh Frank
 Fitzpatrick, Jim
 Ffello, Robert
 Fletcher, Colleen
 Flint, rh Caroline
 Flynn, Paul
 Fovargue, Yvonne
 Foxcroft, Vicky
 Gapes, Mike
 Gardiner, Barry
 Gethins, Stephen
 Gibson, Patricia
 Glass, Pat
 Glindon, Mary
 Grady, Patrick
 Grant, Peter
 Gray, Neil
 Green, Kate
 Greenwood, Lilian
 Greenwood, Margaret
 Griffith, Nia
 Gwynne, Andrew
 Haigh, Louise
 Hamilton, Fabian
 Hanson, rh Mr David
 Harman, rh Ms Harriet
 Harpham, Harry
 Harris, Carolyn
 Hayes, Helen
 Hayman, Sue
 Healey, rh John
 Hendrick, Mr Mark
 Hendry, Drew
 Hepburn, Mr Stephen
 Hillier, Meg
 Hodgson, Mrs Sharon
 Hoey, Kate
 Hollern, Kate
 Hopkins, Kelvin
 Hosie, Stewart
 Hunt, Tristram
 Huq, Dr Rupa
 Hussain, Imran

Irranca-Davies, Huw
 Jarvis, Dan
 Johnson, rh Alan
 Jones, Gerald
 Jones, Graham
 Jones, Mr Kevan
 Jones, Susan Elan
 Kane, Mike
 Kaufman, rh Sir Gerald
 Keeley, Barbara
 Kerevan, George
 Kerr, Calum
 Kinnock, Stephen
 Kyle, Peter
 Lammy, rh Mr David
 Lavery, Ian
 Law, Chris
 Leslie, Chris
 Lewell-Buck, Mrs Emma
 Lewis, Clive
 Lewis, Mr Ivan
 Long Bailey, Rebecca
 Lucas, Caroline
 Lynch, Holly
 MacNeil, Mr Angus Brendan
 Mactaggart, rh Fiona
 Madders, Justin
 Mahmood, Mr Khalid
 Mahmood, Shabana
 Mann, John
 Marris, Rob
 Marsden, Mr Gordon
 Maskell, Rachael
 Matheson, Christian
 Mc Nally, John
 McCaig, Callum
 McCarthy, Kerry
 McDonagh, Siobhain
 McDonald, Andy
 McDonald, Stewart
 McDonald, Stuart C.
 McDonnell, Dr Alasdair
 McDonnell, John
 McFadden, rh Mr Pat
 McGarry, Natalie
 McGinn, Conor
 McGovern, Alison
 McInnes, Liz
 McLaughlin, Anne
 Meacher, rh Mr Michael
 Meale, Sir Alan
 Mearns, Ian
 Monaghan, Carol
 Monaghan, Dr Paul
 Moon, Mrs Madeleine
 Morden, Jessica
 Mullin, Roger
 Murray, Ian
 Newlands, Gavin
 Nicolson, John
 O'Hara, Brendan
 Onn, Melanie
 Onwurah, Chi
 Osamor, Kate
 Oswald, Kirsten
 Owen, Albert
 Paterson, Steven
 Pearce, Teresa
 Pennycook, Matthew

Perkins, Toby
 Phillips, Jess
 Phillipson, Bridget
 Pound, Stephen
 Powell, Lucy
 Pugh, John
 Qureshi, Yasmin
 Rayner, Angela
 Reed, Mr Jamie
 Reed, Mr Steve
 Rees, Christina
 Reynolds, Jonathan
 Rimmer, Marie
 Ritchie, Ms Margaret
 Robertson, Angus
 Robinson, Mr Geoffrey
 Rotheram, Steve
 Ryan, rh Joan
 Salmond, rh Alex
 Saville Roberts, Liz
 Shah, Naz
 Sharma, Mr Virendra
 Sheppard, Tommy
 Sherriff, Paula
 Shuker, Mr Gavin
 Siddiq, Tulip
 Skinner, Mr Dennis
 Slaughter, Andy
 Smeeth, Ruth
 Smith, rh Mr Andrew
 Smith, Angela
 Smith, Cat
 Smith, Jeff
 Smith, Nick
 Smith, Owen
 Smyth, Karin

Adams, Nigel
 Afriyie, Adam
 Aldous, Peter
 Allan, Lucy
 Allen, Heidi
 Andrew, Stuart
 Ansell, Caroline
 Argar, Edward
 Atkins, Victoria
 Bacon, Mr Richard
 Baker, Mr Steve
 Baldwin, Harriett
 Barclay, Stephen
 Barwell, Gavin
 Bebb, Guto
 Bellingham, Mr Henry
 Benyon, Richard
 Beresford, Sir Paul
 Berry, Jake
 Berry, James
 Bingham, Andrew
 Blackman, Bob
 Blackwood, Nicola
 Blunt, Crispin
 Boles, Nick
 Bone, Mr Peter
 Borwick, Victoria
 Bottomley, Sir Peter
 Bradley, Karen
 Brady, Mr Graham
 Brazier, Mr Julian

Starmer, Keir
 Stephens, Chris
 Stevens, Jo
 Streeting, Wes
 Stringer, Graham
 Stuart, Ms Gisela
 Tami, Mark
 Thewliss, Alison
 Thomas-Symonds, Nick
 Thompson, Owen
 Thomson, Michelle
 Timms, rh Stephen
 Trickett, Jon
 Turley, Anna
 Turner, Karl
 Twigg, Derek
 Twigg, Stephen
 Umunna, Mr Chuka
 Vaz, rh Keith
 Vaz, Valerie
 Weir, Mike
 West, Catherine
 Whiteford, Dr Eilidh
 Whitehead, Dr Alan
 Whitford, Dr Philippa
 Williams, Mr Mark
 Wilson, Corri
 Wilson, Phil
 Winnick, Mr David
 Winterton, rh Ms Rosie
 Wishart, Pete
 Wright, Mr Iain
 Zeichner, Daniel

Tellers for the Ayes:
Jonathan Edwards and
Hywel Williams

NOES

Bridgen, Andrew
 Brine, Steve
 Brokenshire, rh James
 Bruce, Fiona
 Buckland, Robert
 Burns, Conor
 Burns, rh Sir Simon
 Burrowes, Mr David
 Burt, rh Alistair
 Cairns, Alun
 Campbell, Mr Gregory
 Carmichael, Neil
 Cartlidge, James
 Caulfield, Maria
 Chalk, Alex
 Chishty, Rehman
 Chope, Mr Christopher
 Churchill, Jo
 Clark, rh Greg
 Clarke, rh Mr Kenneth
 Cleverly, James
 Clifton-Brown, Geoffrey
 Coffey, Dr Thérèse
 Collins, Damian
 Colvile, Oliver
 Costa, Alberto
 Cox, Mr Geoffrey
 Crabb, rh Stephen
 Crouch, Tracey
 Davies, Byron
 Davies, Chris

Davies, David T. C.
 Davies, Glyn
 Davies, James
 Davies, Mims
 Davies, Philip
 Davis, rh Mr David
 Dinenage, Caroline
 Djanogly, Mr Jonathan
 Donaldson, rh Mr Jeffrey M.
 Donelan, Michelle
 Double, Steve
 Dowden, Oliver
 Doyle-Price, Jackie
 Drax, Richard
 Drummond, Mrs Flick
 Duncan, rh Sir Alan
 Duncan Smith, rh Mr Iain
 Dunne, Mr Philip
 Ellis, Michael
 Ellison, Jane
 Ellwood, Mr Tobias
 Elphicke, Charlie
 Eustice, George
 Evans, Graham
 Evans, Mr Nigel
 Evennett, rh Mr David
 Fabricant, Michael
 Fallon, rh Michael
 Fernandes, Suella
 Field, rh Mark
 Foster, Kevin
 Fox, rh Dr Liam
 Francois, rh Mr Mark
 Frazer, Lucy
 Freeman, George
 Freer, Mike
 Fuller, Richard
 Fysh, Marcus
 Gale, Sir Roger
 Garnier, rh Sir Edward
 Garnier, Mark
 Gauke, Mr David
 Ghani, Nusrat
 Gibb, Mr Nick
 Glen, John
 Goldsmith, Zac
 Goodwill, Mr Robert
 Gove, rh Michael
 Graham, Richard
 Grant, Mrs Helen
 Gray, Mr James
 Grayling, rh Chris
 Green, Chris
 Green, rh Damian
 Greening, rh Justine
 Grieve, rh Mr Dominic
 Griffiths, Andrew
 Gyimah, Mr Sam
 Halfon, rh Robert
 Hall, Luke
 Hammond, Stephen
 Hands, rh Greg
 Harper, rh Mr Mark
 Harrington, Richard
 Harris, Rebecca
 Hart, Simon
 Haselhurst, rh Sir Alan
 Hayes, rh Mr John
 Heald, Sir Oliver
 Heappey, James
 Heaton-Harris, Chris
 Heaton-Jones, Peter
 Henderson, Gordon
 Herbert, rh Nick
 Hermon, Lady
 Hinds, Damian
 Hoare, Simon
 Hollinrake, Kevin
 Hollobone, Mr Philip
 Holloway, Mr Adam
 Hopkins, Kris
 Howarth, Sir Gerald
 Howell, John
 Howlett, Ben
 Huddleston, Nigel
 Hunt, rh Mr Jeremy
 Hurd, Mr Nick
 Jackson, Mr Stewart
 Javid, rh Sajid
 Jayawardena, Mr Ranil
 Jenkin, Mr Bernard
 Jenkyns, Andrea
 Jenrick, Robert
 Johnson, Gareth
 Johnson, Joseph
 Jones, Andrew
 Jones, rh Mr David
 Jones, Mr Marcus
 Kawczynski, Daniel
 Kennedy, Seema
 Kinahan, Danny
 Kirby, Simon
 Knight, rh Sir Greg
 Knight, Julian
 Kwarteng, Kwasi
 Lancaster, Mark
 Latham, Pauline
 Leadsom, Andrea
 Lee, Dr Phillip
 Lefroy, Jeremy
 Leigh, Sir Edward
 Leslie, Charlotte
 Letwin, rh Mr Oliver
 Lewis, Brandon
 Lewis, rh Dr Julian
 Liddell-Grainger, Mr Ian
 Lilley, rh Mr Peter
 Lopresti, Jack
 Lord, Jonathan
 Loughton, Tim
 Lumley, Karen
 Mackinlay, Craig
 Mackintosh, David
 Main, Mrs Anne
 Mak, Alan
 Malthouse, Kit
 Mann, Scott
 Mathias, Dr Tania
 May, rh Mrs Theresa
 Maynard, Paul
 McCartney, Jason
 McLoughlin, rh Mr Patrick
 McPartland, Stephen
 Menzies, Mark
 Mercer, Johnny
 Merriman, Huw
 Metcalfe, Stephen
 Miller, rh Mrs Maria
 Milling, Amanda
 Mills, Nigel
 Milton, rh Anne
 Mordaunt, Penny
 Morris, Anne Marie
 Morris, David

Morris, James
 Morton, Wendy
 Mowat, David
 Mundell, rh David
 Murray, Mrs Sheryll
 Murrison, Dr Andrew
 Neill, Robert
 Newton, Sarah
 Nokes, Caroline
 Norman, Jesse
 Nuttall, Mr David
 Offord, Dr Matthew
 Opperman, Guy
 Parish, Neil
 Patel, rh Priti
 Paterson, rh Mr Owen
 Pawsey, Mark
 Penning, rh Mike
 Penrose, John
 Percy, Andrew
 Perry, Claire
 Phillips, Stephen
 Philp, Chris
 Pickles, rh Sir Eric
 Pincher, Christopher
 Poulter, Dr Daniel
 Pow, Rebecca
 Prentis, Victoria
 Prisk, Mr Mark
 Pritchard, Mark
 Pursglove, Tom
 Quin, Jeremy
 Quince, Will
 Raab, Mr Dominic
 Redwood, rh John
 Rees-Mogg, Mr Jacob
 Robertson, Mr Laurence
 Robinson, Mary
 Rosindell, Andrew
 Rudd, rh Amber
 Rutley, David
 Sandbach, Antoinette
 Scully, Paul
 Selous, Andrew
 Shannon, Jim
 Shapps, rh Grant
 Sharma, Alok
 Shelbrooke, Alec
 Simpson, David
 Simpson, rh Mr Keith
 Skidmore, Chris
 Smith, Chloe
 Smith, Henry
 Smith, Julian
 Smith, Royston
 Solloway, Amanda
 Soubry, rh Anna
 Spelman, rh Mrs Caroline
 Spencer, Mark
 Stephenson, Andrew
 Stevenson, John
 Stewart, Bob
 Stewart, Iain
 Stewart, Rory
 Streeter, Mr Gary
 Stride, Mel
 Stuart, Graham
 Sturdy, Julian
 Sunak, Rishi
 Swayne, rh Mr Desmond
 Swire, rh Mr Hugo
 Syms, Mr Robert
 Thomas, Derek
 Throup, Maggie
 Timpson, Edward
 Tolhurst, Kelly
 Tomlinson, Justin
 Tomlinson, Michael
 Tracey, Craig
 Tredinnick, David
 Trevelyan, Mrs Anne-Marie
 Truss, rh Elizabeth
 Tugendhat, Tom
 Turner, Mr Andrew
 Tyrie, rh Mr Andrew
 Vaizey, Mr Edward
 Vara, Mr Shailesh
 Vickers, Martin
 Villiers, rh Mrs Theresa
 Walker, Mr Charles
 Walker, Mr Robin
 Warburton, David
 Warman, Matt
 Watkinson, Dame Angela
 Wharton, James
 Whately, Helen
 Wheeler, Heather
 White, Chris
 Whittaker, Craig
 Whittingdale, rh Mr John
 Wiggin, Bill
 Williams, Craig
 Williamson, rh Gavin
 Wilson, Mr Rob
 Wollaston, Dr Sarah
 Wood, Mike
 Wragg, William
 Wright, rh Jeremy
 Zahawi, Nadhim
Tellers for the Noes:
George Hollingbery and
Margot James

Question accordingly negated.

10.9 pm

Proceedings interrupted (Programme Order, 8 June).

The Chair put forthwith the Question necessary for the disposal of the business to be concluded at that time (Standing Order No. 83D).

Clauses 53 to 64 ordered to stand part of the Bill.

The Deputy Speaker resumed the Chair.

Bill, as amended, reported (Standing Order No. 83D(6)).

Bill to be considered tomorrow.

Business without Debate

COMMITTEES

Mr Deputy Speaker (Mr Lindsay Hoyle): With the leave of the House we will take motions 2 to 8 together.

Ordered,

DEFENCE

That Richard Benyon, Douglas Chapman, James Gray, Johnny Mercer, Mrs Madeleine Moon, Conor McGinn, Jim Shannon, Ruth Smeeth, John Spellar and Bob Stewart be members of the Defence Committee.

EDUCATION

That Lucy Allan, Ian Austin, Michelle Donelan, Marion Fellows, Suella Fernandes, Lucy Frazer, Kate Hollern, Ian Mearns, Caroline Nokes and Kate Osamor be members of the Education Committee.

JUSTICE

That Richard Arkless, Richard Burgon, Alex Chalk, Alberto Costa, Philip Davies, Sue Hayman, John Howell, Victoria Prentis, Christina Rees and Nick Thomas-Symonds be members of the Justice Committee.

NORTHERN IRELAND AFFAIRS

That Mr David Anderson, Oliver Colville, Mr Nigel Evans, Mr Stephen Hepburn, Kate Hoey, Lady Hermon, Danny Kinahan, Jack Lopresti, Dr Alasdair McDonnell, Nigel Mills, Ian Paisley and Gavin Robinson be members of the Northern Ireland Affairs Committee.

PUBLIC ADMINISTRATION AND CONSTITUTIONAL AFFAIRS

That Ronnie Cowan, Oliver Dowden, Paul Flynn, Mrs Cheryl Gillan, Kate Hoey, Kelvin Hopkins, Mr David Jones, Gerald Jones, Tom Tugendhat and Mr Andrew Turner be members of the Public Administration and Constitutional Affairs Committee.

SCOTTISH AFFAIRS

That Mr David Anderson, Kirsty Blackman, Mr Christopher Chope, Mr Jim Cunningham, Margaret Ferrier, Mr Stephen Hepburn, Chris Law, Dr Poulter, John Stevenson and Maggie Throup be members of the Scottish Affairs Committee.

WOMEN AND EQUALITIES

That Ruth Cadbury, Maria Caulfield, Jo Churchill, Angela Crawley, Mims Davies, Mrs Flick Drummond, Ben Howlett, Jess Phillips, Tulip Siddiq and Cat Smith be members of the Women and Equalities Committee.—(*Bill Wiggan, on behalf of the Committee of Selection.*)

Cardiff City Deal

Motion made, and Question proposed, That this House do now adjourn.—(*Jackie Doyle-Price.*)

10.10 pm

Craig Williams (Cardiff North) (Con): It is a privilege to lead this Adjournment debate on the Cardiff city deal. Let me say at the outset that the hon. Members for Cardiff South and Penarth (Stephen Doughty) and for Cardiff Central (Jo Stevens) may feel free to contribute, and I look forward to their interventions throughout the debate.

First, I will set out a bit of the history of Cardiff and explain why I think it is best placed for a city deal. I will then say a bit about the business community, higher education and other sectors that are doing vibrantly well in Cardiff. Cardiff is a great city, capital and region. The city has huge cultural heritage, with two fantastic castles, historical arcades and Spillers, the oldest independent record shop. The city has a wealth of history. In 1909, the first £1 million cheque was signed in the Cardiff Coal Exchange, when the port was one of the largest in the world. I can see the hon. Member for Cardiff South and Penarth smiling at that; the Coal Exchange is located in his constituency.

More recently, financial and professional services firms are being attracted into relocating to Cardiff and existing companies are expanding, which is extremely welcome. Deloitte is bringing 500 new jobs to the city. Admiral, Wales's only FTSE 100 company, has recently moved into a new 3,000-employee headquarters in the heart of the city. Principality, the seventh largest building society in the UK, continues to thrive. We have specialists in technology, finance and administrative services, such as Equiniti, which is establishing a new financial technological hub, FinTech. Cardiff and Vale College has recently opened a major £45 million building, which will help students enter the financial services sector. Local firm ActiveQuote, which was recently recognised as one of the 10 fastest-growing firms in Wales, is creating 74 new jobs after winning four contracts to operate health and protection insurance comparison sites, such as Confused.com, Gocompare and Money.co.uk.

Cardiff also has an exciting start-up scene. New technology-based sectors, such as the life sciences hub in Cardiff bay, have become the nerve centre of a vibrant and prosperous Welsh life sciences ecosystem. I pay tribute to the work being done by the Welsh Government on driving the life sciences hub. GE Healthcare has recently opened an innovation village at its base in Cardiff North to help develop businesses and new ideas and bring them straight from the university into the commercial world. Cardiff Start is a growing community of new digital firms and NatWest is opening a new entrepreneurial spark accelerator for young entrepreneurs in early 2016.

Stephen Doughty (Cardiff South and Penarth) (Lab/Co-op): I congratulate the hon. Gentleman on securing this important debate. Does he agree that Cardiff is rapidly becoming an important hub for the creative industries? Will he join me in welcoming the work that has been done by Cardiff city council and by the Welsh Labour Government to encourage the creative industries, particularly the new Pinewood Studio Wales, the BBC

[Stephen Doughty]

Drama Village and many other facilities? That is building a real hub of expertise and creativity, which are being exported to the world.

Craig Williams: The hon. Gentleman makes an excellent point. It is almost like he has read my speech, because I was coming on to the media and culture. Culturally, Cardiff attracts major films and studios through that investment. This is what the debate is all about: the UK Government, with their many arms and Departments, working with the Welsh Government and local authorities to build on the investment being made by both Governments. We need only to look at “Doctor Who”, “Casualty” and, of course, the Welsh soap opera, “Pobol y Cwm”, being filmed in and around Cardiff, to see the great potential we have.

Of course, BBC Wales is establishing a new huge 1,200 employee headquarters in the middle of Cardiff. That is a welcome development with an anchor tenant for the redevelopment of the centre. As the hon. Member for Cardiff South and Penarth has already said, Pinewood Studio Wales in Wentloog has a major appeal. US TV and cable shows, “The Crow” and “The Bastard Executioner”, are being filmed there and they are welcome. Cardiff is of course still home to S4C, and that is welcome.

For foodies, it is claimed that Cardiff has more restaurants per head than any other part of the UK, a very welcome development. A burgeoning street food and craft beer scene has developed through the efforts of local entrepreneurs. Cardiff is also home to Brains, which I was lucky enough to visit with the Prime Minister recently, one of the greatest British regional breweries, established in 1882 and a strong family business.

Jo Stevens (Cardiff Central) (Lab): I, too, congratulate the hon. Gentleman on securing the debate. He mentions food and I wonder whether he welcomes the launch of the slow food movement in south-east Wales, which encourages local providers and sources to generate a new initiative?

Craig Williams: I certainly do. The other day I asked my right hon. Friend the Secretary of State for Environment, Food and Rural Affairs about securing food labelling and honouring and protecting our established brands, such as Welsh lamb, which is as important in south-east Wales as in the rest of Wales. We should look after our brands, our identities and our intellectual property in the food industry as well as in every other industry.

Let me move on very neatly to sport before I move on to the great potential I see for the city deal.

Chris Davies (Brecon and Radnorshire) (Con): Before my hon. Friend moves on, may I congratulate him? In a very short time, he has not just secured this Adjournment debate but has done so much for the people of Cardiff and Cardiff North, not just as a Member of Parliament but as a county councillor. He has been entrenched there since moving from Montgomeryshire and I congratulate him on all the hard work he does. With all this tremendous investment coming to Cardiff, how does he feel that it benefits the rest of Wales, particularly mid-Wales and areas such as Brecon and Radnorshire, which I represent?

Craig Williams: I thank my hon. Friend for that kind intervention. I am unashamed of the fact that Cardiff is the engine room of the Welsh economy. Securing those high-quality good jobs and dragging them from London will deliver on our long-term economic plan, as I am sure my hon. Friend will appreciate, to build it up to be that true engine room.

The most recent achievements for the city involve our sporting prowess. Cardiff City had a recent spell in the premiership, albeit that it was a little too short, while Cardiff North residents Sam Warburton and Gareth Bale have pushed the Welsh rugby and football teams to recent success. We have massive ability and a proud record of catering for large-scale sporting activity in Cardiff. The FA cup finals between 2001 and 2005 gave us confidence as a city. This week, once again, we will welcome the Ashes back to Cardiff for the first of the series. Although I welcome the England and Wales Cricket Board to the SWALEC stadium and hope that we triumph over the Australians, I must highlight the fact that there is no finer city in which to celebrate when Wales triumphs over England at the Millennium stadium—a great city and a great stadium. Cardiff is an Olympic city, and a venue for the rugby world cup and the Champions League final.

Higher education is a subject that must not be missed. Cardiff Metropolitan University and the University of South Wales have invested tens of millions of pounds in new buildings in our city, including the new school of art and design at Llandaff and the iconic Royal Welsh College of Music and Drama building on North Road, which houses one of the UK’s top conservatoires.

Following its rating as the fifth best research university in the UK, Cardiff University has revealed ambitious plans to boost economic growth through the creation of a £300 million innovation-led campus. The first part of that project involves a £17.3 million award from the UK Government to the Compound Semiconductor Research Foundation, the first of its kind in the UK. It has the potential to become one of the leading clusters in Europe, and it will continue the university’s strong partnership with a great company in Cardiff, IQE plc, which is the leading global compound semiconductor wafer supplier. Any Member with a smartphone in their pocket who wants to look up what that means will probably find that that company is part of the supply chain involved in its manufacture.

Despite all that success, Cardiff still has a long way to go. In my previous role as chairman of the council’s economic scrutiny committee, I saw many reports, including the 2014 Welsh index of multiple deprivation, which showed that the southern arc of Cardiff was among the most deprived communities in Wales. I also saw that the Welsh capital was ranked only 24th in the 2013 competitiveness index report, having fallen seven places since 2010. It has been outranked by Norwich, Derby, Leeds and Bristol. I pay tribute to those cities, but I want my city to be far above them, and 24th is not good enough. That same report concluded that

“whilst government agencies and devolved political institutions have given the British economy the chance to diversify its competitiveness away from its dependence on the financial sector, this opportunity has not been embraced”.

The need for a strong city deal could not be clearer.

The city deal could also transform our transport infrastructure. The ball is now in the court of the local authorities, businesses and higher education institutions,

and skills and infrastructure are the key to transforming our city and the south Wales economy. Fair play to the Minister for Transport in the Welsh Government: at least the Metro is starting to emerge in skeleton form, and it is also good to be talking about completing infrastructure projects such as the Eastern Bay link. Drivers going through the Butetown tunnels have been frustrated for far too long by the fact that neither the link nor the city circle—a ring road around Cardiff—has been completed.

The Secretary of State for Transport made a commitment in this House two weeks ago, saying that the electrification of the Great Western line was his top priority. That is not only welcome but essential for the development of the south Wales city region. That key fast link between the two capital cities will help to drive the south Wales economy. It is worth noting that Cardiff is the closest European capital city to London, and we must unashamedly mark that fact, as the Cardiff Business Council has done. The link will also offer the potential for a direct link to Heathrow, opening up the possibility of investment from across the Atlantic bridge as well as much further afield. In business, time is money, so Cardiff coming closer to London will attract investment. With Crossrail, the journey from Cardiff Central to Canary Wharf will take just two hours. The Government could deliver nothing more terrific for the people of Cardiff. This, more than any other factor, illustrates why the city deal—the first in Wales—is so badly needed. Without decent transport and infrastructure, we will go nowhere fast.

My predecessors in Cardiff North have raised many of these issues in this Chamber before, but it is only now, thanks to this Government, that a city deal is being offered. At a time when England and Scotland are forging ahead and developing core cities, city deals and city alliances, Wales has lacklustre spatial plans. The Labour Welsh Government have dragged their feet, up to a point. Far too often, I see an attitude in the Senedd of “anywhere but Cardiff” in relation to investment, and the probable local government reorganisation risks being a bit of a mess. The Welsh Government have to drive the city region agenda in conjunction with local authorities in south Wales, and that has to get going now, rather than waiting until after the local government reorganisation. I see the Welsh Government as having arrived in the room for the city deal but not yet having pulled up the chair to the table.

After winning the opportunity to hold this debate in the Chamber, I contacted the leaders of all 10 local authorities in the south Wales area to work on a cross-party basis and ask them for their thoughts and opinions on the city deal and how they see it affecting their authority. I want to focus on two of the responses, those from Blaenau Gwent and Monmouth. I thank those leaders for taking the time to respond positively and frankly and for their statesman-like approach to the issue.

The first was Councillor Peter Fox, leader of Monmouthshire county council. I shall read out his view because it is important to get it right. He stated:

“The opportunity to lever in investment money has to be grasped or the City Region will never be competitive on the wider stage . . . Business are fundamental to a successful deal, it is crucial for me that business are given some serious reins here. The business community know what they need, they know how to create opportunity and growth . . . The key partner which I hope will really grab this is the Welsh Government itself and currently

I am unclear of their commitment . . . If they don't keep up and actively get on board there is a threat to the deal before it starts”.

Those are stark words from Councillor Peter Fox, and I share his view that business organisations such as the Cardiff Business Council which bring businesses together have a key role, alongside the officers in all our various councils, who have the skills and expertise to move the project forward, and the Welsh Government. The four pillars—higher education, the private sector, our local authorities and the Welsh Government—must all work together in close collaboration.

Jo Stevens: I was delighted that the hon. Gentleman made so many references to iconic buildings in my constituency, but I notice that all the companies mentioned at the beginning of his speech have located in Cardiff with the help of the Welsh Labour Government. The hon. Gentleman should give credit to the Welsh Labour Government for that.

Craig Williams: The hon. Lady is very unkind to me. I name-checked the Welsh Government more than once and gave them due credit for a lot of investment in the city. If the Welsh Government were as kind as UK Trade & Investment and the UK Government, as in the case of the broadband investment that was made in the city, we would see a lot more Welsh Government logos on that UK Government investment. I have been very kind to the Welsh Government. I do not accept the broader point.

Secondly, the leader of Blaenau Gwent council rightly identified the main challenge as the need to identify sufficient schemes and projects that will raise the gross value added across the region, not just for Cardiff. That is the key. Such leaders get it, as one would expect from the leader of Blaenau Gwent: the city deal would deliver for the region and develop sufficient quality employment and skills to meet the regional needs. Clearly, the city deal has a time scale, but it needs to feed into projects such as the Circuit of Wales in order for growth to be linked into the region. That is how such projects and the city deal can all work together—a strong vision and one that I support.

In conclusion, I hope this Adjournment debate has demonstrated both why Cardiff needs a city deal and how this would enable huge regeneration across south Wales. We must ensure that the engine room of the Welsh economy, Cardiff, has the power and capital funding to become the fastest-growing capital city in Europe.

Edward Argar (Charnwood) (Con): My hon. Friend is already well known as a passionate and strong advocate for his city and his constituents. Does he agree that a strong and successful Cardiff is good news not just for Wales, but for the whole of the UK, and plays a key role in delivering our long-term economic plan and our one-nation strategy? The potential that we are seeing from Cardiff is just the start of what that wonderful city has to offer this country.

Craig Williams: My hon. Friend has far more eloquently made the case for the city deal for Cardiff, Wales and the United Kingdom. This is a great offer for south Wales, Cardiff and all four pillars that I mentioned. They can apply for anything. The ball is firmly in the

[Craig Williams]

court of the civic leaders of Cardiff and south Wales. They should come to the UK Government with a business plan and make their case.

In the city deal for Ipswich, the city was given control over jobcentres and many other significant powers. This is the time for civic leaders in south Wales to step up, come up with a plan and transform the south Wales economy. They have a willing audience at this end of the M4.

I have outlined some of the hurdles in our way to becoming the fastest-growing capital city in Europe. The main one, on which I shall end, is that the city deal needs a delivery body. We are very good in Wales—better than any other part of the UK—at forming committees. We love committees and we will talk endlessly on committees. Having previously been a committee chairman, I know that to be true—as soon as I arrived in this place I wanted to join several Committees, and now I have. The city deal needs a delivery body—a modern-day Welsh Development Agency or Cardiff Bay Development Corporation version 2—and organisations that have traditionally tended to work against each other need to come together and collaborate. Only then will we see the benefits of the first Welsh city deal, and only then will our region and the Welsh nation tackle huge inequality, the need for regeneration and the huge infrastructure challenges we face.

10.30 pm

The Parliamentary Under-Secretary of State for Wales (Alun Cairns): I congratulate my hon. Friend the Member for Cardiff North (Craig Williams) on securing the debate and, more importantly, pay tribute to him for the way in which he has pressed the case for Cardiff this evening and championed the opportunity that the city deal offers. He is a true champion for Cardiff and has pressed the case for the city deal for a long time now, and for the benefit of not only his constituency, but the wider region.

My hon. Friend truly sees the regional impact that a city deal can have. As he has said, the city deal is a transformational opportunity for Cardiff and the capital region. It has the potential to create jobs, improve living standards, drive growth and improve the quality of life for all across a wide area. It forms part of the Government's plan to drive productivity.

I should also underline that we start from a good base. As has been highlighted across the House, Cardiff is a great place to live and work. It was recently named the best city in the UK in which to live, with low unemployment, growing disposable income and relatively low living costs. Cardiff and the Vale of Glamorgan has the highest GVA—gross value added—per head in Wales, and Wales is the fastest growing part of the United Kingdom. Unemployment is lower than in neighbouring large cities such as Bristol, Manchester, Birmingham and Liverpool. Cardiff has a fantastic cultural heritage. Many of its successes have already been highlighted by my hon. Friend. The UK film incentives have played a major role in attracting new investment by film makers, independent television companies and the BBC.

Cardiff has also built a strong reputation for hosting major international events, such as the six nations, the FA cup and test match cricket. I was pleased to celebrate

the confirmation last week that the champions league final will be played in the city in 2017, and in the same summer as the International Cricket Council's champions trophy. That demonstrates the great breadth that Cardiff and the city region has to offer. We then need to add the Ryder cup and the NATO summit held only a short distance away in Newport. These events show that the Cardiff capital region packs a great punch. A city deal offers a great opportunity to build on these successes.

A city deal must be ambitious and innovative. It should not be focussed on capital inputs, finance or parochial interests; a city deal is so much more. I am pleased that the cross-party support for the city deal announced by the Chancellor in last year's Budget is gathering momentum. The Government have already concluded 28 city deals in 27 cities. It started with eight deals in the largest cities outside London. It is estimated that the eight core deals will create 175,000 jobs and 37,000 apprenticeships.

There are great examples of successful projects. My hon. Friend mentioned the city deal in Ipswich. In Nottingham the local authority used the city deal to accelerate the growth of business in its creative quarter. The "Inspired in Nottingham" programme matched 185 students with business mentors, and 122 of them developed a prototype or began trading, and at least five of them now run businesses with six-figure turnovers. Newcastle and Gateshead established an accelerated development zone that has created over 1,450 jobs so far and used tax increment financing powers to speed up development. Preston, South Ribble and Lancashire city deal established an infrastructure delivery programme and investment fund, and it plans to build a distributor road to the motorway, which will also accommodate 4,000 new homes. These are just some examples of the variety of opportunities that a city deal can offer.

The Cardiff city deal, however, should not be limited or governed by those examples. I hope that the private sector and relevant authorities will consider the best of the deals so far and use them as their starting point. The Cardiff vision needs to be bold and strong, independent and dynamic. It must not be constrained by demands for cash. The successes I have listed have been based on innovative solutions in areas such as skills through making the right connections with educational institutions, job centres and apprenticeship providers with a number of infrastructure projects. At the heart of a successful strategy is the power of local partnership working that gets behind what works and positions business-led solutions.

A short time ago, my right hon. Friend the Secretary of State for Wales met local authority leaders and highlighted the four-pillar approach that my hon. Friend mentioned, which has a role for local authorities and for the private sector, including higher education and further education. Such startling universities as Cardiff University, which is part of the Russell Group, Cardiff Metropolitan University, which is the most successful post-1992 university, and the University of South Wales, which is attached to Cardiff and Vale College, have major parts to play, along with the Welsh Government and the UK Government through the investments that have been made in rail infrastructure and the business-competitive environment that has allowed the Welsh Government and UKTI to attract investment.

Stephen Doughty: The Minister mentioned rail infrastructure. We all welcome the electrification of the great western main line, but does he agree that we also need new station capacity, particularly to the east of Cardiff in some of the more deprived areas, to ensure that people can access the jobs and opportunities that might be developed through a city deal?

Alun Cairns: It is up to the authorities involved—the Welsh Government and all those who play a part—to come forward with those sorts of bids. That demonstrates the innovative thinking that is needed. The best thing about the city deal is the bottom-up approach. It is about what the business community and civic leaders demand and see as their opportunities rather than a top-down Government approach saying, “This is what you must have.” That is the strength and the benefit of the programme.

The four-pillar approach demonstrates that all can focus their attention on outcomes. All must work hand in glove, with the needs and demands of the business community—the wealth creators—central to the plan. In April, the Secretary of State for Communities and Local Government visited Cardiff to meet business leaders. When he was questioned about the role of the private sector in the city deal, he underlined the central role that the business community must play and the fact that all organisations must have bought into the plan for the Government to respond positively. We are keen to work with all partners to help to secure the city deal.

It is important to underline the need for joint working between local authorities themselves. Obviously Cardiff’s is central to the city deal, but I was pleased to hear my hon. Friend share comments from the leaders of authorities such as Blaenau Gwent and Monmouthshire. These

authorities are a little further away than many from the centre of Cardiff but see the potential that the city deal offers their areas. That demonstrates that all authorities should play a part and that this is genuinely benefiting the region. I hope that some of the authorities that have not yet have been so engaged can take the lead from places like Blaenau Gwent and Monmouthshire.

This is not about competition with the next authority; it is about creating a larger cake in which we can all share. The fact that authority areas in Wales are smaller means that people may live in one but work in another. Everyone can benefit with the right sort of plan. The Welsh Government have proposed local authority changes in recent weeks. These are naturally likely to raise issues between councils, but I do not want those to detract or distract from the opportunity of the city deal. The timescales are tough, but we should not be governed by timescale. This demonstrates the willingness of the Government to work with the authorities and to be ambitious not only in the plans themselves but in terms of timescale. We want this to happen, but the lead must come from the community.

There has never been a better time to invest, innovate or prosper. Wales is coming back. When the capital city region succeeds the whole of south Wales benefits directly, with a knock-on effect to all parts. It is important that all local authorities, the Welsh Government and business communities across the capital region seize that opportunity. Cardiff has a first-class reputation, a brand that is recognised and a strong private sector. We must use the city deal to bind them all together.

Question put and agreed to.

10.40 pm

House adjourned.

Written Statements

ENERGY AND CLIMATE CHANGE

Renewable Heat Incentive

Monday 6 July 2015

TREASURY

Financial Services Compensation Scheme

The Economic Secretary to the Treasury (Harriett Baldwin): The level of protection offered by the Financial Services Compensation Scheme (FSCS) is changing. The statutory level of deposit protection is set by the European deposit guarantee schemes directive (DGSD), which was updated last year. It requires that all European member states provide for a deposit protection limit of €100,000. The FSCS limit must be set at the prevailing exchange rate on 3 July 2015.

Given the strength of sterling in relation to the euro, this means that the current level of protection provided by the FSCS under the statutory scheme will reduce. The Government have taken action to ensure that depositors are not exposed to a sudden reduction in the level of protection they receive from the FSCS.

HM Treasury has laid a statutory instrument to ensure that depositors who are currently entitled to up to £85,000 of protection from the FSCS will continue to be so until 31 December 2015. This is to ensure that depositors can have clarity and certainty about the protection they are entitled to, and time to react accordingly. These depositors will continue to be protected up to the maximum level of £85,000, by the FSCS until 31 December 2015, after which the new rate of £75,000 announced by the Prudential Regulation Authority (PRA) will come into effect. The PRA must review the coverage level at least every five years.

Individuals and small businesses that are depositors of banks, building societies or credit unions authorised by the PRA will qualify for the protection. The protection is not dependent on the time when the deposit was made—eligible deposits made after 3 July 2015 will also be protected.

These actions ensure that depositors who are currently entitled to protection of up to £85,000 are not subjected to a sudden reduction in this protection. It will ensure that there is sufficient time available for depositors to be made aware of the changes, and to take such steps as they feel necessary to manage their financial affairs appropriately in light of this change.

Implementing the new DGSD has resulted in a number of changes to deposit protection in the UK including expanding the coverage provided by the FSCS to cover large corporates and small local authorities; and provision of a new “temporary high balance” cover of up to £1 million for six months for certain deposits, such as the proceeds from the sale of your home. The extended coverage will not apply to deposits which only became entitled to protection under the new DGSD, which came into effect on 3 July 2015.

[HCWS86]

The Minister of State, Department of Energy and Climate Change (Andrea Leadsom): Today, the Department of Energy and Climate Change is laying the Renewable Heat Incentive Scheme and Domestic Renewable Heat Incentive Scheme (Amendment) (No.2) Regulations 2015 before Parliament. These amendments will introduce improvements that are essential to the smooth-running of both renewable heat incentive (RHI) schemes. Further detail on the changes brought about by these regulations is provided below.

Updating industry standards

The RHI regulations reference a number of industry standards for renewable heating technologies, specifically those of the microgeneration certification scheme (MCS). The use of MCS standards is a key part of the domestic RHI scheme to provide assurance to the consumers that both the installer and the installation meet clear standards of competence. MCS is also used within the non-domestic RHI scheme for systems smaller than 45 kW.

The amendment regulations introduce updated installer standards for heat pumps, solid biomass and solar thermal; the amendments to the latter standards are minor aimed at achieving consistency of language across all MCS standards. The heat pump installer standard has been updated to bring MCS standards in line with the European energy-related products (ErP) directive; this directive will come into force across Europe for all heat pumps manufactured or imported into Europe on 26 September 2015.

Both schemes’ regulations will be updated to reference these new standards.

In addition to the new MCS standards, these regulations will introduce a new methodology for calculating heat pump efficiency; this is the seasonal coefficient of performance (SCOP) calculator. This new calculator will be used by certification bodies to determine if a heat pump meets the requirements of the ErP directive and to establish the seasonal performance factor (SPF) required for the RHI scheme. Establishing the SPF using this calculator will be a requirement for the domestic RHI and for any MCS certified ErP compliant heat pump.

Biomethane expenditure forecasting

Deployment of biomethane injection to grid under the RHI has grown significantly over the last 12 months. There are currently 27 plants in the RHI system and more plants are expected to come forward and be operating by the end of 2015.

The RHI has a budget management mechanism set out in the regulations where tariffs are automatically reduced by pre-set amounts if forecast spend crosses defined thresholds. The assessment whether to reduce tariffs is made on a quarterly basis.

The current approach to estimating biomethane deployment can cause a temporary but significant underestimate of forecast expenditure for biomethane plants due to the ramp-up in production typically associated with establishing a new biogas plant. The current approach does not reflect this ramp-up period in which plants can

take around six months to reach full production. This undermines the effectiveness of the RHI budget management policy. The amendments introduce a more accurate forecasting methodology to better reflect operational realities for biomethane plants.

Clarification on biomass sustainability reporting requirements

The RHI regulations include requirements for the use of sustainable biomass by participants. These ensure the use of biomass incentivised by the scheme is sustainable in terms of greenhouse gas emissions savings and broader landuse impacts. These requirements were introduced through regulations in February 2015 and come into force on 5 October 2015. The proposed amendments clarify the reporting requirements for non-domestic participants so that combined heat and power (CHP) installations participating in both the renewables obligation (RO) and the RHI do not have to demonstrate compliance with the sustainability requirements under the RHI scheme where they are meeting these requirements under

the RO. We are also making two small amendments to correct the definition of sustainable biomethane and the land criteria for non-woody fuels.

Power for the scheme administrator to reject applications

This applies only to the non-domestic scheme as the domestic scheme already contains provisions where applications can be rejected. The amendment will provide Ofgem with an explicit power to reject applications to the non-domestic RHI scheme where the applicant fails to provide further information to support the application within the time period specified in a request by Ofgem. The changes will deliver cost savings by reducing the operational burden of managing these applications. They will also improve financial clarity given that once applications are rejected it is no longer necessary to accrue for possible spend in relation to them.

[HCWS85]

ORAL ANSWERS

Monday 6 July 2015

	<i>Col. No.</i>		<i>Col. No.</i>
HOME DEPARTMENT	1	HOME DEPARTMENT—continued	
Antisocial Behaviour (Cities)	17	Immigration Policies (International Students).....	15
Asylum Seekers (Syria)	10	Lincolnshire Police (Funding)	9
Crime Levels (England and Wales)	4	Modern Slavery	7
Crime Reporting	15	Police Funding	6
Domestic Abuse Victims	14	Topical Questions	17
Extremism.....	11	Violence against Women	1
Gangmasters Licensing Authority.....	8		

WRITTEN STATEMENTS

Monday 6 July 2015

	<i>Col. No.</i>		<i>Col. No.</i>
ENERGY AND CLIMATE CHANGE	2WS	TREASURY	1WS
Renewable Heat Incentive	2WS	Financial Services Compensation Scheme	1WS

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CONTENTS

Monday 6 July 2015

List of Government and Principal Officers of the House

Oral Answers to Questions [Col. 1] [see index inside back page]
Secretary of State for the Home Department

Concessionary Television Licences [Col. 25]
Answer to urgent question—(Mr Whittingdale)

Greece [Col. 35]
Statement—(The Chancellor of the Exchequer)

Bat Habitats Regulation [Col. 60]

UK Borders Control [Col. 60]

Illegal Immigrants (Criminal Sanctions) [Col. 60]

House of Lords (Maximum Membership) [Col. 60]

Benefit Entitlement (Restriction) [Col. 60]

Overseas Voters [Col. 61]

Convicted Prisoners Voting [Col. 61]

European Parliament Elections [Col. 61]

Working Time Directive (Limitation) [Col. 61]

Off-Shore Wind Farm Subsidies (Restriction) [Col. 61]
Bills presented, and read the First time

Scotland Bill [Col. 62]
Further considered in Committee

Cardiff City Deal [Col. 150]
Debate on motion for Adjournment

Written Statements [Col. 1WS]

Written Answers to Questions [The written answers can now be found at <http://www.parliament.uk/writtenanswers>]
