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**HOUSE OF COMMONS
OFFICIAL REPORT**

**PARLIAMENTARY
DEBATES**

(HANSARD)

Wednesday 14 October 2015

House of Commons

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The House met at half-past Eleven o'clock

PRAYERS

[MR SPEAKER *in the Chair*]

Oral Answers to Questions

NORTHERN IRELAND

The Secretary of State was asked—

IRA

1. **Mr Andrew Turner** (Isle of Wight) (Con): What estimate she has made of the number of people killed by the IRA. [901506]

The Parliamentary Under-Secretary of State for Northern Ireland (Mr Ben Wallace): The authoritative chronicle of troubles deaths, “Lost Lives”, estimates the number of people killed by the IRA between 1966 and 2006 at 1,768.

Mr Turner: May I remember Garda Anthony Golden and Kevin McGuigan, both murdered in recent weeks by the IRA, and, of course, my former hon. Friend Ian Gow, who was murdered 25 years ago this week?

We are now told that the IRA has ceased operations. Regardless of whether the IRA exists, does my hon. Friend agree that there is no place in a democratic society for those who undertake criminal or terrorist activities?

Mr Wallace: There has never been a place in United Kingdom politics for terrorism, and nor is there a place in UK politics for people who refuse to condemn terrorism.

Jim Shannon (Strangford) (DUP): The IRA terrorist campaign led to the deaths of 3,750 people. The IRA has stated that it has not gone away, its guns have not gone away, and over the last three months its murderous ways have not gone away, either. Will the Minister confirm the commitment by the Government of the Irish Republic to reduce IRA activity and to catch IRA members involved in murders and criminal activity in that jurisdiction in the past and today?

Mr Wallace: I again place on the record my condolences and those of my right hon. Friend the Secretary of State to the family of Garda Golden, who was brutally murdered last week. I was in Dublin only a few weeks ago, and it is absolutely the Irish Government’s intention to pursue men of violence and terrorists on their side of the border and to assist the UK Government on our side of the border.

Tom Pursglove (Corby) (Con): What comfort can the Minister give the House that the police have sufficient resources to fully investigate these most serious of crimes?

Mr Wallace: My right hon. Friend the Secretary of State has secured extra funding for the Police Service of Northern Ireland over the last few years, and the Chief Constable is confident that should evidence present itself murders will be pursued to the correct outcome, such as bringing people to justice.

Lady Hermon (North Down) (Ind): I think the House would like to hear from the Minister what pressure the Government are putting on the Libyan authorities to secure compensation for all those hurt and maimed and for the families of people murdered by Libyan-sponsored IRA violence. It is the morally right thing to do. Will he confirm that the Government will seek compensation as soon as there is a Libyan regime to negotiate with?

Mr Wallace: The Prime Minister has indicated that he is keen to seek further compensation for victims, but of course it is hard to negotiate with a Libyan Government that are not functioning or in existence. I know that a Select Committee of the House is looking at the arrangements made between Tony Blair’s Government and the then Libyan Government.

Northern Ireland Executive: Financial Position

2. **Simon Hoare** (North Dorset) (Con): What steps she is taking to ensure that the Northern Ireland Executive’s financial position is sustainable. [901507]

The Parliamentary Under-Secretary of State for Northern Ireland (Mr Ben Wallace): It is for the Executive to deliver a balanced Budget and sustainable finances. The Stormont House agreement provides a package of measures to help them achieve this. As my right hon. Friend the Prime Minister has said, it is not extra money that will sort out this crisis; the local parties need to resolve welfare reform disagreements, deal with budgetary pressures and deliver public sector reform.

Simon Hoare: Does my hon. Friend accept that in principle it is not acceptable for any of the devolved Administrations simply to breach spending limits agreed with Her Majesty’s Government?

Mr Wallace: It is not acceptable for any devolved institution, or indeed any Whitehall Department, to breach spending limits agreed with the Treasury. For that reason, I urge the Northern Ireland parties to resolve their differences, implement the Stormont House agreement and take advantage of the economic package we put together last December to ensure that Northern Ireland goes from strength to strength.

Deidre Brock (Edinburgh North and Leith) (SNP): Many areas of Northern Ireland have a particular problem with unemployment, partly as a result of the troubles and their aftermath. Will the Secretary of State make representations to the Chancellor that there is a strong case to be made for welfare reform to be far slower in Northern Ireland than elsewhere and that additional support for job creation should be provided?

Mr Wallace: That case has been made. That is why in the Stormont House agreement we allow flexibilities within Stormont to take measures appropriate to ensure that the troubles are recognised and their impact on the

people of Northern Ireland allowed mitigated. However, that is a matter for the Stormont House Government. The powers are there; it is time they got on with it.

Mr Laurence Robertson (Tewkesbury) (Con): Does the Minister agree that any Government that cannot set a budget cannot really govern properly? Are not the parties that are preventing the setting of the budget risking the collapse of the whole institutions?

Mr Wallace: I agree with my hon. Friend that unless this impasse is solved, public services will start to be hit as the money runs out. Let us not forget that the people of Northern Ireland deserve that this solution be put in place. We are already seeing the impact on the health service in Northern Ireland—and no doubt on other services, too. There is very little time left before the people of Northern Ireland realise that a non-functioning Stormont will take Northern Ireland backwards, not forwards.

Tom Elliott (Fermanagh and South Tyrone) (UUP): Have the parties that rejected the Stormont House proposals from last December put forward any credible proposals to resolve the financial issues?

Mr Wallace: May I refer the hon. Gentleman to his party leader, who has been in the talks over the last few weeks? He may be able to refresh his memory about what proposals have been put forward. The talks are ongoing; they are intense and we hope collectively to come to a resolution.

Political Situation

3. **Harry Harpham** (Sheffield, Brightside and Hillsborough) (Lab): What assessment she has made of the political situation in Northern Ireland since the murder of Kevin McGuigan Sr in August 2015. [901508]

5. **Sir David Amess** (Southend West) (Con): What recent assessment she has made of the political situation in Northern Ireland. [901510]

9. **Maria Caulfield** (Lewes) (Con): What recent assessment she has made of the political situation in Northern Ireland. [901515]

11. **Mr Henry Bellingham** (North West Norfolk) (Con): What recent assessment she has made of the political situation in Northern Ireland. [901518]

The Secretary of State for Northern Ireland (Mrs Theresa Villiers): I would first like to associate myself with the tributes paid to Garda Officer Golden. His death was a tragedy, and my condolences go to his family, friends and police colleagues.

It is essential that the cross-party talks deliver a way to implement the Stormont House agreement and also a means to address the continuing impact of paramilitary organisations. The Northern Ireland parties are engaging intensively, but time is short and a resolution is urgently needed.

Harry Harpham: What progress has been made in the cross-party talks convened by the British and Irish Governments to overcome the current impasse? In particular, what work is being done to rebuild trust between the parties?

Mrs Villiers: We cannot yet say whether we will have a successful outcome, but my feeling is that all five parties participating in the talks want the institutions to work, so they recognise that they have to fix these problems. It is essential, however, that that includes implementing welfare reform. Without it, there will be no sustainable public finances in Northern Ireland—and without that, as the Chairman of the Northern Ireland Affairs Committee has said, we cannot really have a functioning and effective Government.

Sir David Amess: Will my right hon. Friend ensure that the plight of the thousands of families that suffered at the hands of terrorists is not forgotten? Will she also insist that measures in the Stormont House agreement that deal with the past are implemented without further delay?

Mrs Villiers: I can give my hon. Friend the assurance that the needs of victims and survivors of the troubles will always be at the forefront of this Government's approach to the troubles and the Stormont House agreement Bill. That is why absolutely no provision is made in the Bill for an amnesty, which would be completely unacceptable to victims and survivors, just as it is unacceptable to this House. We will press ahead with measures to implement the bodies on the past in the Stormont House agreement.

Maria Caulfield: Does the Secretary of State agree that it would be helpful to have cross-party agreement in this place on our stance against terrorism in order to show our support for the Northern Ireland Executive?

Mrs Villiers: That is important. For the most part, that view is shared across the House. It is obviously of grave concern that the leader of the Labour party, when asked as recently as this August to condemn IRA terrorism, said that he condemned the actions of the British Army in Northern Ireland.

Mr Bellingham: The Secretary of State will be aware that a lot of Northern Ireland businesses are rapidly expanding. For example, Almac in Craigavon is taking on 300 new people, and Moy Valley is looking to take on another 600 employees across the Six Counties. Does my right hon. Friend agree that businesses expect the political process to be put on track to underpin this wealth creation?

Mrs Villiers: I do agree. The Government's long-term economic plan is working, and it is reflected in economic recovery in Northern Ireland. One of the reasons why we need a successful outcome of the cross-party talks and implementation of the Stormont House agreement is to open the way for devolution of corporation tax, which will mean even more jobs and prosperity in Northern Ireland.

Mr Nigel Dodds (Belfast North) (DUP): I welcome what the Secretary of State has said about there being no amnesty in relation to past terrorist crimes. That is absolutely right, in the view of our party and the vast majority of the people of Northern Ireland. Will the Secretary of State assure us that there will be no question of the past being rewritten or revised, or of a different narrative emerging from the discussions of the past that are currently taking place as part of the political process?

Mrs Villiers: I can give the right hon. Gentleman assurances on both those points. As he well knows, the Stormont House agreement makes it very clear that there is no amnesty, and that an amnesty would not be justified. I also believe that it would be completely unacceptable to set up any bodies that would seek to rewrite the history of the troubles. There can never be any equivalence between the police officers who defended the rule of law and the terrorists who sought to destroy it.

Mr Dodds: I warmly welcome what the Secretary of State is saying, and we will work with her to ensure that that objective is achieved in the current talks process. Does she agree that, just as there was never any justification for the terrorists in the past, there can be no justification for their continued existence in the future, and that all their criminality, racketeering, fuel laundering and the rest of it must be addressed by the establishment of a dedicated resource to rid the people of these terrorist godfathers and their criminality?

Mrs Villiers: The British Government will continue to be unrelenting in their action to support those who are fighting terrorism in the Northern Ireland, and, indeed, in the rest of the United Kingdom. Sadly, we have seen republican terrorism manifest itself on a number of occasions in recent months, with devices being left in public areas in Lurgan, Belfast, Strabane and Londonderry. The PSNI is doing an excellent job with its security partners in preventing such attacks from causing harm, but it is of course essential that we also do everything we can to crack down on criminality on the part of paramilitary groups.

13. [901520] **Damian Collins** (Folkestone and Hythe) (Con): I welcome the publication of the Government's policy paper setting out proposals for the Northern Ireland Bill which is to be presented in a few weeks, but does the Secretary of State share my concern that Sinn Féin has described the paper as "unacceptable and a clear breach of the Stormont House Agreement"?

Mrs Villiers: I am concerned about that. It simply does not reflect the contents of that summary of the Bill, which is faithful to the Stormont House agreement.

Discussions continue on the technical details of the Bill. Naturally the agreement does not cover every detail that is needed to produce legislation, and the parties continue to engage intensively in preparation for the presentation of the Bill to Parliament.

Mark Durkan (Foyle) (SDLP): The Secretary of State will agree that the aftermath of a deplorable murder is not just a test inviting the political parties to demonstrate their own resolve, but a collective challenge to us to prove the resilience of the democratic process. Does she also agree that we can do that best by adopting a whole community approach to eradicating paramilitarism, guaranteeing the stability of the political institutions and standing by the integrity of the new beginning to policing, especially in circumstances in which dissidents are yet again threatening the policing arrangements and those who may be recruited?

Mrs Villiers: I agree that we need a whole community approach to tackling paramilitary organisations and moving to a time when they will disband. I also agree

that we need a whole community approach to supporting the policing settlement. I do think, though, that supporting the devolved institutions involves another crucial factor, namely sustainable public finances. I therefore urge the hon. Gentleman and his party colleagues to find a way to ensure that the agreement is implemented, including the welfare provisions.

Vernon Coaker (Gedling) (Lab): May I begin by associating myself and my party with the Secretary of State's remarks about Garda Tony Golden, and sending our condolences to his widow and three children?

Let me say at the outset that there is and can be no place for paramilitary activity in Northern Ireland. The primacy of the rule of law is fundamental, and there can be no compromise on that principle. Does the Secretary of State agree that, at a time when this and other matters are being discussed in the current talks, it is vital for the House to say loudly and clearly that we have every confidence in the ability of the political leadership in Northern Ireland to secure a successful outcome to the current negotiations, and that we, along with the Irish Government, will play our part in supporting them?

Mrs Villiers: I completely agree that it is not acceptable for paramilitary organisations to exist in a democratic society. They were never justified, they are not justified today, and they should disband. I also share the hon. Gentleman's confidence in the leadership of Northern Ireland. They have demonstrated many times over the last 20 years that they can achieve phenomenal results and can solve seemingly intractable problems, and I urge them all to repeat that over the coming days. [*Interruption.*]

Mr Speaker: Order. There is a growing hubbub of quite noisy private conversations. We are discussing exceptionally serious matters appertaining to Northern Ireland, so I appeal to Opposition Members to give a courteous, perhaps even reverential, reception to the shadow Secretary of State, Mr Vernon Coaker.

Vernon Coaker: The Secretary of State knows that many of the most difficult issues arising from the past are also being addressed within the current negotiations. In order to take that forward, the support of the political parties, the community and, crucially, victims and their families is required. Will she therefore tell the House what agreement there is on the measures announced so far being included in the forthcoming Stormont House agreement Bill?

Mrs Villiers: I do not think it would be wise for me to give a running commentary on every detail of the negotiations, but there is a considerable amount of consensus on the content of the Bill. There remain difficult issues to resolve and there is no doubt that the provisions relating to national security will always be sensitive, but this Government are determined that they will defend their national security interests, because if we were to neglect that duty, that could have a price in lives. We believe that it is very important to ensure that all disclosure provisions are consistent with our article 2 duties and our duty to protect national security.

Economic Situation

4. **Fiona Bruce** (Congleton) (Con): What steps the Government are taking to strengthen and rebalance the Northern Ireland economy. [901509]

The Parliamentary Under-Secretary of State for Northern Ireland (Mr Ben Wallace): The Government's long-term economic plan has laid the foundation for a stronger Northern Ireland economy. Economic activity continues to grow: there are 33,000 more people in employment today than in 2010, and the growth in jobs is being driven by the private sector.

Fiona Bruce: Ulster University's economic policy centre has found that there has been more than one new start-up a day in the knowledge economy sector in the past year. Does this not go to show that the public and private sectors can rebalance together with very effective results?

Mr Wallace: I thank my hon. Friend for her question, and what she says is right. Given the right stimulation, it is certainly possible for Northern Ireland's private sector to grow strongly. That is why I was delighted to see that foreign direct investment in Northern Ireland has created 4,700 jobs—the number is comparably higher than that for the rest of the UK.

David Simpson (Upper Bann) (DUP): I am sure the Secretary of State will agree that in order to strengthen the economy in Northern Ireland it is imperative that the talks taking place in Belfast are successful, with welfare reform implemented, so that we can get our corporation tax and other financial incentives. If they are not, companies will start to get nervous about investing in Northern Ireland.

Mr Wallace: I could not agree more, and the prize is great. By completing the Stormont House agreement and unlocking the economic pact, Northern Ireland can deliver an enterprise zone and a city deal for its people. Those two things, added to the UK Government's economic policy, will deliver continued economic growth for Northern Ireland.

Mr Peter Bone (Wellingborough) (Con): The success in growing the Northern Ireland economy is much to be welcomed, but public expenditure per head of population is still significantly more in Northern Ireland than in the rest of the UK. Will one of the indicators of the improvement in the economy be the narrowing of that public expenditure gap, so that it comes towards the national average?

Mr Wallace: My hon. Friend is right: we are on the right path and going in the right direction. The number of private sector jobs is growing, unemployment is falling and Northern Ireland, by being part of the UK, taking advantage of the recognition it gets because of the troubles, can go from strength to the strength and make sure it strives to succeed on a world stage, as well as a United Kingdom stage.

Stephen Pound (Ealing North) (Lab): There is good news as well in Northern Ireland, and one area we are very proud of is the highly skilled small and medium-sized

enterprise sector—the beating heart of the Northern Irish economy. What specifically is being done to address the concerns expressed by the SME sector about the impact of the Chancellor's so-called living wage on small businesses in Northern Ireland?

Mr Wallace: I am quite surprised—I thought the Labour party's policy was to support a living wage, but in this 24-hour period perhaps it does not support a living wage. Conservative Members believe that highly skilled people and people doing a hard day's work deserve to be paid the living wage, which is why my right hon. Friend the Prime Minister has brought it forward to make sure that work pays.

Ms Margaret Ritchie (South Down) (SDLP): As part of the discussions at Stormont and in view of the need to develop our economy on a geographical basis, will the Minister spell out what further proposals the Government have in mind for the development of enterprise zones?

Mr Wallace: The hon. Lady recognises the importance of enterprise zones, which have been successful all over England and Wales. That is why the Stormont Executive was given that ability in the economic package that accompanied the Stormont House agreement, and why it is even more important that we resolve the issues and allow Stormont to be back and functioning so that it can deliver an economic zone and a city deal.

Terrorist Threat

6. **Seema Kennedy** (South Ribble) (Con): What discussions she has had with the Chief Constable of the Police Service of Northern Ireland on the terrorist threat in Northern Ireland. [901511]

8. **Mrs Flick Drummond** (Portsmouth South) (Con): What discussions she has had with the Chief Constable of the Police Service of Northern Ireland on the terrorist threat in Northern Ireland. [901513]

The Secretary of State for Northern Ireland (Mrs Theresa Villiers): The terrorist threat from dissident republican groupings continues to be "severe". It is being suppressed through the hard work of PSNI, MI5 and their security partners, but the need for total vigilance remains.

Seema Kennedy: Although there is a need to remain vigilant about the threat of terrorism, does my right hon. Friend agree that it should not overshadow the great progress that has been made?

Mrs Villiers: I agree. Life in Northern Ireland has been transformed over recent years. The security situation has been transformed. There is still a lethal terrorist threat, but it is far smaller in scale than it was during the days of the troubles.

Mrs Drummond: There is growing concern about terrorist organisations becoming drug-dealing organisations. Will the Secretary of State assure us that the authorities in Northern Ireland are well supported with funding to combat this?

Mrs Villiers: It is important that all forms of criminality are combated in Northern Ireland. There is serious public concern about the involvement of some members of paramilitary groups in organised crime, drug dealing and paramilitary activities. This Government are determined to work towards a day when paramilitary organisations disband, and we support the law enforcement agencies in combating all forms of criminality. *[Interruption.]*

Mr Speaker: Order. It is a considerable discourtesy to the Secretary of State for her not to be heard when she is answering questions. The answers must be heard and the questions should be heard. Let us have a bit of order.

12. [901519] **Mary Glendon** (North Tyneside) (Lab): Last week a police recruitment event that was due to take place at the Waterfoot hotel was cancelled because of a bomb being discovered in the grounds. What work is under way to ensure that the PSNI receives the appropriate support to tackle any potential threat?

Mrs Villiers: Over the past two spending reviews we have provided an additional £231 million to support the PSNI in its efforts to tackle dissident republican-related terrorism. That has provided vital support in a campaign against those terrorists and it is one of the reasons why, thankfully, the vast majority of the attacks do not succeed. I know that the PSNI will work hard to find alternative venues so that its recruitment event can go ahead.

Political Situation

7. **Mr David Hanson** (Delyn) (Lab): When she next plans to meet representatives of Northern Ireland's political parties to discuss the political situation in the Northern Ireland Assembly. [901512]

The Secretary of State for Northern Ireland (Mrs Theresa Villiers): I continue to chair the talks process and will return to Stormont this afternoon to resume that role. A successful outcome to the talks on both the issues on the agenda is crucial if the Executive is going to function effectively.

Mr Hanson: Will the Secretary of State confirm that of all the options in front of Members from Northern Ireland, direct rule is the worst and should be avoided at all costs?

Mrs Villiers: I agree that we need to do everything we can to try to avoid suspension and a return to direct rule. Devolved government has been approved in two referendums in Northern Ireland. That is why we are working to make the institutions work, but there is a real danger now that those who are taking a hard-line stance against welfare reform could end up collapsing the institutions as collateral damage. No institution can function effectively without a workable budget. That is why in these talks a solution to implementing the Stormont House agreement is vital.

Dr Alasdair McDonnell (Belfast South) (SDLP): Does the Secretary of State accept that it is not just about balancing the economy and fixing the financial arrangements for the Treasury, because there is a need to rebalance our economic development and create

regional balance in Northern Ireland? In other words, we need a prosperity process to go along with other reforms.

Mrs Villiers: I agree that it is vital that we do everything possible to deliver prosperity in Northern Ireland. Our long-term economic plan is helping to do that. The economic pact agreed with Northern Ireland is helping to do that, but we are always open to more ideas about how we work together to spread prosperity in Northern Ireland throughout the whole of Northern Ireland and all its areas.

Gavin Robinson (Belfast East) (DUP): When the Secretary of State has her conversations with political parties and the Irish Government, mindful of the fact that a European arrest warrant for bombing offences in Germany was invoked last week in Dublin for James Corry, will she remind them that it does not matter how supportive individuals are of the peace process it should never frustrate due process and justice for victims?

Mrs Villiers: Of course I can do that. It is essential that the law takes its course without fear or favour, and if there is evidence to justify arrest and prosecution, that is exactly what must happen.

PRIME MINISTER

The Prime Minister was asked—

Engagements

Q1. [901521] **Dr Lisa Cameron** (East Kilbride, Strathaven and Lesmahagow) (SNP): If he will list his official engagements for Wednesday 14 October.

The Prime Minister (Mr David Cameron): I know the whole House will wish to join me in paying tribute to Flight Lieutenant Alan Scott of 32 Squadron and Flight Lieutenant Geraint Roberts of 230 Squadron. Both men died along with three other coalition personnel when their Puma helicopter crashed on Sunday in Kabul, Afghanistan. They gave their lives serving our country and making our world more secure, and our deepest sympathies are with their families and friends at this very difficult time.

I also wish to pay tribute to Police Constable David Phillips, who was killed in the line of duty last week. His death is a stark reminder of the very real dangers our police officers face daily and my thoughts—and, I know, the thoughts of the whole House—are with his family and friends during these tragic circumstances.

This morning I had meetings with ministerial colleagues and others and in addition to my duties in this House I shall have further such meetings later today.

Dr Cameron: The British Medical Association has raised concerns about what it calls the chronic undermanning of Defence Medical Services. We cannot have sufficient medical and mental health provision for armed forces without properly resourced services. Will the Prime Minister address this issue urgently, prioritise the treatment of our armed forces and lend support to my Adjournment debate this evening highlighting these concerns?

The Prime Minister: I congratulate the hon. Lady on securing that Adjournment debate and raising this very important issue. Defence Medical Services do an outstanding job. I was just speaking about Afghanistan, and I have seen in Afghanistan year after year what an amazing service they provide. At times it was almost the equivalent of a district general hospital accident and emergency on the back of a Chinook helicopter; it is extraordinary. There is an opportunity for us to look at this whole area in our strategic defence and security review, and we will approach that review with a rising defence budget during this Parliament.

Q3. [901523] **Karl McCartney** (Lincoln) (Con): Today we have seen the claimant count in Lincoln fall by 20% on last year's figures, with a 44% drop in those claiming since 2010. Does my right hon. Friend believe this is down to having local job fairs and a clear long-term economic plan to secure our national recovery, and that it would be put in jeopardy by the shambles that is the party led by the hon. Member for Islington North (Jeremy Corbyn)?

The Prime Minister: Let me congratulate businesses in Lincoln on their record in providing people with jobs. The unemployment figures out today are extremely good. We see 140,000 more people in work, we see the employment rate at a record level since records began, unemployment has come down, vacancies have gone up, and youth unemployment and long-term unemployment have both come down. In all of this, yes, the job fairs are important and the apprenticeships are important, but above all what matters is having a long-term economic plan that is about a strong and secure economy and getting the deficit down and running a surplus. That is what we should be focused on, but I am sure the hon. Member for Islington North (Jeremy Corbyn) will welcome today's fall in unemployment.

Jeremy Corbyn (Islington North) (Lab): I echo the Prime Minister's tributes to the two RAF airmen killed in Afghanistan, Flight Lieutenant Geraint Roberts and Flight Lieutenant Alan Scott, and also the sadness at the death of David Phillips in the line of duty, as many police officers do face danger. I absolutely concur with the Prime Minister's remarks about that.

I am sure the Prime Minister and the whole House would also join me in expressing sympathies and sadness at the more than 100 people who died in a bomb blast in Ankara last Sunday, attending a peace rally of all things, and our sympathies must go to all of them.

I want to ask the Prime Minister a question about tax credits. I have had 2,000 people email me in the last three days offering a question to the Prime Minister on tax credits. I will choose just one. Kelly writes:

"I'm a single mum to a disabled child, I work 40.5 hours each week in a job that I trained for, I get paid £7.20 per hour! So in April the Prime Minister is not putting my wage up but will be taking tax credits off me!"

So my question is: can the Prime Minister tell us how much worse off Kelly will be next year?

The Prime Minister: First, let me welcome what the hon. Gentleman has said and join him in what he said about the terrible bomb in Ankara, where over 100 people were killed. Our thoughts should be with the families

of those who suffered and with that country as it struggles against this terrorism. Let me answer him directly on the question of tax credits. What we are doing is bringing in the national living wage, which will be a £20 a week pay rise for people next year. Obviously, Kelly will benefit as that national living wage rises to £9—[*Interruption.*] Sorry, what happened to the new approach? I thought questions were going to be asked so that they could be responded to. Right, so there is the introduction of the national living wage, which will reach £9 by the end of the Parliament. This will benefit Kelly. In April next year, we will raise to £11,000 the amount that you can earn before you start paying taxes. If Kelly has children, she will benefit from the 30 hours of childcare that we are bringing in. I do not know all Kelly's circumstances, but in addition, if she is a council house or housing association tenant, we are cutting her rent. All those things are important, as is the increase in employment and the increase in wages taking place today.

Jeremy Corbyn: I thank the Prime Minister for that. I can tell him, in case he is not aware of it, that Kelly is going to be £1,800 a year worse off next April, that there are another 3 million families in this country who will also be worse off next April, and that after housing costs, 500,000 more children are now in poverty compared with five years ago, in 2010. On top of that, his new tax credit policy will put another 200,000 children into poverty. Is not the truth of the matter that this Government are taking away the opportunities and limiting the life chances of hundreds of thousands of children from poorer or middle income families in our society? Should he not be aware of that when he makes these decisions?

The Prime Minister: The fact is that since I became Prime Minister there are 480,000 fewer children in households where nobody works. There are 2 million more people in work and almost 1 million more women in work. There are 250,000 more young people in work. The best route out of poverty is to help people get a job. Even though the unemployment figures came out today and we can see 140,000 more people in work, the hon. Gentleman still has not welcomed that fall in unemployment. The point he needs to focus on is this: all these people benefit from a growing economy where wages are rising and inflation is falling, and where we are getting rid of our deficit to create economic stability. It is that stability that we will be voting on in the Lobby tonight.

Jeremy Corbyn: The Prime Minister is doing his best, and I admire that, but will he acknowledge that people in work often rely on tax credits to make ends meet? He and his party have put forward a Budget that cuts tax credits and gives tax breaks to the very wealthiest in our society, so that inequality is getting worse, not better. Should he not think for a moment about the choices that he is making, and the reality that results for the very poorest people in our society?

The Prime Minister: The hon. Gentleman talks about the reform of tax credits; let me tell him why that is necessary. Between 1998 and 2010, the bill for tax credits went from £6 billion to £30 billion, yet at the same time in-work poverty went up by 20%. The system of taking money away from people and giving it back to

them in tax credits was not working. We say it is better to let people earn more and then take less from them in taxes. In this country, we now have 2 million more people in work. The figures that the hon. Gentleman quotes for inequality are simply wrong. There are 800,000 fewer people in relative poverty than in 2010, and there are 300,000 fewer children in relative poverty since 2010. If he wants to know why, it is because we took difficult decisions to get our deficit down, to get our economy growing and to deliver the strongest growth anywhere in the western world. Tonight, Labour Members have a choice. A week ago, they were committed to getting the deficit down and running a surplus, just like us, but for some reason—I know not why—they have decided to do a 180°-turn and vote for more borrowing for ever. Is that now the position of the Labour party?

Jeremy Corbyn: The reality is that 3 million low and middle-income families will be worse off as a result of the tax credit changes. If the Prime Minister wants to change his mind on tax credits, he is very welcome to do so. He will have an opportunity at next week's Opposition day debate, which is on this very subject. I am sure that he will want to take part in that debate and explain why it is such a good idea to make so many people so much worse off.

I have had 3,500 questions on housing in the past few days. I have a question from Matthew. *[Interruption.]* This might be funny to some Members, but it is not funny to Matthew or to many others. Matthew says:

"I live in a private rented house in London with three other people. Despite earning a salary well over the median wage, buying even the cheapest of properties will be well beyond my reach for years."

Does the Prime Minister really believe that £450,000 is an affordable price for a new home for someone on an average income to try to aspire to?

The Prime Minister: The hon. Gentleman is absolutely right to raise the issue of housing, particularly the affordability of housing in London. I say to Matthew that we are doing everything we can to get councils to build more houses, particularly affordable houses that he can buy. The hon. Gentleman quotes the figure of £450,000, but what we are saying is that that should be the upper limit for a starter home in London. We want to see starter homes in London built at £150,000 and £200,000, so that people like Matthew can stop renting and start buying. What have we done for people like Matthew? We have introduced Help to Buy, so for the first time we are helping people to get their deposit together so that they can buy a new home. We are also giving people like Matthew the right to buy their housing association home. *[Interruption.]* That is interesting. We hear groans from the Labour party, but the entire housing association movement is now backing our plan and telling people that they will be able to buy their home. I say to the hon. Gentleman: let us work together and get London building to get prices down so that people like Matthew can afford to buy a home of their own.

Jeremy Corbyn: May I bring the Prime Minister back to reality? The past five years have seen a low level of house building—fewer than half the new buildings that are needed have been built—rapidly rising rents; rising homelessness; and a higher housing benefit bill. Even

his friends at the CBI say we need to build at least 240,000 homes per year. Will he now address the problem that local authorities face in accessing funds to undertake the necessary and essential building of council housing? The Government appear to have a growing obsession with selling off publicly owned properties rather than building homes for people who desperately need them so that children can grow up in a safe and secure environment, which is what we all want for all of our children.

The Prime Minister: Let me deal with all the hon. Gentleman's points in turn. First, now that the housing association movement is backing the Right to Buy scheme, there will be up to a million extra homeowners, with the money going back into building more homes. Secondly, over the past five years that I have been Prime Minister, we have built more council homes than the previous Labour Government built in 13 years. *[Interruption.]* That is a bit of reality that the hon. Gentleman might want to digest. The most important point is that if we want to build homes, we need a strong and stable economy. We will not have a strong and stable economy if we adopt the new Labour position, which is borrowing money for ever. I urge Opposition Members who believe in a strong economy, paying down our deficit, and ensuring that we deliver for working people to join us in the Lobby tonight.

Jeremy Corbyn: It would be very nice if the Prime Minister actually answered the question I asked. *[Interruption.]*

Mr Speaker: Order. These proceedings should be conducted in a seemly way, and chuntering from a sedentary position, from either Front Bench, is not helpful. Members must remain calm. Be as good as you can be.

Jeremy Corbyn: Thank you, Mr Speaker. I am totally calm, I assure you, and I do not intend to engage in any chuntering.

The question I put to the Prime Minister was this: what is he doing to allow local authorities to build the homes that are necessary for people who have no opportunity to buy and who cannot afford to remain in the private rented sector? I realise that this might be complicated, so I would be very happy for him to write to me about it. We could then share the letter with others.

I want to turn my attention to another subject in my final question. I realise that the Prime Minister might not be able to give me a full answer today, but he might like to write to me about it. As I am sure he is aware, yesterday was secondary breast cancer awareness day. In Brighton last month I met two women who are suffering from terminal breast cancer, Frances and Emma. Apparently the Prime Minister met their organisation in 2010. They raised with him a serious problem with the collection of data in all hospitals across the country on the incidence of secondary breast cancer, its treatment and the success rates, or otherwise, of that treatment. As I understand it, that information is not being collected as efficiently as it might be or centralised sufficiently.

I would be grateful if the Prime Minister could follow up on the promise he made to those women in 2010 to ensure that the data are collected and centralised in

order to help every woman going through the trauma of not only breast cancer, but secondary breast cancer, knowing that it is terminal, but also knowing that there might be some treatment that could alleviate the pain and possibly extend their lives. Will he undertake to do that and reply to me as soon as possible?

The Prime Minister: The hon. Gentleman is absolutely right to raise this matter. At my party conference I met the same campaigners whom he met at his, and I had a good discussion with them. We all know people who have had the tragedy of having breast cancer, and one can only imagine what it must be like to survive primary breast cancer and recover, only to find out that one has a secondary cancer, and often one that is completely incurable. The campaigners are asking for better information, not least because they want to ensure that we spread best practice to every hospital so that we really do treat people as quickly as possible. I had a conversation with them and relayed it to the Health Secretary. I am very happy to write to the hon. Gentleman about it. Making sure that people get the right diagnosis quickly and that we then use the information to tackle secondary breast cancer is absolutely essential for our country.

Q4. [901524] **Kit Malthouse** (North West Hampshire) (Con): The Prime Minister recently spoke movingly and shockingly about the life of despair that still lies ahead for too many of our looked-after children. Notwithstanding the vital work that has been done in recent years, will he expand on the reforms that he proposes for these, our most vulnerable citizens?

The Prime Minister: I am grateful to my hon. Friend, who knows a lot about this from the work he did in London when working for the Mayor. I think that there are two areas we need to look at most of all. First, we need to speed up adoption processes. We should be reducing the number of children in care by ensuring that they can find loving family homes. We have made some progress, but frankly we have had set-backs, not least because of some of the judgments in our courts, so we need to get the level of adoption back up again. Secondly, we need to take some of the knowledge from our education reforms and use it to reform social services. For example, we need to see the best graduates going into social work. Frankly, those social services that are failing need to be taken over far more quickly.

Angus Robertson (Moray) (SNP): We on the SNP Benches associate ourselves with the condolences expressed by the Prime Minister and the Leader of the Opposition.

The UK has been involved in three major military interventions in recent years, and in all cases there have been very severe unintended consequences: sadly, the Taliban control much of Afghanistan again; in Iraq the fanatics of Daesh terrorise about half the country; and in Libya there has been total anarchy and chaos. What assurances can the Prime Minister give that he has learnt the lessons from past mistakes and will not repeat them?

The Prime Minister: The right hon. Gentleman makes an important point. I would make two points to him. One is that, of course, intervention has consequences, but frankly non-intervention can have consequences

too, as we see from the vast numbers of Syrians fleeing the appalling situation in that country, not least the barrel bomb chemical weapons attacks by Bashar Assad. It is worth making that point.

In terms of the lessons learned, I cannot wait for the Iraq inquiry to come out so that further lessons can be learned, but we have already learned a number of lessons: for instance, setting up the National Security Council, which is working well; making sure that we act on the basis of clear legal advice and the Attorney General attends all the important meetings; and working with allies and local partners. So while what is happening in both Iraq and Syria is frustrating, one of the lessons is to work with local partners. In Iraq, it is Iraqi troops that are the boots on the ground, and that is why we should give them all the support that they need in the war they are fighting against ISIL.

Angus Robertson: More than 450 UK service personnel have died in Afghanistan, but sadly the Taliban are back. The UK spent 13 times more on bombing Libya than on rebuilding the country, and there has been anarchy. The US has just dropped a \$500 million programme to support the Syrian opposition, Russia is bombing Syria, and the UK has no plan to help refugees from Syria who are now in—[*Interruption.*] The UK has no plan to help Syrian refugees who have made it—[*Interruption.*]

Mr Speaker: Order. I think the right hon. Gentleman is reaching the conclusion of his question, but he must be allowed to do so.

Angus Robertson: It is a shame that Members on the Government Benches do not acknowledge that the UK has no policy to help Syrian refugees who have made it to Europe. There is no surprise that there is growing scepticism about the drumbeat towards war. Will the Prime Minister give an assurance that he has learned the lessons of Iraq, of Afghanistan and of Libya, and that he will never repeat them?

The Prime Minister: I would say a couple of things to the right hon. Gentleman. I cannot remember a question with so many errors in it: first of all, there is the idea that Britain is not helping Syrian refugees when we are the second largest bilateral donor to Syrian refugee camps in Jordan, in Lebanon and in Turkey, and that is because we are spending 0.7% of our gross national income on aid. We have done more than almost any other country in the world to help Syrian refugees. Frankly, I do not recognise the picture he paints of Afghanistan. The fact is that we have supported an Afghan national army and police force and an Afghan Government who are in control of that country.

The final point I would make to the right hon. Gentleman is that it is all very well standing on his high horse and lecturing about the past, but would he be happier with an Afghanistan that had a Taliban regime, and al-Qaeda in Afghanistan? Would he be happier with Gaddafi running Libya? Would he be happier with that situation? So, as I said, the consequences of non-intervention are also worth considering.

Q5. [901525] **Nigel Huddleston** (Mid Worcestershire) (Con): My midlands constituency is already benefiting from infrastructure investment such as the significant improvements to the M5 motorway. Does the Prime

Minister agree that the recently announced and independent National Infrastructure Commission will play a key role in improving and securing our nation's long-term economic prosperity?

The Prime Minister: I am delighted that we are establishing the National Infrastructure Commission. I hope that it can put some of these questions about infrastructure beyond party politics; I think that would be a thoroughly good thing. I am delighted that Lord Adonis, who made a great contribution in government, will be running it. I know that my hon. Friend and I will want to make sure that the Cotswold line is looked at very carefully by the infrastructure commission as it does its work. *[Interruption.]* Someone is shouting out "Labour policy." Where we find a good Labour policy, we implement it. Funnily enough, do you know what we are doing tonight? We are implementing what was, a week ago, a Labour policy—

Mr Speaker: I call Callum McCaig.

The Prime Minister: Hang on a second.

Mr Speaker: No, we are grateful.

Hon. Members: More!

Mr Speaker: Order. The Prime Minister had finished his answer, for which we are extremely grateful, but progress has been very slow and I want to get Back Benchers in—and I will do so.

Q2. [901522] **Callum McCaig** (Aberdeen South) (SNP): The Scottish Government have estimated that the apprenticeship levy introduced by the Chancellor in the July Budget will raise £391 million from Scotland, with £146 million of that coming from the public sector. As yet, there has been no confirmation that a single penny of that will come to Scotland to fund our distinct modern apprenticeship programme. Will the Prime Minister confirm today that Scotland will receive our fair share of this funding, or are we seeing another pig in a poke from this supposed one nation Government?

The Prime Minister: We have not yet set the rate of the apprenticeship levy or, indeed, set what size a business has to be before it starts paying it. The guarantee I can give the hon. Gentleman is that Scotland will be treated fairly and will get its full and fair share of any apprenticeship levy, but, as ever with SNP Members, they invent a grievance before it even exists.

Q6. [901526] **Tom Pursglove** (Corby) (Con): Work has started on site at the Rushden Lakes development at Skew Bridge, which will bring 1,900 new jobs, new shops—such as Marks & Spencer—and new leisure facilities to east Northamptonshire. Does the Prime Minister agree that we simply do not get £50 million of investment without economic confidence, and would he like to join us at the opening in due course?

The Prime Minister: I have already made a visit to my hon. Friend's constituency to see one of his excellent academy schools, but I look forward to coming back. This does look like a very exciting development. I would make the point that, yes, of course we need a strong and

stable economy to make sure we get this investment and housing going, but we also need councils to complete their local plans and put them in place, because in that way we can deliver extra housing.

Q8. [901528] **Holly Lynch** (Halifax) (Lab): During the general election campaign, the Prime Minister came to my constituency and promised to keep Calderdale Royal's A and E department open and sort out the financial mess that our hospital was in. Since then, the Government have backtracked on both promises, saying that these are matters for the local NHS trust and for the clinical commissioning group. Will the Prime Minister show that he is a man of his word by meeting me to discuss ways in which he can honour his election promises?

The Prime Minister: We certainly have not backtracked on what we promised. We said we would put more money into the NHS. We talked then about £8 billion; we are actually delivering £10 billion more. We believe that these decisions should be made locally. The Calderdale hospital is an absolutely vital service.

Q7. [901527] **Victoria Prentis** (Banbury) (Con): Bicester is blossoming into a garden town that welcomes sustainable growth. Does my right hon. Friend, who knows our area well, agree that the promised funding for infrastructure must be provided in step with development?

The Prime Minister: Let me welcome my hon. Friend to the House. She replaces a very good friend, my former neighbour Tony Baldry, who worked so hard for the people of Banbury and Bicester. When people say there are not councils in the south of England that want to build houses and new developments, they should look at Bicester and see the thousands of houses, new schools and new infrastructure being put in place. Of course, investment and infrastructure have to go together, but I think Bicester shows that we can build, and build sensitively, and provide the homes that young people want to live in.

Q9. [901529] **Kevin Brennan** (Cardiff West) (Lab): Can the Prime Minister help to clear up something for the House and the country? It concerns the recent biography of him by Isabel Oakeshott. In it, Lord Ashcroft says that he told the Prime Minister about his non-dom tax status in 2009; yet, in 2010, the Prime Minister said that he did not know the detail of Lord Ashcroft's tax status. Clearly, someone is telling porkies. Is it him, or Lord Ashcroft?

The Prime Minister: I can think of many better uses of the hon. Gentleman's time than reading that book. I managed to procure a free copy, and in order not to give anyone royalties, I will gladly lend him a copy, if that is what he would like. I think he will remember that, in this House, Labour and the Conservatives agreed to legislate so that non-doms could not sit in either House—legislation I fully supported, indeed suggested, at the time.

Q12. [901532] **Andrew Griffiths** (Burton) (Con): I am delighted to tell the House that Burton has set a new record: unemployment is at its lowest since records

began. Does the Prime Minister agree that a return to the bad old days of more borrowing, more spending and higher taxes would not only put those important jobs at risk, but be a complete and utter shambles?

The Prime Minister: My hon. Friend makes an important point. There are 2 million more jobs and almost 1 million more women in work in our country. Youth unemployment is down and long-term unemployment is down. That is because British businesses are taking people on. They are doing that in the context of a strong and stable economy. Tonight we will vote on whether, after eight or nine years of strong economic growth, we should have a surplus rather than a deficit. If the Labour party does not believe in having a surplus then, when will it fix the roof when the sun is shining? I say to Labour Members who believe in a strong and stable Government and a strong and stable economy: come and join us in the Lobby this evening.

Q10. [901530] **Mr Jim Cunningham** (Coventry South) (Lab): Whatever happened to the Government's proposals for a highly skilled economy? If one looks at further education in Coventry, for example, there will be a 24% cut in the skills budget. The maintenance grant has been abolished and now the Government are even talking about abolishing the disablement grant for students. What will the Prime Minister do about that?

The Prime Minister: What I will do is deliver on the promise of 2 million apprentices in the last Parliament and 3 million in this Parliament. What one can see, because of the changes that we made in respect of skills and higher education, is a record number of students going to our universities, including a record number from low-income backgrounds. We will build on that record in this Parliament as we uncap student numbers and encourage people to study and make the most of their talents.

Q13. [901533] **Mrs Cheryl Gillan** (Chesham and Amersham) (Con): My right hon. Friend will remember meeting my amazing 10-year-old constituent, Archie Hill, who has a devastating condition, Duchenne muscular dystrophy. Archie has campaigned tirelessly to get access through the NHS to a new drug, Translarna, which could help him and about 50 other children with Duchenne. The drug has recently been prescribed in Scotland. With the National Institute for Health and Care Excellence due to make its decision on Friday, will my right hon. Friend assure me that children in England will receive the drug and that Archie's fantastic campaigning has not been in vain?

The Prime Minister: I will remember meeting Archie, with his incredible spirit and his way of campaigning. As my right hon. Friend says, a decision will be made by NICE on Friday. As well as making sure that such decisions are made by clinicians, rather than politicians, we need to talk to the drug companies about getting the cost of these drugs down. This drug and others like it can cost over £400,000 per patient per year. The cancer drugs fund has helped to reduce the costs that the companies charge. We need to see that in other areas, too.

Q11. [901531] **Cat Smith** (Lancaster and Fleetwood) (Lab): For many years, pensioners and disabled people in Fleetwood have enjoyed free access to the local tram service that connects the town to Blackpool. That free travel has been withdrawn due to funding cuts. Will the Prime Minister consider extending the national concessionary travel scheme to not just buses, but trams, which are often easier for older and disabled travellers to use?

The Prime Minister: I will look carefully at the point that the hon. Lady raises. We are very proud to have kept all our promises to pensioners, not least the triple lock promise. With such low inflation—the figures out yesterday put it at less than 0%—the triple lock will be vital in giving pensioners a better standard of living. I will look carefully at what she says, but I suspect that it is a decision by Lancashire County Council, rather than a decision for me.

Lucy Allan (Telford) (Con): The brutal murder of Telford teenager Georgia Williams led to a serious case review that was published today. The review makes it clear that there was a catalogue of failings by numerous agencies, including social services, schools and the probation service. We can see from the report that Georgia's horrific death need not have happened. Will the Prime Minister join me in offering heartfelt condolences to Lynette and Steve Williams, Georgia's parents, and in asking all the agencies involved to ensure that they learn from this tragic case?

The Prime Minister: My hon. Friend is absolutely right to raise this matter. I send my condolences to the Williams family for the appalling loss and tragedy that they have suffered. What matters now is that the police and the other agencies study the report and learn the lessons so that these mistakes are not made again.

Q14. [901534] **Liz McInnes** (Heywood and Middleton) (Lab): Trade union members in Heywood and Middleton and across the country, including school cooks, shop workers and carers, cannot currently cast their votes in a trade union election either at their place of work or electronically. If the Trade Union Bill is passed, will they be able to do that?

The Prime Minister: First, what matters is that we have proper ballots and do not have strikes unless a proper percentage of people support them. I notice that Len McCluskey now supports our position. The problem with electronic voting, which the Speaker's Commission on Digital Democracy looked into, is that it is not yet clear that we can guarantee a very safe and secure ballot. I do not think it is too much to ask people who are potentially going to go on strike to fill out a ballot paper.

Maggie Throup (Erewash) (Con): Recently, I received a letter from Transport for London, informing me that in the last year it has spent more than £1.4 million with suppliers in Erewash, including Progress Rail Services, which is fantastic news for our local economy. Does my right hon. Friend agree that by investing in Britain's infrastructure, this Government have re-energised manufacturing and engineering, safeguarding our economic security?

The Prime Minister: My hon. Friend makes an important point. Big infrastructure decisions, wherever they are made, can benefit every part of the country with jobs and manufacturing. Obviously, in the past five years London has seen huge investment because of Crossrail—the biggest infrastructure project anywhere in Europe—but I think we will see a better balance in the coming years, not least with the massive electrification and other programmes around the country. That is vital, but we cannot have infrastructure investment without a secure and strong economy, and that is what we will be delivering.

Q15. [901535] **Marion Fellows** (Motherwell and Wishaw) (SNP): Recently I have been contacted by a number of constituents who are facing real hardship as a consequence of the current payment of child support. It is not compulsory for parents to declare changes that may impact on the amount that they should pay, and if it is found that a parent did not make their altered financial circumstances known, there are no penalties

and no requirement to make backdated payments. What action will the Prime Minister take to close these loopholes, which have a detrimental effect on vulnerable families in Motherwell and Wishaw and beyond?

Mr Speaker: We are extremely grateful to the hon. Lady, but questions and answers must be somewhat briefer. We are making much slower progress than in the last Parliament.

The Prime Minister: The hon. Lady raises something that we have all seen in our constituency surgeries and the problems with the system, and we know that the old system with the Child Support Agency also had many imperfections. We have tried to introduce more voluntary arrangements and to encourage parents to seek ways to ensure that fair payments are made, but I will look closely at her question and perhaps I can write to her about it.

Points of Order

12.38 pm

Caroline Lucas (Brighton, Pavilion) (Green): On a point of order, Mr Speaker. Today the Investigatory Powers Tribunal ruled in a case brought by myself and Baroness Jones that the Wilson doctrine has no legal force and is just an ambiguous political statement. That appears to contradict what the Prime Minister told the House last month. Can you advise us, Mr Speaker, on the best way of ensuring that the Prime Minister comes to this House and makes a statement about what he knew, and—crucially—that he brings forward legislation to ensure that the communications of MPs who are undertaking their parliamentary duties are not spied on without independent judicial approval?

Mr Speaker: I am grateful to the hon. Lady for giving me advance notice of her intention to raise a point of order and of its substance, but I fear that she flatters me and somewhat decries herself. It is not for the Chair to proffer advice on this issue, but I will attend, in terms, to the specifics of the matter she has raised. I am, of course, conscious that the Investigatory Powers Tribunal today released its judgment in the case brought by the hon. Lady, and others, on the Wilson doctrine. She will understand and appreciate that at this point I have not read it—*[Interruption.]* The right hon. Member for Gordon (Alex Salmond) will patiently await my reply and we will hear his oratory in a moment. In any case, I do not believe that it falls to me as Speaker to respond to such a judgment, or to provide commentary on it.

I am also conscious of the concerns of devolved legislatures that have been conveyed to me by colleagues from the Chairs of those bodies, but it would not be right for me to comment on the Floor of the House from this Chair on such matters. The hon. Lady asks how she can seek advance or clarification on the matter, but she bobs up regularly from her place on those Benches in seeking to question Ministers—even the most senior—and I will be looking out for her, and others.

Alex Salmond (Gordon) (SNP): Further to that point of order, Mr Speaker. We do like to ask for your advice, because it is based on great experience. You will be aware that a number of your predecessors have taken a close interest in whether the Wilson doctrine applies and protects Members of Parliament.

The Government's Queens Counsel—the lawyer paid by the Government—appears to have said before the tribunal that ministerial statements are characterised by “ambiguities, at best, whether deliberate or otherwise”.

Is it not in order, Mr Speaker, to ask, as a newish Member of the House, how we can get an unambiguous answer from Ministers on whether the notice and protection, which used to, up until last year, apply to Members of the Scottish Parliament, the Welsh Assembly, the Northern Ireland Assembly and the European Parliament, is still in force?

Secondly, what would the impact be if there was a will across the parties—this is, if anything is, a cross-party matter—to pass an unambiguous substantive motion reasserting an essential democratic protection that has been with us for 50 years and more?

Mr Speaker: Let me say to the right hon. Gentleman, in response to his twofold inquiry, two things. First, if the right hon. Gentleman wants—I respect this—an unambiguous answer, he should pose an unambiguous question and not rest content until he has an unambiguous answer. If the right hon. Gentleman were to raise his eyebrow and quizzically inquire, either explicitly or implicitly, whether that means he should engage in repetition, I would say yes. The House is no stranger to repetition. It is not a novel innovation in the practice of this place, nor, if I may very politely say so, in the practice of the right hon. Gentleman. That is the first point.

The second point is on the question of a motion. That is not a matter for me, but could a motion, including a cross-party motion, be tabled on this matter and a vote be forced upon it—the right hon. Gentleman knows that it could. Just looking around the House, no names, no pack drill, I have a feeling there would be a number of takers.

Mr David Davis (Haltemprice and Howden) (Con): Further to that point of order, Mr Speaker. You are, of course, quite right in what you said at the beginning. This is principally a matter for the Government, but it is also a matter that addresses directly parliamentary privilege. This morning's judgment ruled first that the Wilson doctrine, as we interpret it in its narrowest sense, has no legal basis, but beyond that it has no basis whatever if we are communicating with whistleblowers, campaigners, lawyers, journalists or each other. It seems to me the original aim of the Wilson doctrine was to protect all those things and to protect Members of this House either from intimidation or oversight by the Government. Therefore, there is a role for the House. I look to you, Mr Speaker, for guidance on what that might be.

Mr Speaker: I note what the right hon. Gentleman says and I do not demur from it. It is an extremely important matter and he is perfectly properly concerned with the rights of Members. If he wants to know, at this time, my own view on the matter, he can of course consult paragraph 21 of the judgment, which reflects my own view based on expert legal advice. If the right hon. Gentleman feels, as I suspect the right hon. Member for Gordon (Alex Salmond) does, that there is still real ambiguity about this matter, they must use their parliamentary wiles to draw Ministers on the matter. The right hon. Member for Haltemprice and Howden (Mr Davis), who celebrates this year, I think, 28 years' uninterrupted service in the House, is very well familiar with all the options open to him. There are Adjournment debates, opportunities for urgent questions and Opposition days. There is a miscellany of ways in which he can pursue this matter, and I have a hunch that he and others will do so.

Mr David Winnick (Walsall North) (Lab): Further to that point of order, Mr Speaker. I could be wrong, but I believe I was in the House when the Wilson doctrine was set out, and I would be very disappointed indeed if the absolute integrity set out by the then Prime Minister were to be changed in any way. I hope you understand the strength of feeling on this issue. We should not be spied on in any circumstances. This is also not just about us, but about recognising our responsibilities as elected representatives. I hope that you yourself, Mr Speaker,

can make an input to ensure that the Wilson doctrine is not thrown out, because that would be a grave disservice to Parliament.

Mr Speaker: I am very grateful to the hon. Gentleman for his point of order. Of course, I am conscious that he was here at the time of its formulation. He entered the House in 1966 and he and I have often discussed this matter, so he does speak from some considerable personal experience. The fact that I am concerned about the issue is reflected in my letter and submission to the tribunal, so although I am making the point that it would not be right for the Chair to engage in a debate in this Chamber on the substance of the issue, I do have views. I am protective of the rights of Members and any potential threat thereto, and I do communicate as necessary on the matter. I am very open to hearing the thoughts of colleagues, privately as well as in this Chamber, about the issue.

Mr Peter Bone (Wellingborough) (Con): Further to that point of order, Mr Speaker. You will recall that I asked the Home Secretary about this very issue and got a complete non-answer yet again. Members across the House have repeatedly tried to get to the bottom of whether MPs' communications are being intercepted by the state, and I have to say that I think we have exhausted everything we can do. We look to you, Mr Speaker, and ask whether you could reflect on whether there is anything in your powers that would allow us to get to the bottom of what is a wholly unsatisfactory situation.

Mr Speaker: I am extremely grateful to the hon. Gentleman and take his concerns very seriously. I was here when he asked his question and noted his evident dissatisfaction with the response. The point I would very gently make is that it was, of course, one question and one response. Sometimes, if there is a fuller opportunity to explore such matters—the hon. Gentleman is well aware of the arsenal of weapons available to Members trying to secure a fuller and more thorough interrogation on an issue—some light emerges. If the hon. Gentleman gets the drift of that advice, he may, with other colleagues, wish to follow that course.

Chris Bryant (Rhondda) (Lab) *rose*—

Mr Speaker: He may even receive some encouragement in it from the shadow Leader of the House.

Chris Bryant: Further to that point of order, Mr Speaker. I am glad that you told the hon. Member for Wellingborough (Mr Bone) that he should be indefatigable and keep on going, because there are other means whereby we can make sure that this clear ambiguity, which cannot possibly be in the interests of any Member of this House, should be dealt with. The freedom of Members to be able to speak without fear or favour, and without fear of being spied on by the Government or any other agency, is a vital part of our being able to do our job as representatives, and it strikes at the heart of our liberties. It would, of course, be possible for the Leader of the House to make a statement as a matter of urgency. Obviously, he is present, so I wonder whether he might like to leap to his feet and say that he would be happy to do that tomorrow and clear up all the ambiguity.

Mr Speaker: I am very grateful to the shadow Leader of the House. The Leader of the House is sitting impassively: he does not intend to take to his feet at this

stage. He may do so subsequently—I do not know—but I simply repeat the thrust of the theme I was developing in response to the hon. Member for Wellingborough by saying this: if Members feel that this matter has now acquired an urgent character, or even that it might warrant consideration as an emergency, there are parliamentary methods open to them. I do not think I could be accused of being over-subtle or delphic.

Chris Bryant: You've never been accused of that!

Mr Speaker: I have never been accused of that—that is true!

Tom Blenkinsop (Middlesbrough South and East Cleveland) (Lab): On a point of order, Mr Speaker. It has come to my attention following the liquidation of SSI UK that the Government's supposed £80 million, a vast majority of it new money, now transpires to be £30 million of existing funds, to which the workforce are entitled anyway as statutory redundancy payments. I now have further information that suggests that further education colleges and training providers in the area have had no further moneys above their existing budgets to provide re-education and economic regeneration programmes for the affected workers and families. We also know that Ministers have informed Teesside Members that they wish that they had mothballed the blast furnace at Redcar. At the very least, there should be a written statement to this House informing the people of Teesside of the Government's real intentions and of what moneys they are putting aside for those people.

Mr Speaker: I am grateful to the hon. Gentleman, who is certainly a most indefatigable representative of the people of Middlesbrough South and East Cleveland. I simply say to him that this matter was at least partly treated of yesterday, although clearly not to his satisfaction in the light of his comments about what he has heard. If I may politely say so to the House, this is an issue that will inevitably run over a period and it is open to Ministers to make statements and for others, if such statements are not volunteered, to seek to extract them. The hon. Gentleman is a most versatile and dexterous contributor in the House and he will know the options open to him. The Chair wants important matters to be debated. Frankly, if we had not taken so long at Prime Minister's questions it would have been possible to have questions on the matter but, unfortunately, initial questions and answers were somewhat longer than was the case in the last Parliament.

Mr Dennis Skinner (Bolsover) (Lab): Further to that point of order, Mr Speaker. Are you saying that the people on Teesside should be putting in for a Standing Order No. 24 debate?

Mr Speaker: I was not as explicit as that. I say to the hon. Gentleman, who has now been in the House for 45 years without interruption, that a Member could make an SO 24 application, or an application for an urgent question is another device that could be used. Those options are open, and the Speaker does not commit in advance as they have to be considered on merit, but they do exist. I think that the hon. Gentleman will testify that they have been used more frequently in recent years. I would not want colleagues to think that there is no chance for these matters to be considered. There is, if they take it. Perhaps we can leave the matter there for now.

Perinatal Mental Illness (NHS Family Services)

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

12.52 pm

Rehman Chishti (Gillingham and Rainham) (Con): I beg to move,

That leave be given to bring in a Bill to make provision about the appropriate level of access to NHS services and accommodation for mothers with perinatal mental illness; and for connected purposes.

The Bill is in addition to my other Bill on the need for accountability and transparency in the commissioning of mental health services. I thank the Minister for Community and Social Care for meeting me and the team from the Royal College of Psychiatrists, led by the president, Professor Simon Wessely. The royal college fully supports the Bills.

We have come a long way in improving attitudes to mental illness over the past few years and I pay tribute to the work of the current Government and the coalition Government for their efforts to improve the quality and provision of care for people with mental ill health. Nowhere is improvement needed more than for women with perinatal mental illness. Perinatal mental illnesses are those that start or are already present during pregnancy and the initial year after birth, which is a time when the risk of mental illness is heightened. Approximately 10% to 20% of women will experience a mental illness in the year after childbirth. In fact, a woman is 33 times more likely to be admitted to a psychiatric ward after giving birth than at any other time in her life. That means tens of thousands of women in England every year.

The consequences of not intervening adequately can be severe. These women might be catatonic or delusional, experiencing hallucinations or suicidal thoughts, and they might be unable to recognise their family or even their baby. Not only is this a traumatic experience for them, but, unsurprisingly, the child's development can be severely impaired. Tragically, suicide is a leading cause of maternal death associated with approximately 15% of overall deaths in the perinatal period. Although such cases are rarer, some women will kill the child as a result of their illness. Recently, we will all have seen in the media the coroner's report on the tragic case of Charlotte Bevan, who committed suicide along with her baby. Her parents call for extra perinatal units, and the coroner has called for better services.

Aside from the tremendous human cost, there is an economic cost that far outweighs the cost of providing adequate treatment. A comprehensive economic evaluation conducted last year by the London School of Economics and the Centre for Mental Health calculated that the annual cost of perinatal mental illness to the NHS is £1.2 billion and that the total cost to society is £8.1 billion. Although many cases of perinatal mental illness can be managed by services based in the community, specialised care is required in thousands of cases each year and the mother will have to be admitted to hospital. In such circumstances, typical adult psychiatric wards are inadequate as they are not equipped to allow the baby and mother to remain together and bond. Specialised mother and baby units, which are the subject of the Bill, are designed

with that in mind, and research shows that women with serious perinatal mental illness will have better outcomes and better relationships with their infants if cared for in these specialised units.

Guidance from the National Institute for Health and Care Excellence accordingly recommends that mothers who require in-patient treatment for any mental health problem in the perinatal period should be admitted to such a unit with their child. Last month, I had the pleasure of seeing the fantastic work that the specialist units do first hand when I visited the Margaret Oates mother and baby unit in east London. The Scottish NHS is some years ahead of ours when it comes to providing such vital services. Since 2003, the Mental Health (Care and Treatment) (Scotland) Act, which was the inspiration for this Bill, has stipulated that commissioners must provide enough mother and baby unit services so that women with depression who require in-patient admission and their infants can be accommodated together.

There is no similar provision in English law and both NHS England and NICE have acknowledged that there is a significant national shortfall in the provision and distribution of mother and baby units of approximately 60 to 80 beds. As a result, women with serious mental illness are forced either to be admitted without their babies to general adult psychiatric wards or to travel hundreds of miles out of their area to a specialist mother and baby unit. Both have damaging consequences for the mother and baby. Dr Liz McDonald, one of the country's leading perinatal psychiatrists, calls this "the bleakest of all postcode lotteries".

I agree, and the Bill seeks to correct that.

It is important to note that the number of beds needed is not the only consideration. Thought must also be given to where they are located. I recently met Dr Giles Berrisford, a senior perinatal psychiatrist who runs an excellent mother and baby unit in Birmingham. He told me that he has received patients from as far away as Cornwall and that new motherhood, the onset of mental illness and having to travel huge distances for care, being separated from families, friends and communities, are a toxic combination. That is why the Bill will make it a requirement that 95% of the women who need such services should be able to access them within 75 miles. Those figures were recommended to me by experts at the Royal College of Psychiatrists, who strongly support the Bill.

The distance element is innovative. I appreciate it might raise an eyebrow or two in the Chamber, but it is just a different way of conceptualising the rights that already exist. For years, patients have had the legal right to access NHS treatment for physical illnesses within a maximum period of 18 weeks. Unfortunately, this 18-week target would not be relevant to acute perinatal mental illnesses, whereas, as I have explained, the problem is with both the shortage and location of these services. That is why the Bill thinks slightly differently and uses distance, rather than time, as a basis. This is novel for the NHS, but innovation is not a bad thing.

If we can enshrine a time-based right in law, with no ill effects, why not a distance-based one? It is not unheard of. In the United States, Kentucky, Illinois and Minnesota have laws about the maximum distance patients have to travel for care. Moreover, the financial implications

of the Bill are actually positive. An evaluation by the London School of Economics and the Centre for Mental Health estimates the cost of providing the 60 to 80 beds that NHS England and NICE say are needed to be approximately £7 million. I am pleased that the Government have already earmarked extra funding for perinatal mental services more generally. In March 2015 Budget, a pledge was made to spend £75 million over five years on improving perinatal mental illness services, but no detail has been forthcoming about what it means in practice.

The Bill complements existing Government spending plans, but importantly would serve to compel NHS England to act and focus its attention on these much-needed mother and baby units. When I have spoken to colleagues about the Bill, some have cautioned that it might lead to legal action being taken if these services are meant to be available but are not. I am pleased to say that these concerns are unfounded. The Royal College of Psychiatrists informs me that it is not aware of the similar Scottish law having led to any such cases.

I have also been asked why these services are a special case, deserving of their own Bill. There is a particularly strong argument for action in this case. As we know, the Government have set the laudable objective of giving mental health parity of esteem with physical health, reflecting the fact that unfortunately mental healthcare has lagged behind physical healthcare for so long, and perinatal mental healthcare has lagged behind other areas of mental healthcare and so has been doubly disadvantaged in many ways. This and the consequences of not getting this care right for mothers and babies justify the Bill and the novel approach it takes. As for whether the Bill will set a precedent, that, as right hon. and hon. colleagues will know, is ultimately within Parliament's control.

In summary, the Bill reflects current NICE guidance and will result in better outcomes for the mothers and infants concerned—

Mr Speaker: Order. I am extremely grateful.

Rehman Chishti: We have a moral duty to make sure the Bill is fully considered and taken on board by the Government.

Mr Speaker: Order. We have got the thrust of it. I am afraid that people will have to rediscover the habit of staying to time. The hon. Gentleman did so in the last Parliament, but he will need to brush up a little bit. None the less, we are grateful to him.

Question put and agreed to.

Ordered.

That Rehman Chishti, Norman Lamb, Frank Field, Tim Loughton, Fiona Bruce, Tom Brake, Jim Shannon, Valerie Vaz, James Berry, Jeremy Lefroy and Kelly Tolhurst present the Bill.

Mr Rehman Chishti accordingly presented the Bill.

Bill read the First time; to be read a Second time on Friday 20 November 2015, and to be printed (Bill 78).

Cities and Local Government Devolution Bill [Lords]

[Relevant documents: Oral evidence taken before the Communities and Local Government Committee on 12 October 2015, and written evidence to the Committee, reported to the House on 7 and 15 September and 12 October 2015, on the Government's Cities and Local Government Devolution Bill, HC 369, the Committee's First Report of Session 2014-15, Devolution in England, the case for local government, HC 503, and the Government's response, Cm 8998.]

Second Reading

Mr Speaker: I have selected the amendment in the name of the Leader of the Opposition. *[Interruption.]* I understand the disappointment of the hon. Member for Nottingham North (Mr Allen), but his amendment is on the Order Paper for inspection by colleagues, and will be there for some time to come, and he can show it to his family.

1.5 pm

The Secretary of State for Communities and Local Government (Greg Clark): I beg to move, That the Bill be now read a Second time.

I guess we have to get used to rival Opposition amendments these days, but I look forward to hearing the remarks of the hon. Member for Nottingham North (Mr Allen).

The Conservative party promised that if elected it would begin a bold new era of devolution. We made that promise because, as hon. Members on both sides of the House would recognise, over the course of the best part of a century, this country became one of the most centralised in the free world. Our cities, towns and counties became progressively more dominated by Westminster; local leaders had their undoubted dynamism and energy curbed and were made to conform to what Whitehall required; and our economy became unbalanced, its local strengths undermined by over a century of central direction from London.

People who know and love their communities have seen their good ideas frustrated, and the public's enthusiasm for local democracy has unsurprisingly withered. The damage caused by over-centralisation is not only political; as Members know, seven of the eight largest cities outside London have for some time had a GDP per head below the national average. That stands in contrast to the experience of other European countries, where the major regional centres of their economies power the national economy ahead. If they can do it, we can do it, and we are determined so to do.

John Redwood (Wokingham) (Con): Crucial to devolution is who controls the money. We are currently negotiating the new Scottish settlement, which must mean a new settlement for England, and I hope that England will have a strong and sensible voice in that. We will now have a new determination on business rates and councils, so will the Secretary of State explain how the money might work under the new regime?

Greg Clark: I will. The idea that business rates raised locally can be retained by local government, rather than being sent to the Treasury, is a major step forward that

[Greg Clark]

colleagues in local government agreed and for which many have campaigned over many years. Having made that commitment, it was right to announce it so that our colleagues in local government could help us with the important work of putting in place arrangements to protect authorities that do not collect enough in business rates at the moment to pay for their services. It is right that that be done collaboratively, and the Chancellor announced the arrangements in order to initiate that conversation.

Mr David Burrowes (Enfield, Southgate) (Con): My right hon. Friend talks about a long campaign and the trend towards devolution, as shown not least in our manifesto and reflected in the Bill, which commands support certainly among Government Members. I caution him, however, that if Sunday trading deregulation is tacked on quickly to the Bill at a later stage, a significant cross-party group of hon. Members will vigorously oppose it on behalf of businesses, families and workers.

Greg Clark: I understand the comments of my hon. Friend, who has been a clear and long-standing campaigner on this issue. As all Members know, there has been a consultation on whether to devolve to local authorities the power to set Sunday trading hours. That consultation has closed and we are considering the results, but I say to him and other Members that I and my colleagues are happy to meet them to discuss their concerns before the Government respond to the consultation.

Mrs Caroline Spelman (Meriden) (Con): Further to that intervention, will the Secretary of State confirm for the record that hon. Members would have an opportunity to debate the matter in a Committee of the whole House, should the Sunday trading hours extension be introduced into the Bill? I, on behalf of the Church of England, and others would want to place on the record our opposition to the extension.

Greg Clark: I can certainly give that commitment. Hon. Members will have seen that the programme motion has the Committee stage being taken on the Floor of the House, as is appropriate.

Mr Graham Allen (Nottingham North) (Lab): I congratulate the Secretary of State on bringing forward this Bill and on the hard work he has done over many years in bringing devolution to our cities. Will he accept from me that bringing devolution down from Whitehall to town hall is not enough in itself? Will he look a little further at what we call “double devolution”, or taking devolution down to the communities and neighbourhoods as we are trying to do in Nottingham at this very moment?

Greg Clark: I will indeed, and I would like to reciprocate the hon. Gentleman’s compliment. Both in his role as Select Committee Chair in the last Parliament and through his personal work in Nottingham, driving the regeneration of what he terms the outer estates in his city, the hon. Gentleman brings and personifies a degree of local knowledge of the problems and of the people, many of whom he has introduced me to on my visits to his city, which it would be impossible to replicate in

Whitehall. That provides a good example of why we need to devolve in exactly the way that the hon. Gentleman said.

Mr Gareth Thomas (Harrow West) (Lab/Co-op): Let me take the right hon. Gentleman back to the subject raised by the right hon. Member for Wokingham (John Redwood)—the issue of where the money comes from to finance devolution. The Secretary of State will be aware of the work of the current mayor championing full fiscal devolution for London—not just of business rates, but of a series of other local property taxes. Why has the Chancellor resisted devolving control of those additional property taxes?

Greg Clark: I think the hon. Gentleman is being a bit churlish. Part of the mayor’s campaign was to have 100% retention of business rates. That has been secured, and the mayor was appropriately generous in his praise for the Chancellor for doing so. We are rightly responding to a long-standing campaign to make this devolution work, which is a very important step forward.

Jim Shannon (Strangford) (DUP): The right hon. Gentleman is aware of the feeling of many Members about the Sunday trading liberalisation amendments that could be in the Bill. He will also be aware of the meeting of MPs and constituents over how the obligation to work will affect people’s Sundays. Before any of that happens, we are seeking the opportunity, as others have said, to debate that matter in this House. Will the right hon. Gentleman give an assurance—a cast-iron assurance—that that will happen?

Greg Clark: I would say two things to the hon. Gentleman. First, the consultation has not yet been responded to, and the Government will need to take a view on the responses to it. My colleagues and I would be happy to meet the hon. Gentleman and any other Member who wants to influence what happens on this issue. Secondly, if such provisions were to become part of the Bill, it would of course be essential to debate them on the Floor of the House so that the hon. Gentleman and other colleagues have a chance to express their views and influence the debate.

Several hon. Members *rose*—

Greg Clark: Let me make some progress; I will of course take further interventions a little later.

The Bill’s purpose is to give power to the cities, counties and towns of our country and to free them from some of the Whitehall rule. This has been promised in the past by successive Governments of different colours, but often never realised. It is worth asking why well-intentioned Governments have never succeeded before in making a real difference to our country’s devolution settlement. One reason why previous efforts failed is as a result of an approach whereby everything had to change in a uniform way across the country. By contrast, the fundamental approach of this Bill is to enable the Government to give expression to proposals—they may be different proposals from different places—with no requirement that the same arrangements should apply to all parts of the country simultaneously. It is a fundamental tenet of this Bill, in contrast to other reforms debated over many years, that it does not give me or any of my ministerial colleagues the power to

impose any arrangement on any local authority. All it gives is the ability to give expression to a proposal, if I may put it that way.

Tom Brake (Carshalton and Wallington) (LD): I know that the Secretary of State is fully committed to the Bill. He referred to it not imposing anything in a uniform manner on local authorities or combined authorities. Does that mean that he is not going to impose a mayor on a combined authority?

Greg Clark: The Bill does not include the ability to impose any particular form, whether it be a combined authority, a different combination of authorities or a mayor. It provides for the ability to give expression to an agreement made between authorities, which I think is the right approach.

Kevin Hollinrake (Thirsk and Malton) (Con): Does the Secretary of State agree that any proposal for devolution needs to be ambitious and bold, both to realise the economic potential and to capture the public's imagination? A good example might be the Greater Yorkshire devolution bid.

Greg Clark: I commend my hon. Friend's ingenuity in seeking to elicit an endorsement of that particular proposal. What I certainly can do is to endorse the great efforts and imagination that have gone into a very attractive bid. A number of alternatives for Yorkshire have been put forward to the Government, and I will meet Yorkshire authorities to see whether a consensus can be reached. As my hon. Friend knows, a consensus is required for these arrangements to come into force.

Mr Ivan Lewis (Bury South) (Lab): Further to the point made by my hon. Friend the Member for Nottingham North (Mr Allen), the model of elected mayor and combined authority has profound implications for public engagement and public involvement. If this is devolution purely from Whitehall to town hall, and does not actually empower communities, that would be a major problem. This also has profound implications for the role of back-bench councillors who feel potentially marginalised by this model and for the role of Members of Parliament in holding public services to account. What is the Government's position on the public, back-bench councillors and Members of Parliament in light of the profound impact of the proposals?

Greg Clark: The hon. Gentleman makes an excellent point. It is important that both back-bench councillors and Members of Parliament have the opportunity to exercise scrutiny of any elected officials, whether they be chairs of combined authorities or members of the cabinets put together by combined authorities or boroughs.

Andrew Gwynne (Denton and Reddish) (Lab) *rose*—

Greg Clark: Let me finish answering the question from the hon. Member for Bury South (Mr Lewis).

Having a prominent and identifiable figure can, I think, help that scrutiny. Both the recent mayors in London have been prominent individuals, and I dare say that they would both say that they feel pretty well scrutinised by Members of Parliament, elected members and indeed by public opinion. Under the Bill, it is open to different authorities to put arrangements together. In the case of Greater Manchester, strong powers exist for

the constituent authorities, which have a long track record of working very well together to exercise scrutiny over the elected mayor. Members of those councils, of course, are linked in through that. Different arrangements are possible in different places.

Ms Gisela Stuart (Birmingham, Edgbaston) (Lab) *rose*—

Greg Clark: I give way to the newly right hon. Member for Birmingham, Edgbaston (Ms Stuart).

Ms Stuart: I agree with the Secretary of State's notion that the devolution process will be asymmetric, so that combinations will have to form themselves. In the case of Birmingham, some components are obvious, but where does the right hon. Gentleman take control to ensure that some parts around it—whether it be Warwickshire, Stratford or whatever—are not left out of the process and can be brought together into some greater framework?

Greg Clark: The right hon. Lady reflects exactly why we need a bespoke approach rather than a single template—because every place is different. As we know, her city of Birmingham is the largest local authority in Europe, and it is very different from other authorities. Greater Manchester is divided into 10 separate authorities, for example. It would be completely wrong to seek to impose a Manchester arrangement on Birmingham and its neighbours. As I have said, and as is reflected in the Bill, arrangements can come forward only if there is a consensus between the local authorities that might want to be partners. That has to be forged locally. I do not have the ability either now or subsequently through the Bill to impose an arrangement on any authority, however much people might desire it.

Mr Ronnie Campbell (Blyth Valley) (Lab) *rose*—

Greg Clark: I give way to the hon. Gentleman. I must make some progress, but of course I will give way to Members as I do so.

Mr Campbell: In the north-east of England, it seems that you are imposing a mayor on the leaders, and the feeling in the north-east is that they do not want a Geordie Boris. If this is all about democracy and sharing democracy, why are you imposing a mayor on us?

Mr Speaker: Order. I am not imposing anything. The hon. Gentleman must not attribute to me what he is accusing the Government of doing, or failing to do.

Mr Campbell: You are on the other side of the game, aren't you?

Mr Speaker: I am on the side of adherence to the rules, a concept that I am sure the hon. Gentleman, in his better moments, robustly supports.

Greg Clark: If the hon. Gentleman studies the Bill, he will see that there is no ability for me to impose a mayor on the authorities of the north-east. They are having discussions about the issue, and they are entirely at liberty not to accept that form of governance if they do not want it.

[Greg Clark]

I gather that my right hon. Friend the Member for North Somerset (Dr Fox) has been trying to catch my eye, but because he is sitting behind me, I missed him. I will give way to him before I make some more progress.

Dr Liam Fox (North Somerset) (Con): I am grateful to the Secretary of State. I wonder whether I can draw him out a little more. In the west of England, four local authorities—Bath and North East Somerset, Bristol, South Gloucestershire and North Somerset—work closely together as a functional unit. Can he confirm that nothing in the Bill would allow any future Secretary of State to apply a structural arrangement to what is currently a very well-operating unit?

Greg Clark: I am glad that my right hon. Friend has made that point, because it illustrates something that I was saying before I took interventions. Previous approaches involving a template that was imposed on places by Whitehall, including the creation of Avon, were widely resisted—correctly, as I am sure my right hon. Friend would say. They never enjoyed any public identification, affection or support. We have learnt from that experience, and the Bill is the opposite of those previous reforms of local government. All the powers that it contains are geared to allow me to implement the expression of local opinion and not to impose any arrangement in any way, and that certainly includes the authorities mentioned by my right hon. Friend.

Several hon. Members *rose*—

Greg Clark: I am going to make some progress, but after I have done so, I will of course give way to Members who wish to intervene.

That is partly why we have decided to develop bespoke arrangements, but we also respect the fact that every place is very different. Greater Manchester, for instance, is a very different place from Liverpool. [HON. MEMBERS: “Hear, hear.”] Indeed, the difference is to be celebrated. *Vive la différence!* They are both proud cities in their own right.

One of my regrets about the periods during which those two great cities, and others, were subsumed into the region called the north-west, which I do not think enjoyed a fraction of the identity, recognition, affection and, indeed, power they had enjoyed, is that they were sublimated, and our approach gives expression to that regret. I have been delighted, but not surprised, by the response of civic and business leaders across the country, and not just in our cities. They have demonstrated their enthusiasm for investing in a greater prominence for cities, towns and counties that can boost the economic prospects of the whole country.

Andrew Gwynne *rose*—

Barbara Keeley (Worsley and Eccles South) (Lab) *rose*—

Jack Dromey (Birmingham, Erdington) (Lab) *rose*—

Greg Clark: I shall give way first to the hon. Member for Denton and Reddish (Andrew Gwynne), who has been patient, and then to the hon. Member for Birmingham, Erdington (Jack Dromey).

Andrew Gwynne: May I return the Secretary of State to the issue of identity? People will obviously not identify with the new office of mayor and the combined authority unless they feel that they have some buy-in. The Local Government Act 2000, which introduced the cabinet system to local government, provided for two important functions. One was the call-in procedure, and the other was the provision that key cabinet decisions must be made public and must be publicly scrutinised. Does the Secretary of State expect the same powers to apply to the office of the mayor and the combined authority?

Greg Clark: Yes, I do. I think that the arrangements we require should have the potential to be equally transparent, although they may not need to be identical. We must consider them, debate them and ensure that they achieve the purpose that the hon. Gentleman has in mind.

I will now give way to the hon. Member for Birmingham, Erdington.

Jack Dromey: I am grateful to the Secretary of State.

Yesterday, after nearly two decades of leadership in the City of Birmingham, Sir Albert Bore stood down. In the city of Chamberlain, he was one of its greatest leaders. A man of immense personal integrity, he led the city through tough times, and indeed, working with the Secretary of State and others, he has been a pioneer of the new devolution settlement for England. As Albert stands down, will the Secretary of State join me in paying tribute to a remarkable man who has made a difference throughout his life to the city that he has served and loved?

Greg Clark: I will do that with all my heart. Sir Albert Bore has given distinguished and devoted service for many years to a city that he loves. He has led the city through some difficult periods, and he has always done so with a calmness, authority and pragmatism that have made it possible for him and me to work very well together, despite our being in different political parties. I think the fact that, under these arrangements, Birmingham is poised to be able to advance and recover some of the civic possibility that was exemplified under the mayoralty of Chamberlain was very much in Albert Bore’s mind, and he will leave a very positive legacy to the city. His stepping aside at this point to allow a new leader to take Birmingham to the next stage is a tribute to his first concern for the city, and I am sure that all Members will wish to join us in paying that tribute.

Mrs Maria Miller (Basingstoke) (Con): My right hon. Friend is absolutely right to talk about proud cities, but I know that he will not forget proud counties such as Hampshire, which want to embrace devolution. As he will know, my part of Hampshire has a strong local enterprise partnership, the Enterprise M3 LEP, which has secured significant investment and infrastructure. Will he ensure that any plans for devolution do not diminish that strong role for LEPs, which have such an important part to play in the country’s economic recovery?

Greg Clark: I will indeed. The Enterprise M3 LEP has been particularly successful in attracting high-tech businesses, and creating jobs well into the future. It is very important for businesses to be part of this.

Kit Malthouse (North West Hampshire) (Con) *rose*—

Barbara Keeley *rose*—

Greg Clark: I will give way to my hon. Friend and then to the hon. Lady, but after that I must make some progress.

Kit Malthouse: As a former councillor and, indeed, ward colleague of my right hon. Friend, may I express my violent enthusiasm for the Bill? So enthusiastic are councils across the country that I am sure my right hon. Friend will be carried shoulder high into the next LGA conference that he attends. [*Laughter.*] Does he agree, however, that many of the worries he will hear expressed here today, and in other places, stand in the way of what could be a golden age for municipal and county government? Does he agree that one of the critical things we must all realise is that councillors are not second-class politicians, that they can be trusted to make large and significant decisions about their areas and communities, and that too often in the House we look down our nose a little at councillors and feel that we should retain a little too much power because they cannot be trusted?

Mr Speaker: Order. The jocularity of the hon. Gentleman's intervention was equalled only by its length. May I gently say to Members that interventions must be brief? We do need to make some progress. The Secretary of State is always generous in giving way, but Members should not abuse that.

Greg Clark: In view of the proposed violence of my hon. Friend's enthusiasm, I am glad that he is sitting over there rather than closer to me. He was my friend and mentor in local government, and we did a lot together on the basis of our knowledge, as councillors, of our local area. I think that is very much reflected in what we are doing now. For all the discussions we will have, today, in Committee and on Report, this is, for all of us, a big opportunity to do what many of our predecessors sometimes hoped but failed to do: give capable leaders across the country the ability to make a difference to their communities. It is right that my hon. Friend pays tribute to the potential of local leaders.

Barbara Keeley: I hope the Secretary of State will not regret giving way, because I am going to intrude on the somewhat rosy view he is developing about Greater Manchester. There was a sense of shock there about the health devolution and the imposition of an elected mayor. Manchester is not a city; the unit we are talking about is 10 separate places. I represent Salford and I have been a councillor in Trafford, and I know that feelings run high about that imposition. The real concern is about health and the role of MPs once this health devolution goes ahead. The British Medical Association is very concerned that doctors were not consulted before that decision, and neither were MPs in Greater Manchester. We find ourselves too far outside the loop, and there are real concerns about the role of an MP in expressing their constituents' concerns on health matters in the future. This is not at all clear.

Greg Clark: I am grateful for the hon. Lady's intervention. All I would say is that the proposals on health devolution came from the Greater Manchester authorities—they were not proposed by the Government—and reflected

their feeling that their local knowledge and experience could make a material difference in improving health outcomes for people in Manchester. This is important. Of course, the national health service will always continue to be accountable through the Health Secretary, the Prime Minister and Ministers to Members here, and I encourage all authorities and Members to take the opportunity to work together and not only scrutinise but influence these arrangements. I hope they will do that.

Several hon. Members *rose*—

Greg Clark: I am going to make some more progress and then take further interventions later—I think I have been generous in the interventions I have taken.

Clearly there is much to discuss, but I regret the reasoned amendment—it may be a reasoned amendment but it is not a very reasonable amendment from the hon. Member for Hemsworth (Jon Trickett). I am surprised by that because he is a genial chap normally. He says that the Bill does not offer meaningful devolution, but most civic leaders, of all parties, across the country recognise that this is an important Bill that gives them the ability to take powers that previously have not been made available to them. His approach is rather like St Augustine's, in that he is saying, "Let us have more devolution, Lord, but not just now." I hope that in the weeks ahead the conversations that will take place between the Opposition Front Benchers and their civic leaders in local government, who very much welcome these deals and powers, will moderate shadow Ministers' view on that. I say to him and other hon. Members that it is important to proceed as consensually as we can on this, and if he has suggestions that we can reflect in our arrangements, they are as valid coming from him as from any other Member. He will find that I am open to them, as my colleagues are.

Joan Ryan (Enfield North) (Lab): The point is that we need good devolution and devolution that works. Let me take the Secretary of State back to the health issue because there are real concerns, expressed by the Royal College of Nursing and the NHS Confederation, about fragmenting services and the fact that devolution will not solve the significant financial crisis that our health service and social care service face. Therefore, real safeguards are needed to avoid unintended consequences and to protect the patient.

Greg Clark: The right hon. Lady is absolutely right about that. Far from fragmenting health services, one of the most important things that we need to do, in the interests of all our constituents, is bring together, in closer co-operation, health and social services, because where they are not well aligned and well integrated, patients—our constituents—can fall through the cracks in the system. That is what is behind the Greater Manchester proposals.

Several hon. Members *rose*—

Greg Clark: I am going to make some progress. I have spoken for half an hour and a lot of Members want to speak.

The Bill is intended to honour our pledge to bring prosperity and opportunity to every part of the country. We must address the problem of recent years of how to prevent the strength of London—valuable and desirable

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though it is—overshadowing the opportunity for other parts of the country to achieve their potential. It is very important that no one and no place shall be left behind. Talking of one nation, as Disraeli said,

“the greatest good you can do for another is not just to share your riches, but to reveal to him his own.”

Our local communities are aware of their riches and they want the opportunity to show them, to make use of them and to burnish them in a way that they have been prevented from doing in the past.

Let me say a few words about the progress that was made in the last Parliament.

Mr Gareth Thomas *rose*—

Greg Clark: I want to make some progress and I will perhaps give way a little later.

During the last Parliament, the Government introduced the concept of city deals, pioneering the approach of having a conversation with cities, in the first instance, to see whether there was any common ground—something that might be in the local interest and the national interest, and where agreement could be reached. That was followed by 39 growth deals. My hon. Friend the Member for North West Hampshire (Kit Malthouse) foresaw my being carried shoulder high at LGA conferences, but my experience at those, having negotiated the city deals, was that the leaders of our districts and counties did not so much carry me shoulder high as pursue me down corridors demanding that they should be able to be part of this devolution, and they were right to do so. That is why we extended our devolution arrangements to the 39 growth deals. It is important that we now take this to the next level and be able to devolve powers that Ministers and public bodies have to local authorities, be they individual authorities, combined authorities or mayoral authorities.

The important point to recognise is that the Bill gives no ability to strip any powers from any existing authority. All their powers continue and all the Bill's proposals are directed at allowing this House, if it gives its approval, to take powers from Ministers and from national bodies and vest them in local government and local leaders. All the devolution is one way; no change is made to the powers and responsibilities of the constituent councils.

Peter Dowd (Bootle) (Lab): I want to contribute later, but I wish to say something about the principle of devolvement. The Trade Union Bill gives the Secretary of State the power to determine whether or not a trade union convenor has more or less time off in Carlisle, 200 miles away. That is not decentralisation. May we have a commitment that that sort of measure in that Bill may be devolved back to local authorities?

Greg Clark: I am fully occupied with the Bill before us, and I am sure my colleagues will debate the hon. Gentleman's proposals during the scrutiny of that other legislation.

Mims Davies (Eastleigh) (Con): I warmly welcome this Bill, and I hope to speak today in support of it and further devolution for Hampshire. The Minister has mentioned no impositions in this Bill, and we hope it will work positively with the Localism Act 2011. Where

authorities have not used their powers to deliver on local plans and neighbourhood plans, as is the case in my constituency, where there is a vacuum of localism, how does he see this Bill working with the Localism Act?

Greg Clark: That goes to the point about double devolution made by the hon. Member for Nottingham North. My hon. Friend is right in what she says, and the Housing and Planning Bill contains provisions to strengthen the ability of neighbourhoods to insist on the development of a neighbourhood plan. I hope she will find that welcome.

Mr Clive Betts (Sheffield South East) (Lab) *rose*—

Mr Ivan Lewis *rose*—

Greg Clark: I am going to make some progress, but I will give way to the Chairman of the Select Committee and others before I finish.

The Bill has been warmly welcomed by local government, business leaders and local leaders of every hue. Lord Peter Smith, the Leader of Wigan Council, said the deal with Manchester was “a momentous moment” for Greater Manchester because

“it gives greater control over our own destiny.”

But the Bill is, as we have been discussing, relevant to rural areas, none more so than the great county of Cornwall, where a group of Members of Parliament—it is a good example to Members on all sides—engaged with their local authorities in developing the proposals. The agreement with Cornwall was described by the leader of Cornwall Council as “brilliant news” and “the first stage”—which it is—“of a longer journey” towards further devolution for Cornwall.

In Sheffield—the constituency of the hon. Member for Sheffield South East (Mr Betts), so it is perhaps a good point to give way to him—James Newman, whom he knows well, the chairman of the local enterprise partnership, said that Sheffield's agreement put it “at the front of the pack” and would strengthen the position of Sheffield as a “world class centre for modern manufacturing and engineering”, which it undoubtedly is.

Mr Betts: I will not demur in any way from what the Secretary of State has just said. I congratulate him on his efforts over the years to bring about the change that we have seen in the approach to devolution. In a written statement the other day, the right hon. Gentleman referred to the full retention of business rates and the fact that that will mean more resources for local government, but it will require a process of further devolution of powers to take account of the extra expenditure that local authorities will control. Will he say how that will be done? How will local authorities and this House be consulted on the measures to be devolved as part of that arrangement?

Greg Clark: That is a very good question, and I am sure we shall have other opportunities to discuss it. Devolving 100% of business rates is more than the grant that goes to local authorities, so it is an opportunity to devolve more powers with the funding to local government. Again, the point of the transfer announcement at this stage is so that we can have a sensible conversation with our colleagues in local government as to what

might be the appropriate activities and responsibilities to devolve. I dare say the hon. Gentleman personally and his Committee might have some suggestions to make on that.

Robert Neill (Bromley and Chislehurst) (Con) *rose*—

Dr Andrew Murrison (South West Wiltshire) (Con) *rose*—

Greg Clark: I will give way to my former colleague.

Robert Neill: I warmly congratulate my right hon. Friend on the Bill. On the point about further powers that might be devolved, will he in the course of his speech or during the progress of the Bill give us some more substance about how that would interact with some of the specific grants—for example, the police grant, the better care fund, and the operation of the public health grant?

Greg Clark: That is probably for another occasion, but of course these things need to be discussed and debated.

I will give way to my hon. Friend the Member for South West Wiltshire (Dr Murrison), then I will conclude my remarks, not immediately, but shortly.

Dr Murrison: I am grateful to the Secretary of State. He will know that the biggest challenge facing health care in the years ahead will be funding. The models for funding in local government and in the NHS are radically different. How will he reconcile that in a way that will not promote fragmentation in health care delivery? Notwithstanding the comments about differences in need in different areas, the big public health challenges are pretty much the same everywhere.

Greg Clark: My hon. Friend has great experience in matters medical. This needs to be done by agreement. There is an opportunity to align these funds, but it should be done only if we can be satisfied that it will improve services for our constituents.

Several hon. Members *rose*—

Greg Clark: Let me make some progress. I will not give way. I want to let other Members contribute, including the hon. Member for Hemsworth

No one can doubt this Government's commitment to devolution or the incredible enthusiasm that we have met across the country, where local leaders and communities want to take control of their affairs. We have had applications from 38 places across the country—cities, towns and counties making proposals of their own. I look forward to discussing their proposals with them to see if it is possible to make use of the powers in the Bill to their advantage and to the nation's advantage. I look forward to being in Hampshire next week to do precisely that for the Hampshire authorities.

The very process of these negotiations has been positive. They have brought together neighbouring authorities which, on occasion, have not had the most cordial of relationships, but that is changing. The involvement of business through the local enterprise partnerships, as my right hon. Friend the Member for Basingstoke (Mrs Miller) said, has been very important too. It will

be crucial that agreements we make should involve the support of business if we are to make the progress that we seek.

We have briefly discussed the further opportunities. Not everything to do with devolution is contained in this Bill. I do not want to overclaim its powers as a panacea for 100 years of centralisation. The arrangements for business rate retention will no doubt come through other means, whether through the local government financial settlement or through future spending reviews, but it seems to me that this is a very important part of a suite of measures that will allow us to make the progress that is needed.

Several hon. Members *rose*—

Greg Clark: I will not give way to colleagues who have intervened before. I give way to my hon. Friend the Member for Norwich North (Chloe Smith).

Chloe Smith (Norwich North) (Con): I am extremely grateful. My right hon. Friend rightly talks of engaging people throughout the country and I welcome what the Bill does. It provides an important opportunity for engaging young people in politics. He will know that the Lords inserted clause 20 in the Bill. Can he assure me that he shares my view that we ought to look at the franchise in the round? Although I support votes at 16, we ought to consider that in the round.

Greg Clark: I entirely agree. There is a debate to be had about the voting age. That should be considered on its merits in an appropriate piece of legislation, not as an afterthought in a Bill that is about existing institutions, rather than about voting in particular.

I give way to my hon. Friend the Member for Harrow East (Bob Blackman), then I will conclude.

Bob Blackman (Harrow East) (Con): I warmly support the Bill, which my right hon. Friend and others have long championed. I refer to London in particular. My right hon. Friend has referred to the great cities in the north and in the midlands, but how will the Bill relate to London? He will be aware that London has asked for full fiscal responsibility and devolution. Will the Bill enable that? Also, will he clarify the position in relation to the setting up of the GLA, which was done through an Act of Parliament, and how that will interrelate with the Bill?

Greg Clark: My hon. Friend has great expertise in these matters and he will know that the London arrangements through successive Acts of Parliament are set up in statute in a different way from the rest of the country, so for that reason many of the provisions do not apply to London. He mentions fiscal devolution, and of course the business rates retention, which is not in the Bill but is a complementary reform, will be part of that. I hope it is clear to Members on both sides of the House that this is very much the direction in which the Government are proceeding, and there will be other measures complementary to that.

During our discussions I am sure the Government will want to reflect on points that have been made. Some changes have been made in the House of Lords—for example, to make it clear that in respect of the national

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health service, the responsibility for health arrangements will be that of the Health Secretary. We intend that the Bill will also allow for the creation of subnational transport bodies, Transport for the North being one, so we will want to reflect the powers to enable such bodies to be established.

In the past—in Victorian times—the world looked admiringly at Britain’s model of strong civic governance and the results that it delivered for our economy and our society right across the country. During the century that has passed since those times, that strength has been diminished by the appetite of this House to centralise power in London. Every Act that made that change left our local democracy less potent and the economy less balanced. We now need to restore local power and do it with enthusiasm. This is not an approach rooted in nostalgia or romantic sentiment; it is one of hard-headed judgment.

If we want to succeed to our maximum extent, every part of the country must contribute according to the best of its talents and its abilities. That requires strengthening the powers our cities, towns and counties have. We want to see a renaissance of local power that has the potential not only to benefit our cities and regions, but to transform the prospects of the entire country—to create one nation where energy and creativity are unleashed in every part of the country; one nation where ideas and ambition are rewarded; one nation where the rewards and benefits of success are available to all. That is the purpose of the Bill, and I warmly commend it to the House.

1.50 pm

Jon Trickett (Hemsworth) (Lab): I beg to move,

That this House declines to give a Second Reading to the Cities and Local Government Devolution Bill [Lords], notwithstanding the need for devolution to local communities, because the Bill does not offer meaningful devolution to England and would leave behind England’s town, county and shire regions, ignores the will of the people by imposing mayors as a condition of devolution, threatens the financial stability of local government by not offering a fair funding settlement, and fails to reshape central Government for a long-term commitment to devolution.

This is an important Bill and it arises at an important moment in our country’s political arrangements. The Secretary of State was at his charming best. He has a reputation for being a very charming individual, and he did his best to charm the House, but I am not sure he convinced the House, and I will explain why in a minute. I am afraid, although I do like to create consensus, coming from Yorkshire I feel I ought to add a little Yorkshire grit.

The Secretary of State has convinced me that he means well and he believes in devolution, and so do we, but unlike him we would do it from the bottom up, rather than have a top-down model of imposition. We would also search for a more comprehensive model, rather than a piecemeal one, as in this Bill. Finally, we would be much bolder, because particularly in England there is a huge democratic deficit and we need to understand better this English problem. Rather than tackling it piecemeal, as the Government are trying to do, we would take a wholesale approach. That is the model we are going to set out.

John Redwood: Can the hon. Gentleman explain how we can have both a comprehensive solution and only do it bottom-up on the basis of the wishes of people?

Jon Trickett: It is easy: we will launch, hopefully with other parties, a constitutional convention that will try to reach out into every village, church hall, town hall, city hall and every part of the country to test the arguments about a new settlement for Britain, and I hope the right hon. Gentleman will join us and others in looking again at the political arrangements of the country.

Several hon. Members *rose*—

Jon Trickett: I will take two or three interventions and will then move on, because we have to give Back Benchers an opportunity to make their contributions.

Robert Neill: Can I take it from what the hon. Gentleman has said that under no circumstances will any future Labour Government seek to reintroduce imposed regional assemblies, imposed regional planning or imposed tough binding targets for housing or any other matter on any English local authority, or any form of capping?

Jon Trickett: We will engage in a national debate from the bottom up, using the constitutional convention, which has been used in other countries, to try to create a new framework for Britain.

Joan Ryan: May I take my hon. Friend back to an issue that was raised with the Secretary of State: Sunday trading? I should say that I speak as a proud member of USDAW, the shop workers union. It is very concerned about the possibility that the Government will tack on to the end of this Bill at a later stage a change to the Sunday Trading Act 1994 that will benefit nobody, does not create jobs and harms millions of shop workers and damages our community day off—Sunday. Will my hon. Friend commit that he will resist that and will ensure that if that happens we will have a full and proper debate?

Jon Trickett *rose*—

Mr Deputy Speaker (Mr Lindsay Hoyle): Order. Before the shadow Minister continues, may I say that interventions must be very short? Members are expecting to be called to speak. There will currently be a six-minute limit; the way we are going, we will have to drop it to three minutes. I do not want to do that; I want to get everybody in. So we want fewer interventions, and speedy replies may help as well.

Jon Trickett: I do give that commitment to my right hon. Friend the Member for Enfield North (Joan Ryan).

Several hon. Members *rose*—

Jon Trickett: I will also try to make some progress before giving way again, because I have only got to the second paragraph of my speech so far.

When I first opened the Cities and Local Government Devolution Bill, I did so with a momentary tremor of excitement. I asked myself whether this Bill was going to give the great English cities, but equally the market towns, the villages, the country areas and shire districts, a real settlement and real power over their futures.

I wondered whether this would be an ambitious Bill that would deliver for England, in all its complexity, the devolution a Labour Government enacted for Scotland, Wales, Northern Ireland and London. I wondered whether this would be a Bill that gave people up and down the land, from 16 years of age and upwards, the chance to have a real say in how they are governed.

I read the Bill carefully, and with all due respect I have to ask: may I offer the Secretary of State some private advice, just between the two of us? He should recall the old political truth that hubris is always followed by nemesis. We English, certainly in Yorkshire, have a different way of capturing the same idea: we say “pride comes before a fall.” In this Bill, the Government are displaying a breath-taking level of highhanded treatment of our council colleagues.

In a democracy, we who hold power at the centre should never forget that authority flows up from below, rather than being imposed from above. The sad truth is the Bill offers a pretence at devolution. I will give five reasons why.

Let me come straight to the first and most central point. The Secretary of State did not reveal the whole picture in his answer on metro mayors. The truth is that metro mayors in local areas are a precondition of devolution, and that is simply wrong. It is doubly wrong when that imposition is applied even to areas where the local population voted only recently in a referendum to reject the idea of being governed by a mayor. The people of the great cities of Sheffield, Leeds, Wakefield, Manchester, Bradford, Birmingham, Coventry, Newcastle-upon-Tyne and Nottingham voted against metro mayors, yet the leaders of those cities tell me that as a condition of devolution they are now being required to accept something their own electorate rejected. That is triply wrong when the Government continue to impose this single model of governance even though they do not have the legal powers to do so.

In the other place a crucial amendment was passed that decoupled the imposition of mayors in urban areas from devolution deals. I was disappointed that the Secretary of State did not in his speech have the grace to say that the Government will now accept this amendment, which was backed by peers of all parties, including many distinguished Conservative peers.

Furthermore, in a powerful article in today’s *The Daily Telegraph*—essential reading for the Labour party—the Conservative hon. Member for Altrincham and Sale West (Mr Brady), who is in his seat now, puts it well, and perhaps better than I could:

“Devolving power but telling people how to exercise it, jars: if the deal is as good as we are being told, why not put it to a vote?”

Barbara Keeley: Perhaps some cross-party consensus could break out here, because I feel sure that if we had had a vote in Greater Manchester, which has always rejected the idea of a metro mayor across the whole of Greater Manchester, it would not have gone through, because every constituent part, with the recent exception of Salford, has voted against that.

Jon Trickett: I agree, and my hon. Friend makes the point I am making.

I have received strong representations in recent weeks from those who advocate that where a devolution deal includes an elected mayor, it is only right that a local

referendum of voters takes place and it decides in favour of it. What we have at the moment is mayors being imposed where the referendum voted against. In the vast majority of the devolution deals that have been done since 1997, referendums were held to endorse constitutional settlements—in Wales, Scotland, Northern Ireland and London. Why should there not be a referendum for the northern powerhouse? There is merit in such an argument, and we will make sure that we test it in Committee.

Where there are to be mayors, the House must carefully consider appropriate systems of accountability and scrutiny, as Members on both sides have said. In the other place, Labour supported amendments to improve the audit of mayors. In Committee here, there will be much more to discuss. In London, the Mayor is directly accountable to a directly elected Assembly. Should not that model apply elsewhere?

Mr Ivan Lewis: Will my hon. Friend confirm that it is my party’s position that we massively believe in the transfer of power from Whitehall and Westminster to local authorities and communities? Will he pay tribute to the leadership of the many Labour councils, particularly those in Greater Manchester but also in other areas, that have innovated and pioneered devolution to provide higher-quality public services more effectively?

Jon Trickett: Of course; I said at the beginning of my speech that we are a pro-devolution party, but we want a comprehensive settlement. The people who must not be excluded from any new settlement are the citizens. The citizens of Greater Manchester should be part of any settlement. Indeed, where possible, power should be passed down to those citizens through what the former Chair of the Select Committee, my hon. Friend the Member for Nottingham North (Mr Allen), has described as double devolution.

The programme motion allocates only two and a half hours in Committee—albeit on the Floor of the House—to debate all the amendments on the powers, functions and reporting mechanisms of any mayor who happens to be elected. That is clearly inadequate for such discussions.

Geoffrey Clifton-Brown (The Cotswolds) (Con): Is the hon. Gentleman aware of the provisions relating to elected mayors in clause 3? Subsection (2) states:

“An order under subsection (1) shall not be used as a condition for agreeing to the transfer of local authority or public authority functions.”

Subsection (3) goes on:

“A mayor for the area of a combined authority is to be elected by the local government electors for that area”.

Does not that provide sufficient cover for what the hon. Gentleman is asking for?

Jon Trickett: Every one of the leaders I have spoken to—they have been negotiating with the Treasury, by the way, rather than with the Department for Communities and Local Government—has told me that, despite their objections, they have been told that they cannot have devolution unless they agree to a new form of governance, namely a metro mayor. That may or may not be what is on the face of the Bill, and we will see what the Government do in Committee and what amendments are tabled, but the truth is that this is a fait accompli.

[Jon Trickett]

A single model has been imposed from on high. I invite Conservative Members to reflect on whether the only possible model for city and town governance involves a directly elected mayor with no accountability to a wider assembly. That is a presidential, not a parliamentary, model of governance, and it is anathema to the British constitution.

Mr Gareth Thomas: Charming as the Secretary of State might be, he nevertheless gave wind to the prejudice that lurks in one or two minds outside London that the capital has all the power and all the wealth. I know that my hon. Friend is bigger than that. Will he therefore acknowledge that, in the face of an acute housing crisis, Londoners recognise that more devolution needs to be given to the Mayor and the London Assembly so that we can properly tackle that crisis? For example, might my hon. Friend support an amendment to the Bill that would give London the same opportunities to control housing legislation that Scotland and Wales currently have?

Jon Trickett: We would look carefully at any amendment that was presented to us. The point I want to make is that the old days of a Westminster-based elite cooking up deals and imposing them on cities and other areas are over. It is time we consulted the people and engaged in a wider conversation, but that is precisely what the Government are avoiding.

Mr Betts: I have a lot of sympathy with the points that my hon. Friend is making about the imposition of elected mayors. Recognising that we will eventually need to move to a wider settlement, perhaps through a constitutional convention, does he accept that in the meantime it is not our party's position to stand in the way of devolution deals to our colleagues in local government, particularly in major cities including Sheffield and Manchester?

Jon Trickett: My hon. Friend is absolutely right to say that local government leaders should not be directed by those on the Front Bench. If they feel that something can be done in a deal with the Government that will be beneficial to the community, they should do it. Equally, it is our duty to express opposition to the way in which this is being imposed on local government. I have spoken to council leaders in South Yorkshire, where my hon. Friend is a distinguished Member of Parliament, and they have told me that this deal is being imposed on them.

The second reason that the Bill is a pretence at devolution involves the wider context of local government finance. In a comprehensive Bill, there should surely be clauses regarding the way in which local government can be funded to make it more autonomous and less dependent on the centre, but the reverse is the case here. There should also be clauses regarding fair funding, as the cuts in recent years have been concentrated on the urban areas. We know that the Chancellor manipulated the formula for the benefit of certain areas in a way that was politically beneficial to the interests of the governing party.

The truth is that the Secretary of State is not devolving financial power, or any power. He is delegating Treasury cuts. What the Government give in pennies, they take

back in pounds. Since 2010, local government in England and Wales has lost 40% of its funding. Now every children's centre, every fire station, every care home, every nursery, every pensioner waiting for a bus, every youngster looking forward to attending a youth club on a Friday night and everybody of any age whose horizons are widened by public libraries—they and many others are anxiously waiting not for this Bill but for 25 November, when the Chancellor of the Exchequer will announce his spending review.

The Tory-led Local Government Association is expecting further cuts to local authorities of up to an additional 40%. That is on top of the cuts that have already taken place. Cuts on that scale makes a mockery of the Secretary of State offering further devolution. This is the delegation of cuts, not the devolution of powers.

I have already referred to the wise words of the hon. Member for Altrincham and Sale West in that excellent journal, *The Daily Telegraph*. It has to be said that that paper has been on a roll this week. Yesterday, a report by its political editor stated:

“As many as four Cabinet ministers, including Philip Hammond, the Foreign Secretary, and Iain Duncan Smith, the Work and Pensions Secretary”,—

and two others, unnamed—

“have so far refused to submit to the Treasury plans to cut their departments by as much as 40 per cent.”

I put it to the House that the anti-austerity case that my hon. Friend the Member for Hayes and Harlington (John McDonnell) has been pursuing has now extended to members of the Conservative Cabinet. It seems to have wider cross-party support than was first feared. But wait a minute! That same article reports that the Business Secretary and the Justice Secretary are “enthusiastically” preparing for massive cuts to their Departments. The House is entitled to ask what side of this dividing line our Secretary of State stands on. There is no mention of him in the article. Is he fighting the corner for those fire stations, libraries, care homes, students and nurseries? Or is he, like the Business Secretary and the Justice Secretary, “enthusiastically” anticipating cuts on a historically unprecedented scale?

Mr Mark Prisk (Hertford and Stortford) (Con) *rose*—

Jon Trickett: In giving way to the hon. Gentleman, I invite him to tell us whether he supports the cuts that have already taken place in his local authority, as well as those that are going to take place in the next three years. I am sure that his local paper would be interested to hear this views on that.

Mr Prisk: My question is quite simple. At what point is the hon. Gentleman going to start referring to the Bill, rather than to *The Daily Telegraph*?

Jon Trickett: I notice that the hon. Gentleman did not answer my question.

The Bill ought to include reference to proper financial autonomy and to fresh financial arrangements for local government. Anything that pretends to offer devolution with one hand while retaining the power to control finances with the other is nothing more than an iron fist in a velvet glove.

Andrew Gwynne (Denton and Reddish) (Lab): My hon. Friend is making an important point about local government finance. Certainly, the two councils in my constituency are suffering very badly from the reductions in funding. Does he also recognise that, with the devolution of powers such as health, there is a complex situation starting to develop in which health budgets are ring-fenced, except public health, which has been top sliced, and adult social care, which has been decimated? There is still an overall budget deficit in the health and care system.

Jon Trickett: That emphasises my point. As much as the Bill may offer a form of devolution, the truth is that whenever financial decisions are made by the Treasury, true devolution will not be achieved. That is what should be in the Bill, and that is why the point I am making is so important.

My third reason for why the Bill is not satisfactory refers to something that is happening at No.11. It was announced at conference that business rates are to change, which must be a good thing, but, as always, the devil is in the detail. No clear announcement was made about how the redistribution between richer and poorer councils would take place. Some £26 billion is collected in business rates, £2 billion of which goes to Westminster council. We need more information in the Bill about how such a scheme will work. Let me say to Members, many of whom represent suburban areas in London, seaside towns, rural communities, shire districts, market towns and all the wonderful places that make up England, that they should be seeking answers to these questions. The Bill is silent on all these matters.

Fourthly, the Bill threatens to do a great disservice to the very backbone of England and English democracy. It is a puzzle to me why a Tory Secretary of State should ignore this. The market towns, the county villages, the shire counties, the county towns, the suburbs and some of the smaller freestanding cities are the backbone of England—the great cities are wonderful, but they are not the backbone—and they have been offered a second-class form of devolution. Why should that be? I was once privileged to lead the great city of Leeds, which is one of the most powerful economic and cultural engines in the north, and even in England. Indeed, the renaissance of English cities, mostly under Labour control, has been one of the great successes of the past 20 years—I have always thought that this should be added to the checklist of the enduring achievements of Labour in government—but this Bill risks neglecting all the areas that are not in those great urban centres. The potential for growth and enterprise lies elsewhere in England, which is a rich, diverse country that we all love. The Bill is almost silent on the matter. The Chancellor's ambassadors who were running around the country did not bother to call in to the market towns and the shire towns of the country; they went to the big cities.

The bottom line for me is that the same powers should be on offer to both urban and rural areas of England. For example, whatever powers are available to metro mayors to raise business rates—by the way, it will not be possible to raise business rates unless an area has a metro mayor—should also be available to the smaller towns and the rest of England, too.

Scott Mann (North Cornwall) (Con): The hon. Gentleman should be aware of the recent Cornwall deal, which deals with the very heart of the rural

communities; it is not all about the big cities. The Prime Minister himself delivered that deal to the very rural area of Cornwall.

Jon Trickett: As everybody in local government knows, the truth is that the Treasury deals with the big cities. The big cities are where the glamour is and where the general direction of this Bill is. Other areas have been left to the lesser actors within the Government. It may be that, in some areas, the best way to promote connectivity and economic growth and to establish devolved institutions that reflect the identities and culture of the locality is to have a combined authority. Let me take Yorkshire and Humber as an example. My own view—I am not going to impose anything because we do not believe in imposition—is that Yorkshire has the strongest identity and is the most obvious economic unit. It is a great shame that the Government's consultation process did not allow ordinary citizens of the county to be engaged in a debate about the county's own future.

As with other proposals in the Bill, the only people excluded from having a view are the electorate themselves. That brings me to the final weakness in the Government's proposals, which is their complete failure to consult the public, businesses and the wider civic society. What happened to the big society? Leaders of councils from all parties have basically had to enter negotiations with the Treasury, and we all know that it is the Treasury and not the Secretary of State for Communities and Local Government that is conducting these negotiations. The leaders have all entered into the negotiations with a gun held to their head. They either do devolution Whitehall's way or it will not happen at all.

Council leaders have had to do the best they can for their areas, but it is noticeable that they and others are beginning to become more vocal in their concerns about this whole top-down process. For example, the great newspapers of the north-west, including the *Manchester Evening News*, the *Bolton News*, the *Wigan Evening Post* and the *Oldham Evening Chronicle*, have taken an unprecedented united stance in campaigning for a fair devolution deal. They are asking not only for the necessary funds to make devolution a reality, but for no more closed-door decision making. A basic flaw of the Bill is that there is no list of the powers that central Government seek to devolve. That is because, in reality, the whole agenda is being driven by Downing Street.

Let me briefly return to my opening remarks about hubris. It sounds like we all believe in devolution, but Labour are determined to make it happen. We will seek to work with those of other parties and those of no parties who share the same objective. The past few weeks—I have spoken to leaders about what has happened over the past few weeks—have seen the demeaning process of the Chancellor's emissaries dashing round the country meeting leaders in private, attempting to strong arm local councillors into so-called devolution deals for which there is as yet no statutory basis. I am sorry to say this but the Secretary of State, as charming as he is, has been little more than a passive observer. He was not even in the room. I fully understand why councillors will engage in these negotiations, and indeed some progress has been made—it is right that I should acknowledge that. However, we are not convinced that the Bill incorporates all the necessary safeguards to be supported in its present form, and that it is sufficiently bold or radical in resolving the English problems.

Barbara Keeley (Worsley and Eccles South) (Lab): It is noteworthy that national organisations, such as the British Medical Association and the Nuffield Trust, are very concerned about the health proposals, and the Minister should take that on board. They have expressed concerns about how health powers and resources will be devolved. The matter is not clear. This is an area where there are already variations in funding, in standards of care and in the way NHS funding is used. This is a question for the Minister. What will national pledges and targets mean in future when there are shared budgets? It was forced on to Greater Manchester, which is why none of it is clear.

Jon Trickett: My hon. Friend makes an important point. That is why we need a comprehensive settlement to the constitutional and political problems facing our country. Clearly, there is a role for a central, active Government, but not for a bureaucratic top-down Government. Some decisions do need to be made nationally to ensure that there is no postcode lottery, especially in the health service and other areas. On the other hand, decisions should be made as close as possible by the people themselves.

Let me finish on the following point. Rather than remaking the shape of our democracy, the Bill is more about remaking the image of the Chancellor as he prepares to become the Tory party leader. In their present form, the deals that are being made will prove to be no more than a short-term fix. Most of them will not endure in the longer term. We will seek to amend the Bill, but would it not be preferable, even at this late stage, for the Secretary of State to agree to put aside the Bill for a period of time and join with us and others in the hard but necessary task of rebuilding our constitution and our political culture on a consensual basis from the bottom up? This Bill is a top-down imposition on local democracy.

2.19 pm

Mr Graham Brady (Altrincham and Sale West) (Con): I am grateful for the opportunity to make a brief contribution so early in this important debate. Let me begin by saying how warmly I welcome the principle that lies behind the Bill. The intention of bringing real power and decision making closer to the people we represent is one that I think almost all of us in this House share. From a Greater Manchester perspective, we must also acknowledge the great prize that lies ahead if we can achieve the proper integration of health and social care, but I emphasise the importance of getting the detail right in the implementation.

I would also like to thank the Secretary of State for the courteous and constructive engagement he has already offered to colleagues who are interested in the Bill, which gives me considerable confidence that we will be able to move forward in a way that delivers the objectives while overcoming the concerns that some of us have. He has also indicated that the Bill will be considered in Committee of the whole House, which is clearly the right thing to do.

I have four broad concerns. The first—the hon. Member for Hemsworth (Jon Trickett) spoke about this at some length—relates to the imposition of the model of governance, which I think is unfortunate. We need to ensure not only that the public generally buy into the

principle of devolution and feel that they own the new arrangements, but that the new arrangements bring genuine accountability to governance.

The hon. Member for Worsley and Eccles South (Barbara Keeley) mentioned some of the concerns about the devolution of healthcare. We already have a worrying straw in the wind in Greater Manchester, with the initial reorganisation of hospital services coming before all of this. It has been handled in a deeply regrettable fashion and raised considerable concerns. Certainly, I am deeply concerned about the apparent lack of accountability in the process. Given that some of these issues are already arising, it is timely that we are now looking at them as we legislate and trying to ensure that accountability is in place.

Barbara Keeley: It is good that a consensus is being built across Greater Manchester. The hon. Gentleman is right to raise that issue, and I know that Wythenshawe hospital is very concerned about being left out of the equation in that regard, so how these decisions will be made and consulted on in future is very worrying. But there are other concerns as well. Salford was a leader in the integration of health and social care, and my fear is that that will now be set back by having to work across Greater Manchester.

Mr Brady: I agree with the hon. Lady. It would be regrettable if, in seeking to devolve power, we ended up taking some decisions further away from people and making it harder for their voices to be heard.

My second concern is about the distribution of powers. I hear my right hon. Friend the Secretary of State's assurance that this can only be about bringing powers from central Government, but I do not think that is really clear in the Bill, so I would welcome much more clarity as we proceed in Committee. Clauses 8 and 9 make provision for the exercise of statutory functions in relation to an area to be transferred to a combined authority. Clause 5 makes it possible by order for any function of a mayoral combined authority to be a function exercisable only by the mayor. Therefore, I do not think that it is as clear in the Bill that power can move only in one direction as many of us would want to see. We might return to that at a later stage.

My third concern, which was raised with me by my local authority, relates to the possibility that this deal amounts to a one-way commitment. It relates to those local authorities that have made a commitment to the combined authority. The Greater Manchester agreement will place obligations on the local authorities, and certain expectations are being placed on the Government, but there is no mechanism by which the local authorities can hold this Government, or indeed any future Government, to account to ensure that they meet their obligations as part of the deal. I invite my right hon. Friend the Secretary of State to consider whether we might find a way to tighten the provisions and make it clearer that the Government's obligations will be observed.

My fourth and final concern—in a way, this could provide a solution to all the other concerns—is about what happens if the arrangements do not work. What happens if a local authority reaches the point at which it regards the agreement as a mistake and thinks that the powers have been vested in the wrong place? It is the question of final resort. What are the terms under

which a local authority could choose to walk away from a deal? What happens if it says, “This clearly isn’t what we bought into”—possibly a microcosm of a bigger debate that we might have by the end of 2017? It is about a local authority being able to leave a combined authority without penalty.

A deal that transfers spending from central Government to the local level is very welcome, but the mechanism set out in the Bill for allowing local authorities to leave a combined authority is very messy. Rather than the local authority simply deciding to opt out, the combined authority must decide to dissolve itself and then reform with the other authorities that wish to remain. The mechanism makes no provision for ensuring that a local authority can leave on fair terms and without penalty.

Andrew Gwynne: The hon. Gentleman makes an important point about how one might unpick the constitutional arrangements of a combined authority. One example is the pooling and sharing of business rates. For instance, if Trafford decided to leave the combined authority, it would be very difficult to unpick that. Another example is the health devolution arrangements.

Mr Brady: I am grateful to the hon. Gentleman. These matters will need to be made clearer during the passage of the Bill.

In conclusion, as I said at the beginning of my remarks, I think that the principle behind the Bill—the Government’s evident desire to transfer spending and decision making closer to the people—has very wide support, and I think that few Members of the House would differ from it. I will certainly vote enthusiastically for that principle today, although I anticipate having interesting debates and discussions in Committee. I am grateful to the Secretary of State for the assistance and engagement that he has already offered in that regard.

2.27 pm

Alison Thewliss (Glasgow Central) (SNP): I do not intend to spend a great deal of time speaking on the Bill, as clearly it affects only England and Wales, not Scotland. However, I would like to offer a few observations and questions that I hope will be of value.

First, I ask the House to consider the journey that Scotland has been on. The people of Scotland have been seeking devolution in some form or other for many decades. The experiences of the no vote in the 1979 referendum, the yes vote in the 1997 referendum and the recent independence referendum have all shaped public views on what devolution means and how it should operate. We arrived at this situation through public and civil society demanding change in a way that I am not quite convinced is yet the case for England’s cities and regions. Devolution should not be done in haste, and great consideration should be given to its purpose and the means by which local people will be involved.

Scotland is a hub of expertise on the devolution process, and we feel that public engagement is critical. We recognised the hunger for local community power by passing the Community Empowerment (Scotland) Act 2015 in the Scottish Parliament and introducing the “Empowering Scotland’s Island Communities” consultation,

in which the islands have demanded more powers from the Scottish Government. We support more efforts to deliver devolution for local authorities, but the process must be transparent and consider the views of local communities.

In the past two years there has been great consideration by organisations such as Common Weal and the Electoral Reform Society Scotland, as well as by other civic groups and individuals, such as Lesley Riddoch, whose book, “Blossom: What Scotland Needs to Flourish”, looks at what shape democracy should take and how local people can be more involved in the process. I recommend that Members have a look at Lesley’s book to see how the bottom-up approach can be taken. I have asked the Library if it could seek a copy for their information. I also direct Members to the Electoral Reform Society Scotland’s Democracy Max project, which looked at the idea of “mini publics” as a means of engaging the public in shaping their own democracy. I very much agree with the hon. Member for Nottingham North (Mr Allen) that double devolution must go through local communities as well, and cannot stop at the mayoral level.

My reading of this Bill is that it is, sadly, very top down. Powers are being given rather than demanded, and there is still the same level of control from the centre. I agree with the hon. Member for Hemsworth (Jon Trickett) about that. An example is the imposition of mayors against the will of local people, particularly those who rejected such a principle in local referendums. Transferring powers from a centralised Westminster system to an all-powerful mayor is not really, in practice, local participatory democracy. People do not have a say, and that reflects on the legitimacy that the mayor will then have. If people are to have faith in the process, a good deal more work needs to be done to establish what they want their local democracy to look like and what powers it should have.

Mr Gareth Thomas: Londoners are broadly comfortable with the originally established system of devolution in London, but one thing they look enviously at in Scotland is the power to control and shape housing policy. Would the SNP look sympathetically on an amendment from London Back Benchers seeking to give that power to London?

Alison Thewliss: The hon. Gentleman makes a good point on the ability to control housing policy. While the SNP is not necessarily going to vote on this because it is an England and Wales-only Bill, we strongly agree with the principle that housing should be in the control of London, and other local authorities as well, because if people are unable to control the housing stock or to make decisions about construction, funding and everything else, they are hamstrung in their ability to influence local housing supply.

I seek to establish the Government’s true purpose in devolution to cities and to local government. Members may remember that Scottish devolution was supposed to have killed the SNP stone dead, but if that were its purpose, it has demonstrably failed, despite the fact that our Members are not in the Chamber today. If devolution to cities and local government in England and Wales is based on the general principal of the importance of local decision making and democracy, that is a worthy ideal that I absolutely support, but if, as suggested by a

[*Alison Thewliss*]

lot of the rhetoric, it is simply about economics and growth rather than democracy, I am less convinced. Tying the deals to economic indicators puts a great deal of pressure on the new set-up, and I fear that it could then be a hostage to economic fortune. Should it not meet those economic targets and goals, it could be seen by the Government and by local people not to have achieved the objectives that were put on it.

I also seek an assurance that devolution is not being used as a cover for cuts. A lot of people involved in the NHS, in particular, are concerned about this. Like other Members, no doubt, I have had lots of representations from various organisations. This should not be a cover for regionalisation of the NHS by the back door. That is fine if Scotland has control over the NHS, which is a great thing, but it should be debated on its own as a case that can stand or fall on its own merits. To cut funding and blame the new authority would make the position of that authority absolutely untenable.

In this place, decision making feels very far away from ordinary people, whether they be in Wick, Glasgow, Manchester or Cornwall. I hope that this Bill will create and engage a groundswell of support for local democracy in England, and that powers and money are returned from Westminster to local people, as they should be. I urge the Government to consider how best to embed the principle of subsidiarity within the Bill, and to seek and listen to the views of local people on what they are seeking from their democracy.

2.34 pm

John Stevenson (Carlisle) (Con): I am delighted to speak in this important debate, as aside from the economy, devolution is one of the great domestic issues of our time. We have seen changes in Scotland and Wales driven by a devolutionary agenda, and now England too will be part of this overdue reform. The Bill presents this country with a huge opportunity to rebalance the relationship between local and central Government and, indeed, to improve it, but it is also an opportunity to rebalance our country, not just politically but economically. I therefore fully support the Bill's Second Reading.

In many ways, this Bill is a clever one—an enabling Bill that allows for a great deal of flexibility and permits room for innovation. Both those freedoms are very welcome as we create an environment for bespoke deals that will give responsibilities and powers to different parts of our country and, most importantly, provide the opportunity for different cities, counties and districts to develop and grow in their own way and on their own terms.

One of the Bill's central themes is the concept of elected mayors, of which I have been a long-standing supporter. In my perfect world, I would like to see them as a default setting for all councils. They are a modern, more accountable and more transparent form of local government. They provide visible leadership and responsibility, and a vehicle for real change in our cities and counties. One need only look at London to see the benefits that this visibility and leadership can bring to a place. I therefore continue to support the Minister in his endeavours towards the advancement of elected mayors, an idea that I hope will be of particular benefit to the north of the country.

I understand the Government's view that the Bill will bring about evolution not revolution, and that central Government will not be imposing their will on local government. I do not fully agree with that. I do accept, though, that it is vital that the Bill works with the grain of the people.

I take issue with the Government on three parts of the Bill, the most important of which is clause 16(3), which, in effect, gives any council, however bloody-minded, parochial or underperforming, a full veto on what could otherwise be a well-supported and essential proposal for reform. It gives the few—small-minded politicians—the power to prevent progress for the many.

I take Cumbria as an example. It is a county with just under half a million people, but with seven separate councils and over 380 councillors. In Cumbria, it is accepted across the political parties and by the business community, the LEP, the health sector and, most importantly, the wider public that the current structure is not working and is holding our county back. Cumbria, it is recognised by all, needs fewer councils and fewer councillors. It needs unitary governance and everyone in Cumbria knows it. However, under the Bill as drafted, just one of those seven councils can veto proposals for change and the entire process, against the will of the majority, would be scuppered. I therefore ask Ministers to review that clause, not with the intention of allowing central Government to impose themselves, but to ensure that where there is overwhelming support for reform among local communities they cannot be held to ransom by a minority.

My other concerns are clauses 20 and 21. On clause 20, it is understandable to consider a reduction in the age required to vote, but this must be a policy for all elections or for none. In addition, thought must be given as to whether it would also mean that 16 and 17-year-olds could stand for election. I therefore ask the Government to give the clause further consideration. Consistency has to be—

Alison Thewliss: During the debates on the European Union Referendum Bill, much was said about the voting age and when young people should get involved. Lots of people said then that that was not the time—why is now not the time?

John Stevenson: I am not making a comment as to the merits of the case. I am merely suggesting that if it is to be introduced, it should be consistent across all elections. I ask the Government to consider that further.

As for clause 21, I would be very reluctant to see such a change removing the moratorium on areas that have chosen directly elected mayors. As I intimated earlier, I would like the position of elected mayor to be encouraged and expanded further. Indeed, I encourage the Government to consider making it easier for local communities to trigger a referendum to have an elected mayor by reducing the threshold required for a petition from 5% to 1%. That would clearly demonstrate the Government's commitment to elected mayors and to the principle of allowing local areas to determine their own future.

I remain fully supportive of the Bill and its intentions, and I applaud Ministers for bringing about this long-overdue legislation. However, I hope that these small changes are considered in Committee or on Report to ensure that local communities, particularly the people of Cumbria and Carlisle whom I represent, are able to take full advantage of this important policy.

2.39 pm

Mr Clive Betts (Sheffield South East) (Lab): I have over the years had disagreements with the Secretary of State about the pace of change of devolution: I probably wanted to go faster than he and the Government have gone. I have had disagreements with him about the amount of devolution: I probably wanted to go further than the Government have gone. I have had some disagreements with him on the detail. The important thing, however, is that we are actually talking about devolution. Devolution is a key element of Government policy and it is happening. It is important to have regard to such matters.

Although my disagreements may be about the pace and extent of devolution, the direction of travel is absolutely clear. I think that credit, on a cross-party basis, should be given to the Government and to the Secretary of State—both in his current job and his past roles—for driving forward this agenda, which deserves support.

Thinking about it, there probably never was a realistic chance of getting a big bang, with complete devolution across the board of everything that I would eventually like to be devolved. After years of centralisation, it was probably always going to be the case that incremental change would be the successful way forward—convincing the Treasury that economic growth would be improved and that value for money in public services would be increased. Indeed, we must watch to make sure that those things actually happen, and that proper impact assessments are made over the years to show that the change has brought such benefits.

Having different solutions in different areas was likely to be the way forward to achieve devolution on a realistic basis, and that is also completely consistent with the localist approach, which is that things should be done differently in different areas. However, I have one serious disagreement with the Secretary of State, which the Local Government Association has also raised. The disagreement is that one size does not fit all in terms of the powers that will be devolved and how those powers should be administered. We therefore come back to the imposition of elected mayors.

Why is such imposition necessary? If the rest of the approach is about agreement, with local areas coming forward with their views on what needs to be devolved in their area, why cannot we trust them to come forward with ideas about how powers should be administered in their area? The Government must provide an answer on that challenge, because that is the one inconsistency in their whole approach.

Tom Brake: Does the hon. Gentleman agree that the Government already seem to have conceded that point in relation to Cornwall, which does not have a mayor?

Mr Betts: Yes, I think so. Ministers will have to explain that. I think their answer would be that Cornwall has elected councillors for one county, which is slightly different from the situation in combined authorities. I do not accept that, because I think we can come up with arrangements in combined authorities. Indeed, to come back to the Sheffield model, I understand that some of the economic items to be delegated, such as those on skills, will be devolved to the combined authority, not to the mayor, but that transport items will be devolved to

the mayor. That means there will be a two-party approach: on some items, the elected leaders of the various constituent councils, acting as a combined authority, will have the powers, but other powers will go to the mayor. I think that will be more confusing than ever to the public, who will not know where powers rest under the new approach.

The Government must give thought to one or two things, as should local government. The deals being done—I understand how they are now being done to move forward a very centrist agenda on a more devolved basis—still give a bit of an impression that ideas are being cooked up in back rooms by councillors, and that deals are then done in back rooms with Ministers. We must try to move to having a more open debate. Ideas for devolution should be brought forward by councils and there should be a more open debate on the Government agreeing to such deals. We must find ways of involving the public more in the whole approach if we are to take them with us. In the end, one of the key issues of devolution should be greater public engagement, with the public feeling that they have more control over the decisions that affect their daily lives. That has to be a key element of devolution, but there is a problem at present.

I agree that we will eventually have to get an overall framework for devolution, including a list of powers that councils can have as of right. Ultimately, there must be a move from devolution by patronage—Ministers agreeing that certain things can be done in a certain way—to councils having the right to have such matters devolved to them. We are a step away from that situation at present, but we must move in that direction. As I said to my Front-Bench colleague, my hon. Friend the Member for Hemsworth (Jon Trickett), let us look at wider devolution—ultimately, we may want a constitutional convention—but in the meantime we must not stop the progress that is being made. Let us make sure that the devolution deals can go ahead and take us in the right direction of travel. Perhaps that is something on which we can get consensus.

I want to raise a couple of problems. In Sheffield, there is still a problem about the non-metropolitan districts that are part of the city region. It is unique as a city region because it crosses more than one region—it does away with the old regional boundaries—but the non-metropolitan areas cannot join the transport deal because transport is a county function. The elected mayor will cover only the South Yorkshire districts, not other districts in Derbyshire and Nottinghamshire, but it cannot be right that a devolved authority's travel-to-work area is not covered by the new mayor who has responsibility for transport. That is a challenge and a problem.

I do not share the concerns that colleagues have expressed about health, although one of my concerns is that we do not really have standardised treatment and service levels throughout the national health service anyway. However, we must avoid the dead hand of centralism in the Department of Health stopping innovation at local level in joining up health and social care in a way that will be allowed under devolution deals, whether in a combined authority such as Manchester or in an individual authority such as Sheffield.

I am pleased that the Secretary of State has become a convert to fiscal devolution. In the end, real devolution is not just about allowing local authorities greater freedom to spend the money they are given by central Government;

[Mr Betts]

it has to be about more freedoms for councils to raise money. The Chancellor's statement on the full localisation of the business rate is a step forward. In the last Parliament, the Communities and Local Government Committee produced a report on "Devolution in England: the case for local government". I hope that the Government will look at the proposals for further fiscal devolution. Business rates and how full localisation is done are obviously important issues. As I said to the Secretary of State earlier, there is an opportunity, with the extra money retained in local government through full localisation, to allow more devolution right across the board. That will be a very big conversation during this Parliament, and I am pleased that the Secretary of State is committed to a full consultation on that both in Parliament and with local government as a whole.

2.47 pm

Geoffrey Clifton-Brown (The Cotswolds) (Con): I am glad to have caught your eye in this very important debate, Mr Deputy Speaker. I am delighted to follow the Chairman of the Select Committee, the hon. Member for Sheffield South East (Mr Betts). His experience clearly showed through during his speech, and I largely agree with everything he said.

I am delighted to join my right hon. Friend the Secretary of State in his enthusiasm for this concept, which is one of the largest devolutions of powers to local government since the 1970s. We have to be careful how we do it, because we want to get it right, but I have no doubt that, for example, in Gloucestershire, to which more than £1 billion of public spending may be devolved, there is considerable scope for innovation to deliver better services on behalf of the people of Gloucestershire.

In Gloucestershire, the county council, six district councils, the local enterprise partnership, the clinical commissioning group and the police and crime commissioner have worked hard during the summer to produce a very credible, 75-page document, "We are Gloucestershire", in which they set out their bid for devolution to Gloucestershire. On Monday, six of Gloucestershire's MPs met to discuss the document. I must tell my right hon. Friend that there was a large measure of agreement, although we have some concerns, which I shall elucidate in my short speech.

Approximately £3 billion of public money is spent in Gloucestershire. However, taking out the Department for Work and Pensions budget for pensions and benefits and certain parts of the education budget, we estimate that about £1 billion of spending is likely to be devolved. As my right hon. Friend knows, Gloucestershire has the considerable advantage that all the institutions I have mentioned are coterminous with the county boundary, which makes our bid considerably easier. However, the document that has been produced is very light on governance. On this I agree entirely with my hon. Friend the Member for Carlisle (John Stevenson). The devil is in the detail: how is this thing going to be managed? A delivery board will be needed, and all the partner institutions involved must be part of it.

We already have several joint structures in Gloucestershire: the £200 million business rate pool is one, and the joint working of Cotswold—my own council—West Oxfordshire, Forest of Dean and

Cheltenham Councils is another. However, the really big prize in Gloucestershire would be the devolution of health and social services. That would be much easier under one authority, and it would stop the gaps that are currently emerging between different authorities.

There are two areas of concern: planning and elected mayors. Gloucestershire's devolution bid states:

"We will integrate leadership and direction of the planning workforce across all agencies and appoint a Strategic Planning Commissioner to lead this work for Gloucestershire."

That makes me uneasy. The district councils have local democratic accountability for planning. In my area, 80% of which is an area of outstanding natural beauty, planning is an extremely difficult and controversial matter. I would therefore be very uneasy to see it merged into one Gloucestershire-wide planning authority.

The second area of concern, on which I made a rather impish intervention on the Opposition spokesman, is elected mayors. I read out what the Bill says on the matter, so I will not do so again. The Government did make some concessions in the House of Lords by putting that clause in the Bill. However, I say to the Secretary of State that my feeling, from speaking to the authorities, is that if an elected mayor is imposed on Gloucestershire, this bid will not fly. At the moment, we want the leader of the county council to be in charge of the organisation. That is not to say that we will not move to an elected mayor in the future.

I think that having an elected mayor would have two consequences for Gloucestershire. First, we would have to move rapidly towards having a unitary authority, otherwise Gloucestershire would have too many democratic tiers. Secondly—I am not averse to this, I must say—we would have to lose our police and crime commissioner, because there would be no point in having another elected police body.

I want to raise one really important point with the Secretary of State that has not been aired in this debate, and that is the business of administrative savings. Whether the budget is £1 billion or more, there are currently a lot of Government mandarins administering it. When those people no longer have to administer the budget, I would like some of the savings to go to Gloucestershire. After all, Gloucestershire will have to employ extra people to administer it. It is only fair that some of the savings that the Treasury makes be devolved to Gloucestershire.

Finally and importantly, I point out to the Secretary of State that this excellent document was produced largely without consultation with Gloucestershire's Members of Parliament. By their nature, Members of Parliament know better than almost anyone else what is going on on their patch and what their patch needs. It is therefore incumbent on any devolved organisation to have the closest possible co-operation with its Members of Parliament. I would like it written into any bid that Gloucestershire makes that the devolved organisations have to consult Members of Parliament on a regular basis. That must be meaningful consultation that they have to take notice of.

I warmly welcome the Bill. There are some difficulties with it and, inevitably, the devil is in the detail. However, it is a great concept that up and down this great nation of ours could unleash the potential of local enthusiasm and generate once again the Victorian idea of competition

between local authorities to deliver better services on behalf of our people. That is surely what all of us here are all about.

2.52 pm

Graham Stringer (Blackley and Broughton) (Lab): I strongly welcome the Bill. It is an enabling Bill that will allow negotiations to take place between local authorities and central Government. Not before time, it brings the beginning of the end of centralisation in this country.

The Secretary of State gave one reason why this country has been so centralised: the drive for uniformity across the country. That was what was wrong with the reorganisation of local government in the early 1970s. It has been a sin of omission by the Labour party over the years to fail to devolve, because it has always looked for a perfect solution. The Conservatives committed more of a sin of commission in the rows between central and local government in the 1980s.

I refer right hon. and hon. Members to Lord Heseltine's speech on Second Reading in the House of Lords. It was a mea culpa for his early career as a junior Minister in the Department of the Environment. He said that he was ashamed of some of his responses to local government at that time. However, Lord Heseltine and Lord Adonis have made a terrific contribution to the Bill and to devolution generally. I urge people to read Lord Heseltine's speech.

I cannot support the Opposition amendment. To put it simply, if it were passed, all the work that has been done by local government leaders in Greater Manchester, west Yorkshire, south Yorkshire, Merseyside and elsewhere would be wasted. This is not a perfect Bill, but it is a good Bill in that it devolves power. My hon. Friends on the Front Bench have talked about consultation. I spoke to the leader of one of my councils this morning, and before the amendment was tabled by Labour Front Benchers there was no consultation on our position. That is a great shame.

One could make a very long speech about this Bill, but I just want to talk about a few matters. I agree with my hon. Friend the Member for Hemsworth (Jon Trickett) that it does not deal with the disparity in the distribution of money in this country, but it does deal with the disparity in the distribution of power and may well lead to better economic growth in the areas that have devolution. We do need to deal with that issue.

One item that has not been mentioned much in this debate and which I ask the Minister to mention in his winding-up speech is the re-regulation of buses, which is one of the really attractive parts of this devolution. Control of the bus network will come under the elected mayors. That proposal is not covered in the Bill, so when will it be brought forward? My worry is that although this Secretary of State and the Chancellor of the Exchequer are enthusiastic, I am less convinced that the Secretaries of State for Health and for Transport are quite so enthusiastic.

The area of greatest controversy is what has been called the imposition of an elected mayor. Really, it is a negotiation. I say to those who are opposed to it that many more powers and a lot more resources are being offered. Whether there is a referendum or whatever, there has to be an answer to the question of who will be elected to look after the extra resources and money. If it

is not to be an elected mayor, we would have to recreate the old Greater Manchester and South Yorkshire County Councils or have a Greater London Authority-type structure. It seems to me that the best structure is an elected mayor, so that people know who they are voting for and who will have responsibility for the services. The core of democracy is the ability to throw people out of office. That cannot be done if there is secondary representation by elected leaders. An answer is needed to that fundamental question.

Tom Brake: The hon. Gentleman has posed the most significant question in respect of elected mayors. Surely it should be the responsibility of combined authorities to make the decision. If they want an elected mayor, so be it, but if they want a GLA-type set up, surely that is their choice.

Graham Stringer: Traditionally, it has been the responsibility of the Government to determine the structure of local government and then for people to elect it. I am not saying that people should necessarily be excluded; I am just saying that people who do not like elected mayors have to come up with an alternative. I do not think that a combined authority is an alternative, which makes consulting people rather difficult. Given that we have waited so long for devolution, I do not want any barriers put in its way. It is better to have an imperfect system than to wait even longer for the perfect answer.

Mr Graham Allen: My hon. Friend is making a typically robust speech from his massive experience as a local government leader. Does he agree that we have to be careful that the mayoral issue does not divert us from the big picture of devolving powers and finance and making things work in the locality? If we are not careful, the mayoral question will become the Labour version of English votes for English laws, which has led the Conservatives to focus on just one aspect, to the detriment of the big picture.

Graham Stringer: I agree that that issue could become a road block to achieving what most people in this Chamber, and certainly in the other place—I have read the debates—want to achieve.

A number of people have raised concerns about health, and I think there are some misunderstandings about that. Health issues in Greater Manchester concern an agreement for the combined authority to exercise powers that have already been given to local government in a more effective way. I hope that in future more power will be given to local authorities to deal with health because, as my hon. Friend the Member for Sheffield South East (Mr Betts) says, our health service is not evenly spread out, and there will always be differences. The key issue here—as in the entire devolution debate—concerns whether key decisions on health are taken by elected people, or by non-elected people in Whitehall and elsewhere. I support such decisions being taken by elected people.

The power of devolution is that there are always tough decisions to be made, whether in times of cuts or times of growth, and being an elected politician is a tough business. Let us consider the most difficult decision that a politician, whether the Secretary of State, the Prime Minister or a local councillor, has to take: the closure of a hospital. Is it better for that decision to be taken by the Secretary of State in central Government

[Graham Stringer]

with advice from civil servants in Whitehall, or would that decision—however difficult—be better taken locally? I come to the conclusion that such decisions are always better taken by local people.

3.1 pm

Mr Mark Prisk (Hertford and Stortford) (Con): It is a pleasure to follow the hon. Member for Blackley and Broughton (Graham Stringer), who spoke more common sense in six minutes than, sadly, we heard from those on the Opposition Front Bench in 30 minutes.

I welcome this Bill because it moves forward work that was undertaken in the previous Parliament to replace the old centralised model or regional policy, to which the hon. Gentleman referred, with a genuine ambition to empower local people. For me, the big prize economically is the re-emergence of our great industrial cities—the Manchesters, Birminghams, Leeds, Nottinghams and, to keep my Committee Chair happy, I should add the Sheffields. It is vital to empower those city regions so that they regain and renew their wealth, power and competitiveness. This enabling Bill gives Ministers powers within a framework, and I ask them to continue with their ambitious approach to devolution because small incremental steps will not be sufficient. I know that will always be the ambition of the Secretary of State and his ministerial colleagues, but let us keep the pace going because that ambition exists across the House.

In the 4.8 minutes that I have left I wish to touch on three issues: business rates, city governance and metro mayors. Last week we heard from the Chancellor about an excellent fiscal devolution, which will keep my Committee Chair happy. That is a big policy change; it is £26 billion and a major shift in policy and resource. I encourage Ministers not to be inveigled by their civil servants into trying to ring-fence the extra money that will come when metro mayors are able to raise the basic rate. Ministers no doubt already have plans for the fine details on that issue, but they should not be tempted to ring-fence and instead should rely on local accountability. Those who run local businesses are the best people to judge whether a proposed scheme in their locality is right—after all, they are being asked to fund it. Following the business improvement district model, let us try not to over-define things at the centre. We should use local judgment and let the payers decide.

My second point is about what I consider to be the most important principle underpinning this Bill: the principle of collaboration. For too long the old silo mentality has persisted in the public sector with single issue Departments fighting over what they see as “their” budgets, and councillors squabbling between neighbouring authorities. That needs to change. For devolution to succeed, local governance needs to become more holistic and to deliver public services in the round, not within narrow bureaucratic silos. It should be about outcomes for people, not incomes for different Departments. To achieve that, other changes will be needed. First, city regions will need to embrace emerging smart technologies, which places such as Milton Keynes and Bristol are already adopting. The opportunity to transform the design and delivery of public services across an area is within our grasp, but that means ensuring that we embrace the principles of open data, connecting different

Departments, agencies, and national quangos in that area, and for local leaders to be willing to share power and budgets, and focus on solving problems rather than running fiefdoms.

Thirdly, the Bill seeks to usher in a new form of mayor—the metro mayor—which I welcome. I accept that outside our larger cities that may not be the only or best form of governance, but for my money I think that the establishment of metro mayors is the best way forward for our cities. Our emerging city regions need strong leadership; they need people who have a vision that reaches beyond their ward boundaries and who have real world experience. The direct election of a city region mayor is the best way to achieve that as it will attract the calibre of people that we need and that our cities deserve. As my hon. Friend the Member for Carlisle (John Stevenson) pointed out, a mayor will provide a visible figurehead who is accountable to the people they serve.

What we have in London is what happens in most major cities across the world, and it is frankly time that our cities caught up. Our cities need a new model of governance that attracts the brightest and best, and provides real answers and direct accountability to their citizens. It is a model under which—dare I say it?—our political parties will have less control. For me that is a good thing.

In many ways I would like the Bill to be more ambitious, but I am well aware, as the Chair of the Select Committee pointed out, that we must be practical. The idea of a revolution overnight would not work. This evolutionary process is making real progress on the ground, and people are starting to notice it. We should recognise that more and more people live in our cities, and that the shift in demographics is inexorable—that is the future. When I look at cities such as Manchester, Leeds, Sheffield or Birmingham I see a genuine sense of growing pride and prosperity, and that is the prize within the Bill. There will be problems with the details, but if we keep our eye on that prize, we can make real progress for the next generation.

3.7 pm

Mr Gareth Thomas (Harrow West) (Lab/Co-op): It is a pleasure to follow the hon. Member for Hertford and Stortford (Mr Prisk) and my hon. Friend the Member for Blackley and Broughton (Graham Stringer). Like them, I strongly support the move towards more devolution, but we should not get misty-eyed about metro mayors or local government in general. We are now—rightly, perhaps—sceptical about centralised decision-making about Whitehall, and in that spirit I think that the provocative scepticism of those on the Opposition Front Bench is right.

I am entirely comfortable with the thrust of the Bill, although I think there are some omissions, the biggest of which relates to London. London is different from the rest of England in terms of the scale of appetite and need for further devolution. I say that not to minimise the argument for further devolution in the north, Cornwall or elsewhere, but rather to underline the scale of the challenges currently facing London.

London’s population is bigger than that of Scotland or Wales, yet it does not have power to tackle the—at times breathtaking—levels of poverty and inequality.

London is growing by more than 100,000 people a year, and it is expected to do so for at least the next decade, bringing with it range of additional challenges that are not replicated to the same degree elsewhere in England.

The housing crisis in London is bad now, but it is only likely to get worse without substantial extra devolution. Many in the House will be familiar with the development of London's infrastructure, which has too often been characterised, particularly on the big projects, by lengthy delays. In part, that has been driven by the number of players involved in decision-making, not least in central Government.

London should be given the tools in full to tackle our housing crisis in particular. Through the Mayor and the London Assembly, it should be given the right to legislate on London housing matters. Legislative power over housing was devolved to Scotland in 1998 and to Wales in 2011. I simply ask the House why London, where the crisis is so acute, should not have the same powers: judgment on control of rents, on whether right to buy should be extended, on levels of property tax, and on funding for new affordable housing. Targets for percentages of new build schemes given over to sheltered housing or social rent ought to sit in one place, enabling one body or one figure to develop a clear, holistic strategy for housing in London. At the moment, the Mayor has his hand on some of the levers, but for too many others it is to Whitehall that he has to go, and not just to one Whitehall Department but to a number of Departments. I gently suggest that that needs to change. I hope to table a probing amendment to test the appetite of the House on devolving legislative power on housing to the London Assembly.

Jonathan Edwards (Carmarthen East and Dinefwr) (PC): In Wales, we suffer from referendum fatigue. Whenever significant powers are to be devolved to Wales, there is always a referendum. Does the hon. Gentleman believe that there should be a referendum before legislative powers are handed down to the London Assembly?

Mr Thomas: There is a justification for having a referendum in London to consider the extension of powers: we had one when we set up the Mayor and the Assembly. If there is to be further substantial devolution then there is certainly a case to be made for a referendum to cement mayoral and Assembly authority over those additional powers.

Another area for London ought to be full fiscal devolution. I welcome the announcement on business rates, but I am afraid that does not go far enough. All property taxes should be devolved. The all-party consensus of the mayoral London Finance Commission report published in 2013 was for a pound-for-pound reduction in revenue support grant as the quid pro quo that London offers back. It remains opaque at best on why the Treasury will not agree not just to business rates but to additional property taxes to London.

Mr Graham Allen: I am enjoying very much my hon. Friend's review of where we are on local government finance in London. Does he not accept that we have broken the precedent with the Treasury by having income tax assignment for Scotland? The law was passed three or four years ago, before the devolution referendum. It now, very properly, has a system of income tax devolution.

Is not the long-term answer to have a proper baseline budget, rather than little slices, so that London, Nottingham and every other part of the country can look after its own affairs?

Mr Thomas: My hon. Friend is, as ever, ahead of me. I share his view that in time—particularly if there are substantial additional public services responsibilities devolved to London, not least the extra powers, alluded to by my hon. Friend the Member for Blackley and Broughton (Graham Stringer), relating to healthcare—there would be a case for more control à la Scotland, certainly the ability in the current settlement to vary levels of income tax. Why should London or Nottingham not be able to impose new additional levies—for example, a tourist levy that many other big world cities, such as New York, can impose? It is striking that in London business has strongly supported the devolution to local control of all property taxes, not just business rates. They see it as essential to speed up infrastructure development. I urge the Minister and the Secretary of State to use their influence with the Chancellor to encourage him to go even further down the line of fiscal devolution.

There is also a question about the living wage. Why does that need to be controlled by the Treasury? Why should the decision not be set, after consultation with business, by local people? There could perhaps be a local minimum set by national Government, with the actual rate determined by at regional level by local decision makers. I again draw the attention of the House to London, where a living wage and a living income would be very different from that in other parts of the UK.

If there is to be a further devolution of powers to London—I hope there will be—we need to consider stronger scrutiny powers for the London Assembly. The Assembly ought to be able to scrutinise the heads of major public utilities—such as water, electricity, gas, National Rail and broadband providers—on their London work programmes and on how Londoners will be affected by their decisions, in the same way that the Assembly is able to scrutinise other crucial services, such as policing and transport. I commend the case for further devolution to London and hope to probe this issue with the Government in due course.

3.16 pm

Julian Sturdy (York Outer) (Con): Thank you for calling me to speak in this very important debate, Mr Deputy Speaker. Listening to the contributions we have had so far, it is clear that devolution means different things to different parts of the country. That is why giving powers back to local communities is so important, as different regions can champion their strengths while taking steps to address the challenges they face. I pay tribute to the Secretary of State and the Minister for all their work to bring the Bill forward, and for their readiness to meet interested parties.

Speaking as a proud Yorkshireman, and looking at what devolution might bring to our great county, it is essential that the whole of Yorkshire benefits from the devolved powers on offer. Nowhere should be left behind. This is not just about our cities; this is about empowering our rural hinterland. Manchester and Sheffield have now secured settlements, and the precedent for county-wide

[*Julian Sturdy*]

devolution has been set by Cornwall. However, the question of devolving powers to the rest of Yorkshire remains to be answered.

Of the four competing bids the Treasury received, it is my sincere hope that the Chancellor will recognise the unique strengths of the Greater Yorkshire bid. Sadly, there are some who would prefer to see our great county carved up. Doing so could, sadly, only serve to marginalise our rural and coastal communities, which are as much a part of Yorkshire as the metropolitan centres of Leeds and Bradford.

Diana Johnson (Kingston upon Hull North) (Lab): As a fellow Yorkshire MP, I am listening carefully to what the hon. Gentleman says. Does he think that, because of the very rushed nature of the bids—they had to be in very quickly—the debate we really should have had in Yorkshire about that Greater Yorkshire model has not taken place? We have ended up, as he says, with several bids going in, dividing up Yorkshire in an unhelpful way.

Julian Sturdy: I have a lot of sympathy for what the hon. Lady says. In horseracing terms, the Greater Yorkshire bid was slow out of the stalls, but is gathering pace and coming up fast on the rails. I sincerely hope it will end up winning the day.

Tearing the three ridings apart, as the hon. Lady mentioned, would undermine the strong bonds of culture, identity and friendship—Yorkshire is a very friendly place, as I am sure you would agree, Mr Deputy Speaker—and weaken what we could achieve. The devolution project is about scale, with communities coming together to be greater than the sum of their parts. Bringing many parts of Yorkshire together under a Greater Yorkshire bid would allow us to use the Yorkshire brand to unleash our true potential. It is clear that people want to see us put old rivalries aside, and devolution should not be used as just a power-grabbing exercise. The public have placed their trust in us to devolve the powers they need to succeed, and it would be a betrayal to put petty party politics first.

That gives rise to the question, though, of why such deals, which should be owned and led by local businesses and communities, are instead being negotiated, to some degree, behind closed doors. Negotiations cannot be completely open—I accept that—but there has to be an opportunity to scrutinise the devolution deals on offer before they are accepted by local authorities. The greatest danger in politics, and the downfall of many Governments, is to stop listening to the people, thinking that we in this place know best.

That brings me to one area of devolution about which I am yet to be completely convinced. People have told us time and again that they do not want elected mayors. In 2004, plans for regional assemblies were abandoned after the north-east gave a resounding no to such a proposal. Of the 10 referendums held in our largest cities in 2012, nine gave another resounding no to elected mayors. True devolution can succeed only when we listen to what people tell us.

Where are we heading on this devolution journey and what is the ultimate end-game? As Scotland has shown, does devolution satisfy the need for local decision making,

or does it ultimately lead to division and even greater demands for more power? Once Pandora's box has been opened, can it ever be closed again?

Although I very much support the principle of devolution and what the Government are trying to achieve, we must be aware that this is not going to be a smooth journey. We need clarity on where devolution is going to take us. We must move with caution and get the right deals for the right reasons. Do we have to have elected mayors—another layer of politics—to deliver that? I am not convinced as yet.

The ultimate aim of devolution must be to close the historic north-south divide, not by dragging London down, but by learning from its example and raising our game to compete with the best in the world. A Greater Yorkshire deal—a Yorkshire brand—could compete with anywhere in the world. You will probably agree with that as well, Mr Deputy Speaker.

Closing the north-south divide can be achieved only if devolution is allowed to percolate right through our great county. Like the Tour de Yorkshire, it must run from Settle to Scarborough, from Whitby to Wensleydale, taking in all the country's market towns, coastal resorts and ancient cities—in short, the very best that Yorkshire has to offer. We must not rush this once-in-a-generation opportunity for greater powers. Let us get the right deal for our regions and the right deal for a Greater Yorkshire.

3.23 pm

Jeff Smith (Manchester, Withington) (Lab): Before I came to this House in May, I had spent 18 years as a city councillor in Manchester, and I am very proud of what we achieved for our city in that time. We have shown how good civic leadership can help transform a city and create partnerships that really help to improve the lives of our citizens. We led the way not just in leading the demands for devolved powers, but in demonstrating that local government has the capacity and the vision to use them.

Local people know their communities best and how best to deliver for them, so I welcome the principle of devolution of powers in the Bill. Indeed, I welcome the deal that has been agreed for Greater Manchester. Devolution is a Labour value, giving power to people and communities who know what is best for them.

I have two concerns about the Government's plans. First, funding needs to follow powers, and that is in the interests of not just local government, but national Government as well. I spent three difficult years as executive member for finance on Manchester City Council having to make incredibly tough decisions on cuts to services as a result of the unfair funding cuts imposed by the coalition Government. We had to take £250 million out of our budget over the course of the last Parliament. If Members consider that that reduction took our budget down to about £550 million, they will understand the scale of the problems we faced.

We dealt with that very effectively through improving efficiencies and revolutionising the way in which we deliver services, and devolution of powers will allow us greater freedom to do that. That level of cuts, however, is not sustainable, and local government, as many are aware, faces a struggle to keep non-statutory services going if those cuts continue. Even worse, some local authorities face the real possibility of becoming financially

unviable. Local government could become unviable as a result not of its own actions, but of the actions of the Government in starving deprived areas of funding. If the Government carry on with that level of cuts, it is their own devolution project that will be at risk. Devolution simply will not work without proper funding. We cannot devolve responsibilities without the resources to fulfil them.

Secondly, the one-size-fits-all approach is not the way forward. A few years ago the people of Manchester decisively rejected the idea of an elected mayor. I believe that was because they did not see the need for it. Good civic leadership can come in many different forms, and Manchester—under the excellent leadership of Sir Richard Leese and, before that, of my hon. Friend the Member for Blackley and Broughton (Graham Stringer), as well as that of the Greater Manchester combined authority—has shown that we have not just a successful council, but a model for the use of devolved powers across Greater Manchester that has been developed by Greater Manchester.

Andrew Gwynne: The citizens of Manchester were not given the option of a metro mayor; the proposal they rejected was, in effect, to directly elect the council leader. Some of the critics of the metro mayor model clearly do not understand the difference between an elected council leader and what is now being offered for the conurbation.

Jeff Smith: That is absolutely right and I thank my hon. Friend for his intervention. I was just coming to that point. The imposition of an elected mayor on Greater Manchester and on other areas is unnecessary. I am not necessarily against an elected Greater Manchester mayor, but it really should be for Greater Manchester to decide. It should be for local communities to develop evidenced proposals on the best way to organise themselves to use those devolved powers. That would be true devolution.

Local government can and does deliver great things for its citizens. I welcome devolved power to create jobs and growth opportunities; to invest in desperately needed new housing; and to allow health and social care to work together for local people. Personally, I would like devolution to include some powers of oversight over education, because at a time when we are devolving powers over other services it seems counter-intuitive that power over education is, in effect, being centralised. Local government in areas such as Manchester has shown that it deserves the powers and resources to deliver. Let us give it the freedom and the resources to do so.

3.28 pm

Anne Marie Morris (Newton Abbot) (Con): This is an important debate on an important piece of legislation and, like many of my colleagues, I welcome the devolution agenda. Local accountability is, I think, extremely important and the challenge, as has been repeated across the Chamber, is making it work in practice.

The first stage of devolution started with the local enterprise partnerships. Effectively, we devolved to them responsibility for productivity, growth and, more recently, infrastructure projects. Phase 2—this Bill—devolves responsibility not to unelected bodies, which is what the LEPs were, but to politically elected bodies. We are

considering devolving many areas similar to those devolved to the LEPs as well as social care, police and education. If that is to be achieved, there are some concerns and risks about the consequent almost imperative need for vertical and horizontal integration between the different local bodies—the counties, the districts and the unitary areas. I am not entirely convinced that that was what the Government intended, as it seems to me that we risk consolidation as opposed to devolution, and I do not think that we should.

Devon and Somerset have a bid in, involving 20 authorities working together. My concern is that for that many authorities to work together we will need sensibly to consider some functional integration, but who will give up their power base, who will give up their budget and who will share it? More importantly, what about the taxpayer? How will he or she know who to hold accountable and how will he or she do it? At the ballot box?

The Government, quite rightly, are looking to integrate NHS and social care, but will that be more complicated across a diverse range of authorities? Does it mean—I hope not—that we will have to unpick and put together again new deals between the NHS and the local authorities? Will the NHS play ball? Should clinical commissioning groups be required to be part of that? They are part of some bids for devolution, but not all of them.

In the south-west, we have 20 parties working together: 15 districts, two unitaries, two counties and the LEP. My fear is that local accountability will be lost and that we will consolidate not devolve. Our bid has three aims: first, to deliver accelerated economic growth; secondly, to deliver conductivity and resilience for our infrastructure; and, thirdly, to deliver integrated health and social care.

On the growth agenda, there seems to me to be a challenge as the LEP and the other authorities are playing in the same ballpark. How will we deal with that? My other concern is that the rural communities will get lost and the thinking will be dominated by the Exeters, Plymouths and other large cities. How will the funding work? Will it go through the LEP or through the new bodies?

This team of 20 has a very good record of working together on infrastructure. On rail, our peninsula taskforce is delivering seriously good news. On roads, we have the bypass for Kingskerswell and we will, I hope, have the A303 developments. However, my concern is that that devolution still ignores local problems with infrastructure, such as local bottlenecks in towns. Balls Corner in Newton Abbot is a case in point. Focus will be lost on small infrastructure projects and issues, such as my port in Teignmouth.

We also have a number of integrated projects on health and social care. In Torbay we have an integrated care organisation with pioneer status, whereas Plymouth CCG and the northern, eastern and western Devon—NEW Devon—CCG are working together with a one system, one budget plan for £426 million. Somerset has a Symphony health and social care project, while Exeter has its own integrated care project. Will we lose the focus on some of the local differences between the rural communities and the cities? Will we lose the necessary differentiation between how we provide for an ageing population and how we provide for the bustling younger population in cities?

[Anne Marie Morris]

The Government are going absolutely in the right direction, but my concern is how we deliver these measures, how we avoid the pitfalls and how we avoid the consolidation and integration that take away from local democracy and from what I believe the Government intend. The devil is in the detail, and I wanted to ensure that I raised these issues early because although the Government's intentions are right I want to avoid chaos and I want to ensure that local focus remains. Finally, I want to ensure that we do not inadvertently consolidate upwards rather than devolve downwards.

3.33 pm

Mr Graham Allen (Nottingham North) (Lab): This is a great day. It is the beginning of what will be a very long journey. I think that we will probably have two more Bills on devolution before the end of this Parliament, but at the general election in 2020 we will look back and all the anxieties about the detail in the Bill—some of which we disagree with, of course—will have become irrelevant as most local authorities in England will have devolved to some extent or another. That will be the future. I must put on record again that I think that the Secretary of State has been foremost in introducing the Bill. He has a fantastic record of working with local government and with Labour local government, in particular, through his work with the core cities and on the cities agenda. The Bill is part of a line of progression.

Of course, we cannot have perfection in the first Bill, but those who have some sort of aldermanic sclerosis and believe that we will not move anywhere unless we get absolutely everything right are throwing the baby out with the bathwater. It is important that we move on devolution now in a way that previous Governments, regrettably, did not. This is the most fantastic opportunity, in my opinion, for all of us who care about the principle of devolution, enabling people to make decisions as closely as is humanly possible to where they are and where they live.

It is the beginning of the end of possibly several hundred years of the imperial view that Whitehall knows best and that only the man in Whitehall can tell people whether they should have double yellow lines on their high streets or be allowed to have a betting shop on their street corner. What nonsense. It is treating one's own country as if its people are slaves, rather than liberating them to make a genuine economic contribution, in times of austerity and at other times, as well as a social and political contribution locally. Even with the distinguished colleagues around me, I do think our politics is over-blessed with too big a gene pool. Why should not the leader of our capital stand to be leader of one of our great parties? Why should not the leader of Greater Manchester, Nottingham, Newcastle or anywhere else push our politics forward with a lot of local experience? This is something of which many Governments in the recent past have been bereft.

This is the beginning of a journey. I personally would rather we did not have a mayor—Nottingham voted not to have a mayor. However, if we continue this journey and have another Bill and another one after that, I am sure that we will devolve to such an extent that we will liberate people in the localities to

choose their own system of governance and method of election. That will be a definition of devolution achieved.

Andrew Gwynne: Part of that choice on localism is the level at which it is most appropriate to make decisions. Forty-odd years ago, my constituency was a patchwork of urban district councils and small municipal boroughs, and people still very much identify with those neighbourhoods. Is it not right that we also seek to empower those communities again?

Mr Allen: The movement from Whitehall to town hall is very welcome, but then we must go the extra mile. I am sorry that the hon. Member for Glasgow Central (Alison Thewliss), an SNP Member, is no longer here, because we do not want to go the way of pushing power from Westminster to Holyrood, only for the latter, instead of dispersing some of that power, to suck it up and create a national view on everything, rather than liberating the talents in Scottish local government. There are many lessons to learn from Scotland—we should be humble about that experience and learn everything possible—but that is probably one exception to the rule about listening to how the SNP has done things in Scotland.

There will then be a broader picture. Once we have embedded devolution and organically we have made a start, when it is proving its worth and we can demonstrate that we will add value to every single pound, we can move to the next stage, which is the one outlined by the Opposition Front-Bench team. It is to see it as part of the broader jigsaw of a constitutional convention that will consider local government's role, as part of the debate about devolution in England, an elected second Chamber and a written settlement, among other things.

It is important that what Whitehall giveth, Whitehall does not taketh away. As the Secretary of State is aware, that will mean at some point entrenching the progress we make so that it can never be reversed. That will mean super-majorities in the House, hiding stuff behind the Parliament Act 1911 and so on. There are lots of ways to make it difficult for the wrong sort of Secretary of State to suck these powers back up.

Liam Byrne (Birmingham, Hodge Hill) (Lab): My hon. Friend is making a typically excellent speech. Is not the basic challenge of the Bill that it strengthens the Secretary of State's hand with local government but not with Whitehall? He needs a few more ambition clauses that force his colleagues to devolve more rather than less and not to rely on backroom negotiations in the Treasury. For example, should we not be devolving many more powers to help local authorities, such as my hon. Friend's, deal with the entrenched challenges of poverty and deprivation?

Mr Allen: My right hon. Friend is absolutely right. What we are doing now is pushing that enormous heavy ball up the mountain—and it is just starting to move. Let us keep that momentum going, and when local government has proved its worth and we have developed the capability and potential of local councillors and officials—I am loth to make any criticism of them, given how we sometimes run the country—they will demand those extra powers. That is certainly the case on issues relating to health and employment. That will

come. People will say, “We can do this; we can raise a bond on the open market; we can run something by our local population; we can raise additional taxation—if local people agree with it”, which is very important, as was mentioned earlier.

My right hon. Friend the Member for Birmingham, Hodge Hill (Liam Byrne) made a specific point about how to help areas of high deprivation. He and I share an unfortunate medal in that we are in the bottom 10 local authorities when it comes to deprivation. This will be immensely liberating. My right hon. Friend and I know, but our councillors know much better than anybody—even the Secretary of State from Whitehall—how to spend a pound effectively in the local context. It is all about bringing sensitivity and capability back to our governance, and instead of fighting with one hand tied behind our backs, it is about enabling people to make decisions locally. Local people above all will want to maximise the potential of every austere pound that comes their way.

For the bigger picture, I think a constitutional convention running alongside this process is essential. I hope that the Government will generously agree to participate in anything that all other parties come together to discuss on that basis. They will not be able to legislate on it, but it is important for them to participate in the debate and have that discussion. In the end, the Secretary of State’s Fabian view of moving forward—slowly, steadily and gently making progress—has been proved right. We need to ensure that such an approach is supported in the longer term. The Bill has flaws, but it provides a fantastic start, so I commend it to the House.

3.42 pm

Martin Vickers (Cleethorpes) (Con): It is a pleasure to follow the hon. Member for Nottingham North (Mr Allen), who has been a long-time advocate of more devolution to local government. I share his congratulations to the Secretary of State, who has not only advocated devolution for a long time, but is now in a position to deliver it.

In common with other speakers, I spent many years in local government—26 years as a councillor, to be precise. During that time, I and my colleagues were railing against central Government, whoever were in power, for centralising more and more. Now we have gone into reverse, which is extremely welcome.

I have been a long-time advocate of the evolving position of elected Mayors. Unlike those on both sides of the House in recent years who have been rather stop-go in their support, I have long been an advocate. In 2001, I tried to gain sufficient signatures on a petition for an elected Mayor in my own authority. I share the views of my hon. Friend the Member for Carlisle (John Stevenson), who earlier advocated that it should be made easier for the electorate to initiate petitions, rather than leave it to politicians, and that we should reduce the threshold to 1%, which would encourage local people to overtake the views of their local authority if it were being somewhat resistant. We all know that local politicians can sometimes be resistant to change, and we have heard varying views about the role of elected Mayors this afternoon.

For too long, local government has languished in the shadows. Elected Mayors will provide an identifiable figurehead and increase the feeling of local identity. We

can all identify with our country, our county and our town or village. Those are the constructs around which combined authorities should evolve.

Those of us who live in an area that was subject to major reorganisation in the 1970s—and my area was pushed into the hated county of Humberside—are well aware of the need to attract a feeling of identity among local people. Local authorities are not just administrative units governed by lines on a map, and that is even more true of the regions that we have all been pushed into. Although we have been told for many years that those regions do not exist, much of government operates through them. An earlier speaker referred to Yorkshire and Humberside and then started talking about “the county”, but Yorkshire and Humberside are actually two counties, and those of us who live in the Lincolnshire part tend to resent the fact that the focus is always too much on the Yorkshire part.

I am pleased to say that two local authorities in my area have presented a proposal which I fully support, and I hope the Secretary of State will accept it. It was presented jointly by the leaders of Labour-controlled North East Lincolnshire and Conservative-controlled North Lincolnshire, Ray Oxby and Liz Redfern, and I pay tribute to them both for helping us to arrive at the point where we are now.

There are great economic development opportunities for northern Lincolnshire. I see that the Minister for the northern powerhouse, my hon. Friend the Member for Stockton South (James Wharton), is present; I know that he will want to refer to the strengths of the area, including the growing offshore renewables sector, which is providing a much-wanted and much-needed boost for the local economy.

I want to digress slightly before ending my speech. I share the reservations of Members who mentioned Sunday trading. Some of us attended yesterday’s reception hosted by the Association of Convenience Stores, which represents the small businesses that we all want to support. We recognise their concern about the proposed extension of Sunday trading, and I support them in that regard. It will take a lot of persuasion to make me support the extension.

As we have already heard, local people are best suited to determining the priorities that can lead to greater regeneration and prosperity in their area. It is not just our great cities—which have so often been the focus of city regions and the like—that need support and encouragement; the energies and prospects of provincial towns such as those in my area can be unleashed by more devolution. I hope that the combined authorities that are emerging will evolve into unitary authorities, which have much more democratic accountability than the combined authorities that we are about to create, and I fully support the Minister’s proposals.

3.48 pm

Diana Johnson (Kingston upon Hull North) (Lab): It is a great pleasure to follow my near neighbour, the hon. Member for Cleethorpes (Martin Vickers). He mentioned the renewables industry, which is important to the economic future of both the sides of the Humber that we represent.

Just two years ago, in an article about Britain’s so-called decaying towns, *The Economist* described cities like Hull as suffering because, over many decades, the state

[Diana Johnson]

had been too much rather than too little involved. It made no reference to the fact that other parts of the country, such as London and the south-east, had benefited from more favoured status and more support. I think that the Minister will regret that that view was expressed, and will recognise that places like Hull should not be abandoned as *The Economist* suggested. In fact, there is evidence that the northern regeneration boosted by devolution will increase overall national economic growth, which, of course, we will all welcome.

I do, however, have specific concerns about the proposals before us today. First, as has been mentioned by many hon. Members, the devolved powers in the Bill are conditional on accepting a single, made-in-Whitehall model of local governance, with the concept of elected Mayors. That model is being pushed through via backroom deals, not as a result of proper consultation with communities, and it is even being done in areas where voters have previously rejected the elected Mayor model. This one-size-fits-all centralism misunderstands local variations of geography and economic life. What may work well in Greater Manchester may not work for areas such as Hull and the Humber, and I had hoped that we had left behind Henry Ford's idea of, "Any colour provided it is black" or what Douglas Jay described as, "The gentleman in Whitehall really does know best."

Real devolution should not be imposed top down, from the centre. It should allow the creation of models whereby local leaders can be accountable to their voters, not to Whitehall, for decisions that are then made locally. Genuine devolution must transfer powers and responsibility from Whitehall, and devolution must have clear objectives. Structures that then emerge in each part of the country should reflect local factors. Devolution is a means to an end, not an end in itself; the Government have not provided enough clarity about that.

Secondly, this devolution comes against a backdrop of severe funding cuts, which since 2010 have been focused most heavily on the most deprived areas, and more are coming down the track. Blame will be devolved more than power. Devolved decision making requires fairer funding and local revenue-raising powers, free from outdated Treasury rules or gimmicks. It means freedom to innovate and get better results than if the powers remained in Whitehall. We need localised power on raising capital investment for infrastructure, transport, flood defences and social housing. Localising business rates is potentially progressive, but powers must apply to areas with no elected Mayor, too. Moreover, robust transitional arrangements are needed so that poorer areas do not lose out, as they have done in local government grant distribution since 2010.

Thirdly, in the digital age there are fewer excuses that Government can use not to devolve more Whitehall jobs to the regions. Fourthly, although local innovation helps raise national standards, we do risk fragmentation in areas such as the NHS, and that could damage front-line services for local communities. Fifthly, I want to talk a little about recent events that affect my city of Hull and the Yorkshire bids that have gone forward. Civic and business figures across Yorkshire have been jumping through hoops to meet arbitrary deadlines for signing up to Whitehall's model of devolution. As has been said, there are already several bids for Yorkshire,

and they fragment the true potential for Yorkshire to have proper devolution to the county. In line with what the hon. Member for Cleethorpes said, we need to consider the needs of the south bank of the Humber, because both the north and south bank need to work together to ensure that we unlock the power of the Humber estuary as the "energy estuary", as it has been described. Hull also has common interests with North Yorkshire and West Yorkshire, for example on tourism, but we need a proper debate on whether the Greater Yorkshire model is the one that best serves the county and really does unlock that potential.

Hull is a key city, but it is not one of the self-selecting "core cities", to use that unhelpful distinction. As a result, Hull has risked being excluded from the deals currently being done. Although it may not be a disaster in some respects, Hull could be left out when issues such as transport or broadband are discussed, and that would be very regrettable. Hull has to be part of the northern powerhouse if that is really to be worth its name. Despite many Hull successes, including investment by Siemens and being awarded the city of culture status in 2017, which we have achieved without an elected mayor, we still recognise that we need to reverse decades of decline in our traditional industries. We cannot risk Hull being left further behind. Hull needs a longer-term regeneration effort spanning decades, as has been enjoyed by areas that faced similar challenges in the past. Real devolution could help close up the unfair regional funding disparities in many areas, and the growth gap between the north and the south, boosting UK GDP overall.

3.54 pm

Mary Robinson (Cheadle) (Con): I am grateful for the opportunity to speak in this important debate. I welcome the further devolution from central Government to Greater Manchester and to other cities and regions which the Bill enables, as well as the wide-ranging benefits that this transfer of power will deliver to local communities. I have fully supported this Government's commitment to devolve greater powers to local authorities, and as a Greater Manchester MP I am pleased that it is our local authority combined area that is leading the way towards devolution and the creation of the northern powerhouse.

This enabling Bill will not only deliver further devolved power to Greater Manchester but, importantly, it will provide the opportunity for other cities and regions to follow in Manchester's footsteps. Working in conjunction with the localism legislation, which allows more neighbourhood planning and better community rights, this Bill will provide opportunities for local government to truly represent local people. I want to make sure that my constituency, Cheadle, will continue to benefit from all aspects of this agenda as the Greater Manchester combined authority takes greater control and more responsibility and powers over economic development, transport, health and social care, planning and policing in our area. Furthermore, as a member of the Communities and Local Government Committee, I have welcomed the opportunity to scrutinise the Bill in greater depth.

As the devolution agreement for Greater Manchester is implemented and its aims are realised, it may well be used as a model for other cities and regions, always bearing in mind the individual nature of local authorities across the country. I am encouraged by the level of

interest that the Government have received in the form of devolution bids from other cities and regions, and it is important that this Bill provides the flexibility for each authority to agree a deal that meets the needs of its local area. Devolution is a process that must be allowed to evolve, and there is not necessarily a one-size-fits-all model. Authorities will work together to find the best fit for them.

Directly elected mayors are at the heart of the Bill, and the powers that they will receive in combination with the local authorities should not be underestimated. Elected mayors will be in no doubt about the scale of their responsibilities as power is devolved from the centre. I have been greatly encouraged by the example set by the Chancellor and the Secretary of State working with local authorities, as has been mentioned. It has been shown, particularly in the case of Greater Manchester, that strong local civic leadership is essential to reach the right outcome.

However, strong leadership and good government rely on effective scrutiny, and it is vital that the necessary checks and balances are seen to be in place. I welcome the Secretary of State's comments on transparency. As the powers are devolved and critical responsibilities for the provision of key services are taken up by local authorities under the auspices of elected mayors, it is crucial that scrutiny processes and procedures are robust enough to ensure transparency and accountability.

I shall refer briefly to planning issues. As has been mentioned by my hon. Friend the Member for The Cotswolds (Geoffrey Clifton-Brown), planning is often a contentious issue for local authorities. The localism agenda does much to make planning law more accountable to the will of local people, and the Bill must build on that. It is important that protections are in place to make sure that the localism agenda is adhered to and strengthened. I was pleased to hear that this has been taken up and commented on positively. The green belt is an issue that needs to be addressed, particularly as strategic decisions are made. I want to ensure that the local view is heard and that, through neighbourhood forums and plans, the localism agenda is taken into account.

The Chancellor's recent announcement on business rates is welcome. This is a positive step towards greater fiscal devolution which has the potential to fuel growth, particularly in the northern powerhouse, and many small and medium-sized businesses in my constituency will welcome that.

In conclusion, I have always been clear that devolution has the potential to rebalance our economy and make local government more accountable and responsive to the needs of local people. This Bill will enable the Government's firm commitment to deliver on this ambition and I will therefore support it.

4 pm

Peter Dowd (Bootle) (Lab): As a former leader of a metropolitan council, I welcome devolution and the powers it brings, in my case to a city region. The reality is that the genie is out of the lamp and cannot be put back in—and not should it be. This is not a question of if, but when and how, and no one is being forced to take part. As for the question of transparency and negotiation, it does not take Sherlock Holmes to work out what those powers might be, and I will touch on them later.

There are of course concerns, but they must not be allowed to cause delay and there must not be further prevarication. It is not as though these powers and responsibilities do not already exist. They do exist, but usually in the hands of civil servants and even on occasion in the hands of Ministers. Devolution allows for local decision making at a sub-regional level on issues of importance to the future of the areas concerned. There is the question of the election of a city regional mayor in my area.

Karin Smyth (Bristol South) (Lab): My hon. Friend's experience is very valuable in this matter. Bristol is the only core city to support an elected mayor. Does he agree that the citizens of Bristol deserve the right to reverse that decision at any point and that the Lords amendments to this Bill offering Bristolians that opportunity are to be welcomed?

Peter Dowd: I take the view that local areas should have the widest ability to make their decisions, and if Bristol wants that, that is a matter for Bristol to pursue. My personal view is that I would rather have a local decision maker in the form of a metro mayor than a decision maker 200 miles down the M6 in an office not many yards away from here. I would prefer the decisions to be made in Merseyside in my case. There are alternatives, however. The Manchester model offers a way forward, and there may be variations on the theme.

I am interested in the responsibilities and powers that are devolved—issues around economic development, the question of transport, potentially strategic planning, skills and employment, questions around business planning, certain European issues, possibly further education, the careers service, and certain Department for Work and Pensions responsibilities. The NHS has been mentioned. The reality is that most NHS services are delivered at a local level and many decisions are made at a local level, and I think it is a question of teasing out how those decisions can be made at a local level but in the context of a city region. I recognise there are concerns about things like specialist services, but I do not think they are insurmountable, and I think they are issues that we have to tease out and discuss. Yes, they are going to be challenging, but we must not brush them under the carpet and pretend we cannot deal with them, because we can. So, yes, there are challenges, but they can be overcome. The list of potential powers to be devolved goes on and on, and it is, as they say, a question of horses for courses.

Reference has been made to collaboration, and collaboration does currently take place. When I was leader of a city region council, we collaborated all the time, day in, day out. But of course without the powers that devolution brings, that collaboration can only go so far, as is the case with resource.

That brings me to the elephant in the room: the question of resource and the devolution of that resource, and then of course the equity of resource. This is about the allocation and then the equity of the allocation. I ask that the allocation of resource be appropriately equitable.

The reality is that this train is about to leave the station. My area wants to be on that train—not at any cost or at a cost that would denude us of crucial resources, but we need to grasp this opportunity. This

[Peter Dowd]

does not preclude any discussion of subsidiarity, however. Indeed, it should start the process of subsidiarity from local authorities down to town councils and parish councils, of which there are many in my council area.

If the Bill will secure better and sounder economic cohesion, I will support it. If it will liberate local government to even a small degree compared with how it was 100 years ago, I will support it. If it will give a fair allocation of resources, I will support it. However, as Anne Brontë said:

“There is always a ‘but’ in this imperfect world.”

I do not want to heap too much praise on the Secretary of State, because I do not want him to be moved just yet, but I give him credit for moving this issue on.

Suella Fernandes (Fareham) (Con): I have been listening to the hon. Gentleman and to other Opposition Members, and I am heartened by the glowing praise that I am hearing from that side of the Chamber. Will he join me in urging his colleagues to join us in the Lobby this evening? We have heard about the 38 bids and other expressions of interest from around the country, and they reflect the fact that this fundamental piece of legislation requires cross-party consensus.

Peter Dowd: I will get back to the hon. Lady as soon as the Secretary of State fills in his Labour party membership form.

The Secretary of State deserves credit for moving this matter on from where it has languished for far too long. We need to get to grips with it, and from the point of view of my city region, the sooner we do so the better.

4.7 pm

Stuart Andrew (Pudsey) (Con): I am grateful for the opportunity to speak in this most important Second Reading debate, and it is a pleasure to follow the hon. Member for Bootle (Peter Dowd). The partnerships between local authorities and businesses that the Bill encourages will present areas such as mine in the north of England with an opportunity to unlock the necessary drive and ambition to address our specific needs, so that we can maximise our potential and strive to build an economy that will address historic divisions such as the north-south divide that have hung over us for far too long.

I recognise the fact that London and the south-east have been an economic driver for the rest of the country, but that should not stop us being ambitious about other parts of the United Kingdom. We have only to look at the effects of the recession to see that the need to rebuild our economy is long overdue. The dependence on one economic area in such circumstances fails to capitalise on what much of the rest of the country has to offer. The concentrated and centralised power in Whitehall can often fail to understand the need for economic growth in a variety of areas across the UK. After all, the growth of cities such as Leeds and Manchester occurred not because Whitehall demanded it but because local businesses and leaders understood their communities, their resources and, more importantly, their people.

Today, we are seeing a real drive to boost the economy of the north. I can see the potential in my own area, the Leeds city region, with close to 3 million people, a resident

workforce of 1.4 million and more than 100,000 businesses creating an economy that was worth £55 billion in 2012. We are seeing massive and unprecedented investment in our transport systems, with new railway stations at Kirkstall Forge and Apperley Bridge serving my constituency and a southern access to Leeds City station that will help to unlock the regeneration we need in the south of the city. There is increased capacity across the TransPennine link and we are now preparing for HS2, which will connect Leeds with Sheffield, Birmingham and London. We are also investing millions and billions of pounds in major road schemes across the north. All these developments make connectivity much easier and enable people to change jobs if they want without necessarily moving home. There is still so much more that we can do, and this Bill offers us the chance to have our say on the issues that people in our area understand.

I want us to take advantage of this Bill in a most ambitious way. I know that my right hon. Friend has had a number of bids for our area, and he faces an unenviable task. Just as we have seen ambition and vision across the Pennines with the Greater Manchester deal, so too should we, on the right side of the Pennines—I mean geographically and spiritually—be equally ambitious, if not more so.

Recently, the South Yorkshire deal was announced, leaving the rest of Yorkshire to come up with a bid. I know that there has been a lot of lobbying for a Leeds city region bid, but we could go further and create a serious player in the UK economy. The Greater Yorkshire bid, which would include West, North and East Yorkshire, would be one of the biggest deals—if not the only deal—in the UK. The area’s great cities, major towns and rural and coastal areas have always had complementary and inter-related roles. Whether we are talking about people travelling to work or people enjoying our tourism, these areas are better connected economically than ever before. With the Greater Yorkshire deal, we could progress that even further.

The growth that we have seen economically in the city region and the huge interest there is in tourism create both pressures and opportunities. That is no more so than in housing where councils are merely looking at their own housing targets within their boundaries. We need a much more regional approach to this matter, so that we can ensure that we are protecting as much of our greenbelt as possible.

It is also important that we ensure that we have access to the world markets. I was pleased to hear Hull mentioned. Building a strategic approach for the M62 economic corridor and expanding the entrepreneurial capacity of our rural and coastal areas offer great potential for the areas to work together for a combined approach to economic growth rather than competing with each other.

Very many opportunities exist in this bid—in healthcare, in renewable energy and in the food markets. Logistically, the port in Hull offers access to more than 230 million consumers. We also have a big airport, motorways, HS2, tourism and so much more. This is a fantastic bid that has been put forward, and I seriously hope that it will be considered, not least because it will build the skills and aspirations that we and business need and it will offer greater and improved outcomes for our young people.

This bid makes sense. It has the drive, ambition and aspiration that I want to see. It would also make us a

serious player in the UK and across the world. This Bill gives us the power and opportunity to do that, so that we no longer have to look at London and the south-east with envy. We can become a driver not just to rival it but to exceed it and an ambitious contributor to the northern powerhouse.

4.12 pm

Jack Dromey (Birmingham, Erdington) (Lab): The great city of Birmingham is the city of Chamberlain and the birthplace of municipal government and municipal enterprise. It is the city of 1,000 trades; the workshop of the world. It is a city that, to this day, has immense strengths and potential, but it is a city with high unemployment. The bitter irony is that, just as the economy is strengthening, there is an acute and growing skills shortage. I see that in my own constituency of Erdington, which has the eighth highest unemployment rate in England. The city is ambitious and, with our partners, we want to go for it at the next stages, not least because Britain cannot succeed through London and the south-east alone.

Historically, Labour has been the party of devolution—Scotland, Wales and London. I have always believed in the dynamic role of local government in driving economic growth. I was a founder member of one of the first enterprise boards in Greater London back in the 1980s. Indeed, together with the Secretary of State, we piloted the Heseltine project in the west midlands in 2012. What that demonstrated was a real enthusiasm for the city region agenda.

The strong view within the region is that there is now an historic moment of opportunity, and we want to seize that moment with both hands. We want to see the economic success of the region and also what can be delivered through the West Midlands Combined Authority—a somewhat clunky title but an appropriate one nevertheless. We want to build upon our strengths, such as the automotive sector. We want to provide ladders of opportunity at the next stages. We are going to have 10 years of major construction, so we want to ensure that those without work or an apprenticeship can get both.

We also want to pursue a wider agenda through the combined authority. This is not just about jobs, apprenticeships, homes and transport; in the words of Stephen Rimmer, who has been seconded to Birmingham from the Home Office, it is also about people and wellbeing. Let me give one brief example. In July I co-chaired a summit of all the local authorities, together with West Midlands police and other agencies, on a highly effective strategy to prevent child sexual exploitation and abuse. We will now roll it out across the region, through the combined authority, as part of a wider strategy to tackle vulnerability in the west midlands. That is effective inter-agency working.

If I am enthusiastic about the potential at the next stages—and I am—there are three problems. First, the Government cannot empower and then impoverish. In Birmingham we have already seen £700 million of cuts to our budget, and we are facing a further cut of £200 million. Already £2,000 has been cut for every household in Birmingham. I must say that there has been grotesque unfairness in the approach, when we look at what has happened in, for example, the leafy shires of east Cheshire or Surrey. At the next stages,

Birmingham will struggle to cope with cuts of up to 40%. I therefore urge the Government to think again, including about the fairness of their approach.

Secondly, the local enterprise partnership, together with the seven leaders, has submitted an ambitious bid to the Government. However, in the words of one Conservative colleague, the response thus far has been derisory. Therefore, the offer at the next stages will be key, both in its own right, to enable us to do great things in the west midlands, and also to bind in those who would otherwise say, “Why should we take part if there are peanuts on offer?” Again, those are the words of a Conservative colleague.

Thirdly, the Bill stands localism on its head. I had the pleasure of working with the current Secretary of State when the Localism Act 2011 was going through Parliament—I remember those 20 sittings in Committee with great fondness. Therefore, I cannot understand how the Government can reconcile what they said then with what they are saying now. They are now saying, “We will set you free to be the master of your own destiny, provided you do what we tell you to do, and in this case it’s the imposition of a metro mayor.” When I compare that with European examples, such as Bologna, Rotterdam and Barcelona, I simply do not understand why the Government should take such a position.

I will make two brief points in conclusion. First, I think that police and fire services logically sit within the context of a combined authority. I think that the Home Secretary has been right to say that has to be by agreement, but it is also crucial that local people, police forces and police and crime commissioners are consulted, because there are real problems with boundaries, coterminosity and local accountability. The voice of local people must be heard if police and fire services are to be included in the new arrangements.

Secondly, in the little time remaining I want to make a point about Sunday trading. There is already provision for limited Sunday trading. The Association of Convenience Stores is right that what the Government are proposing fails the family test. The Union of Shop, Distributive and Allied Workers is right that shop workers would have to work when they do not want to. The proposal would threaten many local stores and disrupt local communities on a day when they want peace and quiet. I urge the Government to drop the proposal and keep Sundays special.

4.19 pm

Mr David Nuttall (Bury North) (Con): Let me say at the outset that I believe in the principle that, as far as possible, decisions should be taken at the level of government closest to the people who those decisions will affect.

After local government reorganisation in the 1970s, a Greater Manchester county council was created that brought together the 10 local authorities around the city of Manchester. It was not seen as a great success and was abolished a few years later, in 1986. It was seen as an artificial creation. However, we are now seeing, in effect, the recreation of that body, albeit by a different process and with a different name. We now have a Greater Manchester combined authority. We already have an interim mayor covering the area of the same 10 authorities that together made up the Greater Manchester county council. The problem that my

[*Mr David Nuttall*]

constituents have with the whole concept of a Greater Manchester council is that they do not see themselves as living within a county of Greater Manchester. It is an artificial construct. Very few say that their address is Bury, Greater Manchester; they say that it is Bury in Lancashire. In Ramsbottom, people still ask why they were separated from their historical roots in Rossendale valley.

On Bury Council, which covers my constituency and that of Bury South, there are 51 councillors. Across the 10 local authorities that together make up the Greater Manchester combined authority, there are no fewer than 645 councillors. It is therefore no surprise when people ask me, “If 645 people can’t sort things out for us, what difference are 646 going to make?” It is a difficult question to answer. Very few of my constituents think that the answer to their particular problem will be the creation of a new tier of local government. Recreating that new tier above the existing 10 councils creates the danger of powers being devolved down to the new tier rather than down to where they could go if the new tier had not been created. Thus we finish up with decisions being taken further away from, rather than closer to, the people who are affected by them. I hope that safeguards can be included in the Bill as it passes through its later stages—for example, to provide a clear mechanism for a council to leave a combined authority, should it so choose, without being penalised for doing so.

Fortunately, I do not have to rely just on anecdotes and the many conversations I have had with my constituents to know what the people of Bury think about the idea of having an elected mayor, because back in July 2008 they voted in a borough-wide referendum, and they rejected the idea by 15,425 votes to 10,338. I would hazard a guess that the margin would be even greater if the referendum question related to the whole of Greater Manchester. I support the idea of my constituents having a direct say on this proposal in such a referendum.

The Bill is largely technical, so let me deal briefly with some of the detail within it. I believe that the new mayors, if we are to have them, should be elected by the first-past-the-post system. Whichever candidate gets the most votes should be elected. That is the tried-and-tested method of elections in this country, and I see no need to change it.

I do not believe that 16 and 17-year-olds should vote in these local elections. Let me give just one example of the unintended consequences of such a move. If someone votes in local elections, it is reasonable to assume that they should be paying council tax. A single parent with a 16-year-old living at home would, at present, be entitled to a 25% single person’s discount on their council tax. If their son or daughter gets the right to vote, should they not then lose their 25% discount and have to pay their council tax in full? This has not been fully thought through.

I hope, for the sake of my constituents, that this Bill does bring about the benefits that have been suggested, but I do not think that many of them will be losing much sleep about it. For all that we get worked up about it, they want to see real improvements in the services they receive rather than tinkering about with the mechanics of local government.

4.24 pm

Liam Byrne (Birmingham, Hodge Hill) (Lab): I am very pleased to be able to speak in this debate. I want to support the Bill and the principles at its heart, and to join many Labour colleagues in paying tribute to the Secretary of State for the way in which—with the guile, cunning and charm for which he has become famous—he has pursued the principles we are debating. This afternoon, I want briefly to encourage the Secretary of State to be more flexible on the one hand and more ambitious on the other.

I was not actually born in a town hall, although at times it felt like that. I am the son of a local government officer who, inspired by the practical idealism of the new towns movement, spent his career in town halls around the country. I grew up in a home in which the practical idealism of the Attlee Government was very much part of the atmosphere. I support the Bill not because of that upbringing, but because of my experience as a Minister in the Cabinet Office, in No. 10, in the Treasury and, most importantly, as the first Minister for the west midlands. Every lesson that I learned in that time in government taught me that decisions are made faster and better if they are taken locally.

Many Members of the House will have seen the glory that is the new New Street station. For years, Whitehall ran around the issues, ran away from the issues and failed to get the funding in place. It was only once we had a Minister for the west midlands that we were able to get people in a room, bang heads together and make sure that the deal was done. Four or five years later we can celebrate exactly what can be done when we get power out of Whitehall and vested more locally.

I want the Secretary of State to be more flexible in his approach to metro mayors. As a keen student of local government history, he will know that we only ever make incremental progress in this country. If we can encourage more power to leave Whitehall by encouraging authorities to come together, we should not let the issue of metro mayors get in the way, but just get on with it.

The real message I want to give the Secretary of State is that he needs to be more ambitious. The Bill strengthens his hand in relation to local councils in this country, but not in relation to other Departments. When I was Chief Secretary, we invented the new concept of Total Place, which showed the ideas and savings that could come from putting services together. I was also the chair of the Manchester Whitehall group, and I had to negotiate with other Departments for the powers we gave to Manchester. I can tell the Secretary of State that that was like drawing teeth. If he is to make the impact we think he could, he needs powers in relation to other Departments to force them to give away the powers that will make the difference locally.

I will illustrate that point with a few comments about my home town of Birmingham and the combined authority of the west midlands. As the Secretary of State knows, the challenge we face is that wealth per head in our region is 20%, or about £4,000 a year, below the national average. Our knowledge economy—the jobs of the future—is actually shrinking, not getting bigger. In fact, it has 2,000 fewer jobs than it had before the recession, whereas other regions, such as the north-west, have about 35,000 more jobs. We can expand opportunity for the people we serve only if we can create a bigger knowledge economy for the years to come.

We therefore need more powers locally over science, skills and start-ups. First, on science, I want our region to be the enterprise and engineering capital of the country, but our universities currently draw just 3.5% of their income from the science budget. We need a bigger science budget and a bigger budget for the work that universities and industry can do together, and we need our combined authority to be able to shape those projects locally for the years to come. We have great firms, such as Jaguar Land Rover, and the serious gaming industry around Coventry, but at the moment we do not have enough resource or power to put together our university powerhouses with our industrial powerhouses to do great things for the future.

Secondly, we need more powers on skills. We need to create in the west midlands a German-style dual-track system that would allow our young people to take an earn-while-you-learn route up to degree level skills. Right now, just 200 young people in the west midlands are on such a route to a degree level skill, including just 70 in the great city of Birmingham and just 10 in Wolverhampton. We should be giving at least half of our young people an earn-while-you-learn route to a degree. That would be in line with Government policy, but we cannot do it because we cannot bring together apprenticeship agencies and colleges, we cannot co-ordinate with academies and university technical colleges, and we do not have much latitude to co-ordinate with universities. We could pull that together in a new system in the west midlands, if only we had the power and resources to do so.

Thirdly, we need more power to support an entrepreneurial revolution in our region. That was always the way in which we made our fortune. A new business is opening every 43 minutes in the west midlands. Up in Manchester, 20% more businesses are opening than in the west midlands. We need to be able to deliver more enterprise training and more start-up loans. Those are the kinds of powers that we need to make a difference.

That is why I say that the Secretary of State needs to be more ambitious with the Bill. He needs more powers in relation to other Whitehall Departments if he is fully to achieve his ambitions. If we get that right, there is a great deal more that we can do. There is no better example than Sir Albert Bore, whom my hon. Friend the Member for Birmingham, Erdington (Jack Dromey) praised earlier, of what can be done. I hope that the Secretary of State gives us the powers to get on with the job.

4.31 pm

Derek Thomas (St Ives) (Con): I listened intently to the shadow Secretary of State's response to the Secretary of State. He suggested that the devolution agreements so far had been imposed on local communities by the Chancellor of the Exchequer. I can only speak from our experience in Cornwall, which is of a rural area that has advanced a significant way into the nuts and bolts of the detail of a deal. We are way beyond aspiration. I believe that there will be a Cornwall deal.

I assure the House that that deal comes in response to the long-standing desire of the Cornish people for a greater say in key decisions and greater control over the delivery of public services such as transport, health and

economic regeneration. Cornwall Council, health leaders and the six MPs have been intensely involved in the development of the Cornwall deal with the Secretary of State, not the Chancellor, and it does the good people of Cornwall and all those who have worked so hard to get where we are today a disservice to suggest that it has been imposed from the top down by the Treasury.

As a Cornwall MP, I have good reason to welcome the Bill. Our keenest challenges in Cornwall and on the Isles of Scilly are addressing the wage gap with the rest of the UK and bringing meaningful integration between health and social care. Cornwall should no longer accept its low-wage economy. Our low wages harm people's ability to access the housing they need, encourage an exodus of young people as they seek well-paid jobs elsewhere, reduce the money that people have to spend in our town centres and hamper efforts to provide well-resourced community facilities and services.

What the Bill allows and the Cornwall deal achieves is a greater resolve than ever before to tackle the well-documented deprivation in Cornwall. They provide the tools to address low wages by giving local elected representatives and business leaders the necessary powers, tools and resources to create the skills and jobs we need. In Cornwall and on Scilly, we welcome that and relish the opportunity to use the expertise and goodwill that exists locally to sort out the problem of our low-wage economy.

More than ever, we need the meaningful integration of health and social care in Cornwall and on the Isles of Scilly. The current scene is confusing and wasteful, and patients are not getting the care and support that they need and deserve, and that could be available to them. The Cornwall deal brings all those who are concerned around the table. Already, work is being done to understand how services can be integrated, patient care improved and resources concentrated where they are needed most. The deal builds on pioneering work that is already taking place to integrate health and social care, particularly by the Penwith pioneer project in my west Cornwall constituency. It is my belief that the Bill will increase the pace of the development of integrated services.

Finally, Cornwall Council has led the way over recent years in devolving responsibilities to town and parish councils. The problem is that there seems to be a habit of devolving responsibilities with no funds attached. There is an appetite among town and parish councils to take on services so that they can be delivered closer to home. I would welcome it if the Government took the lead, through the Bill, in enabling local councils to cluster together, if they choose to do so, to take on services and receive the funding that they need to deliver them for the people they serve.

4.34 pm

Andrew Gwynne (Denton and Reddish) (Lab): I will start by breaking the habit of a lifetime and agreeing with some of the contribution made by the hon. Member for Bury North (Mr Nuttall). I also urge the Secretary of State not to get too carried away with identity, and I will let him into a secret: I am a proud Mancunian by birth, and also a proud Dentonian. I suppose I am a Greater Mancunian, because I was born two months after the local government reorganisation. Many of my constituents will have allegiances to their old historical counties. Someone who lives in Denton and Audenshaw

[Andrew Gwynne]

in my constituency is Lancastrian, but someone who lives in Dukinfield is from Cheshire and proud of it. Someone who lives in Reddish, Heaton Chapel or Heaton Norris in the Stockport part of my constituency has dual identity, because they started off in Lancashire in the 20th century, and were transferred to Cheshire when the area became part of Stockport county borough. People identify with their old historical communities as much as they do with the reality of local government administration on the ground.

I disagree with the hon. Member for Bury North in that when the Government of the late Baroness Thatcher abolished the old Greater Manchester Council—along with other metropolitan county councils and the Greater London Council across the river from here—she did not do so to create a patchwork of unitary government. The then Government recognised that it was impossible to create unitary government in the metropolitan counties because some functions had to be carried out at county-wide level. We ended up with a hotch-potch of joint boards: the Greater Manchester passenger transport authority, Greater Manchester waste disposal authority, Greater Manchester fire authority, and Greater Manchester police authority. There were still functions at county level.

The difference was that in many respects those bodies were less accountable than the old Greater Manchester Council which, for all its faults, at least had directly elected representation. The problem with joint boards—we see this today with Transport for Greater Manchester—is that although they include councillor representatives, the district councils do not hold those councillors or that joint body to account. In some respects, having some level of direct accountability at city region level makes sense.

My concern is about the accountability of the individual. I accept that the mayor will be accountable to the electorate every four years in local elections, but the difference between the London model and that proposed in Greater Manchester is that a small Assembly at London level holds the Mayor of London to account. It has a call-in procedure and can question the Mayor, but I do not see where that function lies in the Greater Manchester model. I was pleased to hear the Secretary of State say that he expects the call-in procedure and key procedures on Cabinet decisions at local government level to apply to the mayoral model for metro mayors, and I look forward to him fleshing that out.

Part of the problem with a combined authority—certainly the Greater Manchester model—is that each of the 10 council leaders in Greater Manchester will have an executive portfolio. They are the Executive, and there is nobody to hold them to account. There is no clear process to call in Cabinet decisions that affect one or more metropolitan districts in Greater Manchester.

Barbara Keeley: My hon. Friend is making excellent points, as did the hon. Member for Bury North (Mr Nuttall), with whom I found myself in agreement for the first time in my 10-year career. The key point is the lack of accountability, which will not be improved in the ways we are looking for. Transport for Greater Manchester has been doing a major infrastructure project, and my constituents are at the end of their tether about the lack of accountability. They and I do not know who

to go to, and it has been a disaster. My hon. Friend's point about joint bodies is right.

Andrew Gwynne: I am glad my hon. Friend mentions Transport for Greater Manchester. One of the functions that will be passed to the mayor is transport and the regulation of the bus network. I very much welcome and look forward to that. I have to say, however, that I hope it is done in a better way than some of TfGM's current franchising arrangements. We have a deregulated bus system, but one area over which TfGM has responsibility for setting a network is school buses. Just this term, we have the bizarre situation whereby TfGM has awarded the school bus contract for Fairfield school—where, incidentally, my daughter studies—to Stagecoach for the mornings and Belle Vue buses for the evenings, and neither will accept the other's tickets. TfGM has set that contract and I think it is absolutely barmy. Quite frankly, if it cannot get it right with a school bus service I really worry about its capacity to set the whole network in Greater Manchester. I therefore hope we get better accountability and decision-making.

On devolution of health, my one concern is this: who is ultimately accountable for the NHS in Greater Manchester? It is not clear from the memorandum of understanding signed between the Association of Greater Manchester Authorities and the Government. The mayor seems not to be part of that memorandum at this stage and I hope very much that that is reviewed. If I were an NHS provider in Greater Manchester, to whom do I look to make the decisions? Is it NHS England, the combined authority, the mayor, or am I looking in all directions? That lack of clarity really needs to be sorted out, so we have clear levels of responsibility.

Mike Kane (Wythenshawe and Sale East) (Lab): My hon. Friend, a fellow Mancunian, is making an excellent impassioned speech about devolution. We are in favour of the devolution package, and the interim mayor, Tony Lloyd, will have powers over transport, business rates, skills retention and spatial planning. However, the problem as it stands is that the people of Greater Manchester do not know where the health portfolio is going to sit. Who will be accountable? At the moment, it will be one of the 10 local leaders. The devolution deal, as currently put forward by the Government, is not joined up.

Andrew Gwynne: My hon. Friend is absolutely right. We need absolute clarity from the Department of Health. I understand that the Secretary of State for Communities and Local Government will be having those discussions, but before devolution takes place Greater Manchester MPs need clarity.

On fire and rescue, the intention in Greater Manchester is for police and crime commissioner functions, and, eventually, fire and rescue, to go to the mayor. That might require an amendment to the Local Government Act 1985, which set up the Greater Manchester fire and rescue authority. I do not see anything in this Bill relating to that. Perhaps it can be dealt with by a statutory instrument. I hope the Secretary of State will confirm that the intention is still to devolve them.

I want to make a plea about local government funding. Greater Manchester has agreed to a pooling and sharing of business rates. I very much support that, because some parts of Greater Manchester have more potential

to grow the economy than other districts in the county, and it is right that we share that wealth across the whole of the conurbation. The funding is still very important, because we have a low council tax base. Unless there is a stratospheric increase in business growth, we will not fill the gap. That is where Ministers' plans might fail.

4.44 pm

Mr Ranil Jayawardena (North East Hampshire) (Con): I am pleased to rise in broad support of the Bill not only as a Member of Parliament for Hampshire, an area that has put forward a proposal for a combined authority, but, like many Members, as a former councillor. I served as deputy leader of Basingstoke and Deane Borough Council, representing a ward within my constituency, and saw at first hand the potential local government has to deliver for local people.

The borough council invested its resources, on behalf of taxpayers, into regeneration schemes, and I was pleased to sign off a number of projects bringing a plethora of new businesses to Basingstoke, ranging from a market-leading Waitrose and John Lewis at Home combined store to a small Costa Coffee drive-through. In making those investments—I stress that they are investments, not spending—the borough council was able to keep its council tax, which is unchanged for six years, the sixth lowest in the country while having the sixth highest spend per head.

David Mackintosh (Northampton South) (Con): Does my hon. Friend agree that freezing council tax is a good opportunity for local authorities to not only provide efficient services, but help hard-working people during difficult financial times?

Mr Jayawardena: My hon. Friend knows from his distinguished service as leader of a borough council that it is absolutely right for local councils to do their best by their local communities. Indeed, the Hampshire combined authority is doing what he says. It states:

“We will live within our means”.

That is embedded in its proposal, and that is one reason why I want further devolution of powers. Councils should be able to take responsibility for their own funding, and local people should be able to shape the future of their area.

As Hampshire's proposal recognises, it is of the utmost importance to have control over planning and infrastructure, too. The Hampshire combined authority proposal states:

“We will protect the local character of our diverse area”.

Combined authorities provide a great opportunity for Government to devolve more planning powers to a local level. Of course, with great power comes great responsibility. As the hon. Member for Bootle (Peter Dowd) has said, combined authorities should be able to set out new strategic plans identifying broad areas where housing growth can be developed in a timely fashion, where new homes will genuinely support growth by supporting economies that are underperforming, and where infrastructure investment is required to unlock the right development.

Mrs Flick Drummond (Portsmouth South) (Con): As a fellow Hampshire MP, I am delighted that my hon. Friend has been able to speak. Does he agree that the

Bill will enable us to work with the Hampshire authority to build infrastructure, particularly a fast railway, which will help the southern part of the county?

Mr Jayawardena: My hon. Friend is a passionate champion of faster railways, and I agree that it is important not only that we build the right homes in the right places at the right time, but, crucially, that we have the right infrastructure. She makes her point very well indeed. I will come back to infrastructure in a moment, because it is a very important issue.

The Secretary of State has said:

“We are determined to end the hoarding of power in Whitehall”.

I commend that, but it should apply to Bristol, too.

The Hampshire combined authority proposal says:

“We will build more homes”.

In return, instead of a planning inspector deciding whether or not an appeal is justified, we should trust local people to monitor and review decisions made in their own local area. Combined authorities should be able to set out that important open spaces between settlements are maintained by restricting the growth of some towns and villages ever outwards, preventing distinct communities, each with their own unique charm, from becoming urban sprawl. And yes, combined authorities should be given powers over green belt, including the ability to create new green belt, providing certainty about the future to residents and communities as part of a development deal.

I have always been clear, however, that I want brownfield development to be prioritised, instead of greenfield being developed unnecessarily. There is plenty of brownfield land in my own constituency and in neighbouring areas, although it is not all being promoted for development at present. I would like North East Hampshire to become a beacon of top quality, 21st century, architecturally mighty brownfield regeneration. It is such a shame to see rundown buildings, but my constituency has such an opportunity. I genuinely believe that the demographics and geography of North East Hampshire mean that communities could be transformed for the better, uplifted in look and feel, and improved in quality of offer. That will happen through assembling landownership in the centre of communities, building iteratively through an area and sticking to a common vision.

To return to my hon. Friend's point, the Hampshire combined authority proposal states:

“We will invest in infrastructure”.

It is clear that infrastructure improvements are an absolute necessity, and local government has a role in that part of the equation. Whether the land is brownfield or greenfield, infrastructure is critical in ensuring that these developments not only provide homes for our friends and children but take the opportunity to improve the way of life for existing residents. Whether the land is brownfield or greenfield, development should not come before infrastructure. That is why I welcome Hampshire councils' proposal, which specifically sets out a 10-year transport investment fund to be used significantly to improve our roads and public transport. That is a good start, but in planning our future we must also look to the past. As I mentioned a moment ago, we should think about the existing infrastructure deficit and how it can be mitigated so that existing residents end up with a better deal.

[*Mr Jayawardena*]

It is only right that infrastructure should be delivered alongside any new development rather than communities being left hoping for improvements in the future when our roads are already jammed and our trains are already crammed. I urge the Secretary of State to consider how infrastructure deficits can be remedied through devolution and how communities can secure infrastructure improvements ahead of agreeing to development, whether through strategic plans, local plans or neighbourhood plans, so that they are confident that infrastructure will be delivered, as that has too often not been the case. There is another way to fund infrastructure, of course. If regeneration is led by combined authorities and by local government, the profit that local government can make from redevelopment if it owns the land allows reinvestment in infrastructure or for the benefit of taxpayers. That is particularly important with brownfield sites, since sites might not be viable after taking into account a developer's profit if they are also required to pay the community infrastructure levy and section 106 at the normal level.

Through that vision of active local government, brownfield regeneration will genuinely benefit local people rather than simply the shareholders of a developer through improved infrastructure and lower council tax. I strongly believe that local government has a role to play in outlining how it wishes comprehensively to improve its built environment.

That takes me to compulsory purchase orders. I believe, perhaps unusually for a Conservative, that CPOs can be in the public interest, and they should be streamlined. Through devolution, there is a great opportunity to do that. The national infrastructure plan identified that it was critical in making available more brownfield land.

Let us be ambitious about devolution. Let us devolve powers to local councils to decide the future development of their area. Let us reform compulsory purchase powers to kick-start brownfield regeneration and improve communities for residents new and old. Let us enable that much-needed infrastructure for existing communities, and, above all, let us deliver devolution that has democratic roots in the community, in keeping with the core purpose of devolution—greater power for local people and a greater Britain for all.

4.52 pm

Tom Brake (Carshalton and Wallington) (LD): I shall support the Bill on Second Reading. It follows closely some of what the Liberal Democrats were proposing through devolution on demand, which was also advocated by the Chair of the Select Committee, the hon. Member for Sheffield South East (Mr Betts), although we would like to go further by offering a menu of powers that local authorities could take, perhaps without needing to go through the bargaining and bartering process that has taken place with the city deals. We welcome the Bill, but we would like to go further. We have consistently supported devolutionary measures over many years, from the Scottish Parliament through to the changes in Cornwall.

I am enthusiastic about the Bill, but I would not say that I was violently enthusiastic, as one Conservative Member did earlier. My enthusiasm is tempered by

what is happening to local authorities' budgets, which are under huge pressure. I am sure that this is true for all Members in the Chamber this afternoon, but my local authority, having made as many savings as possible though initiatives such as combining back-office functions with other local authorities, is now having to make some serious and more challenging decisions about libraries and youth services.

As I said, we will support the Bill on Second Reading. I am surprised at the position taken by the official Opposition, and I am afraid I agreed with those senior Labour Back Benchers who expressed surprise and concern that it might be more about opposition for opposition's sake than about concrete concerns. This is genuine devolution on offer, and local authorities should be willing to grasp it.

I wish to comment briefly on some of the amendments made to the Bill in the other place. Greater accountability was built in, which is essential, particularly if there are to be many more elected Mayors. I hope that the sort of scrutiny one sees in London, with the London Mayor and London Assembly, will happen for elected Mayors in combined authorities. I do not want to be suspicious of what the Secretary of State said earlier, but he seemed to be saying that elected Mayors would not be imposed, but in subsequent questions, the look on his face suggested that perhaps there would be some imposition. From the discussions behind closed doors, which others have referred to, it seems that there will be a requirement for elected Mayors to be adopted. I agree there is a fundamental question about what sort of governance structure an authority puts in place if it does not have an elected Mayor but, as I said earlier, combined authorities should be able to decide that question.

Mr Kevan Jones (North Durham) (Lab): That has not been the Government's approach in the north-east, where combined authorities have been told, "You can have an elected Mayor. Take it or leave it."

Tom Brake: Indeed, and that is not something I would support. It should be for the combined authorities to decide.

I do not think the Secretary of State mentioned votes for 16 and 17-year-olds, which are provided for in the Bill and are my reason for supporting it on Second Reading. Whether we support it in future stages, however, will depend on what he intends to do about amendments around the imposition of elected Mayors, votes at 16 and 17 and allowing Bristol, for instance, to vote in a referendum to get rid of its elected Mayor. If people are not happy with a governance arrangement, they should have the power to change it.

I want to stress our concerns about the concentration of power in elected Mayors. The Secretary of State will know that under the first-past-the-post system, one party often ends up controlling an authority, and potentially all the combined authorities, even though the percentage of votes cast for it should not give it a majority. One of the central questions is how to ensure that the powers of the Mayor are checked by the appropriate mechanisms.

I am pleased with what Lord Warner, Lord Patel and Baroness Walmsley did at the other end to make it clear that NHS standards would apply, because we needed some certainty about that.

In conclusion, however, whether our support continues into Committee will depend on what the Secretary of State intends to do about some of the positive changes made in the House of Lords around elected Mayors, votes at 16 and ensuring greater accountability for the proposed new governance arrangements. The Bill is a positive development, but there are still some areas to watch.

4.59 pm

William Wragg (Hazel Grove) (Con): I am grateful for the opportunity to speak on the Bill, and like several before me, I do so to highlight specific reservations that if left unaddressed could lead to significant problems on the road ahead. I wish to speak candidly about these proposals and urge improvement while there is still time. I also speak on this matter with a degree of direct experience of local government within Greater Manchester, having served as a councillor on Stockport borough council prior to being elected to this place.

Speaking as a former councillor, I firmly believe in strong and accountable local government, and believe that many services and powers can best be decided on, provided to and voted on geographically close to the people they affect. Too often, Westminster is seen as too remote or out of touch to do an effective job in that regard. To this end, I believe that appropriate powers should be devolved to local people where they are clearly of benefit to, and demanded by, local people. I am sure that this is what the authors of the Bill intended at its inception, as well as to deliver on a manifesto commitment to “devolve powers and budgets” in order to deliver local growth. In its current form, however, I feel that in places it falls short of this aim and in other respects goes too far. It also raises important constitutional questions about which I am currently uneasy.

The Bill would enable the creation of elected Mayors for combined local authorities to exercise budgets and powers relating to transport, housing, local business, skills, health and in some cases policing and planning. These powers will be both drawn up from constituent local authorities and drawn down from central Government, and in the case of Greater Manchester, would result in a command of a portfolio in excess of £6 billion a year. This makes the new Mayor, and others to follow, the most powerful politicians in England outside Westminster and Greater London. It is right, therefore, that such a post should be chosen by, and answerable to, the people.

The Bill proposes a system for electing this new Mayor in 2017—you can't say fairer than that. However, colleagues from outside Greater Manchester—and, I dare say, a few people who live in Greater Manchester—may be surprised to learn that although the Bill is only having its Second Reading today, this new Mayor of Greater Manchester is already in place and has been in office for four and a half months. At the end of May, the interim Mayor was appointed by a handful of councillors—the leaders of the 10 metropolitan boroughs of Greater Manchester. The successful candidate was Tony Lloyd, the Labour police and crime commissioner for the county. His opponent was Labour's Lord Smith of Leigh, himself the leader of Wigan council. Neither candidate published any manifestos, did any campaigning; made any public appearances or answered any questions from voters or journalists. The decision was taken at a meeting held in private without any public involvement.

The only hustings were behind closed doors at four events where colleagues of the two men—fellow Greater Manchester politicians—could ask questions, and even those had to be pre-submitted in writing.

It appears, sadly, that the democratic revolution that the Bill is meant to create does not at this stage involve much democracy. Happily, however, that point was not totally lost on the interim mayor himself. As quoted by *The Daily Telegraph* in May, he said:

“There is no sense that what we're delivering for the people of Greater Manchester is owned by them and believed by them to be in their interests, and we've got to change that.”

How we are to “change that”, however, is not clear. Unlike in London, there will not be an elected assembly holding the interim Mayor or his elected successor to account. Unlike in London, there will be no statutory public question times, where anyone can turn up and ask the Mayor a question. Unlike in London, almost nobody in Greater Manchester even has the faintest idea of what is happening.

Important questions are still to be answered. How powerful will the new Mayors be in relation to their boroughs or in relation to Members of Parliament? Will the Secretary of State be able to confer more powers on Mayors at a later date? Will this require further legislation? Will those in this House or local councils, or even voters, get the opportunity to support or resist these future transfers? What are the safeguards against metropolitan district powers being transferred to the elected Mayor? Is there any provision for these councils to have a mechanism whereby they can withdraw powers without penalty? Can we include strengthened safeguards for metropolitan districts to have the power of veto?

Barbara Keeley: I am very interested in the hon. Gentleman's speech. If he is against the imposition by his Government of an elected Mayor on Greater Manchester, would he have preferred, in common with some other hon. Members, to have a referendum Greater Manchester-wide on this issue?

William Wragg: The hon. Lady anticipates a future paragraph in my speech; if she will wait with bated breath, she will have her answer.

The questions I mentioned are just the tip of the iceberg of what needs to be addressed and revised in order to make these measures acceptable. So far, the matter of devolution to Greater Manchester and the creation of a directly elected Mayor has been very much distant from the general public. Elected by nobody, scrutinised by nobody, known by nobody, and paid a fortune, controlling an even larger budget, the new interim Mayor carries a distinct air of illegitimacy. Of course, those are just my concerns, speaking as an MP with a conservative approach to constitutional affairs.

As I said at the outset, I am in favour of the devolution of appropriate powers when they benefit, and are demanded by, local people.

Mr Nuttall: As a councillor in the constituency that my hon. Friend now represents, and in his current role, has he found much enthusiasm among his electorate for the creation of yet another tier of local government?

William Wragg: I must say that I have found very little enthusiasm among my constituents for the creation of another tier of government at any level.

[William Wragg]

One way of settling this question would be to test it by means of a referendum in Greater Manchester. Presumably other cities could follow suit, and could express their will emphatically. I know that this is not a new idea—it has been circulated by others who are cautious about these proposals—but so far it has met with resistance, which naturally raises the suspicion that one reason why voters have been cut out of the process is the fear that they would make the wrong decision.

We should remember that, in 2012, referendums on the introduction of elected mayors were held in major cities across the country. The people of Manchester rejected the idea, amid concerns about “an elected dictator”, as did all other cities apart from Bristol; and the portfolio of the Bristol mayor is but a sliver of that which is proposed for Greater Manchester. There should be serious reflection about this, and the Government should explain why the needs for a referendum now, to enact the proposals in the Bill, are any less great than they were in 2012. Indeed, since the people of the city of Manchester and the borough of Bury—mentioned earlier by my hon. Friend the Member for Bury North (Mr Nuttall)—rejected directly elected mayors in referendums, many might ask why this mayor is being forced upon them.

Let me end by saying, perhaps surprisingly given the tone of my speech so far, that I will apprehensively support the Bill’s Second Reading. I stress, however, that significant amendments need to be tabled in Committee and on Report to address these serious concerns and head off mounting disquiet among all parties and all regions about the powers in the Bill and the precedents that they set.

If I have ruffled any feathers on this side of the House this afternoon, I hope that my hon. Friends will forgive me. I stand here as a loyal member of the Government’s party, fortified by the manifesto on which I stood. Page 13 of that document—which was roundly endorsed by more than 11 million people in May—states:

“We will devolve far-reaching powers over economic development, transport and social care to large cities which choose to have elected mayors.”

I merely ask this: where, so far, as that choice been for the people of Greater Manchester, and when is it going to come?

5.7 pm

Catherine West (Hornsey and Wood Green) (Lab): I should declare an interest, as a vice-president of the Local Government Association.

I welcome the debate, and I welcome the shadow team’s involvement in a slightly larger remit including a constitutional convention. I think that if we were to look closely at other models of an upper House, or a bicameral system, we could discover a great deal about the regional differences to which many Members have referred today.

Let me say a little about some of the other points that have been made by Members on both sides of the House. First, I share the considerable reservations that have been expressed about Sunday trading and the impact that it might have. Secondly, let me draw Labour Members’ attention to something of which they may not be aware. A voluntary tourist levy has been introduced

by the London borough of Hackney, and I suggest that they have a look at it, because it is a great example of the way in which a business approach can occasionally be combined with people joining in voluntarily. The levy is spent directly on such functions as the cleansing of the borough.

I wanted to make a couple of points about the question of mayors, which was raised by the hon. Member for Hazel Grove (William Wragg). There is a predominance of male mayors, and I think we should look at that. I do not think enough women are either council leaders or mayors, and I suspect that that is why I was invited to become the vice-president of the LGA. When I last looked, 88% of council leaders or mayors in the country were men, and I am sure that very few of them are black or ethnic minority.

We also need to look at the possibility of fixed terms, because in some areas there will always be a Labour mayor and or there will always be a Tory mayor. In such areas, having three fixed terms might be a way of slightly loosening things up for people coming through who want one day to be the mayor. We need to be brave and consider that, even though it is not an easy topic to raise with people who currently hold the role.

I wish to address the three key areas, the first of which relates to capital budgets and housing. There is no reason why we have to wait for this Bill to go through; we could easily allow councils to borrow to build homes. If the Government really want to be radical and non-ideological, I suggest they try a Treasury-approved scheme whereby certain councils that are keen to build homes, perhaps in London and the south-east, are permitted to do so. That would get around our forever lifting borrowing caps and things; we could just allow certain schemes to come through. The all-party group for London is examining a particular scheme and will bring that to the Government’s attention. In parts of the country where housing is not such an urgent issue, we might be able to consider, for example, certain transport capital projects, so that we are being innovative and not waiting for this whole process to go through. We could look at Treasury-backed schemes to undertake transport projects in parts of the country where housing is not the key capital issue.

My second point is about skills. In the London context, the LEP is not best practice, because the scale does not work; it does not connect to local communities. Perhaps it does in Manchester or in other parts of the country—I do not know enough about that. On skills and employment, local boroughs—large unitary authorities—that have a billion-pound turnover are big enough to have a LEP of their own. We should be a bit more ambitious than what is currently on the table in respect of skills and unitary authorities.

My final point is about the health revenue stream. There is currently no incentive for a local government leader to do any prevention whatsoever; there is not enough money so why do it? We have to consider a mechanism whereby when it comes to the end of February, local council leaders are doing the right thing because they know it is the best thing for the public purse, because the saving goes back to the NHS. We have to think of a way of being really creative so that local authority leaders are doing the right thing on prevention, rather than being penalised because they are doing prevention, which is slightly more expensive; they spend

more money and it saves the NHS money, so there is no recycling there of the budget. I wonder whether our very clever civil servants could think about getting together with the Department of Health to carry out some experiments on that.

I also wish to raise three issues of governance in the London council context. First, voluntary committees are currently considered capable by Departments of receiving appropriate delegations and funding as part of the devolved settlement in specific service areas. We need to be given reassurances that the governance framework matches what we need to do because, as I said, London is of such a scale that the Manchester model does not quite fit, but neither does one of sub-regional partnerships.

My second point relates to the issue of the Mayor versus the boroughs. It is not a party political point, because this is just how it works. We need to ensure that voting rules do not preclude the protection of minority interests; a 50% plus 1 arrangement would not provide enough protection between boroughs or between boroughs and the Mayor. That needs to be looked at in more detail.

Finally, joint committees remain capable of being entered into and being left by individual authorities rather than by external direction, so there is a bit of an opt-out—

Madam Deputy Speaker (Mrs Eleanor Laing): Order. I call Robert Neill.

5.14 pm

Robert Neill (Bromley and Chislehurst) (Con): Thank you, Madam Deputy Speaker. I warmly welcome the Bill, which places my right hon. Friend the Secretary of State, who is a friend in more ways than one, in a very great tradition of Conservative municipal reformers. It is worth remembering that a great deal of the architecture of local government as we now know it is due to Conservative radicalism. We can trace this back through the work of Richard Cross, Disraeli's Home Secretary, the work of the Salisbury Administration and the creation of county councils, as we know them, in the Local Government Act 1888, and the creation of the forerunners of the London boroughs through the municipal reform legislation of the 1890s. They were all the result of Conservatives who were prepared, where necessary, to shake up the mix a little when they realised that the existing structures needed to change, to be built on and to be reformed.

If my right hon. Friend looks at some of the debates then, as I had the chance to do, he will see that Salisbury's Home Secretary, Ritchie, was told that the vestries were all doing perfectly nicely and there was no appetite to change them, that people would be very happy with that, and that the idea of a London-wide council was most dangerous because the rates were much lower in Paris, as the Paris city council existed only for the discussion of communistic principles. One or two things have changed, I suppose, and my experience of London council leaders takes me nowhere near that route.

Those who want to use local government as a dynamic force sometimes have to fight against a degree of institutional inertia. We sought to do that in the previous Government with the Localism Act 2011 and with the reform of local government finance. The Bill is a further

step on the road. The Secretary of State was right to talk of it as a suite of powers that are being given. There are those who may say that some powers come with conditionality attached, but it is up to the councils concerned to decide. If they want that devolution, it is not unreasonable to accept the condition of direct accountability that goes with it, so I have no difficulty with the Government's proposal in that regard. If councils have so great an objection to a directly elected chief executive, which has worked perfectly well in London, they do not have to apply for devolution. That is the simple answer. Enlightened self-interest will, I am sure, make any sensible council willing to apply.

My own experience of London government has been that the traditional format of London-wide governance in the Greater London Council did not succeed, whereas a much slimmer, more strategic Greater London Authority with a directly elected and accountable Mayor—a direct focus point for the people of London, and a direct focus point for inward investors to London—has worked, particularly when collaborating with the second-tier authorities. That is the model that the Government are moving forward and we should endorse it.

The reason I intervened on the Secretary of State earlier about the financial powers is that it is important that we see this change also in the context of the very important announcement at my party's conference of the return of the business rate to local government. The two go hand in glove, although they are not legislatively linked, because the creation of good-size combined authorities creates the critical mass for those authorities to work as economic drivers. It is accepted that we will have to raise funds for that economic investment. They will have the size and scale and, if they are sensible with their use of the retained business rate, the ability not only to invest directly but, for example, to promote further the already fledgling municipal bond market, which would be regarded as the norm in most other advanced democracies, but which we have lacked in the United Kingdom.

Reference has been made to the undoubted need under the new financing system to have some form of equalisation. We all accept that. A very interesting piece of work has been done through the Independent Commission on Local Government Finance which suggests that it might well be possible to do that equalisation not necessarily on a single national basis, but on a sub-national basis. If, as I hope is the case, we see combined authorities and other authorities voluntarily pooling their business rate receipts because that makes sense, particularly if the combined authorities are to be based upon natural economic units so that the development area is not likely to be in the area of one single constituent authority but within the combined authority, the logic then for pooling business rates is all the more enhanced. That provides the critical mass to borrow against that income and perhaps the ability to deal with at least some elements of the equalisation within that pool, instead of a one-size-fits-all formula. That opens up a very considerable number of opportunities.

My final point is London-related. London does not feature specifically in the Bill, but I echo the point made by the hon. Member for Harrow West (Mr Thomas) that many people feel that London's devolution is not finished business. I hope the Secretary of State will look favourably upon a London devolution bid brought forward

[Robert Neill]

by the Mayor and the London boroughs, consistent with the terms of the Act. We, too, are anxious to be part of that continuing devolution.

I strongly commend my right hon. Friend. He will certainly have my support. We ought to seize the opportunity, which is entirely consistent with the one nation Toryism that he, I and many others signed up to.

5.20 pm

Daniel Zeichner (Cambridge) (Lab): In my experience, one of the most persistent criticisms over many years coming from people living in shire areas is that the public are generally baffled about who runs their local services and who is responsible for what. I have to say that looking at the fine technical detail of this Bill with its combined authorities, its LEPs and its EPBs, its contiguous and non-contiguous doughnuts, I doubt whether anyone is going to be much the wiser afterwards, because we still live in a highly centralised state and it is clear that the Treasury in particular ceding any power, if at all, will be done through fiercely clenched teeth with an expression of agony at the prospect.

That is the problem with this Bill: it is all so complicated and difficult, and it is simply not up to the scale and immediacy of the challenge the country faces, because while we debate the minutiae, the world moves on, and we tie our hands. This is such a missed opportunity.

Last week in my city of Cambridge, Cambridge Ahead, a business-led organisation that really should have the full support of this Government if they cared to look at it, laid out the case for Cambridge. It is a unique partnership of local authorities, businesses and our world-leading universities, with cross-party support from our three local MPs. Cambridge Ahead last week explained the choice not just for the city, but for the sub-region and one of the key drivers of the UK economy.

The choice is very stark, because by any measure Cambridge is a hugely successful city, with 25 of the world's largest corporations, but unless we can tackle the huge problems of housing, transport and skills that have to be tackled locally—that is why this Bill matters—that success cannot be maintained. Be in no doubt, future success is not inevitable, and if Cambridge stalls I suspect much of the UK stalls, too.

At last week's event I was very struck by the comments of Antony Mattessich, managing director of Mundipharma International based at the Cambridge science park employing hundreds of people. Like so many Cambridge companies, it is not a household name, but these companies are very important and he told a very familiar story about how he came to Cambridge, how he fell in love with the city, and how well the company does here. Yet, with housing so expensive and transport so difficult, it becomes increasingly hard to persuade key people to come here, so they choose other places such as San Francisco and other parts of the world that are our direct competitors—and where the key people go, so they build their teams, and so we gradually lose out. It is a story I hear time and again in Cambridge.

It was writ large a few years ago when AstraZeneca chose to move to Cambridge from the north-west, a move that I know was very disappointing for those

representing that part of the country. But the key point is that if it had not come to Cambridge, it would not have stayed in the UK; it would have gone elsewhere in the world. It was a very fine decision, and unless we get ourselves sorted out soon there is no guarantee that we can achieve the same good result for the UK the next time a major company faces a similar choice.

So this is not about special pleading for one part of the country; it is about making sure the Government's rhetoric about competing in the global race has any chance of actually being delivered. If the Government are serious—and given the political game-playing we will be having later tonight, that is open to question—Ministers should listen carefully to what serious people in Cambridge have to say about this. Their biggest single ask is to go beyond what is in this Bill and back to what was almost agreed in 2014 until the Treasury bottled it. A thriving city such as Cambridge can be trusted to make the major investments needed for transport and housing through a tax-increment financing approach. The research shows a three-to-one return on gross value added to investment.

If that was a business deal, we would do it. Business in Cambridge and around is crying out for it. Local people, unable to afford homes to buy and increasingly unable to afford homes to rent, are crying out for it. Workers stuck every day in hopeless traffic queues around Cambridge are crying out for it. The local newspaper demands it. There is just one major obstacle: the tired old thinking in the Treasury that always says, "No, you can't."

That is not how entrepreneurialism works, and that is not how Cambridge works. There really ought to be enough people on the Conservative Benches who understand that, and I suspect that the Secretary of State might just be one of them. My simple request is that the Government work with us to get the Bill into a state in which it will allow the Cambridge success story to continue, for the benefit not just of Cambridge but of the whole UK economy.

5.25 pm

Scott Mann (North Cornwall) (Con): On 16 July this year, an historic devolution deal for Cornwall was signed off by my right hon. Friend the Secretary of State for Communities and Local Government and the heads of Kernow clinical commissioning group, Cornwall Council and the local enterprise partnership for Cornwall and the Isles of Scilly. As the first rural authority to be granted devolution, Cornwall has been given the ability to franchise its bus services. It has also been given intermediate body status for EU funding and, crucially, greater powers over the health and social care agenda.

For years we have had nationalists in Cornwall calling for a Cornish assembly, blaming central Government for mismanagement and complaining about decisions being taken in London. I am proud to say that within weeks of securing a blue Cornwall and a Conservative majority Government, we put together the largest devolution package Cornwall has ever seen. This is in stark contrast to Labour's centralisation under unelected regional assemblies. Placing power squarely in the duchy allows Cornwall to take control over its own destiny, meaning that the people of Cornwall will have a greater say over their own affairs, and rightly so.

Mr Kevan Jones: I am pleased to hear what the hon. Gentleman is announcing about Cornwall, but will he tell the House whether the Government insisted that there should be a mayor?

Scott Mann: That was not the case, no. The powers were devolved to Cornwall Council, to the local enterprise partnership and to the business community.

I welcome the prospect of every local authority in the UK having the same powers that Cornwall now has. Local MPs, local councils and local business leaders will of course know what is best for their areas. It is my hope that this deal will empower local communities and make local authorities more accountable. There have long been calls in Cornwall to pull up the hypothetical drawbridge over the Tamar and to cut ourselves off from Plymouth and the rest of Britain. We can rightly be proud of our heritage, traditions and culture, but we do ourselves and our young people a disservice if we continue to navel-gaze. Our young people deserve better than that.

The nuts and bolts of the Cornish deal revolve around three main areas: buses, the European spending programme and the NHS, and I shall now address the issues involved. Cornwall's transport network has been dysfunctional for years. The train services rarely meet up with the bus timetabling, and the bus network is very fragmented. My area of North Cornwall has no train services, and my villages have a less than satisfactory bus service. Under the stewardship of Nigel Blackler, we will be implementing a smart ticketing service and a more integrated network. I am confident that we will deliver that very well.

In the past, Cornwall has been seen as an economically deprived area. We have received two rounds of EU funding through convergence and objective 1. The last round of the European spending programme was set to deliver 10,000 jobs, but it delivered only 3,500. The constraints that the European Union placed on the spending, together with a lack of any coherent strategy, led to a woeful return on the investment. Economic development has never been well delivered by bureaucrats, by local government or by the European Union. I believe that by placing the funding programme with the local enterprise partnership, we will have business leaders searching for value for money, working with colleges on vocational training and ensuring that every penny is diverted to business from business.

Cornwall's health services and social care providers are spread out and not working together. Many cottage hospitals in North Cornwall feel that they are under-utilised and could be providing more. Although the NHS is geared up around the primary care provided through the Treliske and Derriford hospitals, our GPs and services in the community are not being utilised to their full potential. I am in no doubt that handing this matter over to the Kernow commissioning group will help in the delivery of the service. However, as Superman's father famously said on Krypton:

“With great power comes great responsibility.”

The Cornwall deal asks leaders to deliver. It seeks inspiration, job creation and innovation. I say to the leaders of Cornwall council, the local enterprise partnership and the clinical commissioning group, “Now is your time. Show us your skill. Show us you can deliver for

Cornwall and I give you my word that devolution will not stop here from this one-nation Conservative Government.”

5.30 pm

Marie Rimmer (St Helens South and Whiston) (Lab): May I commend the Secretary of State for his genuine commitment to, and support of, local government? Indeed, given what we have suffered from in the past, it is a pleasure to have such a Secretary of State.

Let me put it on the record that local government is the most efficient part of Government. It has suffered cuts of more than 40% during this austerity period, which is more than any other part of Government. I speak as a former leader of St Helens council, which is resilient and has a very strong identity. It is, and always has been, innovative. Indeed, Michael Heseltine came to St Helens back in the 1980s to witness and observe the first public-private sector partnership, Ravenhead Renaissance, which I delivered as leader of the council. At the time, we were losing coal, glass and chemicals. We lost 30,000 jobs in 10 years. Many of those jobs have since been replaced, but sadly not in manufacturing. That is why I am so keen on the progress of advanced manufacturing.

My concern, and indeed the concern of the public that I represent, is about the elected mayoral model. St Helens, like Bury North, consulted all its residents back in 2004, and got a resounding no to an elected mayor. It went for a strong leader model. Some three or four years ago, we took a resolution through council, and unanimously decided—Conservatives, Liberal Democrats and Labour—that we were opposed to a city region elected mayor. Indeed, that is what would cause a problem in St Helens and perhaps in Knowsley. I know that Knowsley had a resolution against a mayoral model and it has since taken it back.

This is an enabling Bill. It is what is not in the Bill that is of concern rather than what is. Practically none of the specific responsibilities of this Bill is actually mentioned in it. What is concerning is the bilateral discussions that have gone on between the Chancellor and local authority leaders. They have not been transparent or open. Councillors—I remain a councillor and am aware of what is going on—are not aware of what is going on behind those doors, so heaven help the public. We talk about the devolution of power to communities and yet we deny those communities the right to decide whether they want a mayoral model. It just does not bode well. I was quite genuine when I commended the Secretary of State at the beginning of my contribution, so I ask him—I know that he listens to what is being said—to consider carefully whether having a mayoral model should be a prerequisite for devolution. It is simply not necessary. Indeed, I understand that Cornwall is having devolution without it.

The concern in Merseyside and in other areas—I hear it coming from councils in other areas—is that devolution is about the devolution of regulatory powers from Government to local government, city regions or combined authorities. There is great concern about, and talk of, statutory duties of local authorities being transferred to a mayor. Not everything that the city regions ask for will be granted at first, but some devolution will be granted on condition that they follow the mayoral model.

[Marie Rimmer]

The concern is that local authorities' statutory duties will be transferred up to a mayor who will be unaccountable, although there will be oversight by the elected leaders.

Mr Kevan Jones: I am listening carefully to my hon. Friend. Does she agree that the Government are being completely inconsistent, because Cornwall, which has a Tory authority, can have devolution without an elected mayor, but her authority and many others in the north-east have been told that they cannot have devolution unless they first accept the mayoral model?

Marie Rimmer: Yes. If it is good enough for Bristol, it is good enough for Merseyside, and for any anywhere else. That is a real concern of ours.

We have evidence of our innovation. Local authorities, including some in Merseyside, share the delivery of services. For example, St Helens shares many services with what was formerly known as Mid Mersey, and with Wigan, Warrington and Halton, and they include adoption and fostering services and even business rates, and we provide planning for a neighbouring authority.

The confusion now is that some local authorities think that the panacea of devolution will solve all their financial problems. Indeed, one leader told me how much the local clinical commissioning group gets and said, "We'll be able to get our hands on that." Well, in St Helens we have been pooling health and social care budgets for some years. Indeed, four winters ago we saved 36 beds in Whiston hospital by working together. The council used one of its former homes to take elderly patients. They were not enjoying being in hospital, and they got much better care in the former home. That was delivered by the council and paid for by health and social services, so we are very innovative.

The devolution of power also needs resources. We cannot continue to be hammered in the way we have been in recent years. None of the local authorities on Merseyside—and I know, because I am a Merseysider—has done any better than St Helens. In fact, Knowsley and Liverpool have probably done worse, because of the deprivation. But in St Helens we have already lost more from our Government grant funding than what we collect in council tax—

Madam Deputy Speaker (Natascha Engel): Order. David Mackintosh.

5.37 pm

David Mackintosh (Northampton South) (Con): I am pleased to speak in this debate, because I think that the devolution proposals offer a unique opportunity for local areas to look again at how best to deliver public services in their area and how to be no longer confined by old ways of doing things. I want to talk about some of the opportunities that I hope local areas will grasp. We have heard a lot today about process, but I want to talk about how this will impact on real people, and about the examples I have seen of local authorities working together to make a real, positive difference that will only be enhanced by further devolution.

I first became a councillor in Northamptonshire in 2009, and then a council leader in 2011. I saw the massive changes that took place in the last Parliament to give areas and local authorities more control and a

real stake in economic growth, not only for their own areas, but as part of the wider agenda to rebalance the economy and the wider reforms of the public service. No authority can do that on their own, and local partnerships between public services are vital. Whether it is working with the NHS, the police or the local enterprise partnerships, such as the Northamptonshire enterprise partnership or the South East Midlands local enterprise partnership, on economic, transport or infrastructure issues, the relationship between local authorities and national Government and Members of Parliament are pivotal to how well an area can perform.

Big steps forward, such as the better combination of health and social care, offer the chance to make positive reforms that work so well, as we heard from the hon. Member for St Helens South and Whiston (Marie Rimmer). They are long overdue and will provide much better care for people. We have seen that with the troubled families programme, for example, where local authorities and the Government work together for the greater benefit. In Northampton, this affected over 300 families. When the programme was launched in 2013 it required all partners to work more closely together, as all the families were known to the authorities in some way and many had multiple problems of drug addiction and antisocial behaviour. Actions that were taken then have made a big difference to those families and their futures. I know from my experience that that required different ways of working, trust between different authorities, and new agreements on data-sharing and ways of operating. This meant a better level of service for the public and better outcomes. No longer could one authority hide behind blaming another. That prompts the question of why this has not been done before. The same could be said for the success of the enterprise zone in Northampton, with local authorities working together to create over 1,000 jobs and to bring in over £119 million of private sector investment.

How much more could have been done with devolved powers and greater responsibility? With devolution comes that greater responsibility on local areas, but also massive opportunities. With the announcements last week by my right hon. Friend the Chancellor on business rates and by my right hon. Friend the Communities Secretary on housing, there will be greater integration between health and social care. That means huge opportunities for local areas to grow and prosper and to develop their own local economic plans for the future. Indeed, business rates was the No. 1 issue raised with me by businesses during my time as a council leader.

As someone who has long championed local government, I have wanted to see these opportunities for many years. I know they will be looked at very closely in Northampton on its journey of economic regeneration. I am pleased to support the Bill.

Several hon. Members *rose*—

Madam Deputy Speaker (Natascha Engel): Order. I am sorry to have to say that because of the large number of speakers who still want to catch the Chair's eye, I have to reduce the time limit on speeches to five minutes.

5.41 pm

Angela Rayner (Ashton-under-Lyne) (Lab): Like hon. Members across the House, I too welcome further devolution. I commend the incredibly constructive tone

of the debate among Members on both sides of the House who have made some incredibly detailed speeches, much of which I concur with. As a former trade unionist, I know that not everything is perfect when it is set out, but I acknowledge that the proof of the pudding is in the tasting, and at least we have a pudding to taste. I commend the Minister's work on devolution. I also commend the leaders of the local authorities in the Greater Manchester area who have been heavily involved in devolution there.

Many hon. Members have focused on process, and rightly so, but I would not be me if I did not focus on people as well. I would like to talk about the time that I had as a home carer and a trade unionist. I looked after people in need and worked in partnership with local authorities to develop the services that we need. I am particularly proud of the role I was able to play in integrating health and social care services, which is a crucial part of any benefit from devolution in the area. I will focus on that in my speech.

Let me tell you a story about Edwin that was relayed to me by his family. It is about his experiences in the last few months of his life. He was a very proud man who had served his country and was going strong until he reached his late 80s. A number of age-related illnesses soon changed his quality of life, and the independence that was second nature evaporated. Like many in my community, Edwin had worked hard, played by the rules and paid his taxes, and the island of support—the island of social care—was now needed for him and his family. Unfortunately, local services were and are stretched to breaking point. While the language of “devo Manc” and the northern powerhouse is often spoken by the Chancellor, the reality on the ground is somewhat different. Budgets to my local authorities have been cut by over 40% since 2010, with even more to follow, and the biggest-spending departments, such as adult social care, have been hit particularly hard.

Edwin and his family had a prolonged wait for his assessment, and then he was hospitalised with pneumonia. The care from the medical staff and nurses was second to none. Edwin's only criticism was that there were not enough of them; they were overstretched. All he and his family wanted was for him to get better and return home for his end-of-life care, with support. Unfortunately, he did not make it; he was not helped by the insecurity due to the lack of social care support in the community. If the ultimate goal of an integrated health and social care service is to improve health and quality of life outcomes—making Edwin's experience a thing of the past—then count me in, but please do not use the devolution agenda as a smokescreen to hide draconian cuts and to devolve the political pain to local areas. In Tameside and Greater Manchester, we are ahead of the game.

Andrew Gwynne: My hon. Friend will know that there are now advanced plans for an integrated care organisation in Tameside. Is she as concerned as I am that that is not in itself a silver bullet? There is a massive deficit in the social care budget and a massive deficit in the NHS budget, and integrating the two will still leave a deficit. Is it not time that we told it as it is—social care cuts are NHS cuts?

Angela Rayner: My hon. Friend has a considerable expertise and intelligence in that area, and I absolutely concur with him.

The concept about which Lincoln spoke a time long ago—Government of the people, by the people, for the people—could pave the way for a first-class health and social care service in our localities, but as the local and regional press in Greater Manchester have pointed out, first-class services shaped by our people in Greater Manchester need a fair deal—a fair devo deal.

When the Government devolve the health and social care budget of £6 billion, please will they be clear and transparent about the £2 billion deficit that the combined authority will inherit. When they devolve further education budgets, why slice 25% off them before transferring them to Greater Manchester councillors? When they talk about electrifying the Northern Rail network, will they stop centrally turning the electric light on, off and on again—we want a powerhouse, not a disco. That is at the heart of our concerns today. The Secretary of State has yet to assure us that he is not just looking to pass the buck and hold on to the bucks.

5.47 pm

Mike Wood (Dudley South) (Con): As an elected member of Dudley council, I support the Bill enthusiastically. For far too long, power has been concentrated in Whitehall. The causes are clear; we have seen them time after time. Oppositions argue for decentralising powers and then Governments, acting with the very best of motives, tend to draw more powers to the centre. That is understandable—it is difficult to give away power, and it is particularly difficult to give it away to political opponents—but it has meant that control has moved further and further away from our communities. That is mirrored in the disengagement of many people from local politics.

I am delighted that this Government's programme is different. The Bill continues the important work, which was started by the Localism Act 2011, to address this historical imbalance. It is a radical change—removing power from the capital, and putting it in the hands of local people and communities. Our local councils and communities are best placed to understand the challenges facing their own areas and to find innovative solutions to boost growth and jobs.

Mark Spencer (Sherwood) (Con): Does my hon. Friend recognise that, as power is passed down to local councils, it is important to reduce the number of councillors to lower the cost of politics at the same time?

Mike Wood: I could not agree more. In fact, it was a motion I moved in my council about a year ago. We need to look at the size as well as the powers of local government.

Moreover, local people are always best placed to decide the future of where they live and its direction of travel. I am proud to represent a black country constituency at the heart of the west midlands, the birthplace of the industrial revolution. The Bill will help to set it free to become an engine for growth for the UK. The west midlands is responsible for 10.5% of UK exports, despite having only 6.6% of the population. Yet under Labour, the west midlands economy fell further behind the rest of the country. Gross value added per head in Dudley and Sandwell collapsed from an already disappointing 88% of the national average to a terrible 74%.

[Mike Wood]

A London-centric economic model simply does not work for Britain. The Bill takes us a step closer to rebalancing our economy. I have long been a fan of localism. When our communities and regions succeed, we all benefit and prosper. The Bill will help to get the west midlands—the UK’s engine house—firing on all cylinders again. Economically, the west midlands is thriving once again. Foreign investment increased by 73% last year. The impending HS2 rail link and the transformed New Street station are further reminders of the economic power, draw and credibility of the west midlands. We need a west midlands devolution deal that allows us to transform the region’s transport infrastructure, so that we can take full advantage of the opportunities that HS2 brings.

The Bill not only devolves power and the control of resources, but creates a flexible framework for effective strategic co-ordination. Merging the roles of police and crime commissioner and elected mayor would allow a west midlands combined authority to provide value to the taxpayer and show that it had a cost-effective way of operating long into the future.

There is no one-size-fits-all model of devolution. That is why I am delighted that, unlike previous attempts at devolution, this attempt is, as the shadow Secretary of State might say, from the bottom up. It is left to local communities to decide what the partnerships will be for combined authorities and devolution deals. Sharing services across local authority boundaries will deliver more efficient, effective and responsive services to people who live close to each other.

People in my constituency can be confident that this decentralisation will lead to a brighter economic, social and political future. Black country folk are proud of our strong local identity, but if we unite with our neighbours and work together, our future will be more prosperous. The Bill facilitates that. When power is decentralised and put into the hands of local people, we will not only be telling the world how great the black country is; we will be showing them just how great the whole west midlands region is. That is why I support enthusiastically the Bill and the west midlands bid for the devolution deal that it makes possible. A real devolution revolution that delivers more jobs, better skills, greater opportunities and more homes for people in Dudley South and across the west midlands—that is worth voting for this evening.

5.53 pm

Mr Kevan Jones (North Durham) (Lab): Devolution, localism or whatever we call it is a bit like apple pie and motherhood—it is something that everyone admires and thinks should be sought.

The hon. Member for Bromley and Chislehurst (Robert Neill) suggested that the Secretary of State is a Chamberlain-like reformer and likened the Bill to the great reforms to local government in the 19th century. That is not what is on offer here. What we have here is a clear political agenda from the Chancellor of the Exchequer for a small-state, Conservative Britain. The Bill is part of that process.

The hon. Member for Dudley South (Mike Wood) just said that the process is being driven by local areas. I have to disabuse him of that idea because it is not. The

Government will still control 75% of the funding for local authorities and the Government are still dictating the local government settlement. The hon. Member for North Cornwall (Scott Mann) praised Cornwall. Well done to Cornwall for getting its devolution settlement, but there is no insistence on a Mayor, as there is in the north-east. The north-east is being told, “Yes, you can have devolution, but you’ve got to have an elected Mayor first.”

The hon. Member for Hazel Grove (William Wragg) made a very good speech, in which he asked where the people are in decisions on this process. If in 2004 we had proposed elected regional assemblies and imposed them without allowing local people to decide, there would have been a hue and cry from Conservative Members. What amazes me is that many Conservative Members from the north-east who fought strongly against regional assemblies are now as quiet as mice when accepting the Secretary of State’s proposals. When the Secretary of State meets council leaders in the north-east and they ask him why they must have an elected Mayor, the usual response is “Well, George wants an elected Mayor”. This is not about true devolution and making decisions at local level; this is about moving responsibility to local councils and so on without the resources to carry that through.

Let us imagine that a city is devolved to a Mayor or council in the north-east. Funding for further education will come with a 10% cut, just as public health spending did when it was devolved to local councils. It will then be down to local politicians to make difficult decisions, and what will be the position of the Chancellor and the Secretary of State? It will be, “It’s not our fault guv, it’s a local decision”—except that it will not be, because they will still hold the purse strings.

At the Tory party conference the devolution of 100% of business rates to local councils was announced as a great move forward. [HON. MEMBERS: “Hear hear.”] Members say, “Hear hear,” but in London more than 300,000 properties have an average business rate of £54,000. In the entire north-east there are 54,000 properties with an average rateable value of £30,000. Unless there is some redistribution in that mechanism, all that will do is benefit areas that are already booming and do not need the assistance that is required in areas such as the north-east. People are fooling themselves if they think that the devolution of business rates is a panacea for growth in those areas.

Andrew Gwynne: My hon. Friend touches on a real concern because his area, like mine, has a low council tax base. Given cuts in funding, and local authorities’ inability to raise more finance through council tax, does he share my concern that we will need something like Chinese-style growth to fill that gap with business rates?

Mr Jones: I will give one topical example. Redcar has just lost one of its major sources of local business rates, so how will that be replaced? Westminster City Council and other areas would be able to do it, but without resource reallocation of business rates, areas such as Redcar will not be helped. That has added to what we have seen over the past five years of this Government and the movement of resources from poorer areas to wealthier ones.

Graham Evans (Weaver Vale) (Con): Does the hon. Gentleman disagree with his erstwhile colleague, the Mayor of Greater Manchester, who last week said that through business rates, Greater Manchester is now in a position to invest in local infrastructure? Is it better to have people, including the hon. Gentleman's former colleague, who know what is best for Greater Manchester, rather than people in Whitehall?

Mr Jones: It might be, but let us take an example from the north-east such as Redcar. What will be the growth in such areas from business rates? There will be none, which is why we must have some redistribution.

When Lord Adonis—I am glad the Conservatives have got him now—came forward with this nonsense about 100% business rates, I criticised it and I continue to do so now. The hon. Member for Hazel Grove asked a good question: where are the people in this process? In the north-east they are being completely ignored, and the Conservative party, led by Jeremy Middleton and Graham Robb—two former Tory candidates who have put themselves forward as business people—thinks that councils are being obstructive because they are asking basic questions such as, “Why aren't people being asked what they think?”, “How will the mayor be accountable?” and “Where does that leave local councils in the delivery of services?” People have said that it is a luddite approach to ask such questions, but the same people have been completely silent in the north-east over the past five years about the direction of this Government, who have deliberately taken money from the north-east in policing, fire, health and local authorities, and moved it to wealthier areas in the south of England.

I challenge those people to stand up for the north-east and to start criticising their own Government. The Chancellor's plan is very well worked out, but it will not help to devolve real power to people. The real power will still be retained by the Chancellor. The only thing actually to be devolved to local politicians, which they will find very difficult, is the blame for very tough decisions taken in Whitehall. Budgets will be top-sliced and then handed down to local authority leaders and others.

I challenge the Government, if they really want to be honest about this, to give the north-east the options they have given other areas, such as Cornwall. Devolution does not have to come with an elected Mayor. I challenge the Minister to give local people a say on whether they want an elected Mayor—yes or no.

6 pm

Peter Aldous (Waveney) (Con): I speak not only in my role as an MP representing a constituency in a shire county, but as chairman of the all-party group for counties. My interest is to ensure that county areas do not miss out and are able to make the most of the significant opportunities presented by the devolution agenda the Government are rightly pursuing.

The previous Government presided over a seismic shift away from the top-down approach that “the man from Whitehall knows best”. This change in strategy was correct. Local enterprise partnerships and city deals have been a great success. The new Anglia local enterprise partnership, which covers Suffolk and Norfolk, is a good example of that. The Bill puts in place the legal framework across the country that will

make it simpler and easier to devolve more powers to the regions. Areas can then come forward with their own bespoke proposals.

Counties are the largest contributor to the national economy. For devolution to realise its full potential, it is important that they are fully involved and able to participate. Half of the English population, and an overwhelming majority of businesses, live and work in county areas. Analysis by the County Councils Network shows that counties are the main drivers of growth outside London, contributing 41% of gross value added to the country. Counties account for 43% of national employment, with more than 50% in the key sectors of manufacturing, motor trades and construction.

There is an urgent need for further devolution, as there are systemic weaknesses in many local economies that need to be addressed. In counties these include too many low-paid jobs, poor infrastructure and often geographical remoteness. Up until now, only one devolution deal has included counties. There is a criticism that the process has been too metropolitan in focus. The devolution deals that have taken place have focused largely on northern cities. I can understand why that is the case, as significant funds already go there and such areas as Greater Manchester have been working in a joined-up way that the Government are rightly now encouraging. It is important that deals should be available to all and it is wrong to assume that economic growth potential in the city regions is greater than in the counties. The Cornwall deal shows that devolution should not be confined to urban areas, and that an elected Mayor is not a necessary precursor to success in securing a deal.

Counties are stepping up to the plate. In the most recent round of devolution deals, the majority of bids submitted by the 4 September deadline involved county areas. In England, 22 of the 34 bids submitted involved counties. Counties, districts and unitary authorities are working tirelessly, often across complicated county structures, to build vigorous relationships and put in place rigorous governance arrangements, and are proposing strategies that will improve their economies and public services. Suffolk has come forward with an ambitious proposal that brings together most parts of the public sector. It should be noted that the population of Suffolk is 730,000, compared with 536,000 in Cornwall. Thus, I hope that its proposal will receive favourable consideration.

If counties are not fully involved in the devolution process, there is a risk of a complex, fragmented and opaque local government and public services map emerging across the country. It is important not to insist on metro mayors as a prerequisite of devolution deals. They are not appropriate at the current time for large swathes of the country, and there is a risk of disfranchising the majority of England's population. Counties have shown initiative, drive and leadership in creating devolution deal footprints that ensure that the public service map is clear and accountable and makes sense across the whole country. I urge the Government to support them by offering transformative devolution deals to county areas.

This Bill, together with the comprehensive spending review, provides the framework and the opportunity to drive forward devolution. It is vital that this tide of decentralisation reaches all four corners of the country. It has arrived in Cornwall in the west. It now needs to come to the east and to Suffolk and my Waveney constituency—the most easterly place in Britain.

6.5 pm

Andrew Bridgen (North West Leicestershire) (Con): I welcome the Bill, which takes much needed and well overdue steps to move power closer to the people it affects. The UK is undoubtedly one of the most centralised developed democracies in the world, and evidence shows that that is holding it back. As Sharon White, second permanent secretary at Her Majesty's Treasury, recently said:

"There's pretty good cross-country data that shows that decentralisation tends on average to be more closely associated with both stronger growth and better public services".

The Bill aims to give the people of England and Wales more accountability, increased growth, improved public services and a richer democracy. Its principles should be embraced by this House and by local authorities as a mechanism to set them free from the shackles of Whitehall and to allow them to grow, prosper and compete.

The welcome announcement by the Chancellor of the Exchequer at the Conservative party conference that councils should keep business rates in return for the abolition of the block grant only serves to hasten the importance of enacting legislation to devolve power. That measure will be a key factor in ensuring success.

The hon. Member for North Durham (Mr Jones) has mentioned his reservations. In Leicestershire, the combined block grant for county and district councils comes to £136 million per annum, whereas the business rates are currently £226 million per annum. The proposal is, therefore, a considerable win and will result in my county council becoming one of the better, rather than one of the lowest, funded councils in the country.

Mr Kevan Jones: The hon. Gentleman talks about freedom from central Government, but he has to recognise that the block grant for the rest of his council's spending will be there. Moreover, has he asked Ministers what would happen if one or two large factories in his constituency closed and the local authorities lost a huge amount of business rates? Who would make up the difference? Would central Government step in, or would local taxpayers have to pick up the tab?

Andrew Bridgen: I work closely with my district council and we encourage business to locate and expand in my constituency. Its planning book currently has £14 million-worth of additional business rates waiting for planning permission.

Mr Jones: Not everywhere is like that.

Andrew Bridgen: I suggest that the hon. Gentleman be more business-facing and encourage businesses to come to his constituency.

On the Bill's potential impact, my constituency of North West Leicestershire has achieved one of the highest growth rates outside London and the south-east due not only to our geographic location, but to my hard-working constituents. The Bill is essential because the jobs being created in my constituency far outnumber the number of unemployed people, and we work with other councils to address—in a way I do not believe central Government are able to grasp or respond to—our infrastructure needs and the training and skills that businesses in my constituency require to continue to prosper.

East midlands combined authority bids have been made by the counties of Derbyshire, Leicestershire, Nottinghamshire, Lincolnshire and Northamptonshire. I understand that Lincolnshire and Northamptonshire are seeking to join up with authorities outside the east midlands region. There is a rumour that the D2N2 bid—Derby, Derbyshire, Nottingham and Nottinghamshire—will be rejected because it does not have the critical mass, which rather puts in doubt the bid made by Leicester and Leicestershire in my county.

Mark Spencer: Does my hon. Friend recognise that any bid to devolve powers to the east midlands must give more cash to the rural and coalfield areas of Nottinghamshire and Leicestershire, which we share?

Andrew Bridgen: My hon. Friend is absolutely right. There is a great deal of synergy between Nottinghamshire, Leicestershire and Derbyshire. We all have former coalmining areas, and as a Member of Parliament whose main conurbation is called Coalville I am completely at one with him on that.

Oliver Colvile (Plymouth, Sutton and Devonport) (Con): I just wish to make sure that it is not spelled Colvile, as I spell my name, but Coalville.

Andrew Bridgen: We are talking about the real coal.

I would maintain that the only viable bid that could be labelled a true east midlands bid would be from the three counties of Derbyshire, Nottinghamshire and Leicestershire, the area that used to be known as the golden triangle. It is interesting that the D2N2 bid relies on growth around East Midlands airport, which is fully in my constituency and in Leicestershire. It is difficult to see how we will get the infrastructure to latch on to that growth if it is not in the D2N2 region.

I note that clause 10 allows the Secretary of State to make provisions by order for the combined authority to levy for transport and other functions and to borrow for those when the constituent councils consent. Let me cite an example. I am currently pressing for the reopening of the Burton to Leicestershire rail line, which runs through east Staffordshire, south Derbyshire, my constituency of North West Leicestershire, Bosworth and Blaby to Leicester. Historically, the county council has not been willing to provide finance for that railway, but with economic growth being experienced in all those areas, I believe that many others would think it viable if it were given a chance. However, it would serve only a portion of the combined authority area and would not only run cross-county but cross-region. I would like some clarification of how that could be dealt with through devolved powers.

Clause 19 refers to health services and there are opportunities to deliver more joined-up and improved services in health and social care. We are one of the few developed countries not to link these services together, and there is a growing realisation that that has to change in order to get the best value for money.

Finally, I would caution that clause 20 will inevitably lead to greater calls for the voting age at general elections and future referendums to be lowered to 16 and I would therefore object to it.

In conclusion, the northern powerhouse is rightly one of the Government's priorities and an essential factor in achieving growth for the future. We also have a

powerhouse in the east midlands, known as the midlands engine, particularly in the area around the golden triangle of Derby, Leicester and Nottingham. By working together, we can do far more and ensure greater economic growth and prosperity for all our constituents.

Several hon. Members *rose*—

Madam Deputy Speaker (Natascha Engel): Order. I am sorry, but because of the interesting but lengthy interventions we will have to drop the time limit on speeches down to three minutes.

6.12 pm

Andrew Stephenson (Pendle) (Con): I welcome the Second Reading of this Bill, which was successfully steered through the other place by Baroness Williams of Trafford and enjoyed broad cross-party support for many of its proposals. I, like many other Members, started my political life in local government, wanting to improve the local community, and I was regularly frustrated by the rules and regulations imposed from above and by how most of the power in the country is centralised and remote from the people on the street.

The Bill implements our manifesto commitment to allow cities and areas outside London to reach their economic potential and is therefore particularly welcomed by northern MPs like me. It helps us to deliver on the promises we made that if we were returned to government there would be a clear economic plan and a brighter, more secure future for the whole country. That commitment was graphically illustrated by the fact that the Chancellor of the Exchequer chose to deliver his first speech since the election not in London but in Manchester, where he again talked about building a northern powerhouse.

Building a northern powerhouse is not just about moving public sector jobs from one part of the country to another but about growing the private sector so that we can have real and sustained growth that supports great public services, and recognising that although the individual cities and towns of the north are strong, if we enable them to pool their strength they could become stronger than the sum of their parts.

Since 2010, a great deal of progress has been made. The Government supported the development of local enterprise partnerships, concluded city deals with 27 cities and took £12 billion out of Whitehall and put it in the hands of local people through growth deals. The growth deal for Lancashire, announced in July 2014 and January 2015, totalled £251 million and provided record funding for projects across our area. This funding allowed Lancashire LEP to support projects such as the refurbishment of Brierfield mill, with £3.7 million of funding, and the Burnley-Pendle growth corridor, with £8 million of funding. However, just down the road in Manchester, where I was born, things have gone even faster, with the November 2014 devolutionary deal giving local people greater control over their economy, with powers over transport, housing and policing.

The Bill supports that process by putting in place a legal framework to enable Government to decentralise more power to our cities and counties. Importantly, this will allow areas such as mine to ask the Government for proper devolution. I see decentralisation as key to achieving the north of England's economic potential, but to be successful, decentralisation must involve not just devolving powers and budgets but have in each place the necessary

leadership, governance and accountability to ensure that powers are exercised properly and effectively for the benefit of all. I very much welcome the Bill and will be supporting its Second Reading.

6.15 pm

Graham Evans (Weaver Vale) (Con): Thank you, Madam Deputy Speaker, for calling me to speak in this important debate.

Our cities, towns and communities, with all their variety and history, are what make Britain truly great. For me, the Bill comes down to a simple but fundamental one nation Conservative belief that local people are best placed to decide the future of their own towns and communities. As with the Localism Act 2011, it is once again this side of the House working to put more power in the hands of local people while the Labour party is doing all it can to stop it.

The Bill will revolutionise the way England is governed, backing initiative and local enterprise to propel our cities and regions forward into economic powerhouses in their own right. Since 2013, local councils have been able to retain 50% of the revenue from business rates, and it is absolutely right that when local areas use their initiative and take bold steps to boost business growth in their area, they see the benefit of that. I am proud that the Government have announced their intention to scrap the uniform business rate. By 2020, local areas will retain 100% of the full stock of business rates they collect. That is £26 billion kept and spent in our local communities instead of being sent down to Whitehall. That will mean stronger incentives for councils to boost growth, and the evidence shows that this will help to boost growth nationally. I agree with the Mayor of Manchester, Tony Lloyd, a respected former Member, who recognises the opportunities for his communities. He knows better than the man from Whitehall what is best for Greater Manchester.

I am delighted that both local authorities in Weaver Vale—Cheshire West and Chester Council and Halton Borough Council—have expressed interest in seeking to negotiate respective devolution deals for my region. Proposals put forward would see Cheshire West and Chester Council join other Cheshire and Warrington local authorities, as part of a traditional county area, to form a Cheshire and Warrington combined authority. Cheshire and Warrington is already one of the strongest performing economies in the north of England, benefiting from high skills and an ideal location that provides a vital strategic link between Merseyside, north Wales, Great Manchester and Staffordshire.

Likewise, Halton Borough Council has, with other local authorities, begun talks to join a Liverpool city region combined authority. A unique opportunity exists for the city region to work with the Government to design a bespoke devolution agreement that provides a long-term vision and strategy to draw down powers, control and resources from central Government in Westminster and Whitehall to the Liverpool city region combined authority for the benefit of local people.

Our great cities and regions each have their own strengths, opportunities and challenges. Local communities working in collaboration with businesses can harness an area's strengths and specialisms in a way that Whitehall never can. It is vital that we continue devolving power

[*Graham Evans*]

to more local communities and regions as we have done with the historic Greater Manchester devolution deal and that we build on the work of the last five years to deliver a northern powerhouse to get the whole country firing on all cylinders. Britain is open for business.

6.18 pm

Andrea Jenkyns (Morley and Outwood) (Con): Having served as a Lincolnshire county councillor, I welcome the Government's devolution proposals giving more power to our communities. As chair of the all-party group on local democracy, I work with the excellent National Association of Local Councils, which represents more than 9,000 local councils and wholeheartedly supports the devolution of power to a local level.

One of the main issues people feel strongly about is the sense of detachment from Government and the people who make the decisions that affect their lives. The Bill is an opportunity to devolve power from central Government and closer to the communities affected by the decisions made. It will see regions such as mine and others across the country given far greater power over vital services and allow them to tailor their own local services so that they work for the people using them. Alongside the northern powerhouse, they will be the engine that drives forward growth and opportunities for northern cities that have often been ignored by previous Governments.

I welcome the introduction of a democratically accountable elected Mayor. It is an opportunity to attract the brightest and the best from industry to lead innovation and change, and it can make a real difference to our community, helping to restore the public's trust in those who represent them. However, I believe that the Bill could go further in some areas. I have spoken to our local police representatives who tell me that they, too, would like a voice in the local devolution deal. We have this opportunity to remove the silo mentality and truly have a joined-up approach, in which our local organisations work together for our community and plan for our future.

Speaking as chair of the local democracy group, I would like to see more emphasis placed on the work done by town and parish councils, and more of a role for them in devolution. The National Association of Local Councils has undertaken research showing the widespread frustration among existing councillors that they do not have the powers they need to effect real change in their areas.

We have an historic opportunity with this Bill to empower local councillors, which I believe would have the by-product of encouraging more people to stand for local office and make that unique contribution to their areas. It would also give greater scope for elected Mayors to work with communities to achieve the results that work best for them.

I would like to invite the Secretary of State to look into ways through which local, town and parish councillors could be included in the devolution settlement, and I would appreciate an opportunity to meet him to discuss that.

Let me present an example of innovation in town councils that has made a real difference to my local

area. In my constituency, Morley town council introduced free parking, which has been a major boost to the local high street. That is just one example of the innovative work that can be done locally. This sort of progress shows what towns can achieve through strong local leadership and innovation. We need look only at the British public's distrust of the supra-national power of the European Union to understand that the Conservative Government are spot on when it comes to assessing the public mood for devolving powers.

6.21 pm

Oliver Colville (Plymouth, Sutton and Devonport) (Con): I am grateful for the opportunity to speak in this important debate. Before going any further, I should declare an interest as I have shares in a company that gives advice to developers and does community consultation, so I know something about what happens with regeneration.

My city of Plymouth—I am one of the very few MPs on the Government Benches who represents an inner-city seat—has a global reputation for marine science engineering research. We have not only the brilliant Royal Navy and the Royal Marines, but the Marine Biological Association, the Plymouth Marine Laboratory and the National Marine Aquarium, all of which have been fantastic ingredients in getting us a global reputation for marine science engineering research. Thanks to my right hon. Friend the Secretary of State in his previous job, we gained not only a city deal but an enterprise zone, which has helped to ensure that we get about 1,200 new jobs.

My city is a low-wage and low-skills economy: 38% of its working people end up in the public sector. We desperately need to make sure that we get more private investment into our city, so that we can continue to grow. I very much hope that this Bill will give us the powers to be able to achieve that.

There are two reasons why people might want to locate their businesses in my city: first, on account of the skills, and, secondly because of the need to get things to market, which means we need a better transport system. During the course of the last five years, I have consistently campaigned to get more three-hour train journeys from London to Plymouth and to make sure that the trains get in before 9 o'clock in the morning. If they do not, it means people will not be able to do a full day's work. Another two important considerations are making sure that the city is crime free and linking the national health service and social care. Those are the ingredients.

I will certainly vote for the Bill tonight, and I look forward to finding out how the Government will respond to make sure that we become a city that will improve and have much better public growth as well.

6.24 pm

James Berry (Kingston and Surbiton) (Con): I support the Bill, as a Member representing a city that has benefited greatly from devolution. The project of devolving powers to a city led by a directly elected mayor has been successful in London, and it is time that it was rolled out across the country, albeit with the flexibility to ensure that it is appropriate for the areas in question. This Government were elected with a promise to “devolve powers and budgets to boost local growth in England.”

I am pleased to support them in keeping that promise tonight by voting for the Second Reading of a Bill that will provide a framework for further devolution and promote democratic accountability.

The United Kingdom stands out as one of the most centralised countries in the developed world. In Canada the level of taxes controlled at local or regional level is about 10 times higher than it is here, and in Germany it is nearly six times higher. Our position is not only that of an outlier, but also strange, given strong evidence and data that demonstrate that decentralisation is closely associated with both stronger growth and better public services.

English cities have nowhere near the level of local financial control that is experienced by international cities, and their competitiveness is suffering as a result. In the United Kingdom, only London consistently outperforms the national economy. Given the right levels of autonomy and control, cities and regions across the country could outperform it, and could make far bigger contributions to our national prosperity.

Like my hon. Friend the Member for Bromley and Chislehurst (Robert Neill), I am a great supporter of further devolution of powers in London—including powers relating to health—but there is a provision that is not included in the Bill, and that is the devolution of control over local business rates that I was particularly delighted to hear about in the Chancellor's speech. The current system, whereby business rates are set nationally, collected locally, remitted to the Treasury and then returned, less some, to councils, is terribly inefficient.

Kingston Conservatives and the leader of our council, Kevin Davis, have been pushing for that change since we took control of the council last May, and I have had discussions with my right hon. Friend's Department since being elected in the same month. As a borough that is seeking to attract business, including the headquarters of Lidl UK and a major new hotel, we could benefit greatly from the devolution of business rates: we could collect and retain more, and use it to benefit local people. I very much hope that Kingston will be included in the first wave of the roll-out of the new measures.

I am delighted to support these further devolution measures, and I look forward to joining the Government in the Lobby.

6.27 pm

Chloe Smith (Norwich North) (Con): I shall be extremely brief, Madam Deputy Speaker.

I welcome the Bill, I welcome devolution in general, and I encourage Norfolk and Suffolk to discuss together what is possible in our part in the world. In that context, I noted the comments of my hon. Friend the Member for Waveney (Peter Aldous). However, I want to raise an extremely narrow point that has found its way into the Bill, as amended by the other place.

In my opinion, clause 20—which amends the Representation of the People Act 1983 to allow a different voting age franchise for local government elections only—is not the right clause for this Bill. I am a proponent of altering the voting age, but I think that we should do it properly and not in a piecemeal fashion, either in this Bill or, for that matter, in the European Union (Referendum) Bill. I refer Members to the arguments that I advanced during the debate on that Bill. I will not rehearse them

all now, but suffice it to say that we would all wish to engage young people more with politics: there are advocates of that throughout the House. Devolution, in a general sense, performs that function, and I welcome its ability to improve engagement with people of any age outside this place. I advocate lowering the voting age because I think it is a big signal that we can send to young people that they are welcome in our democracy. However, this Bill is not the way to do that, because it would only end up as a piecemeal reform. I advanced the same argument in relation to the European Union (Referendum) Bill.

Let us do young people the respect of considering that reform properly, and let us have the debate fully. Let us not deal with the issue in this Bill, because it sticks out like a sore thumb among all the other strong and passionate arguments that have been presented today in favour of devolution and in favour of cities and counties, and in respect of all the huge issues that are raised in the substance of the Bill. I call on the Government to allow for a fuller review of the issue. The Minister was on the record earlier today making this point: we should not be doing this reform piecemeal. We should be doing it properly, so let us have the time to do so and let us focus on the issues that are properly for this Bill in this debate.

6.30 pm

Julian Knight (Solihull) (Con): The Chancellor and Secretary of State have grandly heralded a devolution revolution, but in fiscal terms the measures in the Bill, even with business rate retention tacked on, are baby steps by European standards. However, it is the general direction of travel that is important, and we are empowering local communities, freeing them from Whitehall control to pursue the right policies for their area. What the Government are proposing is more effective local government, closer to the people it serves.

Let us be clear about certain things. This is a Conservative Government giving power away in many instances to an Opposition party locally. It is an act of political altruism. It is not a top-down centralised plan. It is not a warmed-over revival of the metropolitan county councils. This Government seek reform from the bottom up, with new powers released from Whitehall to overlay but not replace existing local arrangements. This is not going to change who people's councillors are or who collects their rubbish. It is very important that, as we empower these areas, we do not undermine or lose the individual identities of the towns within them. In Solihull, we are very proud of our strong economy, entrepreneurial spirit and fierce independence. My constituents are rightly wary of being subsumed into what was once bogusly termed "Greater Birmingham", but I can see that local concerns are sympathetically treated in this Bill. This is about enabling localities rather than dictating from the centre, and I am heartened by the Secretary of State confirming, yet again, in response to the right hon. Member for Birmingham, Edgbaston (Ms Stuart), that what has been termed the "devo max" model will not be imposed on the west midlands.

The key question must be: if something goes wrong, who can the public look to for answers? Who can they hold to account? Who is it that they can fire? That is why the west midlands is now looking at having an elected mayor, but one where the role of the mayor is constrained by a group of council leaders. At best, the

[Julian Knight]

mayor will be first among equals. The bridge of trust the Government have built by engaging in local concerns will be vital in delivering a devolution deal that best reflects the needs and aspirations, and not just with the poster boy of the process in Greater Manchester, but beyond.

The Government's devolution revolution offers many parts of the country the opportunity to take control of their affairs and unlock their economic potential. It offers the best chance of deals that provide a responsive, effective and empowered local government.

6.33 pm

Kevin Hollinrake (Thirsk and Malton) (Con): I am delighted to speak in favour of this Bill. The devolution debate has reached fever pitch in Yorkshire, and much has happened over the summer recess, but I have never believed that the greatest opportunities for devolution should be restricted to the big cities. Everyone—city and county—must take maximum benefit from devolution. South Yorkshire has secured its own devolution settlement, so what will happen to the remaining parts of Yorkshire—west Yorkshire, east Yorkshire, north Yorkshire and Hull—which combine our ports, industry, energy opportunities, fishing and agriculture, and thriving tourism? A Greater Yorkshire bid would bring together 3.7 million people, a population to rival that of Berlin, Madrid and even Los Angeles.

Talk of creating a northern powerhouse is misguided, as such a force already exists. The north has a rich history of industry, being at the centre of the industrial revolution. More recently, just last year in fact, the combined turnover of Yorkshire's top 250 companies rose by nearly 11%, to stand at £118 billion. We have the skills, the entrepreneurship and, above all, the Yorkshire spirit. What we need from Government is investment, better transport links and more infrastructure to transform our Yorkshire economy to rival that of the south. We have heard much about the north-south divide, but I believe that Government support in the form of—let us be blunt about it—hard cash will enable us to become an equal partner to the south. Together, north and south, we can fight for our share of the global economy.

One thing we do not want, as everyone on the Government Benches will agree, is increased costs of government. We must cut the costs of the provision of services, rather than cutting services. We want to work together, led by a strong, inspirational and visionary mayor. In Yorkshire we have never been short of candidates to bat for our county. We have great business people and, of course, that great Yorkshire spirit. What we need now is investment in our roads, our railways and our housing, in training young people and in health and social care, energy and creative business finance. I am 100% behind the Bill and behind a greater Yorkshire bid so that we can all pull together to make Yorkshire once again an even greater county.

6.36 pm

Lucy Frazer (South East Cambridgeshire) (Con): This Bill will ensure that local people have a greater say in the development of their own communities, and I welcome that, but will the Secretary of State be even more

ambitious? I represent a constituency in Cambridgeshire, a world-class leader in education, research and entrepreneurship, and I would like to outline, first, why devolved powers are so essential to this region, and secondly, what particular powers we need to realise our full potential.

Cambridge is home to one of the world's top universities. Twenty-five of the world's largest corporations have established operations in Cambridge, including Apple, Amazon and Microsoft. There are 20,000 registered companies generating £30 billion in revenues. Cambridge does not compete with Manchester or Birmingham. Its competitors are Indonesia, India, Singapore and San Francisco. But Cambridge will maintain its standing in the world only if it can continue to attract an international workforce, and it can do that only if it remains an attractive place to live and work.

Last week I, together with the hon. Member for Cambridge (Daniel Zeichner), was at the launch of "The Case for Cambridge", with entrepreneurs, local academics, local authority leaders from all parties and 200 business leaders from sectors ranging from aerospace to engineering, all expressing exactly the same sentiment, which was summed up by Antony Mattessich, the managing director of an American company, Mundipharma International. He said that he is losing his staff to international centres, and unless our city can address some of its critical infrastructure needs, it is at risk of losing its position as a desirable place for companies to start up or relocate to.

Cambridgeshire is not asking for hand-outs; it is not asking for Government investment. It is simply asking for the power to raise money itself to invest in its own future. So will the Secretary of State consider allowing increment financing deals underpinned by increased tax revenues that will provide capital for infrastructure? Will he consider a relaxation of the housing revenue debt cap or the ability to provide private sector infrastructure bonds? Will he welcome the investment by the new consolidated pension funds as seed capital for further investment?

If Cambridgeshire is in a position to unlock this investment, it can plan for its own future. This funding does not need to be backed by central Government, but it needs to be available. I was extremely pleased to hear the Secretary of State recognise many times in his opening speech that a proposal for one place is not necessarily the right proposal for other places, and that a bespoke approach must be taken. It would be wrong to say that this approach is not appropriate—

Mr Speaker: Order. I do apologise, but we must proceed. I call Mr Richard Graham.

6.39 pm

Richard Graham (Gloucester) (Con): Thank you, Mr Speaker, for calling me as tail-end Charlie in this most stimulating debate on an issue close to every heart in the House.

Four summers ago a French woman in Gloucester came and asked for some work experience, and I asked her to do a report on our city—all the things she found most impressive and most disappointing—and make recommendations on what we could do to improve. She did so and it was a very good report, but she ended with a question: who was in charge? I explained the role of

our city council, responsible for some of the services, the city council leader, responsible for its strategy, and the chief executive for its implementation, with a similar arrangement at shire hall with the county council responsible for other services, the fire and rescue services funded through the shire hall, the constabulary partly funded there, with political responsibility moving to a newly elected PCC, adding that health was a bit more complicated, with three NHS trusts, a local commissioning group, NHS England and so on. She interrupted me and said, “You see I’ve asked many people this question, Mr Graham, and no one knows the answer. In my town in France the person in charge is the mayor and everybody knows that, everybody knows his or her name, the buck stops there and we vote for them or against them every few years.”

I thought of answering with a description of checks and balances, influence and power, consensus versus pocket dictators and so on, but it would not have answered her question. This Bill does, however. It gives, not for the first time because our municipal statues and histories tell us it was once so, real power and accountability to local areas and individuals. The story of Austen Chamberlain’s time as mayor of Birmingham alone should inspire devolution and belief in local solutions for local issues.

The question is equally relevant for our counties as for our cities: who is in charge of Gloucestershire? Who is responsible for an overall strategy for our county? The answer of course is no one body. There are lots of different institutions with lots of different strategies, but there is no one who can pull the whole thing together and, for example, allocate resources between police and hospitals, which are of course funded from different central Government silos. If business rates are to be retained, business should have a say in how they are reinvested. That does not happen at the moment.

I believe we can do things faster and better. I trust this Bill and I trust the people of Gloucestershire to make the best decisions for our county. There will be issues to be resolved. Mayors, executive mayors and counties are not in our DNA at the moment but we will find a way through that and this Bill is the start of what could be an exciting process.

6.42 pm

Mr Steve Reed (Croydon North) (Lab): I thank everyone who has taken part in what has been an excellent debate with many thoughtful contributions. I will try to refer to at least some of them.

Devolution across the regions and cities of this country is long overdue. Britain is one of the most over-centralised countries in the world but in an age where we need to unleash the ideas, creativity and innovation of every part of our country, we can no longer allow power to be hoarded at the centre. In some respects England is the last colony of the British empire, and England in particular needs a new devolved constitutional settlement. It is time to get power out of Whitehall and into the hands of people who can use it more effectively. I congratulate the Secretary of State on bringing this Bill forward. It is a positive step and we welcome that, but it needs to go further. The Government still do not have a real vision for what a more devolved Britain might be. As my hon. Friend the Member for Nottingham North (Mr Allen)

says, this must be the start of a journey of liberation, but as my hon. Friend the Member for Denton and Reddish (Andrew Gwynne) says, lines of accountability must always be crystal-clear.

In my opinion the real champions of devolution are those Labour councils like Manchester, Leeds and Newcastle who were pushing for devolution long before this Government understood its importance, and who still demand a better deal for their communities than the Chancellor has so far allowed. The Opposition are aware of the risks of replacing national centralisation with local centralisation. Deals that merely shift powers from Whitehall to town halls risk bypassing the people and communities whose lives are affected by decisions they still would not be able to control.

We need a deeper devolution—a new settlement that moves power in every case as close as possible to the people it affects. There must be more powers for cities and city regions over major areas like transport, housing, infrastructure and economic growth, and as my hon. Friends the Members for Hornsey and Wood Green (Catherine West) and for Harrow West (Mr Thomas) say, that must include London. We support fiscal devolution, too, but only alongside a fair equalisation mechanism. New powers must allow smaller towns and counties to shape their own destinies as well, and we need a new vision for public services that gives their users power over the decisions taken about them. That, too, is part of devolution.

My hon. Friends the Members for Manchester, Withington (Jeff Smith), for Ashton-under-Lyne (Angela Rayner) and for Kingston upon Hull North (Diana Johnson) made the point that we cannot devolve power without resources, yet there are fears that the Government will impose even harsher cuts on top of the 40% cuts that local government has already suffered since 2010. Let us take the example of the Government’s devolution of council tax support. They cut it by 10% but then made local councils take the blame. If this Government want to avoid the charge that they simply want to localise the blame for cuts imposed from the centre, they will need to behave very differently in future. I believe that the Secretary of State is sincere in his support for devolution, but as my right hon. Friend the Member for Birmingham, Hodge Hill (Liam Byrne) said, he will need to work much harder in order to win all his colleagues over to the cause.

Free schools have no local oversight; they are accountable only to Whitehall. The Work programme was designed and delivered from the centre. Communities facing a housing crisis are witnessing the forced sale of desperately needed social housing to comply with the centralised decision for which the Secretary of State is personally responsible. Frankly, this needs to stop. As my hon. Friend the Member for Birmingham, Erdington (Jack Dromey) said, devolution deals would be better if the communities affected by them helped to shape them, but that is not the Government’s present approach. City leaders are told that if they engage local business or community leaders in making their devolution bids, their bids might be refused. Furthermore, the Treasury has told them that if they make public what they are bidding for, it will slam the door shut. We need a much more transparent and open approach. The result would be much better devolution deals with bigger support from the local communities.

[Mr Steve Reed]

I agree with my hon. Friends the Members for St Helens South and Whiston (Marie Rimmer), for North Durham (Mr Jones) and for Sheffield South East (Mr Betts) that it is wrong of the Chancellor to make deals dependent on having a mayor. Even if cities have voted in recent years against having a mayor, the Chancellor says that they cannot have devolution without one. If the Government are serious about devolution, they should devolve this decision too, and let local areas choose their own model of governance.

Mr Prisk: Will the hon. Gentleman give way?

Mr Reed: I am sorry; time is short and I want to continue so that the Under-Secretary of State for Communities and Local Government, the hon. Member for Stockton South (James Wharton) has a chance to speak.

Labour's reasoned amendment, which I commend to the House, makes it clear that we want to see real devolution. We support the work led by Labour council leaders up and down the country, but as my hon. Friend the Member for Cambridge (Daniel Zeichner) said, we want the Government to offer them and their communities even more. We want a vision for Britain in which power always lies as close as possible to the people it affects. That includes our cities and regions, our towns and counties, and our neighbourhoods and communities, as well as individuals and their families. That involves going a long way further than the Government have gone so far.

This is the time to be bold. This is a chance to unlock the creativity, the energy and the innovation of the British people. No power should be held at the centre if it can be better exercised closer to the people it affects. We need devolution by default. The Bill is a step in the right direction but it could do much more. I hope that we can persuade the Government to go further and faster in Committee and to take down some of the barriers that they have put in the way of real devolution. There is a growing consensus in favour of devolution in this country, as we have heard across the Chamber today, but the Government still need to prove that they trust the British people enough to really let go.

6.48 pm

The Parliamentary Under-Secretary of State for Communities and Local Government (James Wharton): The Bill will empower our constituents. This is about transferring power away from Whitehall back to the communities that can use it most effectively to grow their economies, to make decisions that affect the people who live there and to improve those people's health. This is an important piece of legislation that will give us the powers we need to enable us to drive forward the devolution agenda.

I have been interested to listen to the range of contributions to the debate today. Approximately 76 Members have spoken, but given the limited amount of time remaining, I shall not be able to comment on every speech. I do not mind admitting that I was concerned at first. I read the reasoned amendment tabled by those on the Opposition Front Bench, the first line of which makes it clear that, if it were to be passed, the Bill would

not be given its Second Reading and would therefore fail. I therefore wondered what Labour's stance would be, and I listened intently to the words of the shadow Secretary of State, the hon. Member for Hemsworth (Jon Trickett) in order to try to understand the approach to devolution that the Opposition Front Bench wanted to take. What I heard was a top-down, bottom-up, bespoke, uniform, devolution-delaying, big conversation proposal, but one that did not address the real need of this country. I then saw reflected in the comments from across the House from colleagues on both sides of the political divide that we need to find a method to deliver devolution, because there is cross-party support for it. We may disagree about some of the detail, but we will have the opportunity to discuss that. Indeed, hon. Members can be reassured that the intention is to have the Committee for this Bill on the Floor of the House so that all Members will get the opportunity to contribute as we discuss what amendments should or should not be made.

The important principle is that, if we want to deliver devolution, we need to pass this Bill. If we want to pass this Bill, the reasoned amendment put forward by the Opposition must not succeed this evening.

Mr Graham Allen *rose*—

James Wharton: I will give way, but I do not intend to give way too often.

Mr Allen: Briefly, does the Minister feel, on a matter of such significance, that two days on the Floor of the House is sufficient time to discuss all the detail that is necessary?

James Wharton: Yes, I do. We will have a very full and reasonable debate. Having listened to the contributions from hon. Members throughout the day today, I can see that there are many areas of agreement. I am sure that we can find consensus to drive forward an agenda that appeals to people not just in this place but from a much broader base. As I travelled the country talking to local authority representatives, including many who are not from my own political party, I found that devolution is wanted by the business community and by the communities that we represent, as it can drive forward real improvement.

I also started to note a list of those colleagues who were supportive in principle of the Bill and its aims. I stopped because the length of that list became so long that I would not be able to read it out. I thought it would be appropriate to reference some of those Members who indicated their support. My hon. Friends the Members for Carlisle (John Stevenson) and for Hertford and Stortford (Mr Prisk), and the hon. Member for Nottingham North (Mr Allen) all indicated not only that they support what we are trying to achieve but that they want us to go further and do more and that devolution could be an ongoing process that they want to see delivered successfully.

My hon. Friends the Members for Altrincham and Sale West (Mr Brady) and for Newton Abbot (Anne Marie Morris) gave qualified support, raising issues that I know we will have the opportunity to discuss as this Bill is taken forward and that I hope we can address in order to build as broad a consensus as possible for an agenda that appeals across a broad range of people in our country because of the change that it can deliver.

Some specific issues were raised during the debate, including that of mayors. I recognise some of the debate that has taken place, and I want to take this opportunity to address some of those concerns in the time that I have. My hon. Friends the Members for Altrincham and Sale West, for York Outer (Julian Sturdy), for Bury North (Mr Nuttall), for Hazel Grove (William Wragg), the hon. Members for Sheffield South East (Mr Betts), for Manchester, Withington (Jeff Smith), for Kingston upon Hull North (Diana Johnson), for Birmingham, Erdington (Jack Dromey), for St Helens South and Whiston (Marie Rimmer) and the right hon. Member for Birmingham, Hodge Hill (Liam Byrne) all raised the issue of mayors. I want to be clear what we are talking about. The metro mayors that we want to deliver are not mayors like those who have gone before. This is a different thing. This is not the civil mayor whom we have had for many years in this country, nor is it the local authority mayor on whom many areas did indeed vote leading to their adoption in some areas and not others. This is not a mayor who will take up powers from local authorities unless those local authorities choose to give them. This is a mayor who will hold, and be accountable to the public for, powers coming down from Whitehall—powers that we are devolving from public bodies. It is a very important point of difference. I recognise that there are some hon. Members who have not appreciated that we are talking about a different type of mayor. The metro mayor model is different from what we have seen before.

My hon. Friends the Members for The Cotswolds (Geoffrey Clifton-Brown) and for Cheadle (Mary Robinson) raised the issue of planning, which I want to address. I also want to mention the nature of planning powers in order to show why some of the concerns that have been quite rightly flagged up in the debate can easily be addressed by the content of the Bill. The purpose of the Bill is not to force powers to move up from local authorities. It is to enable us to devolve powers down from central Government—devolve powers that are held by public bodies down to accountable areas to deliver services and improvements for the people. Local authorities will not have powers taken away, but they can choose to pool them by agreement. That is the intention of the legislation and the intention of the Government, and that is what we will do. To hon. Members who have raised concerns about planning, let me say that there is nothing that would force change to the planning powers that their local authorities already have unless those local authorities decided among themselves to pool those powers because they recognised the benefits that that could bring. A range of issues has been highlighted by individual Members.

Mr Kevan Jones *rose*—

James Wharton: I will give way, but for the final time.

Mr Jones: Why, then, are the Government insisting that the north-east should have an elected mayor before getting any package of devolution, despite being quite happy to give Cornwall devolution? Will the Minister give the people of the north-east a say in whether they get a regional elected mayor? If we had imposed regional assemblies, he and others in the Tory party regionally would have argued vociferously against it and we would have been pilloried.

James Wharton: The Bill does not impose elected mayors on anybody. The discussions that we are having are about finding the right model for each area. No area will have a mayor imposed upon it. However, as the Chancellor made clear in a speech in Manchester shortly after the election, where areas that have a city at their centre—city metropolitan areas—want a significant package of powers, such as that which Greater Manchester is due to get, we will expect a metro mayor because of the accountability that brings and the opportunity it represents to drive forward real change and ensure that those powers effect the positive change we want to see and the economic growth we need to rebalance our economy, build the northern powerhouse and meet our manifesto commitments, which were very clear on this matter.

Colleagues raised a number of other issues. My hon. Friend the Member for Hertford and Stortford talked about the benefits that smart tech can bring, with the closer collaboration and the innovative things that smart cities and smart local areas can do, and that is very important. My hon. Friends the Members for Pudsey (Stuart Andrew), for York Outer and for Thirsk and Malton (Kevin Hollinrake) talked about a Greater Yorkshire devolution bid and showed their support for that proposal. I absolutely recognise the passion with which they argue for Greater Yorkshire. I know that from my constituency, part of which used to be in the old north riding of Yorkshire, which was moved away some years ago by local government reorganisation but still pines to be part of what Yorkshire is: an exciting, dynamic and vibrant place that can make a real contribution to the northern powerhouse. Hon. Members have made a good case this evening for what they want to see happen.

The hon. Member for Blackley and Broughton (Graham Stringer) asked when the legislation will come forward to allow the devolution of bus franchising, which is very important. That will come forward in this parliamentary Session. It is part of the package that we want to deliver, even if it is not in this Bill, because we want to deliver on those commitments and ensure that the deals that we have made are put into effect so that people can feel the benefit that they themselves can then deliver.

My hon. Friend the Member for Cleethorpes (Martin Vickers) asked me specifically to recognise and comment on the offshore renewables potential in his area. I have visited the area and know the size of the investment that Siemens, in particular, is making there. I know the contribution that the area will be able to make to growing our economy and building the northern powerhouse. He is a great advocate for his constituency and for the area he represents. I think that it is right to recognise and put on the record the work that he has done, and continues to do, to bring investment and jobs to the area he represents and to support the economy there.

My hon. Friends the Members for St Ives (Derek Thomas) and for North Cornwall (Scott Mann) talked about the Cornwall deal. One Opposition Member indicated that the deal was done with a Conservative council and is therefore different from the other deals. I am sorry to have to remind Opposition Members, but Cornwall is not a Conservative council; it is a Liberal Democrat independent authority—we hope that will

[James Wharton]

change, of course. I am pleased that that was mentioned in the debate, because it again demonstrates, contrary to the Opposition's reasoned amendment, that this proposal will help to deliver on our commitments to the great cities of the north of England. Cornwall is not a great city in the north of England, but it is a great place, and we want to deliver for it, too.

This is a Bill that works for the cities, for the counties, and for the towns—a Bill that works for this country. It will allow us to deliver our commitment to bring about real devolution in a way that recognises the different needs of different places, that lets us make the deals that work for the areas that want it, and that compels no one but puts it on the table for everyone. That is the right approach. That is the approach that will deliver a lasting settlement that will make a real difference and change the way we do government in this country. That is the approach that will allow us to build on the economic opportunities that exist in the north and ensure that they are delivered and that we deliver on our agenda and make this country a better place by making devolution a real thing again.

Question put, That the amendment be made.

The House divided: Ayes 212, Noes 324.

Division No. 76]

[6.59 pm

AYES

Abbott, Ms Diane
Abrahams, Debbie
Alexander, Heidi
Ali, Rushanara
Allen, Mr Graham
Ashworth, Jonathan
Austin, Ian
Bailey, Mr Adrian
Barron, rh Kevin
Beckett, rh Margaret
Benn, rh Hilary
Berger, Luciana
Betts, Mr Clive
Blackman-Woods, Dr
 Robert
Blenkinsop, Tom
Blomfield, Paul
Bradshaw, rh Mr
 Ben
Brennan, Kevin
Brown, Lyn
Brown, rh Mr Nicholas
Bryant, Chris
Burden, Richard
Burgon, Richard
Burnham, rh Andy
Butler, Dawn
Byrne, rh Liam
Cadbury, Ruth
Campbell, rh Mr Alan
Campbell, Mr Ronnie
Chapman, Jenny
Clwyd, rh Ann
Cooper, Julie
Cooper, Rosie
Cooper, rh Yvette
Corbyn, Jeremy
Cox, Jo

Coyle, Neil
Creagh, Mary
Creasy, Stella
Cruddas, Jon
Cummins, Judith
Cunningham, Alex
Cunningham, Mr Jim
Dakin, Nic
Danczuk, Simon
David, Wayne
Davies, Geraint
Doughty, Stephen
Dowd, Jim
Dowd, Peter
Dromey, Jack
Dugher, Michael
Durkan, Mark
Eagle, Ms Angela
Eagle, Maria
Edwards, Jonathan
Elliott, Julie
Ellman, Mrs Louise
Esterson, Bill
Evans, Chris
Farrelly, Paul
Field, rh Frank
Fitzpatrick, Jim
Flello, Robert
Fletcher, Colleen
Flint, rh Caroline
Flynn, Paul
Fovargue, Yvonne
Foxcroft, Vicky
Gapes, Mike
Gardiner, Barry
Glass, Pat
Glindon, Mary
Godsiff, Mr Roger

Goodman, Helen
Green, Kate
Greenwood, Lillian
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
Hepburn, Mr Stephen
Hillier, Meg
Hodge, rh Dame Margaret
Hodgson, Mrs Sharon
Hoey, Kate
Hollern, Kate
Hopkins, Kelvin
Howarth, rh Mr George
Hunt, Tristram
Huq, Dr Rupa
Hussain, Imran
Irranca-Davies, Huw
Jarvis, Dan
Johnson, rh Alan
Johnson, Diana
Jones, Gerald
Jones, Graham
Jones, Helen
Jones, Mr Kevan
Jones, Susan Elan
Kane, Mike
Kaufman, rh Sir Gerald
Keeley, Barbara
Kendall, Liz
Khan, rh Sadiq
Kinnock, Stephen
Kyle, Peter
Lavery, Ian
Leslie, Chris
Lewell-Buck, Mrs Emma
Lewis, Clive
Long Bailey, Rebecca
Lucas, Caroline
Lucas, Ian C.
Lynch, Holly
Mactaggart, rh Fiona
Madders, Justin
Mahmood, Mr Khalid
Mahmood, Shabana
Malhotra, Seema
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
McKinnell, Catherine

Meale, Sir Alan
Mearns, Ian
Moon, Mrs Madeleine
Morris, Grahame
 M.
Murray, Ian
Nandy, Lisa
Onn, Melanie
Onwurah, Chi
Osamor, Kate
Owen, Albert
Pearce, Teresa
Pennycook, Matthew
Perkins, Toby
Phillips, Jess
Phillipson, Bridget
Pound, Stephen
Qureshi, Yasmin
Rayner, Angela
Reed, Mr Jamie
Reed, Mr Steve
Rees, Christina
Reynolds, Emma
Rimmer, Marie
Robinson, Mr Geoffrey
Rotheram, Steve
Ryan, rh Joan
Saville Roberts, Liz
Shah, Naz
Sharma, Mr Virendra
Sherriff, Paula
Siddiq, Tulip
Skinner, Mr Dennis
Slaughter, Andy
Smeeth, Ruth
Smith, rh Mr Andrew
Smith, Angela
Smith, Cat
Smith, Nick
Smith, Owen
Smyth, Karin
Spellar, rh Mr John
Starmer, Keir
Stevens, Jo
Streeting, Wes
Stuart, rh Ms Gisela
Tami, Mark
Thomas, Mr Gareth
Thomas-Symonds, Nick
Thornberry, Emily
Timms, rh Stephen
Trickett, Jon
Turley, Anna
Turner, Karl
Twigg, Derek
Twigg, Stephen
Vaz, rh Keith
Vaz, Valerie
Watson, Mr Tom
West, Catherine
Whitehead, Dr Alan
Williams, Hywel
Wilson, Phil
Winnick, Mr David
Winterton, rh Ms Rosie
Woodcock, John
Wright, Mr Iain
Zeichner, Daniel

Tellers for the Ayes:
Jessica Morden and
Jeff Smith

NOES

Adams, Nigel
 Afriyie, Adam
 Aldous, Peter
 Allan, Lucy
 Allen, Heidi
 Amess, Sir David
 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
 Brake, rh Tom
 Brazier, Mr Julian
 Bridgen, Andrew
 Brine, Steve
 Brokenshire, rh James
 Bruce, Fiona
 Buckland, Robert
 Burns, Conor
 Burns, rh Sir Simon
 Burt, rh Alistair
 Cairns, Alun
 Carmichael, rh Mr Alistair
 Carmichael, Neil
 Carswell, Mr Douglas
 Cartlidge, James
 Cash, Sir William
 Caulfield, Maria
 Chalk, Alex
 Chishti, Rehman
 Choqe, Mr Christopher
 Churchill, Jo
 Clark, rh Greg
 Clarke, rh Mr Kenneth
 Clegg, rh Mr Nick
 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, Dr James
 Davies, Mims

Davies, Philip
 Davis, rh Mr David
 Dinenage, Caroline
 Djanogly, Mr Jonathan
 Dodds, rh Mr Nigel
 Donaldson, rh Mr Jeffrey
 M.
 Donelan, Michelle
 Dorries, Nadine
 Double, Steve
 Dowden, Oliver
 Drax, Richard
 Drummond, Mrs Flick
 Duncan, rh Sir Alan
 Duncan Smith, rh Mr Iain
 Dunne, Mr Philip
 Elliott, Tom
 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
 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
 Gillan, rh Mrs Cheryl
 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
 Gummer, Ben
 Gyimah, Mr Sam
 Halfon, rh Robert
 Hall, Luke
 Hammond, rh Mr Philip
 Hammond, Stephen
 Hancock, rh Matthew
 Hands, rh Greg
 Harper, rh Mr Mark
 Harrington, Richard
 Harris, Rebecca
 Hart, Simon
 Haselhurst, rh Sir Alan
 Hayes, rh Mr John
 Heald, Sir Oliver

Heapey, James
 Heaton-Harris, Chris
 Heaton-Jones, Peter
 Henderson, Gordon
 Herbert, rh Nick
 Hinds, Damian
 Hoare, Simon
 Hollingbery, George
 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
 James, Margot
 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, Julian
 Kwarteng, Kwasi
 Lamb, rh Norman
 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
 Lidington, rh Mr David
 Lopresti, Jack
 Loughton, Tim
 Lumley, Karen
 Mackinlay, Craig
 Mackintosh, David
 Main, Mrs Anne
 Mak, Mr Alan
 Malthouse, Kit
 Mann, Scott
 Mathias, Dr Tania
 May, rh Mrs Theresa
 Maynard, Paul
 McCartney, Jason
 McCartney, Karl
 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
 Mitchell, rh Mr Andrew
 Mordaunt, Penny
 Morgan, rh Nicky
 Morris, Anne Marie
 Morris, David
 Morris, James
 Morton, Wendy
 Mowat, David
 Mulholland, Greg
 Mundell, rh David
 Murray, Mrs Sheryll
 Murrison, Dr Andrew
 Neill, Robert
 Newton, Sarah
 Nokes, Caroline
 Norman, Jesse
 Nuttall, Mr David
 Offord, Dr Matthew
 Osborne, rh Mr George
 Paisley, Ian
 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
 Pugh, John
 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
 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
 Streeter, Mr Gary

Stride, Mel	Walker, Mr Robin
Stuart, Graham	Wallace, Mr Ben
Sturdy, Julian	Warburton, David
Sunak, Rishi	Warman, Matt
Swayne, rh Mr Desmond	Watkinson, Dame Angela
Swire, rh Mr Hugo	Wharton, James
Syms, Mr Robert	Whately, Helen
Thomas, Derek	Wheeler, Heather
Throup, Maggie	White, Chris
Timpson, Edward	Whittingdale, rh Mr John
Tolhurst, Kelly	Wiggin, Bill
Tomlinson, Justin	Williams, Craig
Tomlinson, Michael	Williamson, rh Gavin
Tracey, Craig	Wilson, Mr Rob
Tredinnick, David	Wilson, Sammy
Trevelyan, Mrs Anne-Marie	Wollaston, Dr Sarah
Truss, rh Elizabeth	Wood, Mike
Tugendhat, Tom	Wragg, William
Turner, Mr Andrew	Wright, rh Jeremy
Tyrie, rh Mr Andrew	
Vaizey, Mr Edward	
Vara, Mr Shailesh	
Vickers, Martin	
Walker, Mr Charles	

Tellers for the Noes:
Jackie Doyle-Price and
Guy Opperman

Question accordingly negated.

Question put forthwith (Standing Order No. 62(2)),
That the Bill be now read a Second time.

Question agreed to.

Bill accordingly read a Second time.

CITIES AND LOCAL GOVERNMENT DEVOLUTION BILL [LORDS] (PROGRAMME)

*Motion made, and Question put forthwith (Standing
Order No. 83A(7)),*

That the following provisions shall apply to the Cities and
Local Government Devolution Bill [Lords]:

Committal

(1) The Bill shall be committed to a Committee of the whole
House.

Proceedings in Committee

(2) Proceedings in Committee of the whole House shall be
completed in two days.

(3) The proceedings shall be taken on the days shown in the
first column of the Table and in the order so shown.

(4) The proceedings shall (so far as not previously concluded)
be brought to a conclusion at the times specified in the second
column of the Table.

Table

Proceedings	Time for conclusion of proceedings
First day	
auses 1 and 2; new Clauses and new Schedules relating to the subject matter of Clauses 1 and 2; Clause 3; Schedule 1; Clause 4; new Clauses and new Schedules relating to the subject matter of Clauses 3 and 4;	Two and a half hours after commencement of proceedings on the Bill

Table

Proceedings	Time for conclusion of proceedings
Clause 5; Schedule 2; Clauses 6 to 8; Clauses 17 to 19; Clause 9; Schedule 3; Clauses 10 to 16; new Clauses and new Schedules relating to the subject matter of Clauses 5 to 19;	The moment of interruption on the first day
Second day	
Clauses 20 and 21; new Clauses and new Schedules relating to the subject matter of Clauses 20 and 21;	Two and a half hours after commencement of proceedings on the Bill.
Remaining new Clauses; remaining new Schedules; Clause 22; Schedule 4; Clauses 23 to 25; remaining proceedings on the Bill	The moment of interruption on the second day

Consideration and Third Reading

(5) Any proceedings on Consideration shall (so far as not
previously concluded) be brought to a conclusion one hour before
the moment of interruption on the day on which those proceedings
are commenced.

(6) Proceedings on Third Reading shall (so far as not previously
concluded) be brought to a conclusion at the moment of interruption
on that day.

Programming committee

(7) Standing Order No. 83B (Programming committees) shall
not apply to proceedings in Committee of the whole House, to
any proceedings on Consideration or to proceedings on Third
Reading.

Other proceedings

(8) Any other proceedings on the Bill (including any proceedings
on consideration of any message from the Lords) may be
programmed.—(*James Wharton.*)

Question agreed to.

CITIES AND LOCAL GOVERNMENT DEVOLUTION BILL [LORDS] (MONEY)

*Motion made, and Question put forthwith (Standing
Order No. 52(1)(a)),*

That, for the purposes of any Act resulting from the Cities and
Local Government Devolution Bill [Lords], it is expedient to
authorise the payment out of money provided by Parliament of:

(a) any expenditure incurred under or by virtue of the Act by
the Secretary of State, and

(b) any increase attributable to the Act in the sums payable
under any other Act.—(*James Wharton.*)

Question agreed to.

DEFERRED DIVISIONS

*Motion made, and Question put forthwith (Standing
Order No. 41A(3)),*

That at today's sitting, Standing Order No. 41A (Deferred
divisions) shall not apply to the Motion in the name of Mr Chancellor
of the Exchequer relating to the Charter for Budget Responsibility.—
(*Julian Smith.*)

Question agreed to.

Charter for Budget Responsibility

7.15 pm

The First Secretary of State and Chancellor of the Exchequer (Mr George Osborne): I beg to move,

That the Charter for Budget Responsibility: autumn 2015 update which was laid before the House on 12 October, be approved.

Despite all the details of fiscal policy that we will discuss, and the mechanisms in the charter we are debating, the questions before the House and the country are very simple: is Britain going to pay its way in the world? Are we going to live within our means and bear down on our debts, so that next time disaster strikes we are better prepared? Do we have the strength and determination to finish the job that we started of turning Britain around and providing security to working families at every stage of their lives? Or will we be profligate again and spend money that we do not have, borrow for ever, mortgage the future of our children with debts that we could not pay ourselves, and consign Britain to a future of high debt, instability and low growth? No. Our answer, and the answer in the charter, is that we will put economic security first.

We resolve to put the livelihoods and living standards of working people ahead of the irresolution of politicians who lack the discipline to control public spending and deliver financial stability. We commit to learn from the mistakes of the past, not to repeat them, and we choose to put security first. After all that Britain has been through, it is remarkable that the proposition in this Charter for Budget Responsibility should even be contentious. It states that now the economy is growing we should be reducing our exorbitant debts, and that we should do that each year by reducing the deficit until we eliminate it altogether and run a surplus. Once we have achieved that surplus, in normal times we should continue to raise more than we spend and set aside money for when the rainy days come. It is as simple as that: we should fix the roof when the sun is shining.

Several hon. Members *rose*—

Mr Osborne: I will give way to the former shadow Chancellor.

Chris Leslie (Nottingham East) (Lab/Co-op): I am clear that we should not turn our face against a surplus, but it is important that the Chancellor's definition of "normal times" safeguards some of our vital public services and ensures that we protect the most vulnerable in our society. Is there a danger in automatically going for a surplus without protecting some of those very basics for society? [*Interruption.*]

Mr Osborne: I was about to pick up on the point that the hon. Member for Bolsover (Mr Skinner) just made, which is that the hon. Gentleman has shifted his position in the last few days. The former shadow Chancellor was telling us that the position adopted by the Labour party on this charter sends the wrong message to the general public, and in the brief period when he was shadow Chancellor he argued from this Dispatch Box that we should run a surplus. At the time I think he was trying to make the argument that the people who suffer most when Governments lose control of the public finances are precisely the most vulnerable in society and those

who lose their jobs or get cast out of work. It is not trade union barons who lose their jobs when the economy fails; it is the poorest, not the richest in society who pay the price, and the most progressive thing that a Government can do is to run a sound fiscal policy and provide financial stability to the working people of this country. That is what we are debating.

What are the objections to our approach? There are those who say—including in the last couple of days—that the economy is not strong enough and that we need more growth before we cut the deficit. That advice on growth and the deficit normally comes from those who gave us the greatest recession and the largest deficit in our modern history, but let us put that aside for a moment. The British economy has been pretty much the fastest-growing of any major advanced economy in the world, this year, last year and the year before.

We have had the latest jobs numbers today and they show we have more people in work than at any point in the history of this country—the highest employment rate in the history of this country. Unemployment is down 79,000, full-time work is up and, while inflation is falling, pay is now rising strongly at 3% a year. This is the strong economy that the British people have built with their hard work and sacrifice. If this is not the time to be reducing your deficit and your debt, when is? We are aiming for a budget surplus in 2019, because if we are not running a surplus nine years or more after the end of the recession, when the economy has been growing for these nine years, when will we ever run a surplus? The real answer from people who oppose this charter is never. Speaking of which, we turn to the hon. Member for Bassetlaw (John Mann).

John Mann (Bassetlaw) (Lab): When the Labour Members of the Treasury Committee rightly identified this proposal as a gimmick in the Treasury Committee hearings in July, did the Governor of the Bank of England, or any of the other eminent economic brains we questioned, give a single word of defence for this political gimmick?

Mr Osborne: It is not a political gimmick to have sound public finances. What is a political gimmick is coming out on the eve of your conference with some policy that says you support what we are doing, and then two weeks later turning up in the House of Commons and voting against it. Indeed, the hon. Member for Bassetlaw has described the policy of the Labour party as "a huge joke".

Mr Dennis Skinner (Bolsover) (Lab): That was two days ago. Two days is a long time in politics.

Mr Osborne: The hon. Member for Bolsover has got back his party and we're pleased for him.

Several hon. Members *rose*—

Mr Osborne: Let me make a little progress, because we only have a 90-minute debate.

The truth is that the people who oppose this charter never want a surplus. They want to run a deficit forever. They never want Britain to be earning more than it spends. [*Interruption.*] They say "Nonsense." Will they give me a date when they would like a surplus to be run

[Mr Osborne]

from? I am setting a date—2019, years from now, at the end of this decade, nine years after the end of the recession. That is the date we are voting on. The truth is that they want to borrow forever. They want to run a deficit forever. They believe our debts should rise and rise, and never come down; they just do not have the courage to admit it to the British people.

Ian Austin (Dudley North) (Lab): The Chancellor is completely wrong. The objection to the game he is playing and the trap he thinks he has so cleverly set is that he has completely failed to hit all of the promises and all of the targets that he has established. Instead of indulging in this ridiculous game-playing, he should be concentrating on preparing Britain to weather the international storm and preparing for the problems we could face as a result of the slide in China.

Mr Osborne: That is precisely what we are doing. We are precisely preparing Britain to weather the storms. We came in five years ago. We promised to turn this economy around. We promised to take Britain back from the brink of disaster. And do you know what? We have a record number of people in work. I can see my right hon. Friend the Secretary of State for Work and Pensions over there. A record number of children are no longer in workless households. We have the gender pay gap at the lowest rate in its entire history. Inequality is down, child poverty is down and the shambles we were left, as Ben from Exeter might put it, by the Labour party is what we are clearing up right now and we will continue to do so.

The second objection to the charter is that somehow reducing the deficit and running a surplus is inconsistent with a progressive state and great public services. Tell that to the Canadians or the Swedes, two great social democracies with surplus rules for two decades or more. Tell that to all the other countries in the world which, like Britain under this Government, are on course to run a surplus by 2020—Australia, Germany, Cyprus, New Zealand, Norway, Singapore and Korea. Tell that to the British taxpayers, who have seen the deficit reduced while their public services have improved over the past five years, with crime down, satisfaction with local government services up, and more children than ever in outstanding schools. The truth is that running a deficit forever is not socialist compassion; it is economic cruelty and Britain wants no more of it.

The very purpose of this charter is that we prepare for the future, reduce our debts and run a surplus in normal times, precisely so that we do have the resources to help the poorest and the most vulnerable when economic bad times come.

We do not stand here and claim we have abolished boom and bust—that ridiculous and dangerous suggestion that got Britain into this mess in the first place. We know there are ups and downs to the economic cycle. We warn again and again of the risks out there—from slowing emerging markets to the endemic weakness of the eurozone—and it is precisely because no one knows when the economy will be hit by the next shock that we should take precautions now. That is what we are doing in this charter.

Britain's national debt as a share of its national income is more than 80% of our GDP. Unless we reduce it, we will not be able to support the economy and the British people in the way we would like to do when the shock comes, because we would not have the room for manoeuvre. Failing to address that is deeply irresponsible.

Steve Brine (Winchester) (Con): According to today's figures, unemployment among 18 to 24-year-olds in my constituency is down 72% since the Chancellor walked into No. 11. That is what budget responsibility looks like. Will he promise to stay in the centre, moderate ground of British politics and keep fixing the roof while the sun is shining and reject the hard-left nonsense we are hearing from the Opposition?

Mr Osborne: I absolutely give my hon. Friend that commitment, because we have a responsibility to represent the working people of this country, who have been completely abandoned by the Labour party. That makes us the true party of labour here in this House of Commons.

Mr Skinner: *rose*—

Mr Osborne: I will give way to the hon. Gentleman in a moment.

Of course, the problem with people who say that now is a good time to borrow is that they always say it is a good time to borrow: in bad times they say we should borrow because we cannot afford not to, and in good times they say we should borrow because we can afford it. According to them, there is never a right time to stop borrowing and start saving. That is precisely the thinking that got Britain into a mess eight years ago.

This budget charter provides the discipline we need along with the flexibility we might require. It says that debt as a share of GDP should be falling every year when the economy is growing normally, but when recessions come or economic growth is very weak and below 1% the rule is suspended and the automatic stabilisers kick in. Then the Chancellor of the day will come to Parliament and present a plan to return the public finances to health and Members will either support or reject that plan. That is simple, clear, accountable, strong and flexible. It is a commitment to sound money and stability—the bedrock of economic security for working people.

The third argument we have heard today is that we do not need fiscal rules at all and that they are meaningless. Again, I disagree. I believe that democratic Governments should set out their approach to public spending. It is the public's money, after all, and we should be held to account by them. Successful countries do set out long-term objectives and hold their Government Departments to account, rather than lurch from one year to another.

Of course, rules are meaningless if people are their own judges of the rules they set—we know that from the golden rule the Labour party set when it was in office—but we have an independent Office for Budget Responsibility and it is the impartial judge of whether we deliver what we promise.

There is an argument that because we have the OBR it can come to its own conclusion about the soundness of our fiscal policy, but that is profoundly undemocratic. Public spending should be determined by this House of

Commons. That is why we are having this debate and this vote tonight. Under our system, the rules are set democratically and are independently judged, and the people can hold us to account.

Caroline Lucas (Brighton, Pavilion) (Green): This might be clever politics, but it is staggeringly bad economics. The Chancellor is incredibly irresponsible to imply that borrowing is always bad. If we borrow to invest, we increase jobs, stabilise the economy and increase tax revenues. That is good for the economy, not bad for it.

Mr Osborne: That is borrowing forever. There is never—[*Interruption.*] When would the hon. Lady stop borrowing and run a surplus? I am happy to give way to her as the representative from the Green party. When is the moment to stop borrowing and run a surplus?

Caroline Lucas: The moment to stop borrowing is when we can no longer afford to pay it back—[*Laughter.*] We can perfectly afford to pay back our investment, which is why economists are laughing at the Chancellor—[*Interruption.*]

Mr Speaker: Order. [HON. MEMBERS: “More!”] Order! Mr Cleverly, you are convulsed by mirth. You are in an uncontrollable state. I am worried about your perilous condition, man. Calm yourself and get a grip. The hon. Member for Brighton, Pavilion (Caroline Lucas) must be heard—[HON. MEMBERS: “More!”] Order. The hon. Lady’s remaining contribution, which I know will be extremely brief, will be heard by the House and the clock will be stopped if she is interrupted again. We had better be very clear about that.

Caroline Lucas: Thank you, Mr Speaker. If we are investing in jobs, that gets taxes going back into the Revenue, which is good for the economy. That is why economists are saying that the Chancellor’s silly trick is very bad economics, even if it is very clever politics to make all his friends laugh a lot. People across the country are not laughing, because he is increasing austerity and increasing the burden on the poorest.

Mr Osborne: Borrowing until it cannot be paid back leads to national bankruptcy. That might be a good pitch from the hon. Lady to be the next shadow Chancellor, but it is not how we should run this country’s economic policy.

Several hon. Members *rose*—

Mr Osborne: Let me make a little progress, because I know that many people want to speak and this is a short debate—

Mr Skinner *rose*—

Mr Osborne: I will give way to the hon. Gentleman in due course—[HON. MEMBERS: “Go on.”] Oh, all right. Come on, let’s hear him.

Mr Skinner: If everything in the Tory garden is lovely and if the Chancellor believes in fixing the roof while the sun is shining, why did he desert the people of Redcar?

Mr Osborne: We have not deserted the people of Redcar. We have provided £80 million of support to local people affected by the closure of that steel plant. That steel plant tragically closed under the previous Labour Government and there was nothing like that support for the workers then. We stand behind the workers of Redcar and we stand behind the workers in every steel plant to see what we can do, but I can tell the hon. Gentleman this: we will not have steel plants or any other plants open in this country if we do not have economic stability in Great Britain.

Mr Osborne: Let me make some progress.

That point brings me to the final and perhaps most dangerous objection to this charter rule, which is when people say that Britain does not have to go to the bother of saving money and trying to pay for things but can instruct the Bank of England to print the money and use it to finance Government spending directly. The leader of the Labour party calls it

“quantitative easing for people instead of banks”—

that is an accurate quote from his leadership campaign. It sounds seductive, but it is actually called monetary financing. It might be a novel argument in this House of Commons and in the British political debate, but that is because no one has seriously proposed that approach in our country in recent decades. It is a very old argument.

Helen Goodman (Bishop Auckland) (Lab): Will the Chancellor give way?

Mr Osborne: No, I will not give way.

Helen Goodman: Will he—[*Interruption.*]

Mr Speaker: Order. The hon. Lady is pressing the point. The Chancellor is not giving way at this stage.

Mr Osborne: I think, quite frankly, that a period of silence from the hon. Member for Bishop Auckland (Helen Goodman) would be very welcome.

Monetary financing is a very old argument in the economic history of the world and we know that it invariably leads to rising prices, soaring inflation, savings being wiped out, money being debased, stability being destroyed, jobs being lost and total economic chaos. It might sound new and attractive, but it is in fact very old and very dangerous.

This is what current and former Labour Members have said about that approach. The right hon. Member for Normanton, Pontefract and Castleford (Yvette Cooper), the former Chief Secretary to the Treasury, warns that it is “really bad economics”. Jack Straw, pointing to the history of Weimar Germany and Venezuela, said it was “bound to end in tears”.

The last Labour—[*Interruption.*] The Labour party now dismisses the views of Jack Straw and the right hon. Member for Normanton, Pontefract and Castleford. It probably also dismisses those of the hon. Member for Nottingham East (Chris Leslie), who said to me a few weeks ago, “This approach will hurt the very people we should be standing up for, they will pay the price—the poor and the vulnerable.” Yet it is the much advertised economic policy of the shadow Chancellor and his Labour leader. It has been supported by the Labour movement, and it must be challenged and defeated.

Albert Owen *rose*—

Mr Osborne: I am going to make some progress.

I welcome the shadow Chancellor to his place, and I look forward to working with him when we can agree. In that respect, he made a good start, with his first big pronouncement on Labour's approach to fiscal policy two weeks ago. He said:

"We will vote for it on the basis that we want to assure people that we will tackle the deficit, we will balance the budget, we will live within our means".

That is precisely what the charter is for, and I thank him for encapsulating precisely the basis on which I urge all Members to support it, whatever their party. If they cannot support us, I urge them at least to abstain.

Albert Owen *rose*—

Mr Osborne: I am going to make some progress. [*Interruption.*] I think we are making quite a lot of progress as it happens.

Of course, since the shadow Chancellor spoke a couple of weeks ago, he has performed the most spectacular U-turn. We were told when he got the job that he would be a divisive figure. I just did not realise the split would be between two opposing views both held by himself. I have been standing at these two Dispatch Boxes for 10 years, and today, as on such occasions in the past, I have a sheaf of quotes from people in the Labour party from the past couple of days. I could read them all out, but the truth is that the complete chaos, confusion and incredibility of Labour's economic policy is more eloquently expressed by Labour MPs than by any of my colleagues. To call the whole episode a shambles is an understatement—like saying the charge of the Light Brigade did not achieve all its objectives.

The serious point is this: in my experience, shadow Chancellors come and go, but what is permanent is the economic approach the Labour party is committing itself to tonight. It is becoming the party of permanent fiscal irresponsibility and never-ending borrowing, the party that would run a deficit forever—a Labour party that is a standing threat to the economic security of the working people of this country. It is not too late for Labour MPs to dissociate themselves from this reckless cause that their party has embarked upon, so I say to them: join us tonight, vote for budget responsibility and economic sanity, for eliminating our deficit and for reducing our debt, and help us prepare Britain for an uncertain future. Let us give those who elect us a Government that live within their means, a country that earns its way in the world, and economic security for the working people of Britain. I ask the whole House to support the charter tonight.

7.38 pm

John McDonnell (Hayes and Harlington) (Lab): I suppose I should deal straightforwardly with the U-turn. Yes, two weeks ago, I recommended that Labour MPs vote for the charter, and today I shall urge them to vote against it. Is that embarrassing? Yes, of course, but a bit of humility among politicians never goes amiss. When circumstances and judgments change, it is best to admit to it and change as well, so I would like to take this opportunity to welcome the Prime Minister's change of heart on the bid for the Saudi prisons contract.

Let me clear: I have changed my mind not on the principles of the need to tackle the deficit, but on the parliamentary tactics for dealing with this charter. Labour will tackle the deficit. [*Interruption.*] The Chancellor has a record of ignoring the targets he sets in these charters and mandates, treating his own charter with contempt, so I recommended two weeks ago that we should do the same. It is difficult to take seriously the charters and mandates when time after time the Chancellor has come to Parliament to revise his own charter. It is difficult to take it seriously when he has consistently failed to meet his own targets.

I remember the promises; I was here. The Chancellor promised to wipe out the deficit in one Parliament, but he did not get through half. In 2010, he promised to reduce borrowing to £37 billion by 2014-15. Last year, it was £87 billion—135% more than forecast. He promised public sector net debt would fall to 69% of gross domestic product in 2014-15. Today, it stands at 80% and above. It is no wonder that the charter has been seen as one of the puerile political traps the Chancellor likes to set.

Several hon. Members *rose*—

John McDonnell: Let me make some room; I will give way in due course.

Voting against the charter makes someone a deficit denier; voting for it would lead to the Chancellor claiming for the next five years that we had signed up to support every one of his cuts in public services and benefits.

I regret that the procedure followed today is an unamendable order—a take-it-or-leave-it order. My initial view was to use today's debate for a bit of traditional parliamentary knockabout to ridicule the Chancellor's performance against his own charter. I admit it: I was trying to out-Osborne Osborne.

Apart from the economic analysis and professional advice I have received, what really changed my mind was a trip to Redcar last week, where I met steelworkers and their families in tears at losing their jobs, their livelihoods, their futures. The Government's failure to invest in our manufacturing industry, even if only to mothball the plant until better times arrive, has meant the end of steelmaking in Teesside and immense distress to families. The Government's refusal to invest will be embedded in this charter as it now moves on to limit all public sector borrowing.

Gareth Johnson (Dartford) (Con): I am grateful to the shadow Chancellor for giving way. According to *Hansard*, during the last Parliament there were more than 100 occasions on which the hon. Gentleman criticised the Government and other organisations for failing to consult sufficiently. Does he now understand the irony, given his complete failure to consult his own colleagues over his position?

John McDonnell: In the Labour party, we have a democratic process involving the shadow Cabinet and the parliamentary Labour party. In fact, it is so democratic that it is reported in the press virtually daily.

This charter will be used time and again as an excuse for the Government's refusal to intervene and invest, but the more we know about its potential use, the more my view is strengthened—it has to be vigorously opposed. It will be used to justify cutting services and support to

families across the UK, including the cuts to tax credits, which are the working families' penalty. I cannot support the cuts to tax credits for working families. These are people who have done everything asked of them: they have gone to work and looked after their children, yet because of the policy direction in this charter they are going to be hit with a £1,300 cut. Neither can I support the continuing attack on disabled people, which is inherent in this fiscal mandate.

James Cleverly (Braintree) (Con): Will the hon. Gentleman give way?

John McDonnell: I will in a minute.

Disabled people are already harassed—some to death—by the brutal work capability assessment and often by benefit sanctions, yet they are to lose over £30 a week. Disabled people under this Government and under the coalition, have been hit 18 times harder than other citizens by the impact of cuts. I do not want the Labour party to be associated in any way with these policies, and to dissociate ourselves clearly we need to vote against them tonight.

Sir Edward Leigh (Gainsborough) (Con): Everyone understands the hon. Gentleman's views, but he has to explain to the House what circumstances have changed in the last two weeks. There has to be some element of consistency, and of trust in the Opposition: trust that, in future, he will not be blown off course so easily.

John McDonnell: The hon. Gentleman has clearly not been listening. It was professional advice. It was watching the economic headwinds grow. But, in addition to that, it was meeting families who had lost their futures in Redcar that made me decide that we need a Government who would invest and would not leave them adrift.

James Cleverly: Will the hon. Gentleman give way?

Oliver Dowden (Hertsmere) (Con): Will the hon. Gentleman give way?

John McDonnell: I will in due course.

It is increasingly clear that the charter and the fiscal mandate are not economic instruments, but political weapons. This is not an economic debate. It is about the politics of dismantling the welfare state, the closing down of the role of the state, and the redistribution of wealth from the majority to the minority. Austerity is not an economic necessity; it is a political choice.

Mr Jacob Rees-Mogg (North East Somerset) (Con): The hon. Gentleman said at the beginning of his speech that he wanted to reduce the deficit, but whenever any cut is proposed, he is against it. What would he cut? What would he do to balance the books?

John McDonnell: If the hon. Gentleman bears with me, he will discover the answer. He is renowned for his patience.

James Cleverly: Will the hon. Gentleman give way?

John McDonnell: No. This is a limited debate, so I need to press on.

Over the last five years, the focus of the economic debate on the deficit has reflected the capture of the economic narrative by the right since the crisis in 2008. Over six years, the Conservatives have managed to convince many people that the economic crisis and the deficit were caused by Labour Government spending. It has been one of the most successful exercises in mass public persuasion and the rewriting of history in recent times. Today I am going to correct the record.

The facts speak for themselves. The Conservatives backed every single penny of Labour's spending until Northern Rock crashed. The average level of spending under Labour was less than it was under Mrs Thatcher. It was not the teachers, the nurses, the doctors and the police officers whom Labour recruited who caused the economic crisis; it was the recklessness of the bankers speculating in the City, and the failure of successive Governments to ensure effective regulation. In opposition, this Chancellor and his colleagues wanted even less regulation of the banking sector that crashed our economy. The deficit was not the cause of the economic crisis, but the result of the economic crisis.

Chris Philp (Croydon South) (Con): Will the hon. Gentleman give way?

Simon Hoare (North Dorset) (Con): Will the hon. Gentleman give way?

John McDonnell: I need to—

Mr Kenneth Clarke (Rushcliffe) (Con) *rose*—

John McDonnell: I will give way.

Hon. Members: Hear, hear!

Mr Clarke: What happened under the last Government was that the Chancellor and his regulatory authorities allowed first the dotcom bubble and then the crazy credit boom. Tax revenues temporarily soared to astonishing levels. The Labour Government carried on running a deficit on top of those tax revenues, and then the revenues collapsed, leaving us with the worst annual deficit in the G20. The last Government were complicit in the consequences of 2008.

John McDonnell: And when that expenditure was being determined in the House, this side supported it, and never objected. The right hon. and learned Gentleman may well have rejected it, but I remember his Budgets. His Budgets balanced, but when they balanced, there were 40,000 homeless families in London. People were dying on waiting lists before they got their operations. Those were the consequences of his economic policies.

Focusing on the deficit continues to mask the underlying weaknesses and failures of our unreformed economic system. We are witnessing a recovery based on rising house prices, growing consumer credit, a ballooning current account deficit and still inadequate reform of the finance sector. I worry that some of the warning signs are reappearing. But the Conservatives have adhered to their dictum: never let a crisis go to waste. They have skilfully used their narrative of the deficit to enable

[John McDonnell]

them to cut public services, slash benefits, and give tax cuts to the rich and corporations. Successive charters and fiscal mandates brought before this House have been cynically used as a weapon in that cause.

The purpose of the original Fiscal Responsibility Act 2010, brought in by Labour, was to bolster the then Government's economic credibility. I recall what the current Chancellor said. He described it as little more than a political stunt. But he soon learned what a useful tool charters and mandates can be, and immediately upon the coalition's election, he introduced his own. The fact that he missed most of his targets was irrelevant to him; what was more valuable was that charters could be picked up whenever needed and prayed in aid to excuse any attack on the welfare state and any cut in benefits, and provide a means to redistribute wealth upwards.

The charter before us today also has little basis in economics. Let me quote Dr Ha-Joon Chang, Professor Thomas Piketty, Professor David Blanchflower, Mariana Mazzucato and Simon Wren-Lewis. Those eminent economists in our society said that it has

"no basis in economics. Osborne's proposals are not fit for the complexity of a modern 21st-century economy and, as such, they risk a liquidity crisis that could also trigger banking problems, a fall in GDP, a crash, or all three."

They go on to say that if the Government

"chooses to try to inflexibly run surpluses...Households, consumers and businesses may have to borrow more overall, and the risk of a personal debt crisis to rival 2008 could be very real indeed."

James Cleverly: The wording of this charter has not changed in the past two weeks, and I am therefore curious: what happened two weeks ago? Did the hon. Gentleman read the charter and not understand it, or had he not read the charter when he advised his colleagues to vote on it?

John McDonnell: May I just say to the hon. Gentleman that it is always best before making an intervention to have listened to the debate so far and it is always best to make a calculation as to whether he is going to add to the sum of human knowledge by the intervention? [HON. MEMBERS: "Ooh!"] All right, I was a bit harsh. Sorry about that. Mr Speaker, I am not usually so undiplomatic, am I? May I press on? The Chancellor may not appreciate the economic points that have been made, but—

Lucy Frazer (South East Cambridgeshire) (Con): I would like to make the point that my learned Friend—my hon. Friend the Member for Braintree (James Cleverly)—was making: if there is no basis for this measure, why did the hon. Gentleman agree to it two weeks ago?

John McDonnell: May I apologise to the hon. Gentleman, as I was too harsh? I certainly do not want to be with the hon. and learned Lady, but if she could just keep up it would be really helpful. I have tried to reiterate three times—I have said it three times. [Interruption.]

Mr Speaker: Order. Let us have a bit of order, on both sides. The nature of such a debate is the existence of strong and contrary opinions. If people insist on

shouting from a sedentary position as part of a sort of group therapy, thinking they are being clever, they should just think of what the electorate want, which is a civilised debate, not the most juvenile badinage.

John McDonnell: I am sorry for being so ungallant to the hon. and learned Lady and I apologise to her for that, but I have explained three times already.

Jonathan Reynolds (Stalybridge and Hyde) (Lab/Co-op): We are getting to the crux of this debate, which is that this fiscal charter is intellectually moronic. It essentially commits this House to never borrowing to invest, even when the cost-benefit analysis of that investment is such that the country would benefit greatly. That is why it has not one serious economist backing it, other than the self-styled experts on the Government Benches.

John McDonnell: I could not have said it better myself. Can we move on?

The Chancellor may not appreciate these economic points, but I believe many of his advisers do. That is why there is a sizeable get-out clause for the charter rules not to apply outside normal times when there is a significant negative shock to the UK economy. Not only are the social consequences of this programme devastating, but the scale of the cuts we are witnessing represents a false economy. They jeopardise the long-term economic prosperity of our country. It is a false economy to cut adult social care when the burden is shifted on to hospitals and accident and emergency departments. It is a false economy to pursue an ideological sell-off of council housing eventually to put up the rents and eventually increase housing benefit. It is a false economy, ironically, that when this Government came to office there were 70,000 people at HMRC and within the next year that is planned to fall to 52,000—a cut of more than 25% in the number of tax-collecting staff, when HMRC says that tax evasion is as high as £10 billion a year. But the worst—

Maria Caulfield (Lewes) (Con): Will the hon. Gentleman give way?

John McDonnell: If the hon. Lady does not mind, I have taken a large number of interventions. The debate is time-limited. If she has any points that she would like to raise with me, I am happy to meet her separately or write to her. [Interruption.] I am doing my best to be nice. It is the new politics of the Labour party.

The worst false economy is the failure to invest. This will be a direct result of Government policy embedded in this charter, with its limits on all public sector borrowing. Economists from across the spectrum have written and commented on the need for investment for the future. The World Economic Forum ranks the UK 10th for the quality of our infrastructure, behind Germany, France, the Netherlands and Spain. This Chancellor's strategy has given us investment as a share of GDP lower than all the other G7 countries, falling even further behind the G7 average in recent years.

That is why business leaders, trade unions and a host of others are calling for investment. It is incomprehensible for the Chancellor to rule out the Government playing a role in building our future. For him to constrain himself from doing so in the future, no matter what the business case for a project, has no basis in economic theory or experience.

We also face an uncertain medium-term future for the global economy. In recent weeks there has been mounting evidence of a decline in global demand, particularly in the emerging markets.

Several hon. Members *rose*—

John McDonnell: I will press on, if hon. Members do not mind, as time is short.

Economists have warned of the potential for a future slowdown in western economies as a result. Former chief economist at the World Bank, Larry Summers, wrote last week that the dangers facing the global economy are more severe than at any time since the height of the crisis. Faced with these potential challenges, it makes no sense to close down the fiscal options available, especially when there is a possibility that monetary policy options may also be constrained.

I want to break the stranglehold that the focus on deficits has had on the economic debate in this country in recent years. Yes, the deficit is vitally important, but we need a paradigm shift to open up the wider debate on what makes a healthy economy, a prosperous economy, in which everybody shares in that prosperity and in which everybody is secure, not just the wealthy few, where everybody has a decent home in a sustainable environment, is able to develop their talents to the full, has secure, stable, well-paid and rewarding employment, and support when they fall on hard times. We will tackle the deficit, yes, but we will not tackle—*[Interruption.]* Hon. Members should listen and they will hear.

We will not tackle the deficit on the backs of middle and low earners, and especially not on the backs of the poorest in our society. We will tackle the deficit, but we will do it fairly and to a timescale that does not jeopardise sustainable growth in our economy. We will balance day-to-day spending and invest for future growth, so that the debt to GDP ratio falls, paying down our debts. We will do this, first, by ending this Government's programme of tax cuts to the wealthiest in our society. This winter, when the letters go through the letterboxes telling working families how much they will lose in tax credits, we will be reminding them that their tax credit cut has paid for a cut of billions of pounds in the inheritance taxes of the richest families in this country.

Secondly, we will give HMRC the resources and powers to tackle tax evasion and avoidance—no more Facebooks paying less than £5,000 in tax despite £35 million in bonuses and total global profits of £1.9 billion—but above all else we will grow our economy. We will use smart Government institutions to strategically invest in the key areas that increase GDP in the future: education, health, research, technology, human capital formation and training—a progressive economic agenda that recognises that wealth creation is a collective process, working in partnership with businesses, workers, public institutions, and civil society organisations that create wealth in this country.

Rebecca Pow (Taunton Deane) (Con): Will the hon. Gentleman give way?

John McDonnell: I have given way a number of times and this is a time-limited debate; I apologise.

That is why we will establish a national investment bank to invest in innovation across the entire supply chain, from the infrastructure we need to the applied

research and early stage financing of companies. To tackle the growing skills shortages we will prioritise education in schools and universities along with a clear strategy for construction, manufacturing, and engineering skills to build and maintain sustainable economic growth. The proceeds of that growth will reach all sections of our society.

So we are launching the debate on the economy we need and the economic instruments and policies needed to achieve that prosperous and sustainable growth. That is why we are reviewing every aspect of economic policy and systematically assessing our economic institutions, the Bank of England, HMRC and the Treasury.

Today I can announce that I have appointed a former member of the Monetary Policy Committee, Professor David Blanchflower, to lead a review into whether the Monetary Policy Committee should be given a broader mandate. He is joined by Lord McFall, the former Chair of the Treasury Committee.

This is Labour's radical project. It is based upon the sound advice of some of the best economic brains in the country. We will be testing our policies and economic instruments and we will be asking the Chancellor to give us access to the resources of the Office for Budget Responsibility to model our proposals. I am asking the same of the Governor of the Bank of England.

We are seeking the widest public engagement in our economic policy discussions. The dividing lines between us and the Government are not just on how to tackle the deficit and who pays for the crisis. They are more fundamental. It is about for whom the economy works and the role of the strategic state in this process. So today we will oppose this charter as an instrument for imposing austerity on our community unnecessarily. We are bringing to an end the petty game playing and moving on to a more serious debate of how the economy can work for everybody.

8.2 pm

John Redwood (Wokingham) (Con): I welcome the spirit of the shadow Chancellor's remarks and the fact that he wants a serious debate. Government Members do not favour austerity; we favour prosperity. We believe that the way to create prosperity is to have sound money and sound state finances that we can afford so we have decent public services and money and so that credit is also available to expand the private sector, create the extra jobs we need to get people into work and create the higher paid jobs we need so that they can be more prosperous in work. I hope the shadow Chancellor will understand that.

I am afraid the shadow Chancellor did make a couple of mistakes in his remarks. First, he wrongly said that Conservative Members were calling for less banking regulation in the run-up to the crisis. I chaired the economic policy review for my right hon. Friend the Chancellor and there was strong advice that tougher regulation was needed on bank cash and capital. We expressly warned that the banks were over-borrowed and over-gearred and that the whole system was very shaky, and I remember the Opposition constantly warning about excess debts in the system. The shadow Chancellor would be well advised to read what we wrote because the warnings were there although Labour and its regulators were not listening.

[John Redwood]

The shadow Chancellor should reread the Red Book, which set out a few weeks ago the five year spending and borrowing plans for this Parliament. It makes it very clear that there are going to be substantial cash increases in total public spending over the five years of this Parliament as all goes to plan, as we trust it will. As inflation is currently around 0%, that will mean real increases are possible, just as in the last Parliament when, despite all the noise from the Labour party, cash spending went up every year and real spending went up every year. It went up much more modestly than it did during the excesses of the pre-2007-08 period that helped to bring about the crash, but there was room for small real increases in public spending. That is because Government Members care about ensuring that disabled people are properly looked after, that schools have enough money and that there are real increases for the health service every year because there is greater demand and more treatments.

I welcome the charter, and I hope that this Government—which I hope will be re-elected—and any future Government will take it very seriously. The evidence is clear that during the first five years of the previous Labour Government, the economy worked pretty well. I give them credit for that. In three of those five years, they generated a public surplus. They inherited our prudent public finances and for the first few years they ran with them, which worked very well. I therefore refer Labour Members to their own excellent example from those early years. It was only when their Government let rip on spending, credit and borrowing for the state and the private sector that things got out of control and they showed that they could put the boom into the boom and the bust into the bust. They then took us through the biggest and deepest cycle of the post-war period, with awful consequences for the poor and for those who lost their jobs and businesses.

We need responsible finances. We want growth. We want prosperity, not austerity, and this charter will allow us to achieve that. Let us hope that future Governments stick to it. The debt was only £380 billion for the whole state at the point at which the Labour Government ceased to generate a surplus. It went up by almost £700 billion before they left office, and a lot of the increase occurred before the crash. It now stands at £1,600 billion, because getting it down is proving extremely difficult. I urge Labour Members to understand that they jeopardised the public finances, trashed the economy and destroyed jobs and businesses. We don't want to go there.

Several hon. Members *rose*—

Mr Speaker: Order. I thank the right hon. Member for Wokingham (John Redwood) for his extreme succinctness. Just before I call the Scottish National party spokesperson, I would just point out that, as a Front Bencher, the hon. Member for Dundee East (Stewart Hosie) will not be subject to the time limit, but that we must conclude at 8.45 and approximately 20 Back Benchers wish to speak—a point of which I know the hon. Gentleman will sensitively wish to take account.

8.7 pm

Stewart Hosie (Dundee East) (SNP): Thank you, Mr Speaker. I shall be as concise as I can be, within reason.

The Chancellor was right to talk about the ups and downs in the economy, and he is right to be cognisant of the risks involved, but to set out a charter with a fixed target with a fixed timescale—namely, to run a fiscal surplus by 2019-20—is precisely to remove any flexibility that might be required in the meantime. No one could have been in any doubt about the Government's intention when the charter for budget responsibility summer update—the most recent update—was published in July. It was to target a fiscal surplus by 2019-20 and continue to run a surplus thereafter.

The problem for us is what that means in the real world, for ordinary people in the real economy. We kind of know what it means because many have told us—not least the Institute for Fiscal Studies, an organisation often prayed in aid by the Chancellor. We have had our disagreements with the IFS, but for the purposes of tonight's debate I have to say that it is doing a sterling job. It has published an updated analysis on the scale and distribution of the public sector spending cuts expected in the November spending review. Those cuts underpin the charter's objectives and the Government's austerity policies, but the IFS says that those policies put a disproportionate burden on the most disadvantaged families.

The IFS also talks about the higher minimum wage, but says that it will not be enough to compensate lower income households for the welfare cuts. That is a particularly important point, given how many of the welfare cuts are now being directed at tax credits. We all believed that tax credits were an essential tool to “make work pay”, but they are now to be removed to the extent that perhaps 3 million households will be worse off. Also, the scale of cuts to public services envisaged by this trajectory in the public finances will be substantial, with non-ring-fenced Whitehall Departments being asked to find real-terms cuts of between 25% and 40% over the next four years. In short, the austerity measures announced in July will disproportionately harm the poorest and most vulnerable households and non-ring-fenced Departments while of course giving tax breaks to the better off, thus increasing inequality.

Indeed, the IFS and others have repeatedly warned that the planned changes to the tax and benefit system are regressive. They have said that, given the array of benefit cuts, it is no surprise that the changes overall are regressive, taking much more from poorer households than richer ones. The September analysis of the IFS said that the poorest two income deciles will each lose on average about £1,000 a year as a result of the tax and benefit changes announced for implementation during this Parliament. Of course the richest two deciles will be largely unaffected.

According to research by the House of Commons Library—this is the most commonly accepted figure—we are now looking at some 3 million households losing somewhere in the order of £1,300 a year. Importantly, notwithstanding the rhetoric we sometimes hear from the Government Benches, it is the case that the increase in the minimum wage for people aged 25 and over—wrongly branded a living wage—is nowhere near enough to offset the cuts in tax credits.

If we go back to what the IFS said, the national living wage is not a substitute for targeted benefits and tax credits when it comes to helping poorer households and tackling poverty, which runs rather contrary to the assertions made in answers by the Prime Minister at Prime Minister's questions today. The irony is that the largest part of the gains from the new minimum wage will not go to the poorest households. Indeed, 55% will go to households with higher than average median earnings. The Chancellor's national living wage is no such thing. In the context of the charter it is important to remember that the real living wage reflects the minimum income necessary to achieve an acceptable standard of living and accounts for existing in-work support. As tax credits are cut, the current living wage, which is already higher than the proposed national minimum wage, will have to be increased further. On top of that, the UK Government are set to continue with their cuts to day-to-day public services. That is the implication of the fiscal charter. Those day-to-day cuts to public services in unprotected Departments will be around £24 billion—19% in real terms over the rest of this Parliament. Scotland, Wales and Northern Ireland will see something in the order of a 5.2% real terms cut to their budgets over the same time frame.

Let us put that in context for the people who may be watching this debate. This will be 10 years of discretionary consolidation—a decade of austerity for real people and the real economy. Austerity strangled the recovery early in the previous Parliament and it will increase inequality in this one. All of that is driven by the fiscal charter. *[Interruption.]* I think I will leave our friends in the Labour party to their own mourning over the shambles of the position changes over the past 24 hours.

John McDonnell *rose—*

Stewart Hosie: Before I move on to the fiscal charter, I will happily give way to the shadow Chancellor.

John McDonnell: Is it not true that the proposals that the Scottish National party have now brought forward are actually Labour's proposals from six months ago?

Stewart Hosie: May I say gently to the hon. Gentleman, whom I genuinely like, that we voted against the fiscal charter on 13 January? Whether he liked it or not, it was his party that voted with the Tories. I am pleased that it has changed its position, but I think on balance it might be better to focus on this matter, where the Chancellor and his party are on rather weak ground, rather than on some internecine struggle.

Before I move on to the fiscal charter, I want briefly to ask the Chancellor about the consequences for Scotland. He knows that under the Scotland Act 2012 Scottish Ministers now have limited borrowing powers, so can he confirm that there is nothing in the charter that will limit the exercise of those statutory powers and that, irrespective of whether or not the UK is borrowing, Scottish Ministers will remain free to borrow up to the agreed limits?

What the Chancellor has done, of course, is insist that the economy not only breaks even, but runs a current account surplus that will hit £40 billion by 2019-20. He announced in July that, in order to do that, additional welfare cuts would total £33 billion in this Parliament. Cuts to essential capital expenditure would total another £5 billion in this Parliament. Essentially,

he is cutting £40 billion more than is necessary to run a balanced current budget, and almost all of it will be paid for by punishing the poor and stripping the capital budget of another £5 billion.

James Cartlidge (South Suffolk) (Con) *rose—*

Stewart Hosie: I will happily give way to the hon. Gentleman if he can tell me why he is going to support the economics of the mad house.

James Cartlidge: I will tell the hon. Gentleman very clearly. He talks about punishing the poor, but last week the Office for National Statistics showed that the number of workless households is at the lowest level on record. Does that not show that our strong economy is delivering not only stability, but social justice?

Stewart Hosie: I am absolutely delighted when workless households get one or more people into a job and have the opportunity to better themselves, but what I am not prepared to tolerate is people who work harder than us having £1,300 a year cut from their tax credits, which stops making work pay.

Essentially, the Chancellor is cutting £40 billion more than is necessary to run a balanced budget, by cutting £30-odd billion from welfare and £5 billion from essential capital expenditure. As ever, these plans are dressed up in the argument that there is no choice. These are always political choices, and he has made the wrong one.

What we need more than anything is growth, and Governments cannot cut their way to growth. To get growth we must narrow the inequality gap. The UK lost 9% of GDP growth between 1990 and 2010 as a result of rising inequality, so it is irrational and counterproductive for the UK Government to be making the same mistakes all over again. To do that at the same time as raising inheritance tax thresholds and cutting tax credits is to take from the poor and give to the rich.

We campaigned against austerity during the election, and we did rather well on that basis. We will continue to hold to our position. Indeed, a modest real-terms increase in Government expenditure would have protected the poorest from the cuts, protected the Scottish budget and ensured that capital spending across the UK was not subject to more cuts while essentially still seeing the deficit fall and debt come down as a share of GDP. That is the option for the UK fiscal mandate suggested by the Scottish Government. It is credible, responsible and fiscally sustainable, and above all it is fair.

Several hon. Members *rose—*

Mr Speaker: Order. In the light of the level of interest in the debate, a four-minute limit on Back-Bench speeches will apply with immediate effect.

8.18 pm

Jeremy Quin (Horsham) (Con): It was good to hear the shadow Chancellor refer to his economic advisers. I believe that I heard one of them on the radio this morning. He said that economic policy can be messy. Well, he has got that right, if nothing else. He then said that economic policy can take some time to develop. Before entering this place, I spent 25 years working with investors, and I spent some time in the Treasury. Economic policy may take some time to develop, but rarely is the adage "first impressions count" more true than when

[Jeremy Quin]

setting out one's economic stall to the markets. The message that the shadow Chancellor has sent out over the past two weeks is one of irresolution. Two weeks ago he was in favour of the charter, but tonight he is against it. It is fine to start a debate, but it will perplex international investors if he is on both sides of that debate at the same time.

The messages that we send out to those who invest in this country matter. A lack of confidence in the UK economy would affect all other facets. It could affect inward investment. It could cause a sterling crisis. It could increase the interest that we are paying on our debt. I do not believe the MPC fudge will work or hold water. No wonder the president of the CBI has stated: "Firms"—the very same firms that, as the Chancellor mentioned, are delivering the highest rate of employment ever in this country—

"have been unwavering in their support for the Chancellor's deficit reduction plans and will welcome the clarity that the new fiscal rules provide."

However, this is not just about the firms that invest and the investors that provide the wherewithal; it is about the message that we are sending to the people who send us here. They elected a Government on a platform of sorting out our national debt. We have made great strides in reducing the increase in the national debt, but it still stands at over £15,000 per man, woman and child. The current level of debt interest is costing us £1 billion a week. On an annual basis, we are spending half as much to service our national debt as we are to fund the NHS. The scary thing is that that is on a weighted average gilt rate of 2%—a full 3% below where the OBR thought we could be by this stage. I will allow hon. Members to work out the maths for themselves.

To have no concrete plan to reduce our national debt in the good times will mean one thing—a willingness to increase our national debt still further. As the Chancellor said, Conservative Members know that no Government can abolish boom and bust. We recognise that monetary and fiscal policy must be managed to give the Government the maximum ability to support the vulnerable in the down times. The flexibility that we have through the fiscal charter is meaningful, and essential for the UK. Part of that, crucially, is to reduce our national debt—an ambition that should be shared by Members on both sides of this House.

8.21 pm

John Mann (Bassetlaw) (Lab): There is a saying in literature that normal is as narrow as the street that you live in. The Chancellor lives in a little gated community—a cul-de-sac with perhaps a problem neighbour next door. The constraint on his economic plans is the backdrop to the decision tonight on whether to have this charter. Yet he cannot cite anyone supporting the charter other than those who are sitting behind him. Our friends in the CBI are not supporting his charter. The City of London is not supporting his charter. The Governor of the Bank of England was not prepared, in the Treasury Committee, to support his charter. Indeed, all the economic experts who came before the Treasury Committee when we looked at this in some depth in July did not at any stage choose to support his charter.

Simon Hoare *rose*—

John Mann: There is not enough time to give way.

Indeed, the Chancellor's own Conservative colleagues in the Treasury Committee, who are somewhat absent tonight, were reluctant to speak out in favour of his charter. The reason is that it is a political gimmick. It has no necessity other than politics. That is why he has no support anywhere in business or the City for it. Churchill said, "Don't strive to be 'normal'." The Chancellor should heed Churchill's advice, because "normal times" is the sting in the tail that makes the charter so pernicious. What has happened since Churchill? It is interesting. There has been a bigger percentage of budget surpluses under Labour Governments since Churchill was Prime Minister than under Conservative Governments.

Far be it from me to cite Margaret Thatcher as a source on this, but Margaret Thatcher, in all but one of her years, ran a budget deficit. Conservative Governments have usually run budget deficits more than Labour Governments. The Chancellor, every single year, has run a budget deficit—a record £505 billion since he came in. Yet he wishes to give us this lock-in that is purely a trap to try to entice the Labour party into stupidity.

This is Parliament, and in Parliament we vote on legislation. There is plenty of space for political games and political tricks outside, but not in here when we vote on legislation. That is precisely why everybody in the House should vote against it. There are vital economic debates on what the Budget should be—whether there should be cuts, how cuts should be made and what taxation should be, on all of which there are critical and different views—but this is a trick and a gimmick. It is something that our friends in business, our friends in the City and our friends as economists have refused to back. I therefore look forward to Conservative Members also opposing this political gimmickry.

8.25 pm

Matt Warman (Boston and Skegness) (Con): In the course of the election campaign, my Conservative colleagues and I spent a great deal of time talking about a long-term economic plan. I did not know at the time that "long-term" meant anything longer than two weeks, but now we know. Tonight, I hope that we will see this, as I know the people of Boston and Skegness do, as the culmination of a policy made possible only by economic credibility. It is only with such policies that more people are in work than ever before, and that more people from workless households are coming into employment than ever before. In Lincolnshire, we see money going to revive deprived coastal areas such as mine in Skegness. We see the fruits of an economic plan coming on stream.

I hope that, with this policy tonight, we will see a genuine commitment that will be supported by Governments of all stripes throughout the future to making sure that we not only fix the roof when the sun is shining, but make sure we do not run the obscene surpluses—sorry, deficits—that caused so much damage in the past.

Jonathan Edwards (Carmarthen East and Dinefwr) (PC): Will the hon. Gentleman give way?

Matt Warman: I am afraid that this is a time-limited debate. In the little time I have remaining, I want to emphasise that it is not a ludicrous ambition to have a target for a public sector surplus, as Opposition Members

suggest. With economic credibility, it is possible and sensible to do so. In fact, for a credible Government, it should be the only option available.

Jonathan Edwards: Will the hon. Gentleman give way?

Matt Warman: I am afraid that I cannot give way.

I would like colleagues not just from the Conservative side of the House but from both sides of the House to accept that this policy will not just put us on a sustainable economic footing for the future, but make sure that that sustainable economic footing is locked into this House's legislation. The hon. Member for Bassetlaw (John Mann) said that it was not right to put what he calls "a gimmick" into legislation, but surely it is right to lock in responsible behaviour, given that we know that that was not the case under previous Governments.

I hope that the House is able to agree that what we can do through legislation is to make sure that only an economically credible policy is the one that a sensible Government is able to offer. With that, I know that the people of Lincolnshire and, I hope, Members from across the House and people across this country understand that economic credibility must to be the defining characteristic of any Government. It is certainly the defining characteristic of this one.

8.29 pm

Helen Goodman (Bishop Auckland) (Lab): I am pleased to follow the hon. Member for Boston and Skegness (Matt Warman). He has clearly not read the columns of his former colleague Martin Wolf, who agrees with the arguments made by Labour Members. If anybody wanted to know whether this was a political gimmick, they only needed to look at the 90 minutes provided on the Order Paper for this debate—a pitiful 90 minutes to discuss something that is meant to be an important economic policy.

As my hon. Friend the Member for Bassetlaw (John Mann) said, we took evidence on this—

Simon Hoare: Will the hon. Lady give way?

Helen Goodman: No, I will show the hon. Gentleman the same courtesy the Chancellor showed me.

We took evidence on this matter in the Treasury Committee in July. We found nobody who was prepared to endorse the Chancellor's proposals. Even the Governor of the Bank of England, when pressed by the Chair of the Select Committee, said that he was

"declining to opine on specific legislation".

He stated that

"the UK Government have had the announced intention in Budgets in place for a sustained fiscal consolidation. That is one of the headwinds against the economy".

It was not just left-wing economists who criticised the Chancellor. The head of the Thatcherite Institute of Economic Affairs, Professor Philip Booth, said that the fact that

"these very damaging things have been done to child tax credit systems...is my biggest concern."

He continued:

"I think in the handbook of possible fiscal rules the Government is choosing a very, very, very bad one."

One of the most pernicious things about the rule that the Chancellor has chosen is that it treats capital and current spending the same. He is ignoring the fact that investing in housing, science, broadband, transport and the university system is a way of strengthening economic productivity and increasing growth in the British economy. Nobody thinks that it is right to max out the credit card to pay the weekly grocery bill—of course not—but families up and down this country take out mortgages to buy their homes. There is a precise parallel here.

Opposition Members are not deficit deniers. We want to bring down the debt-to-GDP ratio, as the shadow Chancellor said. In that task, the Chancellor has failed spectacularly. The debt has gone up by £500 billion under his stewardship. To get the debt-to-GDP ratio down, we must do two things. We must run the public finances in a sensible way. That means making sensible savings, for example by tackling fraud in the housing benefit system and not going ahead with the ludicrous cuts to inheritance tax, which will benefit the richest in our country. At the same time, we must get sustainable growth into the economy. That means investment.

Several hon. Members *rose*—

Mr Speaker: The time limit will be reduced to three minutes to facilitate the participation of one more Member.

8.32 pm

Mike Wood (Dudley South) (Con): It is sometimes said that the definition of insanity is doing something over and over again and expecting a different result. On 7 May, the voters decided that it would be insane to let another Labour Government repeat the mistakes that the previous Labour Government made, which, at the very least, seriously worsened the recession. They borrowed too much in order to spend too much.

The public recognise what Labour Front Benchers seek to deny: that we cannot safeguard people's jobs and mortgages without a secure and stable economy; that we cannot go on spending far more than we earn for long without getting into a lot of trouble; and that there is absolutely nothing progressive about saddling our children and grandchildren with enormous debts over which they have no say.

That is why this evening's vote is a basic test of Labour's economic credibility. It is not a test of the shadow Chancellor—those results are already in and they do not look good. It is a test for the remaining moderate Members on the Labour Benches: those Members who say that they have listened to what the voters said so clearly in May and learned from it; those Members who agree with the reported comments of my friend and constituent, the hon. Member for Dudley North (Ian Austin), who is not in his place, that it is time that the hon. Member for Islington North (Jeremy Corbyn) started acting like the Leader of the Opposition, rather than a student union president; and even those Members—perhaps there are some—who remember why Tony Blair is still the only Labour leader in my lifetime to win a general election. If they fail that test, they will be failing to support this self-evidently sensible and moderate measure.

Jonathan Reynolds: The hon. Gentleman will be aware from his research for his speech that no Conservative Government in history have ever hit the target being

[Jonathan Reynolds]

presented to Parliament tonight. None of those historical Conservative Governments ran surpluses according to this fiscal charter. Were the Governments of Harold Macmillan and Margaret Thatcher not economically credible?

Mike Wood: I am not sure that even needs dignifying with a response. We fought the election on having a balanced budget by 2019-20, as announced in the Budget, and a system with a fiscal mandate that puts us in line with many of the most successful economies around the world.

Simon Hoare: Will my hon. Friend give way?

Mike Wood: I am sorry but I must conclude.

If Labour Members fail this test, it will be clearer than ever that it would be absolute insanity to let them anywhere near the control of our economy.

8.36 pm

Tom Brake (Carshalton and Wallington) (LD): The Liberal Democrats will not support the charter tonight. Whatever the machinations in the Labour party, our reasons for opposing it are clear: the charter is just as much about fantasy economics as was Labour's magic money tree. We remain committed to abolishing the structural deficit by 2017-18, and to seeing debt fall as a percentage of GDP in the following years. We will not, however, abandon the critical need for continued investment in infrastructure, and we will ensure that our economy remains competitive in the medium and long term. We are for sound and stable economic policy—something that sadly has been abandoned first by the official Opposition and now by the Government.

The charter is a trap set for the Labour party into which it has fallen headlong, and I suggest that it is also a trap for the Government over which they risk tying themselves in knots. What will happen if the Chancellor discovers that the Government are on course to miss their surplus target but growth is just ahead of 1%? Which of his rules will he break? Economic credibility means that markets, businesses and other investors have confidence that the Government will do what they say, and the charter manifestly fails that test. We will vote no tonight because the charter will simply not work. Its purpose is purely political, and parliamentary time should not be abused in this way.

8.37 pm

James Berry (Kingston and Surbiton) (Con): What we have seen tonight from the shadow Chancellor must be one of the quickest and most dramatic U-turns by a shadow Chancellor in history. Not two weeks ago he supported the Chancellor's charter for budget responsibility, and he surprised us and the British people by seeming to agree that we need to run a budget surplus. That was too good to be true, and today he has set his face against fiscal responsibility. By doing so he sets his face against the British people, including my constituents in Kingston and Surbiton.

Today the shadow Chancellor has given us notice of his plans for more spending funded by more borrowing and higher taxes. In May the British people decided that the Labour party could not be trusted with the economy

and that it had not learned from its mistakes last time around. Two weeks ago I was surprised to hear that the shadow Chancellor was ready to take the medicine of accepting Labour's past economic errors, but now he has shown his true colours by rejecting that medicine and tearing up the prescription. Today he has written out a new prescription—Labour's prescription—for our economy: more spending, more borrowing and more tax. That is not a prescription for a strong economy, growth or jobs; it is a prescription for economic ruin.

I see the hon. Member for Ilford North (Wes Streeting) is in his place. It is a shame that his colleague the hon. Member for Ilford South (Mike Gapes) is not, because just a few days ago he said on Twitter:

"There is now no collective Shadow cabinet responsibility in our Party, no clarity on economic policy and no credible leadership." We have seen none from the shadow Chancellor tonight.

8.40 pm

Caroline Lucas (Brighton, Pavilion) (Green): The Chancellor is deliberately misleading the public by continuing to claim that all borrowing is irresponsible. It is not. What is irresponsible is failing to borrow to invest, providing we are able to sustainably meet the cost of borrowing. That is exactly what I was saying earlier, and what seemed to cause such hilarity on the Government Benches. As long as repayments are affordable, borrowing to invest makes sense. As the hon. Member for Bishop Auckland (Helen Goodman) said, nobody will be saying to homeowners that taking out a mortgage to buy a home is irresponsible, provided they can afford to meet the monthly repayment costs. It represents an investment in the future.

The Chancellor wants to deny the country the same kind of chance of security combined with planning ahead, whether it relates to investing in energy efficiency and renewables or building enough affordable homes. Fiscal surplus means taking money from the public but not spending some of it. That deprives the economy of money. Compensating for what amounts to a loss of earnings and spending power in the private sector through those unspent taxes is likely to lead to more borrowing elsewhere. In other words, focusing on the Government running a surplus simply means debt being moved somewhere else.

Even with a reduced rate of cuts to public spending in the run-up to the general election, there has already been a rapid and worrying increase in consumer borrowing. Personal unsecured debts are at an all-time high. The average UK household owes close to £9,000 in unsecured debt and this is expected to rise to £10,000 by the end of 2016. The poorest 20% are taking on more and more debt, while the top 20% have been paying it off. Already, Government policy is not just having the effect of shifting the debt burden on to householders, but is falling disproportionately on the poorest in society.

Many people might find their debt affordable now, but a 2% increase in interest rates would mean the average household having to find an extra £1,000 a year and an increase in bad debt. The Office for Budget Responsibility forecasts that household debt will rise to a massive 180% of household income by the end of this Parliament. This is completely unsustainable and should be far more concerning to the Chancellor than affordable levels of public spending, not least because the consumer

debt levels we are heading for are even higher than the previous record at the height of the debt bubble which brought the economy to its knees in 2008.

Finally, there is a certain irony in what the Chancellor is doing: clearing a space in the public finances for dealing with the outcome of the next crash, by way of making a fiscal surplus requirement that itself paves the way for future economic crises.

8.42 pm

Maria Caulfield (Lewes) (Con): I shall be supporting the charter this evening and I urge colleagues on all sides of the House who want a long-term fiscally responsible country to do the same. My reasons for doing so are that we have just come through a period of record peacetime deficit left to us by the previous Labour Government, while we have had to clear up their legacy of rising unemployment, rising taxation and unsustainable public spending. It has been this Government, first in coalition and now as a Conservative majority Government, who have had to clear up the mess. It is therefore our duty to put in place this charter, so that no other Government have to face a similar situation again, with a post-it note left for Ministers saying there is no money left.

Like many households up and down the country who have tried to put money aside for a rainy day, the Government, with this charter, are trying to do just that. By spending less than the taxation we collect and reaching a point of surplus, we too will have money left for a rainy day, so that if we, as a country, ever face a global recession or another period of economic slowdown, we will have the money left to pay for vital public services. To households up and down this country who manage their own bills in this way, this makes perfect sense: to ensure first and foremost that you do not spend more than you earn, and, where possible, you save where you can.

If this set of economics makes perfect sense to the ordinary man and woman in the street, why are the deficit deniers on the Opposition Benches so confused? The Labour party is too weak to take the difficult decisions needed to cut the deficit, and by voting against this charter Labour Members are proving again that the deficit would go up if they were in government, with more borrowing, more taxation and more debt. The great British public did not trust or vote for Labour in May, and if Labour Members vote against this charter tonight, they are never likely to vote for them again.

8.45 pm

One and a half hours having elapsed since the commencement of proceedings on the motion, the Speaker put the Question (Standing Order No.16(1)).

The House divided: Ayes 320, Noes 258.

Division No. 77]

[8.45 pm

AYES

Adams, Nigel	Ansell, Caroline
Afriyie, Adam	Argar, Edward
Aldous, Peter	Atkins, Victoria
Allan, Lucy	Bacon, Mr Richard
Allen, Heidi	Baker, Mr Steve
Amess, Sir David	Baldwin, Harriett
Andrew, Stuart	Barclay, Stephen

Barwell, Gavin	Ellis, Michael
Bebb, Guto	Ellison, Jane
Bellingham, Mr Henry	Ellwood, Mr Tobias
Benyon, Richard	Elphicke, Charlie
Beresford, Sir Paul	Eustice, George
Berry, Jake	Evans, Graham
Berry, James	Evans, Mr Nigel
Bingham, Andrew	Evennett, rh Mr David
Blackman, Bob	Fabricant, Michael
Blackwood, Nicola	Fallon, rh Michael
Blunt, Crispin	Fernandes, Suella
Boles, Nick	Field, rh Mark
Bone, Mr Peter	Foster, Kevin
Borwick, Victoria	Fox, rh Dr Liam
Bottomley, Sir Peter	Frazer, Lucy
Bradley, Karen	Freeman, George
Brady, Mr Graham	Freer, Mike
Brazier, Mr Julian	Fuller, Richard
Bridgen, Andrew	Fysh, Marcus
Brine, Steve	Gale, Sir Roger
Brokenshire, rh James	Garnier, rh Sir Edward
Bruce, Fiona	Garnier, Mark
Buckland, Robert	Gauke, Mr David
Burns, Conor	Ghani, Nusrat
Burns, rh Sir Simon	Gibb, Mr Nick
Burt, rh Alistair	Gillan, rh Mrs Cheryl
Cairns, Alun	Glen, John
Cameron, rh Mr David	Goldsmith, Zac
Carmichael, Neil	Goodwill, Mr Robert
Carswell, Mr Douglas	Gove, rh Michael
Cartlidge, James	Graham, Richard
Cash, Sir William	Grant, Mrs Helen
Caulfield, Maria	Gray, Mr James
Chalk, Alex	Grayling, rh Chris
Chishti, Rehman	Green, Chris
Chope, Mr Christopher	Green, rh Damian
Churchill, Jo	Greening, rh Justine
Clark, rh Greg	Grieve, rh Mr Dominic
Clarke, rh Mr Kenneth	Griffiths, Andrew
Cleverly, James	Gummer, Ben
Clifton-Brown, Geoffrey	Gyimah, Mr Sam
Coffey, Dr Thérèse	Halfon, rh Robert
Collins, Damian	Hall, Luke
Colville, Oliver	Hammond, rh Mr Philip
Costa, Alberto	Hammond, Stephen
Cox, Mr Geoffrey	Hancock, rh Matthew
Crabb, rh Stephen	Hands, rh Greg
Crouch, Tracey	Harper, rh Mr Mark
Davies, Byron	Harrington, Richard
Davies, Chris	Harris, Rebecca
Davies, David T. C.	Hart, Simon
Davies, Glyn	Haselhurst, rh Sir Alan
Davies, Dr James	Hayes, rh Mr John
Davies, Mims	Heald, Sir Oliver
Davies, Philip	Heapey, James
Davis, rh Mr David	Heaton-Harris, Chris
Dinenage, Caroline	Heaton-Jones, Peter
Djanogly, Mr Jonathan	Henderson, Gordon
Dodds, rh Mr Nigel	Herbert, rh Nick
Donaldson, rh Mr Jeffrey M.	Hinds, Damian
Donelan, Michelle	Hoare, Simon
Double, Steve	Hollingbery, George
Dowden, Oliver	Hollinrake, Kevin
Drax, Richard	Hollobone, Mr Philip
Drummond, Mrs Flick	Holloway, Mr Adam
Duncan, rh Sir Alan	Hopkins, Kris
Duncan Smith, rh Mr Iain	Howarth, Sir Gerald
Dunne, Mr Philip	Howell, John
Elliott, Tom	Howlett, Ben
	Huddleston, Nigel
	Hunt, rh Mr Jeremy
	Hurd, Mr Nick

Jackson, Mr Stewart
 James, Margot
 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, 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
 Lidington, rh Mr David
 Lopresti, Jack
 Lord, Jonathan
 Loughton, Tim
 Lumley, Karen
 Mackinlay, Craig
 Mackintosh, David
 Main, Mrs Anne
 Mak, Mr Alan
 Malthouse, Kit
 Mann, Scott
 Mathias, Dr Tania
 May, rh Mrs Theresa
 Maynard, Paul
 McCartney, Jason
 McCartney, Karl
 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
 Mitchell, rh Mr Andrew
 Mordaunt, Penny
 Morgan, rh Nicky
 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
 Osborne, rh Mr George
 Paisley, Ian
 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
 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
 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
 Walker, Mr Charles
 Walker, Mr Robin
 Wallace, Mr Ben
 Warburton, David
 Warman, Matt
 Watkinson, Dame Angela
 Wharton, James
 Whately, Helen
 Wheeler, Heather

White, Chris
 Whittingdale, rh Mr John
 Wigg, Bill
 Williams, Craig
 Williamson, rh Gavin
 Wilson, Mr Rob
 Wilson, Sammy
 Wollaston, Dr Sarah
 Wood, Mike
 Wragg, William
 Wright, rh Jeremy

Tellers for the Ayes:
Jackie Doyle-Price and
Guy Opperman

NOES

Abbott, Ms Diane
 Abrahams, Debbie
 Ahmed-Sheikh, Ms Tasmina
 Alexander, Heidi
 Allen, Mr Graham
 Arkless, Richard
 Ashworth, Jonathan
 Bardell, Hannah
 Beckett, rh Margaret
 Benn, rh Hilary
 Berger, Luciana
 Betts, Mr Clive
 Black, Mhairi
 Blackford, Ian
 Blackman, Kirsty
 Blackman-Woods, Dr Roberta
 Blenkinsop, Tom
 Blomfield, Paul
 Boswell, Philip
 Brake, rh Tom
 Brennan, Kevin
 Brock, Deidre
 Brown, Alan
 Brown, Lyn
 Brown, rh Mr Nicholas
 Bryant, Chris
 Burden, Richard
 Burgon, Richard
 Burnham, rh Andy
 Butler, Dawn
 Byrne, rh Liam
 Cadbury, Ruth
 Cameron, Dr Lisa
 Campbell, rh Mr Alan
 Campbell, Mr Ronnie
 Carmichael, rh Mr Alistair
 Chapman, Douglas
 Chapman, Jenny
 Cherry, Joanna
 Clegg, rh Mr Nick
 Clwyd, rh Ann
 Cooper, Julie
 Cooper, rh Yvette
 Corbyn, Jeremy
 Cowan, Ronnie
 Cox, Jo
 Coyle, Neil
 Causby, Mr David
 Crawley, Angela
 Creagh, Mary
 Creasy, Stella
 Cruddas, Jon
 Cummins, Judith
 Cunningham, Alex
 Cunningham, Mr Jim

Dakin, Nic
 David, Wayne
 Davies, Geraint
 Day, Martyn
 De Piero, Gloria
 Docherty, Martin John
 Donaldson, Stuart Blair
 Doughty, Stephen
 Dowd, Jim
 Dowd, Peter
 Dromey, Jack
 Dugher, Michael
 Durkan, Mark
 Eagle, Ms Angela
 Eagle, Maria
 Edwards, Jonathan
 Efford, Clive
 Elliott, Julie
 Ellman, Mrs Louise
 Esterson, Bill
 Farrelly, Paul
 Farron, Tim
 Fellows, Marion
 Ferrier, Margaret
 Fitzpatrick, Jim
 Fiello, Robert
 Fletcher, Colleen
 Flint, rh Caroline
 Flynn, Paul
 Foxcroft, Vicky
 Gardiner, Barry
 Gethins, Stephen
 Gibson, Patricia
 Glass, Pat
 Glindon, Mary
 Godsiff, Mr Roger
 Goodman, Helen
 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
 Howarth, rh Mr George
 Huq, Dr Rupa
 Hussain, Imran
 Irranca-Davies, Huw
 Jarvis, Dan
 Johnson, rh Alan
 Johnson, Diana
 Jones, Gerald
 Jones, Susan Elan
 Kane, Mike
 Kaufman, rh Sir Gerald
 Keeley, Barbara
 Kerevan, George
 Kerr, Calum
 Khan, rh Sadiq
 Kinnock, Stephen
 Kyle, Peter
 Lamb, rh Norman
 Lavery, Ian
 Law, Chris
 Lewell-Buck, Mrs Emma
 Lewis, Clive
 Lewis, Mr Ivan
 Long Bailey, Rebecca
 Lucas, Caroline
 Lucas, Ian C.
 Lynch, Holly
 MacNeil, Mr Angus Brendan
 Madders, Justin
 Mahmood, Mr Khalid
 Malhotra, Seema
 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 Malcolm
 McDonald, Stuart C.
 McDonnell, John
 McFadden, rh Mr Pat
 McGinn, Conor
 McGovern, Alison
 McInnes, Liz
 McKinnell, Catherine
 McLaughlin, Anne
 Meale, Sir Alan
 Mearns, Ian
 Miliband, rh Edward
 Monaghan, Carol
 Monaghan, Dr Paul
 Moon, Mrs Madeleine
 Morris, Grahame M.
 Mulholland, Greg
 Mullin, Roger
 Murray, Ian
 Nandy, Lisa

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
 Pugh, John
 Qureshi, Yasmin
 Rayner, Angela
 Reed, Mr Steve
 Rees, Christina
 Reynolds, Emma
 Reynolds, Jonathan
 Rimmer, Marie
 Robertson, rh 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, Cat
 Smith, Nick
 Smith, Owen
 Smyth, Karin
 Spellar, rh Mr John
 Starmer, Keir
 Stephens, Chris
 Stevens, Jo
 Streeting, Wes
 Tami, Mark
 Thewliss, Alison
 Thomas, Mr Gareth
 Thomas-Symonds, Nick
 Thompson, Owen
 Thornberry, Emily
 Timms, rh Stephen
 Trickett, Jon
 Turley, Anna
 Turner, Karl
 Twigg, Derek
 Twigg, Stephen
 Umunna, Mr Chuka
 Vaz, rh Keith
 Vaz, Valerie
 Watson, Mr Tom
 Weir, Mike
 West, Catherine
 Whiteford, Dr Eilidh
 Whitehead, Dr Alan
 Whitford, Dr Philippa
 Williams, Hywel

Williams, Mr Mark
 Wilson, Corri
 Wilson, Phil
 Winnick, Mr David
 Winterton, rh Ms Rosie
 Wishart, Pete

Wright, Mr Iain
 Zeichner, Daniel

Tellers for the Noes:
Jessica Morden and
Jeff Smith

Question accordingly agreed to.

Resolved,

That the Charter for Budget Responsibility: autumn 2015 update which was laid before this House on 12 October, be approved.

Mr Speaker: I call Mrs Caroline Spelman to present a petition. [*Interruption.*] I feel it necessary to make the point I almost unfailingly have to make in these circumstances: if there are right hon. and hon. Members who unaccountably are not staying to hear the petition, perhaps they would be good enough to leave the Chamber quickly and quietly so that the right hon. Lady can deliver her petition and be heard.

PETITION

Realignment of Diddington Lane in Hampton-in-Arden

8.59 pm

Mrs Caroline Spelman (Meriden) (Con): Mr Speaker, you will know that High Speed 2 goes through my constituency, and under the recent additional provisions there is a proposal to realign quite significantly a road in the constituency that is giving rise to concern that it could become a rat run to the new interchange station. I therefore rise to present a petition on behalf of my constituents signed by 746 residents of Hampton-in-Arden.

The petition states:

The petitioners therefore request that the House of Commons urges the Government to reverse the decision to allow Diddington Lane to remain open to all traffic, and allow a 'Green Route' that would only be available to pedestrians, cyclists, equestrians, agricultural vehicles, HS2 Ltd maintenance vehicles and emergency vehicles.

And the petitioners remain, etc.

Following is the full text of the petition:

[The petition of residents of the UK,

Declares that the proposal to realign Diddington Lane, published as part of the Additional Provisions of the HS2 London to West Midlands Bill, is inconsistent with the character of the existing lane; further that the proposal to realign the lane will severely affect the village and village life by the addition of hundreds of cars every day using the village roads as short cuts to the station; further that we need a better solution than that proposed by HS2; and further that a local petition on this matter was signed by 746 individuals

The petitioners therefore request that the House of Commons urges the Government to reverse the decision to allow Diddington Lane to remain open to all traffic, and allow a 'Green Route' that would only be available to pedestrians, cyclists, equestrians, agricultural vehicles, HS2 Ltd maintenance vehicles and emergency vehicles.

And the petitioners remain, etc.]

Mental Health (Armed Forces Veterans)

Motion made, and Question proposed, That this House do now adjourn.—(*Simon Kirby.*)

9 pm

Dr Lisa Cameron (East Kilbride, Strathaven and Lesmahagow) (SNP): I am pleased to have secured this important debate. Let me initially declare an interest, having previously worked in the NHS with trauma clients, some of whom have been veterans. Also, my husband is a veteran, having served in the Army, including in Bosnia.

The majority of British military personnel do not experience mental health problems while in service or afterwards in civilian life. For a significant minority, however, this transition is brought to the point of failure by mental health issues that range in complexity and severity, and are caused by factors before, during and after military service.

Although the mental health problems experienced by military personnel are the same as those suffered by the general population, the unique risk and experiences faced during service and the transition to civilian life mean that their mental ill health may be triggered by different factors and involve unique complexities.

Service personnel may experience trauma from a variety of situations, such as training incidents, administering medical treatment or other activities in war zones. However, studies in this area have suggested that some groups of service personnel, such as deployed reservists and early service leavers, may be at higher risk from mental health problems.

In 2011, the Ministry of Defence published the tri-service armed forces covenant. The principles underpinning it are that members of the armed forces community should not be disadvantaged by their service and should be provided with specialist treatment where appropriate and based on clinical need. It is important to ensure that there are no gaps in those service provisions.

A report by the Mental Health Foundation commissioned by the Forces in Mind Trust and published in 2013 conducted a comprehensive review of the available literature. It reported that the overall prevalence of mental health problems in the UK armed forces remained fairly stable between 2000 and 2010. It particularly highlighted depression and anxiety disorders as the most common mental health problem among both serving and ex-service personnel, while post-traumatic stress disorder was found to be associated with being a deployed reservist and with individuals experiencing problems at home both during and following deployment. Emerging evidence has also confirmed the existence of delayed onset of PTSD, with one study reporting a prevalence of 3.5%.

Rebecca Pow (Taunton Deane) (Con): I spoke today to a charity called “Go Commando” in Taunton Deane, where I come from. It reported exactly what the hon. Lady is saying—that many of the servicemen and women who served in Afghanistan have settled back home, but are now showing many signs of post-traumatic stress disorder and depression, and of requiring anger management. I support the hon. Lady in urging as much support as possible for these people, some of whom have served as long ago as in Bosnia or even in the Falklands.

Dr Cameron: I thank the hon. Lady for her intervention, and I concur exactly with her sentiments.

From speaking to an ex-military medical officer in preparation for this debate, it appears that some hold the view that the prevalence of PTSD is much higher than acknowledged. Studies also found that the suicide rate was higher than expected for those under the age of 20, and that there was a two to three times higher risk of suicide in men aged 24 or under who have left the armed forces as compared with their counterparts in the general population and those still serving.

It is also recognised that alcohol misuse among UK military personnel is a significant health concern. I understand from Combat Stress that that presents as a significant issue among the clients with whom it works. It describes issues related to the culture of alcohol use in the forces, and the use of substances as a maladaptive coping strategy to manage symptoms of mental health problems.

Jim Shannon (Strangford) (DUP): I congratulate the hon. Lady on raising this matter. Everyone who is in the Chamber tonight is here for a purpose, because we have constituents who suffer from this condition. His Royal Highness Prince Harry said recently that we needed to do more to help those with what he described as unseen injuries. Only by talking about this and helping more can we make the necessary changes.

I want to make a brief point about people who live in the Republic of Ireland but served in the British forces. Some of those people are not receiving the help that they should be receiving, financially and in terms of benefits relating to mental issues and disabilities. For the record, will the hon. Lady ask the Minister to look into that?

Dr Cameron: I thank the hon. Gentleman. I should be pleased if the Minister would comment on those matters, which are very specific to Northern Ireland.

Problems arising in the current system appear to relate to a number of issues, including help-seeking, referral, assessment, and access to appropriate treatments. One study reported that only a quarter of those with diagnosed mental health problems had accessed medical help. It has also been reported that stigma and lack of trust or confidence in providers of mental health services represent some of the main barriers preventing service personnel and veterans from seeking help. Stigma concerning mental health problems is particularly problematic for military forces who are required to be physically and psychologically resilient. It has been emphasised to me that the attitudes of the Ministry of Defence are also important in that regard, and that there is a need to be upfront in acknowledging the mental health issues that can arise from military service, as well as the physical risks, in order to prevent such barriers.

Kirsten Oswald (East Renfrewshire) (SNP): I wonder whether my hon. Friend is aware of reports of drone pilots experiencing higher levels of post-traumatic stress disorder than those flying conventional aircraft. Issues of stress are causing some concern, and questions relating to recruitment and retention are beginning to emerge. Will my hon. Friend join me in urging the Minister to commit himself to more research and support for service personnel and veterans in that context?

Dr Cameron: I thank my hon. Friend for a very well-made point. I certainly urge the Minister to commit himself to research on that issue.

In the context of referral and assessment, it has been suggested that there are still problems caused by a lack of understanding and awareness among many mainstream health care professionals of how to deal with the issues that veterans present. There is a tendency to rely on prescribing medication, and, according to Combat Stress, there is a problem of low rates of referral to its service by GPs and community mental health teams. The British Medical Association has drawn attention to the chronic undermanning of Defence Medical Services, which is reported to have had a detrimental effect on morale, motivation, and the retention of doctors. The association says that adequate resources are a key factor in ensuring the best quality and consistency of mental health care in the long term. It believes that the issue should be addressed as a matter of urgency, given the need for appropriate and sustained long-term funding.

The Royal College of Psychiatrists has highlighted the need for better trauma-related treatment from the NHS. It reports that many veterans rely on small charitable providers that sometimes do not have the resources to be trained in evidence-based therapies, which should be consistent with the current evidence-based practice. The Royal College has also raised the need to evaluate the effectiveness of current follow-up service. The Murrison report recommended a telephone or face-to-face check on how someone was doing a year after they had left service. Currently, however, all that happens is that a letter is sent to the last known address of the service leaver, telling them that they can phone or see their GP if they have an issue. It is suggested that there may be a need for investigation into the uptake of this service and whether this correspondence is in fact being received.

The Government therefore need to address issues of help-seeking, stigma, referral processes, assessments and availability of appropriate treatments. There are also issues of co-morbidity and the requirement for integrated approaches across services including health, criminal justice, forces and social care. There is, in addition, a reported lack of service provision for partners and children of service personnel, who may also suffer mental health issues owing to the nature of their family member's job. I am pleased that the Scottish Government have put in place a veterans commissioner for Scotland to begin to address some of these issues, but I would like to see similar credence given across the rest of the UK.

Kit Malthouse (North West Hampshire) (Con): I congratulate the hon. Lady on securing this debate on such an important subject. I have Army headquarters in my constituency and strong services links in Hampshire. So desperate were a group of veterans in my constituency that they started their own organisation, Veterans in Action, who have just this month launched PTSD awareness month. I am wearing their little badge, which looks not dissimilar to an SNP badge, I have been told. The hon. Lady put her finger on the problem earlier in her speech when she said that there is not enough awareness out there about these issues, particularly among medical staff. I hope, therefore, that she might support an initiative such as awareness month in the future.

Dr Cameron: I do indeed support awareness month, and I very much like the hon. Gentleman's wee badge.

To conclude, veterans are individuals who would have put their lives on the line for their country. The least we can do is prioritise their care and treatment to support them in their recovery. I welcome the Prime Minister's comments today regarding prioritisation of this issue, and I welcome the Minister's reply.

Madam Deputy Speaker (Mrs Eleanor Laing): I call the Minister, Alistair Burt.

The Minister for Community and Social Care (Alistair Burt): I think, Madam Deputy Speaker, there is another colleague who is going to intervene.

9.12 pm

Johnny Mercer (Plymouth, Moor View) (Con): Madam Deputy Speaker, I was going to share the time with the hon. Member for East Kilbride, Strathaven and Lesmahagow (Dr Cameron).

Madam Deputy Speaker: In order to do so, the hon. Gentleman must have the permission of the person whose debate it is, the Minister and the occupant of the Chair. He clearly has the agreement of the Minister and of Dr Cameron. He has my agreement, too.

Johnny Mercer: Thank you, Madam Deputy Speaker. I apologise—I spoke to Mr Speaker before you took the Chair.

I thank the hon. Member for East Kilbride, Strathaven and Lesmahagow for giving me a few minutes of her allocated time, and offer my sincere thanks to her for bringing what the Prime Minister rightly described today as "this very important issue" before the House. He correctly identified the strategic defence and security review as an opportunity to get our approach right in the future, and I fully support him in that intention.

The subject before us this evening refers to that great stain on this nation of ours, which I mentioned when I first spoke in this House. I regret to say that, aside from some excellent individual practice and charitable work, the way we look after our veterans' mental health in this country remains poor. Many of our young men and women, who by good training and fortune walked away from battle without any physical scars, have been stricken in later years by an underlying sickness that can tear at the very core of the strongest and most enduring individual. I speak as a Conservative Member of Parliament. I work hard to support all the efforts of Government to produce and implement the exciting and progressive agenda so clearly laid out by the Prime Minister a week ago, but on this issue, while it remains in its current state, I am afraid I will not be silenced.

I have no personal agenda to drive here. I have never had the misfortune to need to use one of our tremendous military charities. I will for ever be the soldiers' voice in this debate, crafted from much time spent on operations with our young men and women, and now in my privileged position as a Member of this House and attracting a great deal of correspondence on this issue it is incumbent upon me to speak out and I will do so. I feel embarrassed at my fellow man sometimes as we stand here again tonight in 2015 in the seat of the world's most advanced democracy and talk yet again about the stigma of mental health.

[Johnny Mercer]

The stigma results from a basic lack of education and understanding about a human condition that affects one in four of us—a condition as medically valid as a broken leg or a fractured arm, but because it occurs in our heads, its treatment has historically been subjected to unacceptable social, political and financial disadvantage. That stigma ends in this Parliament, and I will not rest until it has.

Dr Philippa Whitford (Central Ayrshire) (SNP): I had the honour of chairing a disability employment session at the TUC today and a young man with autism came out with what I thought was a fantastic phrase about mental health issues in the workplace: “There is no normal.” We all have mental health; sometimes it is good and sometimes it is not. Maybe instead of us thinking about a certain percentage having a problem, we should acknowledge that we all have different problems at different times. That might make it easier for people to come forward.

Johnny Mercer: Absolutely, and when we have more time, we might discuss specific projects looking at what normal is and that process. That is an important part of this.

I could inevitably speak all night on this issue, but I will not. In preparation for tonight, I stayed up most of last night and read as much as I could of a couple of books I have on my desk in my office here in Westminster. One is called “Aftershock” by Matthew Green and another is called “The Battle against Stigma” by Mark Neville. We have got better in this area as a nation over the last few years. I would ask however that before any of us enter into an exercise of back-slapping on how far we have come on mental health, we all read those two books and reflect on both what we ask of our servicemen and women and how we look after them when they come back.

Mrs Anne-Marie Trevelyan (Berwick-upon-Tweed) (Con): The issue in the north-east is that large numbers of young men go to war on our behalf and come back, but there is not the support for them. Many of them fought in Northern Ireland and 20 years on they have gone back to normal life and are struggling. There is just no support for them or their families. It is a particular crisis in my region because it has a large former military population.

Johnny Mercer: Mental health and the time lag involved is increasingly well publicised, and people are becoming more aware of it, but we have a long way to go on that and we see that on a daily basis.

Our British public have in the latter part of the last decade been the knight in shining armour flying over the horizon and rescuing some of our most war-scarred individuals. They have given millions upon millions of pounds, and donated time, effort, blood, sweat and tears to looking after our boys and girls. They are, quite simply, what makes Britain great, and what make us, when we are away, so proud, and fight so hard for the country we love.

Similarly, now this Government have for the first time been elected on a manifesto that explicitly stated a parity between mental and physical health—the first

time in history that has occurred. Similarly, we now have waiting time target lists for mental health, again for the first time in history. This Government get it, and I am proud to be a part of it, and I thank the Minister personally for his valiant efforts in this regard. There is so much further to go, however, to win what I would call part of an internal “generational struggle” of ours in veterans care.

Finally tonight I wanted to guard against a misunderstanding of the problem. The vast majority of servicemen and women in this country make a stable and successful transition back to civilian life. They are cornerstones of our communities—directors of companies, nurses, doctors, shopkeepers, lawyers and manufacturers.

Our job in this place is to look after the 10%, those who through no fault of their own find life a daily struggle, those who with a bit of bad luck or a couple of poor decisions could be any one of us and, in particular tonight, that refers to those who have often given their best years in the service of the nation, but have found returning to a civilian life the hardest fight of all.

Rebecca Pow: We should always mention the families because they are often deeply affected and we need to support them.

Johnny Mercer: I agree.

So let us now win this fight and take our place as a country at the vanguard of contemporary veterans care. In five years’ time it will be too late. The momentum in the battle will be lost, and we will simply be fighting fires. The politics of good intentions and at times tokenism is finished; we must get this right, and I look forward to it being prioritised as such in the forthcoming strategic defence and security review.

9.18 pm

The Minister for Community and Social Care (Alistair Burt): It is standard to congratulate the hon. Member who has secured the debate, but I really do congratulate the hon. Member for East Kilbride, Strathaven and Lesmahagow (Dr Cameron). This has been a very interesting 18 minutes, and my only criticism is that we should have had at least an hour and a half, or maybe three hours somewhere else, but I suspect that might happen. I also congratulate the hon. Lady on raising this subject at Prime Minister’s questions today. If she permits, may I thank her for her service to the NHS and those in difficulties and thank her husband for his service to the country?

I am delighted to be joined by the Under-Secretary of State for Defence, my hon. and gallant Friend the Member for Milton Keynes North (Mark Lancaster), who has also seen active service and we have just heard from my hon. and gallant Friend the Member for Plymouth, Moor View (Johnny Mercer). I say to them that there are times when their Minister feels very humble in that their collective experiences outrank mine very considerably. So I will do my best to respond to the debate. Because of the length of the initial speeches, I have slightly less time in which to do that, but that is all right because I want to make some changes to what I was going to say.

I should like to set out what the Government are doing. In doing that, I do not intend to suggest that what has come forward up to now is not valid, relevant,

important or challenging to the Government. It would, however, be fair of me to put on record what is going on, although it is palpably not enough. If the hon. Member for East Kilbride, Strathaven and Lesmahagow, with her experience, needs more and if my hon. Friend the Member for Plymouth, Moor View, with his experience, needs more, then it is clear that whatever we are doing—good though it is, and better than it was—is not yet meeting the demands and the needs. It is also clear from the comments of other Members tonight that it is not yet meeting the demands of the House. My hon. and gallant Friend from the Ministry of Defence and I have listened carefully and there will be more to be said.

The Government are fully committed to continual improvement in the treatment of mental health conditions for veterans and the general public alike. We are rightly proud of the courage and dedication of our armed forces. For those who have been injured either physically or mentally, it is our duty to ensure that they continue to receive the very best possible care. As Members have already said, the vast majority of those leaving the armed forces do so fit and well, having benefited from their time in the forces. Members of the armed forces are not significantly more likely to develop mental health issues than those in other professions, but support and clinical care that are geared to the specific needs of veterans need to be available.

Armed forces and veterans mental health provision has vastly improved since the publication of the landmark report “Fighting fit” in 2010. The report was produced at the hands of my hon. Friend the Member for South West Wiltshire (Dr Murrison), who recommended that there should be 30 mental health professionals across England to provide services to veterans. With 10 veterans mental health teams in place across England, we now have significantly more than the 30 professionals recommended.

In deference to the position of the hon. Member for East Kilbride, Strathaven and Lesmahagow, let me now say a bit about Scotland’s provision. Scotland is proud of its commitment to improving mental health, including for veterans and their families. Visibility and awareness of mental health issues have substantially risen in the nation over the past decade. That echoes something that my hon. Friend the Member for Plymouth, Moor View said. There is greater awareness following long-standing campaigns against stigma. We have not gone as far as we need to go, but it is easier for people to talk now. For those with very difficult conditions, however, those are easy words, and it is still very difficult for them.

There is better public awareness of mental illness, suicide prevention and faster access to NHS services and other sources of help. Veterans and their families have unhindered access to all NHS services, enhanced by priority treatment where that applies. Evidence-based care and treatment are provided across community-based settings through support from primary care, with specialist or hospital in-patient services provided as appropriate.

In partnership with NHS Scotland and Combat Stress, the Scottish Government recently renewed funding for the provision of specialist mental health services at the Hollybush House Combat Stress facility in Ayr, for veterans resident in Scotland. The sum of £1.22 million a year over the three years to 2018 will fund a range of specialist clinical, rehabilitation, social and welfare support

at the facility. Evidence-based treatment programmes include an intensive post-traumatic stress disorder programme; trans-diagnostic and stabilisation; and anger management programmes.

NHS Lothian secured £2.5 million of armed forces covenant LIBOR funding to support the commitment, and established Veterans First Point Scotland to work with local partnerships to explore how the strengths of the Lothian service could be delivered in other localities. Over the past year, work has been taken forward in 10 health board areas across Scotland to assist each local area to establish key partnerships, identify premises, plan requirements and recruit and select staff. This work continues, with the service in Tayside now open with others to follow.

I want to demonstrate that England, too, is recognising and trying to respond to the needs of veterans. Before I say a bit about that, may I thank the hon. Member for Strangford (Jim Shannon) for raising the issue in relation to the Republic? I do not know the answer, but I will find out. I recognise the point that he makes.

Underpinning all that I am saying is the demand for more research. There is some good research. The King’s Centre for Military Health Research has done some good work in identifying the categories of those who might be more at risk. Reservists and their particular issues came up, as did the other groups of veterans, particularly those who have been back for some time. There are ways of picking up those issues, and I will say a little more about that.

NHS England spends £1.8 million a year on mental health services for veterans including the 10 veterans’ mental health teams. Up to £18 million funding is in place to provide the Combat Stress six-week intensive post-traumatic stress disorder programme for veterans, with an additional £2 million of LIBOR funding being provided to Combat Stress to help veterans with alcohol problems, which is a key indicator of problems. Help for Heroes has received £2 million of LIBOR funding for its “hidden wounds” work, offering low-level improving access to psychological therapies services to veterans. Subject to the spending review, a further £8.4 million will be provided over the coming five years to help the most vulnerable veterans who have mental health problems.

Jim Shannon: The Minister mentioned LIBOR funding, and that is something that I have been pursuing through the Defence Committee and other ways. We have been seeking to have some of that LIBOR funding available for Northern Ireland to provide a rehabilitation centre for the many people who have served and who will continue to serve. None of that has been forthcoming to the Province so far. I understand that the Minister cannot give me an answer today, but perhaps he can look at the matter and come back to me.

Alistair Burt: My hon. and gallant Friend from the Ministry of Defence says that there is money available in a bidding programme and he will write to the hon. Gentleman and see what more can be done in relation to that.

I want to say two things as we run towards a conclusion. Many of the servicemen affected will of course be treated by the NHS in the course of ordinary medical treatment. The so-called talking therapies from the IAPT programme have been particularly successful.

[Alistair Burt]

It is important to ensure that the particular needs of veterans are catered for in this programme. Work has been under way to ensure that that is done. The IAPT programme has been very successful. For the first time, we have standard waiting times and access targets. That will help veterans too.

Martin John Docherty (West Dunbartonshire) (SNP): Will the Minister give way?

Alistair Burt: I only have a couple of minutes left, but if the hon. Gentleman must intervene, I will give way.

Martin John Docherty: I am very conscious of the time, and I am grateful to the Minister for giving way. We have heard much talk about service personnel, and I completely agree with it, but there seems to be little discussion about the impact of service personnel's mental health issues on children. Given that the strategic defence and security review is coming up, will there be some commitment to investigations and discussions with the children's commissioners of the United Kingdom of Great Britain, Northern Ireland, Scotland and Wales to see how they can inform that debate?

Alistair Burt: I note the hon. Gentleman's remarks. I cannot say anything about the review, but I take his point. It is recognised that anything that affects the mental health of an individual can impact on the family. I hope that the veterans' work involves that.

May I just say a little more as I have something specifically to say about that? Additional services include: a 24-hour veterans' mental health helpline that receives

more than 800 calls per month; an online peer support, well-being and counselling service called the Big White Wall, which provides support and services to armed forces, their families and veterans 24 hours a day all year round; Combat Stress, of which people are aware; and Help for Heroes' "hidden wounds", which is a psychological well-being service offering support to veterans and their families. It is important that these veterans' services are both sustainable and fully embedded in the mainstream of the NHS so that veterans can move to other mental health services if necessary and at the right time.

In view of what colleagues have said, let me conclude by returning to my original point. There are services in place. They have clearly improved. We have recognised the good work of my hon. Friend the Member for South West Wiltshire some time ago and the demand that has come back, but it is plain from what colleagues are saying that they want us to do more. I do not think that there is a finite limit that we can go beyond in recognition of what has been done for us. I am absolutely certain that the commitment that the Prime Minister made this afternoon in his answer to the hon. Member for East Kilbride, Strathaven and Lesmahagow in which he demonstrated his own deep awareness of the situation is one that we can all rely on. We will continue to meet the commitments of the armed forces covenant and to work closely with all those relevant organisations in the best interest of veterans and their mental health. That is the best way in which we can say thank you.

Question put and agreed to.

9.30 pm

House adjourned.

Westminster Hall

Wednesday 14 October 2015

[MR CLIVE BETTS *in the Chair*]

Gibraltar and Spain

9.30 am

Jack Lopresti (Filton and Bradley Stoke) (Con): I beg to move,

That this House has considered Gibraltar and relations with Spain.

It is a pleasure to serve under your chairmanship, Mr Betts, for this very important debate. I wish to declare an interest, as chairman of the all-party group on Gibraltar. I also recently visited Gibraltar to take part in its national day of celebrations as a guest of the Gibraltar Government.

I understand that there were 285 unlawful incursions of Spanish state vessels into British Gibraltar waters in the first eight months of this year, and more than 80 in September alone. I hope the Minister will update us on the current situation in his response.

There was also an extremely dangerous incident in August this year, when a Spanish state vessel fired live rounds at anglers on a Gibraltar pleasure boat. The Royal Gibraltar Police apprehended the vessel and searched it, and no sign whatever of any illicit activity was found. Members may be surprised to hear that the Spanish Government denied the use of live rounds until video evidence of the incident materialised. All the Spanish authorities need to do is communicate with the British Gibraltar authorities if they are chasing criminal suspects—a system that works well elsewhere around the world. Currently, Spain is putting lives at risk in a needless and seemingly casual manner.

On the matter of British Gibraltar waters, Spain's former ambassador, José Antonio de Yturriaga, has said publicly that Madrid's position on British Gibraltar territorial waters has no legal basis and that the Spanish Foreign Office has legal opinions that confirm this. According to published reports, the current Spanish Foreign Minister recently acknowledged at a university seminar that the Spanish position on the waters around Gibraltar would be very difficult to defend in court.

It is clear that the treaty of Utrecht in 1713 did not specify territorial waters, because the three-mile—later 12-mile—rule as far as territorial waters are concerned had not yet come into existence. The principle is today enshrined in article 2 of the United Nations convention on the law of the sea, which Spain signed. Although Spain attempted to exclude itself from that clause when signing the convention, it was not able to do so under the agreement.

Interestingly, I read recently that for most of the past 300 years the waters under British control around Gibraltar were much larger and stretched on to several hundred metres of Spain's south-eastern coastline. Spain was aggrieved that the waters off a section of its coastline were under the jurisdiction and control of another state, and made frequent complaints to Britain. It seems it was under Franco in the late '60s that Spain came up

with the absurd idea that Gibraltar should have no territorial waters. Before that, the Spanish just wanted the equidistance principle—the internationally accepted standard line, requiring countries' seas to be divided along a median line. Essentially, Spain's view on and behaviour concerning British Gibraltar territorial waters has no standing at all in international law, and Madrid is very aware of the fact.

Dame Angela Watkinson (Hornchurch and Upminster) (Con): As my hon. Friend rightly says, the incursions by Spain into Gibraltar territorial waters have been going on for a considerable time. Spain has been throwing down the gauntlet with these provocative incursions and is clearly saying, "What are you going to do about it?" Is it not time for the United Kingdom to say what we are going to do about it?

Jack Lopresti: I agree completely. The fact is that Spain—a NATO and European ally—is so consistently and flagrantly breaking the law that it is astonishing. Spain's ban on NATO forces moving between Gibraltar and Spain, overfly rights and travel between ports is quite simply to the detriment of western security. The fact that the Spanish will not allow RAF aircraft to overfly Spanish airspace on their way to and from Gibraltar results, I understand from the last speech by my hon. Friend the Member for Aldershot (Sir Gerald Howarth) in the House on the matter, in a cost to the British taxpayer of an additional £5,000 to £10,000 for each flight. Our military resources are finite. Spain seems to feel it acceptable to reduce NATO's defensive capacity by causing totally unnecessary extra costs, yet we are bound by article 5 of the NATO Washington treaty to expend British "blood and treasure" if Spain ever finds itself under attack.

At the same time, Spain continues to allow Russian naval vessels to refuel at its territory of Ceuta. The press reported that a state-of-the-art submarine had a three-day visit to the port of Ceuta in August this year. It was allowed to take on fuel and water while its crew enjoyed shore leave and Ceuta's amenities. It is believed that the Russian submarine was headed for the naval base at Sebastopol, although the Russian military denied that. This is at a time when NATO insists that the alliance has suspended all practical co-operation with Russia. It seems Spain organised that with Russia directly against NATO's and Europe's position on Russia. Will the Minister explain how that is acceptable and allowed to continue?

Spain seems to be trying to wage some sort of economic warfare on Gibraltar with the ongoing issue of border delays. As the Foreign Affairs Committee report last year made clear, much of the evidence against the border delays came from Spanish workers who commute into Gibraltar on a daily basis. That is still a major problem, but Madrid is not being successful. Gibraltar is a fantastic economic success story, with impressive economic growth. Its GDP for 2013-14 increased by more than 12% in nominal terms, and I understand that forecasts for 2014-15 show a further 10.3% increase—a higher GDP per capita, which is a measure of living standards, than the UK and Spain as a whole, and greatly higher per head than its neighbours in Andalusia. GDP per capita for Gibraltar is forecast to be £50,941 in 2014-15, a long way above that of Andalusia, where GDP per capita was £13,300 in 2014, and higher even

[*Jack Lopresti*]

than Madrid's, which was £25,000 per capita in 2014. It is unsurprising that up to 10,000 Spaniards a day cross the border to work in Gibraltar.

The Chief Minister said this week in London that the OECD has confirmed that in terms of financial regulation, Gibraltar is alongside Britain, Germany and the US as the best in the world. Spain's oft-used propaganda insinuating the opposite about Gibraltarian business has been completely discredited.

Mr Gregory Campbell (East Londonderry) (DUP): I congratulate the hon. Gentleman on securing the debate. He talks about economic warfare. Would he agree that it is actually in the Spanish Government's and the Spanish people's interest to come to an accommodation, accepting the people of Gibraltar's right to be there? Economically, they could then thrive, rather than attempt to marginalise the people of Gibraltar, penalising the thousands of Spanish workers who depend on Gibraltar for their livelihoods.

Jack Lopresti: The hon. Gentleman is absolutely right. This situation penalises Spain's own people and damages its own economic prospects and success for the future. It is completely bizarre that Spain should behave in this fashion.

I turn to the matter of the Royal Navy. The two Royal Navy ships in Gibraltar are more than 20 years old and are, I understand, not the best modern option. The Government of Gibraltar have indicated that they would finance another Royal Navy vessel. Does the Minister think we should accept that offer? Regardless of that fact, the British Government should significantly increase their naval presence in the straits. That would send the clearest possible signal to Spain that we are absolutely serious about defending our strategic interests in Gibraltar and our people there.

As history has proven countless times, weakness is provocative. We should make the rules of engagement for our naval vessels more robust for clarity and to act as a deterrent. I fear there will be a tragedy sooner or later as a result of the aggressive, illegal Spanish incursions, with lives lost, if we are not clear about how serious we are.

Will the Minister tell us what the rules of engagement are for our forces operating around Gibraltar? We can draw our own conclusions about the fact that the Spanish do not harass or get too close to US navy vessels operating around Gibraltar. I would like to know how many times the British Government have protested to Spain about its hostile and illegal actions with regard to the British sovereign territory of Gibraltar. I know that since 2011, the Spanish ambassador to the Court of St James has been summoned at least five times. That puts Spain in the same category as North Korea and Syria—a completely ridiculous situation.

If the Spanish Government cannot start treating their NATO and European Union ally correctly, what can the British Government do next—recall our ambassador to Spain? Send its ambassador back? Spain's position on Gibraltar is as if we did not accept the treaty between the US and the UK that recognised the outcome of the US war of independence. Gibraltar has been British for longer than the US has been a nation. It is time for

the Spanish Government to stop using Gibraltar to mask their own problems and inadequacies and start behaving like a true NATO and European ally, with all the positive benefits that would bring for Gibraltar and the Spanish people.

9.39 am

Jim Shannon (Strangford) (DUP): It is a pleasure to be called to speak in this debate, Mr Betts, and I congratulate the hon. Member for Filton and Bradley Stoke (Jack Lopresti) on securing it. There is interest in Gibraltar across the whole of Europe, but for us in the United Kingdom of Great Britain and Northern Ireland, we are aware of what it is like sometimes to be on the edge. We are proud of our Britishness, so it is a pleasure to speak on this issue.

It goes without saying that relations between the United Kingdom and Spain have been strained in recent times. With deliberate intrusions into Gibraltar's territorial waters by Spanish vessels, it is imperative that Gibraltar's position as an overseas territory is reiterated and that any Spanish attempt to undermine that position be firmly rebutted. The self-determination of the Gibraltarian people is at the heart of the UN charter, and that self-determination must be the focus moving forward in our relationship with Spain. We want good relations, but we want them to be sensible.

The recent visit by HMS Bulwark to Gibraltar highlights the continued strategic importance of the territory. This comes at a time when Spain continually seeks to undermine the right to self-determination of the Gibraltarians, in addition to recent incursions into Gibraltar's territorial waters. Worryingly, we have seen continued interference from right at the heart of the Spanish Government. The Spanish Foreign Minister, José Manuel García-Margallo, has called for bilateral talks with the United Kingdom over sovereignty. This is the same Spain who is trying to deny Catalonia independence—it is always interesting to watch what happens with foreign policy in other countries and to compare what one country does at home with what they do elsewhere. It begs the question: just what does Spain understand about self-determination and sovereignty? What exactly are Spain's aspirations, should such talks ever place, when there is next to no support for changes to sovereignty among the people of Gibraltar?

I support the Foreign Secretary's comments in his keynote speech to his party conference this year. He warned Spain over its "unlawful and inexcusable" incursions into Gibraltar's territorial waters—a clear statement that cannot be denied. The Foreign Secretary's reiteration of the Government's commitment to self-determination for Gibraltar's people and the continued defence of the territory are comments that I am sure at least the vast majority of this House will support, if not everyone.

Having said that, the Foreign Secretary also hinted at co-operation with Spain in areas in which further co-operation could be mutually beneficial. It is always good to have relations, including economic relations, but I was reading in the briefing note for this debate that, such is Spain's interest in developing those relations, that it is intending to impose a charge of £43.40 each time someone crosses the border between Gibraltar and Spain. If a business owner frequently has to traverse the border, it would cost them a fortune. All their money would go on charges to get across it.

David Simpson (Upper Bann) (DUP): On my hon. Friend's point about the threat to charge people leaving or entering Gibraltar, there is also a hint that the Spanish Government will ask taxation officials to investigate those who own properties in the regions of Spain, which will affect British people who own properties there and especially those living in Gibraltar. Again, there will be economic penalties against those who live there.

Jim Shannon: I thank my hon. Friend and colleague for that intervention. He clearly outlines, yet again, some policies that the Spanish Government seem to be adopting in relation to those who are British, those who live in Gibraltar and those who have a different passport.

I trust I speak for the whole House when I say that it is in the interests of our United Kingdom to see Gibraltar doing well and that, should further co-operation with Spain, where possible, help Gibraltar to prosper, then it is certainly a route to be considered. However, I remind the Foreign Secretary and the House of the countless violations of Gibraltar's sovereignty by Spain. I suggest that we err on the side of caution when engaging with Spain on this issue, because although co-operation can be positive, we need to be mindful at all times of Spain's track record in this regard and remember that it is the British people of Gibraltar to whom this Government, this House and this entire nation owe our loyalty.

The Spanish Foreign Minister might have seemed well intentioned in his call for talks, but to contextualise those comments, it is imperative to remember what exactly Mr García-Margallo described Gibraltar as, because it puts things into perspective. In the same speech in which he called for bilateral talks, he said that Gibraltar was the last colony in Europe and that his Government wanted to discuss its decolonisation bilaterally with the United Kingdom. Are those the sort of comments we would expect from someone wanting to build an honest and friendly relationship; or are they, as I suspect, just further confirmation that Spain is willing not only to make incursions into Gibraltar's territorial waters, but to continue openly to undermine the sovereignty of Gibraltar and its people's right to self-determination?

We have been to many meetings in which there have been opportunities to support the people and Government of Gibraltar. My right hon. Friend the Member for Belfast North (Mr Dodds) and I have attended quite a few where the issue of fishing rights in territorial waters have been discussed. It is clear that Spain has a policy of incursions into territorial waters, clearly ignoring the views of the people who live in Gibraltar.

In conclusion, I can only hope that the remarks in this debate have struck a chord with the House and the Members here in the Chamber. I trust that the Foreign Secretary and others will share my concerns and those of many others about the Spanish Foreign Minister's outrageous and wholly unacceptable comments and that they will indeed challenge him on them.

9.45 am

Robert Neill (Bromley and Chislehurst) (Con): It is always a pleasure to serve under your chairmanship, Mr Betts, and I congratulate my hon. Friend the Member for Filton and Bradley Stoke (Jack Lopresti) on securing this important debate. I, too, should declare an interest, as secretary of the all-party group on Gibraltar. I had

the pleasure of visiting Gibraltar at the same time as my hon. Friend, along with several hon. Members from all parties. One of the important issues to bear in mind is that the strength of support for Gibraltar goes right across this House, and today is a good opportunity for us to reinforce that.

In opening the debate, my hon. Friend referred to the issue of incursions and the impossibility of reconciling some Spanish behaviour with what we would expect from a NATO friend and ally and a European Union partner. That is a matter of some sadness to me, not only as a frequent visitor to Spain and to Gibraltar over the years, but because, as a member of the UK's delegation to the Parliamentary Assembly of the Council of Europe, I know that there are areas in which we work well with our Spanish colleagues. However, the relationship is clouded by the political obsession of some members of the current Spanish Government, and that stands in the way of our developing the normal sort of sensible and mature dialogue that we would expect two established democracies to have.

I very much welcome the proposal that Their Majesties the King and Queen of Spain might visit the United Kingdom in 2016. That would be a good step forward, but I hope too that we would not then see objections to members of the British royal family visiting Gibraltar. That would be a mature step forward in the relationship, and I hope that it would give us the opportunity to reinforce the Government's position that there can be no question of bilateral talks, as suggested by Mr García-Margallo. There must be a tripartite forum involving the people of Gibraltar and their elected representatives. I am sure that the Minister will want to restate that position.

I want to touch on another matter that my hon. Friend the Member for Filton and Bradley Stoke alluded to: the economic war that is, in effect, being waged by Spain against Gibraltar. We have seen that in the delays at the frontier, which seem to come and go depending on the level of profile and what distraction the current Spanish Government wish to create from their difficulties with their domestic agenda. There are also the incursions and harassment by the Spanish customs service. However, there has also been a damaging and, happily, unjustified—indeed, demonstrably so—campaign of economic slander against Gibraltar by Spain and its allies. The suggestion has been made, wholly erroneously—on one or two occasions it has been swallowed by Members of this House, although not very many—that Gibraltar is some kind of tax haven and that its economic, legal and regulatory systems were in some way lacking in transparency. Nothing could be further from the truth, as a number of debates in this House have amply demonstrated. This was shown by the European Union's removal of Gibraltar from what it calls its tax havens blacklist—a recognition that Gibraltar has taken all the necessary steps to comply.

While in Gibraltar, I had the chance to meet its Finance Minister and senior members of its judiciary. It is worth remembering that Gibraltar operates a British-style common-law system to exactly the same standards as we would expect here. Its financial regulatory bodies are organised on exactly the same models as our Financial Conduct Authority and operate to exactly the same standards. The professional bodies that operate in Gibraltar for all related professions also mirror British standards

[Robert Neill]

exactly. Against that background, it is no surprise that the OECD Global Forum on Transparency and Exchange of Information for Tax Purposes gave Gibraltar exactly the same score for transparency as Germany, the United Kingdom and the United States.

None the less, despite evidence that is as plain as a pikestaff, Spain sought to object to the EU's removing Gibraltar from the blacklist. That was wholly irrational, but there is a risk that a degree of Spanish policy is sadly irrational in this matter. I hope, though, that the Minister will undertake to continue to press vigorously on Her Majesty's behalf to ensure that other individual countries fall into line and remove Gibraltar from their own blacklists. Everyone accepts that Gibraltar is compliant and that all EU regulations are transposed properly, but some individual countries have probably not made it enough of a priority to remove it. I hope that the Foreign and Commonwealth Office will endeavour to persuade individual states to follow the EU's line. Latvia, I notice, has recently done so, as have a number of others. It is important that we get complete consistency on that.

Kevin Foster (Torbay) (Con): I congratulate our hon. Friend the Member for Filton and Bradley Stoke (Jack Lopresti) on securing this debate. My hon. Friend has just made a point about Spain's position on the tax status being irrational, but is not its position also irrational in relation to the north African enclaves, which are Spanish territory? If those enclaves have the right to choose to be Spanish, it is only logical that Gibraltar's residents have the right to choose to be British.

Robert Neill: The point is entirely correct. No one in the United Kingdom wishes to see the people of Ceuta and Melilla handed over to Morocco against their wishes—of course not—and the same decency should be extended by the Spanish Government to the people of Gibraltar. All I will say is that, following my visits to Spain and my discussions with Spanish parliamentarians, I think that the current Spanish Foreign Minister has a particular, personal agenda. Who knows what the position will be after November? There are people in Spain, particularly those involved in the local and regional governments in the Campo, the area immediately behind Gibraltar, who know that enormous benefit will come to their own people from a relaxation—a normalisation—of relationships and the building up of stronger economic links, but they have not yet been able to persuade a majority in the Cortes of that. We should be prepared to make the case vigorously to help them to do so. Who knows what November's elections may bring in that regard?

Dame Angela Watkinson: Does my hon. Friend agree that many ordinary Spanish people have a very different attitude towards Gibraltar from that of their Government? Many Spanish people work in Gibraltar and need to cross the border every day to go to and from work. They are the ones who suffer from the delays that are set up by Spain, quite unnecessarily, as a demonstration simply that it can do that.

Robert Neill: My hon. Friend is absolutely right. Anyone who visits Gibraltar will meet dozens of people working in Gibraltar who are Spanish. Some of us have had the chance to meet Spanish trade unionists from

the Campo and members of Spanish local authorities in the Campo who are very keen to improve relations, but suffer from an entirely different attitude coming from the Government in Madrid. It is therefore important that we in this House make clear our absolute determination to stand by Gibraltar, but to use that, on a clear basis of evidence, as a means of persuading the majority of Spaniards that their current Government's stance is not in their national interest, any more than it is in the interests of the people of Gibraltar, and that there will be real opportunities from a normalisation of those relations.

Jim Shannon: Both the hon. Gentleman and I have referred to the financial implications of the difficulties between Spain and Gibraltar, but other things have been concerning us as well, and it is important to put them on the record too. The buzzing of a commercial aeroplane by two Spanish jets in September 2014 was an example of the danger that can be caused. Also relevant is the use of the Spanish navy to harass fishing fleets and people on boats around Gibraltar. Those are just two examples of the use of Spanish military forces against Gibraltar. If Spain is not careful, someone will be either injured or killed as a result.

Robert Neill: Absolutely, and my hon. Friend the Member for Filton and Bradley Stoke touched on those matters. When we are dealing with a very limited and constrained airspace, as any of us who have been in and out of Gibraltar know, it is extremely dangerous to behave in the way that the Spanish air force has or as some of Spain's naval assets have. The irony is that these are two NATO allies. That is the bizarre nature of the impasse at which we currently find ourselves. I hope that the Foreign Office will continue to be vigorous and also ensure that we use our considerable soft power, as it is sometimes termed, in persuading other actors in the European Union and the United Nations—where Spain again, sadly, has mounted an entirely misleading campaign with the decolonisation committee—to set out the facts, to support Gibraltar very clearly and to ensure that there is both physical security, in terms of the integrity—

Mr Nigel Dodds (Belfast North) (DUP): In terms of the current negotiations about EU membership and so on, and the certainty of a referendum in the near future, does the hon. Gentleman agree that it is important that the Foreign Office bears in mind at all times the interests of Gibraltar in all this and that, whatever the outcome of the referendum, Gibraltar's interests are stood up for? If the United Kingdom decides to leave and Spain remains a member, that will clearly cause a lot of issues for Gibraltar. It is important that that is borne in mind very strongly by the Foreign Office in terms of the interests of the people of Gibraltar.

Robert Neill: The right hon. Gentleman is absolutely right. I was saying that it is important that we continue to stress our support for the physical integrity of Gibraltar and its waters. The other issue is continuing support for the economic wellbeing of Gibraltar. I have alluded to some of that. From Gibraltar's point of view, the other part of that will of course be the renegotiations. I know that the Minister is well seized of this. It is critical that Gibraltar maintains its access to the single market and freedom of movement, which gives it a legal basis to

challenge the wholly unjustified approach adopted by Spain to the border. I am sure that that is in Her Majesty's Government's mind and that it is in the mind of the official Opposition, too. I am sure that the right hon. Member for Wolverhampton South East (Mr McFadden), whom we are all happy to see here, will want to restate his party's unequivocal support for British sovereignty in Gibraltar—from the very top down, I am sure—and add its commitment to giving the Government full-hearted support in protecting the interests of Gibraltar, not only in the renegotiations but in all other matters going forward.

9.57 am

Drew Hendry (Inverness, Nairn, Badenoch and Strathspey) (SNP): It is a pleasure to serve under your chairmanship, Mr Betts. I congratulate the hon. Member for Filton and Bradley Stoke (Jack Lopresti) on this very important and timely debate on the future of Gibraltar.

I had the honour of attending the national day celebrations in Gibraltar very recently, on 10 September—a day when Gibraltar is awash with red and white and when people express their right to self-determination. It is a small nation of 29,000 people, but as we have heard from other hon. Members, their number is swelled on a daily basis by a huge intake of the Spanish people who work there.

I had the pleasure of speaking both with natives of Gibraltar and with Spanish people that day, and they are a friendly mix; they get on well. I would therefore like to underline the point made earlier. This is not a point of difference; the tensions do not exist between the Spanish people and the people of Gibraltar. The tensions exist because of the actions of the Spanish Government and, of course, the reaction or lack of reaction from the UK Government. It is important that we bear that in mind.

The people of Gibraltar live in a small nation bordered by a larger nation, a larger neighbour, but it still manages to be efficient, thriving, friendly and, as we have heard, an economic magnet—a very successful small nation. Despite the problems constraints from its larger neighbour, it is able to contribute and work perfectly efficiently and well under its own steam. The people of Gibraltar have the right to continue to express their need for, and their absolute right to, self-determination. People who live there must be absolutely safe and able to conduct their business. The incursions into Gibraltar's territorial waters, the problems that it has had to put up with and the manufactured situations that have been set up to put it under what can only be described as intimidation are not acceptable, and no small nation should find themselves in such a position.

We heard from the hon. Member for Bromley and Chislehurst (Robert Neill) about the attempt to undermine the economic position of Gibraltar, and that is not acceptable either. Gibraltar is a nation that can survive perfectly well on its own and that performs perfectly well on its own. It has had to put up with incursions into territorial waters and manufactured border delays where people have had to wait for hours and hours to cross the border. Gibraltar has experienced incursions, in violation of its aviation rights. In August there was an incident, as we have heard, involving the discharging of firearms in territorial waters, which put at risk not

only people from Gibraltar but citizens of other nations who were present, including UK citizens. That is not acceptable behaviour, and nobody should have to put up with it.

The people of Gibraltar have made and continue to make Gibraltar. Gibraltar is a nation with a right—I have said this many times, but I am not afraid to repeat it—to self-determination and to control its own affairs, as a nation does. Its constitutional future should be determined by the people who live there, not by their neighbour. The Spanish Government say that Gibraltar has no right to self-determination.

Mr Gregory Campbell: The hon. Gentleman is rightly outlining the right of the people of Gibraltar to self-determination. Does he agree that they, like others, have expressed that right at the ballot box, and that should be respected and adhered to?

Drew Hendry: We are the people who defend democracy, and the ballot box is always the way to secure the constitutional position of any nation. I would certainly agree with that. The right to make constitutional decisions at the ballot box is absolutely paramount. The Spanish Government have form on the matter; they have ignored the will of Catalonia as well as this issue in Gibraltar.

When I spoke to people in Gibraltar who had been subject to incidents such as those I have described—I am sure we will hear about them later—I found that they have real concerns and fears, not only about those incursions, but about what will happen in future. They are deeply concerned about the question of EU membership. The Prime Minister must confirm what he will do to uphold Gibraltar's right to self-determination and stand by it regardless of the outcome of the EU referendum. It is also important for the UK Government to say clearly what actions they will take to support Gibraltarians' ability to live their daily lives safely. When Their Majesties of Spain visit in 2016, that would be an opportunity to assure support for Gibraltar and its self-determination into the future.

Finally, the Prime Minister has told us that he wants to undertake treaty negotiations ahead of the EU referendum. Regardless of the outcome of the referendum, during those negotiations the Prime Minister needs to take into account the views and concerns of the people of Gibraltar on the single market and the free movement of goods and services, and to make sure that those rights are upheld for Gibraltar in future. The people of Gibraltar have stated their will, and they are extremely motivated and concerned. They have democratically expressed their desire for self-determination, and it is the duty of this House and UK Ministers to support them in progressing that aim.

10.4 am

Mr Angus Brendan MacNeil (Na h-Eileanan an Iar) (SNP): It is a great pleasure to take part in this important debate, which I hope will be heard across Europe. We see a great breadth of support in the House of Commons, and here in Westminster Hall, for the status of Gibraltar and the self-determination of its people. I would like to declare an interest of my own in Gibraltar. I have visited Gibraltar many times, and I am on the all-party group for Gibraltar.

[Mr Angus Brendan MacNeil]

This year, I was in Gibraltar again on national day. With some others here, I had the great pleasure of speaking in Casemates Square to a gathering of thousands of people. It was, as my hon. Friend the Member for Inverness, Nairn, Badenoch and Strathspey (Drew Hendry) said, a sea of red and white, as Gibraltar quite rightly celebrated and marked its place in the world—a place that should be respected. That takes place on 10 September every year, which, as close observers will know, is the day before Catalonia's national day. As has been mentioned, we know the spirit in which Spain treats both Gibraltar and Catalonia, and I find that to be a bit of an imperial hangover. I note from his excellent speech that the hon. Member for Strangford (Jim Shannon) supports the self-determination of both Gibraltar and Catalonia. That is logically consistent, and I congratulate him on that. The people of Gibraltar will especially congratulate him on his full support for the position of Gibraltar and its people.

The debate was opened by the chairman of the all-party group for Gibraltar, the hon. Member for Filton and Bradley Stoke (Jack Lopresti). He mentioned the 285 incursions that have taken place in the past year, some 80 of them in September alone. For a country that should be, and is, friendly, Spain's treatment of Gibraltar is absolutely appalling. On my visits to Gibraltar, I have got to know a young man, Dale, who was the victim of one of the most famous incursions by the Guardia Civil. They followed him into a Gibraltar harbour when he was on a jet ski, and, if that was not bad enough, they opened fire on him. That can be seen on YouTube, and the distinct crack of a gunshot is audible as Dale dodges around the harbour trying to avoid the projectiles being fired at him by the Guardia Civil. I am not sure whether they were live rounds, or rubber or plastic ones, but whatever they were, the Guardia Civil should not have been firing them. If they had hit Dale, even in the best of circumstances, the outcome might not have been pleasant at all.

I do not think that Dale, who is quite a friendly and fun individual, hung about for long enough to find out exactly what the Guardia Civil were firing at him, but it is an absolute outrage for those who believe that Gibraltar's self-determination and independence should be respected that anyone, from anywhere in the world, could condone the behaviour of the Guardia Civil. For those who struggle to believe that the incident happened—I almost struggle to believe it myself—it can easily be seen on YouTube. [Interruption.] I can see hon. Members nodding.

I am glad to say that this year, I was fortunate enough to get a lift with Dale on his jet ski. We saw some dolphins out from Gibraltar and we saw the Guardia Civil, and I am even happier to say that they both stayed mercifully far from each other. That was of great comfort and relief to me on the back of Dale's jet ski. Members will also be pleased to hear that Dale has got himself a faster jet ski and has since been untroubled by the Guardia Civil in any shape or form, but he should never have been troubled by them in the first place.

The hon. Member for Bromley and Chislehurst (Robert Neill), who is very probably my cousin, distant though the connection will be—that might be the end of his political career, of course—[Interruption.] I am hearing mutterings from some of his colleagues to the effect that

he is probably doomed. He brought a mature tone to the debate, and he set out and calibrated our position regarding Spain. Spain is a friend, and a place that we like. Spanish people like to be on our island. It is a place Gibraltarians like, as was noted by my hon. Friend the Member for Inverness, Nairn, Badenoch and Strathspey in his excellent speech. The relationship between the UK and Spain is very mature in many ways, although there are occasional aberrations in it. I feel that the Spanish attitude to Gibraltar is part of an imperial hangover, and I am not quite sure how we can get Spain away from that. Trying to deal with such a hangover must create many headaches in the Foreign Office. They have to move on.

In the past, after queues at the border, I have asked for the Spanish ambassador to be brought into the Foreign Office and made to wait five hours to get a slight taste of what this policy is like for the people of Gibraltar, the people of La Linea and others who travel into Gibraltar for work. In the Guildhall on Monday, I noted that the unemployment rate in Gibraltar is something like 164 people out of about 30,000, which is phenomenal, but of course 10,000 people are going in for work. The Chief Minister, Fabian Picardo, has said that Gibraltar could create many more jobs if there was further co-operation, which would benefit both sides of the border.

It is a bit of a shame that this sort of machismo enters into what should be a mutually beneficial and positive relationship. That relationship is not fully happening yet but we hope for signs. I understand that this year—I am sure that the Minister will confirm this—the events on the border are not as bad as they have been in the past. Indeed, I am pretty sure that my blood pressure in the Chamber has not been going up as much as it has in past years when it comes to the behaviour of the Spanish at the border. [Interruption.] Of course, I am hearing that my blood pressure might be going up for other reasons in the Chamber.

We must all support Gibraltar's place in the world and I pleased that people have done so in this debate. I am particularly pleased because on one of the national days in Casemates Square I called for UEFA to recognise Gibraltar. It did so shortly afterwards. I do not claim that I provided the push over the edge for that; the feeling generally was coming to the surface. Gibraltar is now on the world stage and certainly on the European stage. FIFA has to start to recognise Gibraltar as well, despite the noises from Spain that it would not. Gibraltar has been playing well in Portugal, so it has friends on the Iberian peninsula. Indeed, this week Gibraltar had a game against Scotland. I will not mention the score although luckily it was good for Scotland eventually. We have had a fright against Gibraltar as we were drawing at one stage in the game at Hampden Park. The important point is that Gibraltar is on the world stage and in people's minds. It is recognised and accepted as, indeed, are many other places. I am pleased that it is playing its full part. That is a symbol of what Gibraltar is to many people—accepted. It is time that that was recognised by Spain.

I have been asked, as deputy foreign affairs spokesman for the Scottish National party—a party that, as will come as no surprise here, wants to get out of the United Kingdom—why I am so supportive of Gibraltar's constitutional position. I always take great delight in

explaining that. Gibraltar likes to be independent of its large neighbour, something that I, as a Scot, feel is particularly important. Also, Gibraltar is British but not in the United Kingdom. I would be quite comfortable with that situation.

Uppermost in the minds of everyone here is the self-determination of Gibraltar. At the outset of the debate, it was very well said by the chair of the all-party parliamentary group on Gibraltar, the hon. Member for Filton and Bradley Stoke, that the United States of America dates from 1776 and that the treaty of Utrecht and the foundation of Gibraltar dates from 1713. Doing my arithmetic quickly, Gibraltar is a good 63 years older.

This year, I was pleased to be part of Gibraltar's national day. I hope to be part of it at some time in the future. It is important that we send out a straightforward signal to Gibraltar. As the right hon. Member for Belfast North (Mr Dodds) said, we must be mindful, in any EU referendum, that we support Gibraltar in all phases, no matter what happens constitutionally in the United Kingdom. That counts for all parts within the United Kingdom and for our relationship with the EU. We must always remember to respect the self-determination of peoples—in this case, of Gibraltar.

10.13 am

Mr Pat McFadden (Wolverhampton South East) (Lab): It is a pleasure to serve under your chairmanship, Mr Betts. I congratulate the hon. Member for Filton and Bradley Stoke (Jack Lopresti) on securing the debate. As he said, he is the chair of the all-party parliamentary group on Gibraltar. I stand here as the Opposition spokesman on these issues but, it is worth mentioning that my constituency predecessor, the late Dennis Turner, was a great supporter of Gibraltar so my constituency has a long tradition of involvement with the issue.

It is, I think, about nine months since the House last discussed the topic, when we debated the report of the Select Committee on Foreign Affairs. Many of the issues highlighted in that report continue to be relevant and are important to today's debate. I will go through a few of those, beginning with the constitutional position of Gibraltar, which is very clear. Its people overwhelmingly want to stay British. It is a British overseas territory. The Government's response, which the Minister will outline, is also clear. They will not enter into talks about the constitutional status of Gibraltar without the consent of the people of Gibraltar, or change that status. That position is shared by the Opposition.

From the United Kingdom's point of view, the position is very clear and, as the hon. Member for Bromley and Chislehurst (Robert Neill) said, is shared across the parties. It is just a pity that that position is not clearly understood by Spain because outwith the issue Spain is a European partner, a NATO ally and home to many British people. Many British people have businesses in Spain and it is a destination for a huge number of British holidaymakers every year. Spain is held in high and warm regard by most people in the United Kingdom. It is true that relations between Britain and Spain over this issue have blown hot and cold over the years. About a decade ago, there was a period when things looked brighter. There was a bit more interaction and co-operation, but the situation has got worse since then and things have become more difficult.

I will touch on a couple of issues that have become sore points in the relationship between Britain and Spain. The first is the lengthy delays at the border, to which many hon. Members have referred. People can wait more than four, five or six hours to cross to and from Gibraltar. Daily, it is a great inconvenience to people in terms of business and getting to and from work. We believe that it is an interference in the principle of free movement. I do not want to get sidetracked down a whole other discussion about this but, as things stand, Britain is a member of the European Union and Gibraltar is part of the EU on that basis. Spain is a member of the EU. One of the founding principles of such membership is the free movement of people.

Now, we are not part of the Schengen zone. We operate passport checks, as any of us who go to and from on the Eurostar know, but they do not delay people for five and six hours. The checks are carried out properly by our authorities without undue delays. Could the Minister comment on what representations we have made to Spain and the European Commission about these unnecessary interferences to the principles of free movement? I will not go further into the EU negotiations on this and so on, except to say that I hope that all hon. Members here who are so passionate about Gibraltar will maintain their support for the principle of free movement throughout the negotiations. I am sure they all will.

The second issue is the countless transgressions—several hundred a year—by Spanish vessels into Gibraltar's territorial waters, which are constant running sore. Part of the problem is that Spain does not recognise the concept of Gibraltar territorial waters, even though it is clearly set out in the UN convention on the law of the sea. Britain or Gibraltar have not taken a maximalist interpretation of that convention but we believe that there is a three-mile zone of Gibraltar territorial waters. The Royal Navy and Gibraltar forces have a right to enforce that jurisdiction, which they have to do on a daily and weekly basis. I will not mention all the different instances but the hon. Member for Filton and Bradley Stoke mentioned one in his opening speech. In August, the crew of a Spanish customs boat fired what is believed to have been four shots at a civilian vessel. Such an instance is clearly serious and the Foreign Office responded with a protest at the time. There have been many other incursions. What can be done to make the calling of the ambassador and the lodging of such protests less routine? Hundreds of incursions are not a norm that should be accepted. It should not be regarded as routine that allies regularly have to lodge such protests or to call the ambassador to the Foreign Office. It would be welcome if the Minister could say a bit more about that.

I could talk further, but I want to give the Minister a chance to respond. In conclusion, the truth is that there is a clear pattern: Spain is trying to put the squeeze on Gibraltar through these measures. One of the values of such debates is that we can send out a signal not only from the Government but from Parliament that there is no point in putting a squeeze on Gibraltar because its status will not change unless the people of Gibraltar decide that it should change. This pattern of behaviour serves only to create unnecessary economic damage and unnecessary interference with people's freedom to move, employment rights and the capacity of businesses in Gibraltar to function. It serves no positive purpose.

[Mr Pat McFadden]

The third thing I would like the Minister to address is the military presence in Gibraltar. We have heard references to the age and condition of the naval vessels. Are there any plans to improve that presence or to make representations about the inconvenient and ridiculous situation in which RAF aeroplanes cannot overfly Spanish airspace on the way to Gibraltar? That situation should not exist between allies. What representations is he making to change the situation?

I am glad that the hon. Member for Filton and Bradley Stoke has secured this timely debate, which gives us another opportunity to make it clear that Parliament's position is shared on both sides of the House. If one message should go out from this debate, it is that there is no point in continuing to put the squeeze on Gibraltar. Let us get on to a different agenda in which Gibraltar's constitutional status is accepted. Many issues could then be discussed, including civilian flights and economic co-operation, which would benefit both Gibraltar and the neighbouring region of Spain.

10.22 am

The Minister for Europe (Mr David Lidington): As always, it is a pleasure to serve under your chairmanship, Mr Betts. I congratulate my hon. Friend the Member for Filton and Bradley Stoke (Jack Lopresti) on securing this debate and on his introductory remarks. As the right hon. Member for Wolverhampton South East (Mr McFadden) said, it is appropriate that we should be talking about Gibraltar in the same week that we have celebrated Gibraltar day in London. My hon. Friend the Member for Filton and Bradley Stoke and I joined Members of both Houses from a range of political parties, and a couple of thousand other people, at the Guildhall on Monday night to see the Chief Minister and to demonstrate our continuing support for Gibraltar and for the wish of the people of Gibraltar to remain under the sovereignty of the United Kingdom.

I thank those who have taken part in this debate: the hon. Members for Strangford (Jim Shannon), for Inverness, Nairn, Badenoch and Strathspey (Drew Hendry) and for Na h-Eileanan an Iar (Mr MacNeil) and my hon. Friend the Member for Bromley and Chislehurst (Robert Neill). We have learned today of a family relationship across party lines, which came as a revelation to a number of us. I congratulate the right hon. Member for Wolverhampton South East on his reappointment to the Opposition foreign affairs team. I confess that I was glad to hear the news. I was slightly surprised, but I suspect my surprise was a lot less than his. I welcome his reappointment.

Bob Stewart (Beckenham) (Con): I intercede only to say that the families of my hon. Friend the Member for Bromley and Chislehurst (Robert Neill) and I have both known the hon. Member for Na h-Eileanan an Iar (Mr MacNeil) for several centuries, and we have known him as a traitorous little chap.

Mr Lidington: We have had to relearn the lesson this morning that clan feuds can run deep.

Mr MacNeil: The hon. Member for Beckenham (Bob Stewart) tempts me to quote William Wallace: "I cannot be a traitor to another's king."

Mr Lidington: I had better move on to the subject of the debate. Although I want to concentrate on the border, the naval incursions and the economy of Gibraltar, which have been the mainstay of today's speeches, I will first try to respond to a couple of other points that have been raised. I was asked about Gibraltar and the EU negotiations. As all Members will know, the Government have included the people of Gibraltar in the franchise for the proposed referendum on our membership of the European Union. The European Union Referendum Bill received its Second Reading in the House of Lords yesterday. Members are right to emphasise the importance of the United Kingdom Government's consulting Gibraltar very closely on the negotiations to ensure that we take Gibraltar's interests fully into account. I formally wrote to the Chief Minister at the start of the negotiations following the Government's election in May—[*Interruption.*]

Christian Matheson (City of Chester) (Lab): I apologise for arriving late. I will give the Minister a moment to catch his breath. I was also at the Guildhall celebration to which he referred. Does he feel that there is a new sense of confidence not just from the Chief Minister but from all Gibraltarians about their prospects for the future, which is clouded by their relations with Spain? I hope I have given the Minister a chance to find his voice.

Mr Lidington: I am grateful to the hon. Gentleman. I feel that on Monday night there was a real sense of economic optimism about Gibraltar's future, based both on the economic success that Gibraltar has achieved and on the way in which Gibraltar has organised itself—I will return to this in more detail—so as to meet global standards particularly in the provision of financial services, which match the best in the world.

Before the intervention, I was saying that I wrote to the Chief Minister of Gibraltar after the Government's election in May to tell him that we were about to embark on the European negotiations and that he should let the Foreign Secretary and me know at any time of any matter in the process that is of concern to Gibraltar. Since then, there have been regular contacts at official level between the United Kingdom Government and the Government of Gibraltar, as well as conversations at ministerial level. I last discussed EU matters with the Chief Minister in Manchester last week. The Government will hold to that commitment.

I was also asked about the Government's attitude towards Spanish hospitality to Russian warships in its Moroccan exclave of Ceuta. The fact is that that is ultimately a matter for the Spanish Government to decide. I find it extraordinary that such hospitality should be shown at a time when Russia is not only engaged in a campaign of aggression and destabilisation in Ukraine but has acted in a way that threatens the security of a number of our EU and NATO allies, particularly the Baltic states, but this is ultimately a matter for Spanish Ministers to consider.

The UK has promised to protect the right of the people of Gibraltar to determine their own political future. We stand by our assurance never to enter into arrangements in which the people of Gibraltar would pass under the sovereignty of another state against their wishes, and we will never enter into a process of sovereignty

negotiations with which Gibraltar is not content. I want there to be no misunderstanding of our position: Gibraltarians will be British for as long as they wish to remain so. We regard Gibraltar as including the isthmus and British Gibraltar territorial waters, as well as the Rock itself.

Jack Lopresti: Going back to security and NATO in particular, given that the Spanish are inhibiting NATO naval craft and aircraft from going to Spanish ports and overflying Spain, and the added dimension of their help to the Russians, can we do anything in the NATO Parliamentary Assembly or use Spain's membership of NATO to put pressure on them? As the Minister says, the way that they behave is astonishing.

Mr Lidington: We make representations about Spain imposing restrictions of the type that one should not expect of a NATO ally. In most respects and over most policy areas, we have a very constructive and co-operative relationship. I do not think that the Government raising such matters in a formal NATO setting will help. In the meetings of the North Atlantic Council and the like, the emphasis will be on what we need to do jointly in the challenges to the collective security of NATO members. We have not forgotten about the issue. We shall continue to press for changes. I can assure my hon. Friend that the armed forces have advised Ministers that although the Spanish restrictions are irksome, they do not adversely affect the military capacity or preparedness of the UK or of NATO collectively.

I want to focus on exactly how the UK Government works with and for the people of Gibraltar. When I last spoke in the House on the subject of Gibraltar, in January, Spain had only just started work on improving the infrastructure on its side of the border with Gibraltar. Those improvements were demanded by the European Commission, whose officials had visited twice to survey the situation at the border. Those visits were themselves a direct result of sustained and targeted lobbying by the UK, including by the Prime Minister, who raised the issue directly with the then President of the European Commission, José Manuel Barroso. Our lobbying, in close partnership with the Government of Gibraltar, is now paying off. Spain has completed the work at the border. I am pleased to say that delays have now dropped to levels comparable to those before the summer of 2013.

I understand that the Commission plans to visit again later this month. Obviously, we will continue to monitor the situation at the border closely, and we will not hesitate to raise our concerns again with Spain and the Commission if we see any further politically motivated tactics to create delays. As the right hon. Member for Wolverhampton South East and other hon. Members pointed out, one should expect passport checks and other proportionate checks at the Spain-Gibraltar border, but those should be no more and no less burdensome than the kind of checks that would be carried out on any other non-Schengen European border.

In turning to incursions, I pay tribute to the vigilance and sheer hard work of the Royal Navy Gibraltar Squadron, whom I visited on my last trip to Gibraltar, and the Royal Gibraltar Police and customs service, who ensure that the law is upheld in British Gibraltar territorial waters.

Bob Stewart: When the Minister visited the Royal Navy Gibraltar Squadron, did he look at the patrol vessels? They came from Lough Foyle and they are old, small and are not powerful enough to deal with the strait of Gibraltar. The Foreign Office might consider advising the Ministry of Defence to up-gun our patrol vessels.

Mr Lidington: I not only had a chance to look at the vessels, but went out on patrol with one of those vessels, to see for myself the conditions that the Royal Navy experience.

We make a formal protest against every unlawful incursion by Spanish state vessels. The level at which that protest is made depends upon the seriousness of the incursion, which itself depends on, for example, how long the incursion takes and how deliberately ostentatious the incursion is. Some of the incidents that have been cited in the debate today are ones that we certainly regard as very serious indeed. The majority of incursions are subject to a protest by note verbale. We will sometimes take up the protest at senior official level and sometimes directly with our Spanish opposite numbers at ministerial level; it depends on the nature of the incident.

We treat the summons of the Spanish ambassador—indeed the summons of any ambassador—as a serious step. Other countries have a different practice and regard a summons to an ambassador as a routine measure. As was pointed out earlier, the Spanish ambassador has been summoned at a rate matched only by the ambassadors of Syria and of North Korea during the lifetime of the present Government and the coalition Government. I do not want to devalue the political and diplomatic weight attached to a formal summons by making the practice more general. The jet ski shooting incident on 24 June 2013 was raised immediately by me at ministerial level with my Spanish opposite number and raised subsequently by the Prime Minister with Prime Minister Rajoy less than a week after the incident had taken place. We take such events very seriously indeed and respond at the appropriately senior level.

This summer, there were several serious unlawful incursions by Spanish state vessels and aircraft. Those included a Spanish customs officer firing near a recreational fishing vessel, Spanish customs helicopters entering British Gibraltar territorial airspace and dangerous manoeuvring by Spanish state vessels on a number of occasions, which put at risk the safety of both UK and Spanish personnel. While any incursion is a violation of sovereignty, incursions do not threaten or weaken the legal basis of British sovereignty in Gibraltar or British Gibraltar territorial waters. However, such behaviour by Spanish state vessels is unacceptable. On each occasion, we have raised it immediately with the Spanish authorities. They have since reassured us that the safety of lives at sea is a top priority for all concerned and that their law enforcement agencies will operate with respect for that principle in future.

My hon. and right hon. Friends at the Ministry of Defence keep under constant review both the number and type of vessels available in Gibraltar. The nature of our assets in Gibraltar is subject to regular reassessment by the MOD, and that process of reassessment and review will continue.

My hon. Friend the Member for Filton and Bradley Stoke asked about the number of incursions. I will write to him with the exact number so far in 2015. However,

[Mr Lidington]

I will try to give him and the House some idea of the pattern. In 2013, there was an average of 40.5 incursions a month; in 2014, the monthly average was 32.3; and by the end of August this year, which is the most recent period for which I have figures, the monthly average for this year was 37.4. That gives some idea of the number of incursions and, as I said earlier, the incursions vary in seriousness.

I am afraid that I cannot help the House on the question of the rules of engagement. For reasons that I am sure the House will understand, the Government follow a policy of not discussing in public the rules of engagement for our military, and I do not propose to depart from that principle today. It is not a policy that is specific to Gibraltar; we apply it across the board.

Spain has now agreed to our proposal of 28 August to step up law enforcement co-operation to fight against organised crime. We worked in close consultation with the Government of Gibraltar to achieve this agreement and all three Governments—Spain, Gibraltar and the UK—have an interest in tackling criminal activity in this area of the Mediterranean, and we all know that the agreement will be truly effective only if we can work together. Although the unacceptable incursions have continued, it is also a fact that, at the same time, there have been occasions in recent months when Gibraltar and Spanish authorities have worked together to bring criminals to justice, and I warmly welcome that.

To give one example to the House, on 10 September a co-ordinated operation between the Guardia Civil and the Royal Gibraltar Police resulted in the arrest of suspected drug smugglers. We want to see more practical co-operation of that type, and I know that the Chief Minister of Gibraltar is very keen indeed that that kind of co-operation should be strengthened.

We will continue to press Spain to ensure that it honours its agreements, both to respect safety at sea and to work with us against organised crime, and I did that most recently on 12 September, when I met the new Spanish Minister for Europe, Fernando Eguidazu.

It would be remiss of me to let this debate pass without my saying something about aviation, because, as the House will know, there has been a long-running battle at EU level about whether Gibraltar should be included in EU aviation legislation. It is the Government's view that the treaties of the EU are absolutely clear that, for the purposes of aviation policy, Gibraltar and Gibraltar airport are part of the EU. Therefore, it would not only be a political move but a breach of the European treaties themselves if there were to be any measure that purported to exclude Gibraltar from the ambit of such legislation. We will continue to oppose any further attempts by Spain to have Gibraltar excluded from EU aviation legislation. In the past 12 months, we have seen such attempts repeatedly, and they have all failed. We have delivered a very clear message that the treaties require that aviation measures must be applied to Gibraltar, and we shall continue to lobby both the Transport Commissioner and other EU member states to try to ensure that that principle is upheld.

A number of speeches today mentioned Gibraltar's economic success. Frankly, I think that Gibraltar's vitality and its determination to create economic success are the envy of the region. The Campo is an area of Spain that

tragically suffers from very high unemployment and, as a number of hon. Members have pointed out, something like 30,000 Spanish citizens work in Gibraltar. Spain already benefits hugely from both enhanced economic co-operation with Gibraltar and the success of the Gibraltar economy, and it could benefit even more.

Kevin Foster: The Minister has just hit on a key point about the deprived nature of the area surrounding Gibraltar. It is actually Gibraltar's economy that gives hope to many thousands of Spaniards who are welcome to go and work in Gibraltar, and it is those Spaniards who will be the most affected if the Spanish Government carry on with their policies.

Mr Lidington: My hon. Friend is absolutely right. One of the tragedies of the Spanish Government's approach to Gibraltar is that it ends up denying economic opportunities and the possibility of jobs to more people in Spain who are currently out of work. I still hope that there will be a change of such policy.

It is also wrong for Spain to continue to level accusations at Gibraltar about its tax regime. Spain does so despite the fact that Gibraltar has received the same OECD rating on tax as Germany, the United States and the United Kingdom. Furthermore, Gibraltar has already achieved exchange of tax information relationships with more than 75 other jurisdictions, including—paradoxically—the Kingdom of Spain itself.

Our Government have worked closely with the Government of Gibraltar to push for the removal of Gibraltar from the few outdated tax blacklists on which the territory still appears. Together, we have successfully managed to get Gibraltar removed from lists in Italy, Bulgaria and other countries, and we will continue that work apace.

Of course, a better relationship would also be in Spain's interests, as I have already said. Towards that end, it remains our aim and the aim of the Government of Gibraltar to return to the trilateral forum for dialogue between the United Kingdom, Spain and Gibraltar. However, the reality is that the current Spanish Government chose to withdraw from that forum. As a result, and with the agreement of the Chief Minister of Gibraltar, we have been talking to the Spanish Government, as well as to the Gibraltar Government, to agree a process of ad hoc talks that would enable practical discussions to take place about issues that matter in the locality. I am hopeful that we will be able to hold such talks in the near future.

I am sure that the House knows that the Government recently announced the appointment of the next Governor and Commander-in-Chief of Gibraltar, and I am sure that everyone here will join me in congratulating Lieutenant General Edward Davis on his next assignment. I know that his appointment will be widely welcomed in the House.

Last month, Gibraltarians marked the 48th year since the referendum to remain under British sovereignty. Last month was also the 75th anniversary of the evacuation of Gibraltar, which was a reminder of the sacrifice that so many ordinary families in Gibraltar made when they stood alongside the United Kingdom at the time of great peril during the second world war. As I said in the Guildhall on Monday, the bonds between the United Kingdom and Gibraltar are strong. We share a long

and proud history—more than 300 years' worth—and our relationship is based upon the enduring values of democracy and the rule of law, to which both the United Kingdom and Gibraltar are committed. It is a relationship that has stood the test of time and I believe that it will continue to withstand the challenges that face it today.

10.48 am

Sitting suspended.

HMP Northumberland

11 am

Mrs Anne-Marie Trevelyan (Berwick-upon-Tweed) (Con): I beg to move,

That this House has considered safety at HMP Northumberland.

I am grateful to have the opportunity to bring to this place my constituents' concerns about the safety of those involved in activities at HMP Northumberland. As the newly elected MP for Berwick-upon-Tweed and a long-time campaigner in the county, I have met and talked to employees at HMP Northumberland for more than 10 years. I have also met many individuals who form the voluntary groups that work in the prison providing literacy skills, addiction support, chaplaincy services and support for life after prison in its multitude of areas. I declare a personal interest as a trustee of the Oswin project, a charity that supports HMP Northumberland prisoners, creating second chances for them through training, support and employment as they become ex-offenders, in order to break the cycle of reoffending.

The prison has been under constant change pressures for the past four years, first from a merger in 2010 of HMP Acklington, a category C men's prison, and HMP Castington, a category B young offenders institution, into one adult male prison on two sites that were physically merged into one unit in 2013. This has created one of the largest prison estates in the country: a site of some 800 acres with a perimeter fence of more than four and a half miles.

In December 2013, the newly formed prison was put into the private management of Sodexo Justice Services. Management changes have only now settled this year following a turbulent 2014 in which some 200 staff of nearly 600 were invited to take voluntary redundancy between February and April. During this time there was no change in the prison population; the prison continued to be 99% full.

Ian Lavery (Wansbeck) (Lab): I congratulate the hon. Lady on bringing this really important issue to the House. As she said, once Sodexo took over the privatisation of the prison, there was a massive decrease in staff while the prison population continued to increase. That surely says something about the privatisation of HMP Northumberland. As a result, there have been some horrendous occurrences and serious incidents at the prison. Does she agree?

Mrs Trevelyan: As I will discuss later, I am informed that the present staffing levels are what the National Offender Management Service would expect for the number of prisoners in the prison estate—or slightly more, owing to the new intake into the younger end of the officer grouping. Realistically, being in private hands or public sector ownership would have made no difference to the numbers, but there is a challenge for HMP Northumberland and I will set out why.

As I said, the prison has continued to be 99% full. It has a mixed population of some 880 main prisoners and 450 vulnerable prisoners—quite a complex mix. As a result of my many links with the prison, I have been privy to many conversations with staff about their concerns over safety issues. It is perhaps unsurprising that, following

[Mrs Trevelyan]

the loss of one third of the staff in the space of a few months in 2014, there would be immediate pressures on all those working and living on the prison estate. That certainly seemed to be the case last year.

Newspaper reports talked of the prison as a “powder keg” and as “failing miserably”. In my view, the use of social media to inflame the situation and spread discontent was real, and some in the Prison Officers Association have referred to the concerted media attacks as “Operation Certain Death”, which time has—thankfully—proved to be misplaced in large measure.

The new director, in post since early 2015, has brought stability and clear focus to the challenges of getting HMP Northumberland back on its feet in practical ways. Although the media storm has passed, continued anxieties reach me from those still working or volunteering on the prison estate. There seem to be good relations between management and the Prison Officers Association, which is most encouraging, and all the staff have a strong and committed work ethos.

However, according to the Howard League for Penal Reform, there has been a cut of more than 50% in prison officer grade staff over the period from 2010 to 2015. These reducing levels of experience among prison officers means that the difficult situations that the mix of main and vulnerable prisoners brings is quite challenging to deal with. Again according to statistics from the Howard League, there were three deaths in 2013, five in 2014 and four to date this year. Younger officers tell me that these deaths and the more frequent suicide attempts from vulnerable prisoners is traumatic for the staff who have to deal with such situations.

The Howard League states that there was a 50% increase in prisoner on prisoner assaults between 2013 and 2014, perhaps due in part to the destabilisation caused by the huge and sudden staffing cut creating the opportunities that some prisoners took to cause mischief. Staff tell me privately that there were noticeably increased levels of bullying among fellow inmates, leading to increased suicide attempts: a situation not only appalling for the prisoner, but really hard for the prison officers to have to deal with on a personal level. I have been hugely impressed by the caring attitude towards inmates that our prison officers show as well as their deep understanding of the local communities that they come from and of the problems resulting from chaotic and complex family lives.

There has been a history of drug use in our local prison for many years. Given the four-mile boundary fence, a half-decent cricketering arm can easily get a tennis ball or other object over the fencing to be collected by prisoners at an appropriate moment. Until the privatisation process, the prison used drugs dogs to scan visitors as they came into the visitor centre. I spent the day with this team a couple of years ago and it was an eye-opening experience. The dog handlers asked me to hide vials of a variety of drugs in my clothes and asked the dogs to indicate where they were in turn. It was an extraordinary thing to watch and they had a 100% success rate. An extraordinary relationship and training of those dogs was a really vital tool in identifying and stopping the entry of drugs into the prison from visitors, as well as locating drugs falling over the perimeter fence through regular walking tours.

Ian Lavery: I am sure the hon. Lady, like me, would heap praise on the Prison Officers Association and the people and the staff in the prison who do a marvellous job under the circumstances, but there is a huge problem not only with illegal drugs being thrown over the fence, but with legal highs, which seem to be running amok through the prison system, particularly at HMP Northumberland. They cause huge problems.

Mrs Trevelyan: The hon. Gentleman anticipates the next part of my speech.

Sodexo has recently invested in ion scanners, which have a good track record for identifying cocaine and some amphetamines, but they are considered less accurate at picking up heroin and legal highs. I am concerned that the continuing supplies of legal highs, most especially Spice, which are making it through to prisoners, despite regular hauls of drugs—through stuffed toys, inside mobile phones and the like—means that usage is prevalent throughout the prison, putting other prisoners and officer safety at risk.

The reality is that there is a violent culture between prisoners that is heavily exacerbated by the drugs trade. A prisoner who “buys” Spice from a fellow inmate will have strict instructions from his dealer to get his girlfriend or his mum to make payment outside the prison walls to a colleague of the drug pushers. Failure to make payments ensures that a drug-addicted prisoner’s life will be made a misery and his family will be put under pressure or assaulted.

The latest HM Chief Inspector of Prisons report indicates that in prisoner surveys, more prisoners than the comparator said it was easy to get illicit drugs and alcohol in the prison. The average positive random mandatory drug testing rate for the six months to July 2014 was 11.7%, higher than the national average of 8.9%. Illicit drugs such as Spice and illicitly brewed alcohol have been identified as problems. The inspector also praised the prison staff for the drug strategy, which firmly integrates drug reduction as a key target.

I understand that suspicion drug testing has been restarted following a break due to a lack of staff last year, but I am not certain that all requested tests are completed in a timely fashion. The inspector of prisons has recommended that mandatory drug testing should be appropriately staffed to ensure tests are completed within prescribed time scales, and I would be grateful for assurances from the Minister that he is now certain that this key recommendation is being fully implemented.

I ask the Minister to investigate whether the levels of drugs seized compared with the levels of continuing drug abuse are at an acceptable ratio. Will he consider bringing back drugs dogs to increase the chances of catching those poisons before they can get to prisoners? I am keen to hear from the Minister how the Department assesses whether any prison is managing its drugs problems in individual prisons across the country’s full estate of 136 prisons, and whether there is any best practice guidance or mandatory levels that the Minister expects his prison governors to achieve in reducing the quantity of toxic substances reaching our prisoners.

On my most recent visit to HMP Northumberland, prison officers showed me the new portable body cameras that they are trialling—it is one of 30 prisons to do so. There was a really positive vibe from the officers about

their effectiveness in reducing antisocial behaviour among the inmates; the threat of being recorded seemed to remind them that poor or threatening behaviour is just not acceptable. Body cameras have been used by the police for some time now, and a recently published study found that equipping them with body cameras reduced their use of force by around 50%, while complaints against them by the public dropped by almost 90%.

Those startling figures were revealed by a research study conducted by the University of Cambridge, based on a 12-month trial conducted among police officers in Rialto, California. The dramatic results have led to calls from police chiefs throughout the country who are keen to equip their officers with cameras, especially in the light of increased tensions between police and local communities. The year-long study, which began in 2012, had its findings published in the *Journal of Quantitative Criminology* in November and answered the hotly debated topic of whether cameras can reduce both police force and the number of complaints filed.

I urge the Minister to look closely at the data from the prisons that are currently testing body cameras, and I encourage continued and extended use of the technology if the results are anything like as good as those for the police. I was pleased to hear from prison officers that Sodexo have purchased the cameras that are currently in use at HMP Northumberland. They absolutely want to be able to continue to use them for the foreseeable future. What is the Minister's assessment of the trial of body cameras to date? When does he intend to determine whether their use should be made permanent?

Although it is an excellent decision for the health of prisoners and officers alike, the impending ban on smoking in prisons is going to bring some serious problems to HMP Northumberland, and no doubt to every other prison. Most legal highs are taken by being smoked, so prisoners will stop getting not only their nicotine fix but other drug fixes. I am deeply concerned about the short-term risks to officers' safety as inmates suffer from no doubt very real withdrawal symptoms, about the new culture of smuggled smoking paraphernalia, and about the health and potential fire risks. The cigarette, the box of matches, the lighter, the bag of loose tobacco and Rizlas will no doubt threaten to become new prison currency for prison officers to manage.

The Prison Governors Association has cautiously welcomed the move to ban smoking from 2016, but has called for the ban to be implemented in a safe and staged way, because 80% of prisoners smoke. Even as the ban on smoking in cells is due to come into force before the end of this year, it is of grave concern to all those who will have to manage these changes, knowing the behavioural impact it will certainly have. I have watched family members give up smoking, and even with all the support around them it has never been easy—sometimes it was deeply unpleasant for the rest of us—so how much harder will it be for those incarcerated, for whom a tab is a comfort and boredom-filler through the long days inside? I would appreciate assurances from the Minister, along with details of the tangible policy plans that are being set in place to manage the transition to a smoke-free prison estate.

Last, but definitely not least, are my concerns for the safety, both real and perceived, of visitors to the prison, be they chaplains, readers, educationalists, or support workers for those preparing to seek work when they

leave HMP Northumberland. Over the past 18 months, I have received repeated calls and emails from individuals concerned about the level of officer cover during their visits.

For example, where two officers used to be present during chapel services, there is now only one. Historically, if a prisoner started to misbehave, he would have been removed, leaving other participants to continue their faith practice peacefully. With only one officer on duty that is no longer possible, so the calm and contemplative time supposedly provided by such services is broken and continues to be disrupted. As a result, fewer prisoners now come to chapel services and have less contact time with faith leaders, who have a vital role to play in supporting their spiritual and personal wellbeing.

My concern for the safety of volunteers is a challenging issue to solve, since the director of HMP Northumberland informs me that the current number of prison staff meets—indeed, slightly exceeds—the standard NOMS ratios for prisoners in the estate. Because of the geographical size and layout of the prison—a large RAF base in a former incarnation—the need for officers to manage the movements of prisoners and to monitor them means that there just are not the numbers to provide the level of cover to get prisoners to voluntary activities like faith services or to provide support at a practical level in chaplaincy activities and other provisions.

The huge reduction in staff numbers last year has also led to a decision to provide Manchester college's education and training programme over four days rather than five. Although prisoners are still able to access the same number of hours per week, it is done over four days, leaving Friday, Saturday and Sunday without constructive activity to focus on. I can only imagine that three long days at a stretch with little to do is less than conducive to best behaviour, and the Sunday outing to chapel might easily seem like an opportunity to release frustration—an opportunity that was previously less abused. Given that HMP Northumberland is now supposed to have a working prison ethos, does the Minister believe that it is doing enough? Can it possibly meet the aim of five days' full working and training opportunities with staff numbers that are so physically stretched by the nature of the geography and layout of the prison?

HMP Northumberland has some unique challenges to address. Although I am impressed by the steps now being taken, after four turbulent years, to move forward and find new training and work opportunities for the prisoners, will the Minister come and see for himself how difficult that will be to achieve in practice without continued investment in manpower and training for better safety and a sense of security for all those who work and volunteer there? I am grateful to have had the opportunity to raise this issue, which is of concern to many of my constituents. I look forward to hearing the Minister's response, with the hope that some of my concerns might be unfounded or resolvable.

11.15 am

The Parliamentary Under-Secretary of State for Justice (Andrew Selous): As always, it is a pleasure to serve under your chairmanship, Mr Betts. I warmly congratulate my hon. Friend the Member for Berwick-upon-Tweed (Mrs Trevelyan) on what I think is her first Westminster

[Andrew Selous]

Hall debate. If I may say so, she gave a very polished performance, finishing exactly halfway through the time allotted for the debate. I will do my best to address all the points she raised. She spoke about the volunteers who visit the prison, and I gather that she is involved in helping at the prison herself. I thank and commend her not only for being a visitor but for doing something practical to support the prison.

My hon. Friend is absolutely right that safety is central to everything we are seeking to achieve in prisons. I welcome this debate as an opportunity to highlight the activity that is underway at HMP Northumberland to maintain safety and decency and to tackle violence. I am aware that my hon. Friend recently visited the prison—as she has over many years—and met the director and staff. Sodexo has been running prisons for many years and has responsibility for three other prisons in England: Bronzefield, Peterborough and Forest Bank. HMP Northumberland is a category C training prison. It is a very large site holding more than 1,300 adult male prisoners and, she said, it also holds a number of often vulnerable prisoners, mainly those with a history of sex offending.

Ian Lavery: I have met the Minister on numerous occasions and those meetings have always been positive. Is he aware that, because of the lack of staff, there is integration of the seriously vulnerable prisoners among the ordinary prisoners? That is causing great concern for safety—mainly for the sex offenders. One thing that has been reported to me on numerous occasions that is absolutely unacceptable is that the food given to some of these vulnerable prisoners has often contained human faeces.

Andrew Selous: I am really appalled to learn of that. The hon. Gentleman has raised some detailed points; if he will allow me, I will get back to him. In response to the request by my hon. Friend the Member for Berwick-upon-Tweed that I visit the prison, I would be delighted to do so. That would give me the opportunity to look further into the specific concerns raised, quite properly, by the hon. Gentleman.

The transition from a public sector prison to a private provider is complex and should not be underestimated. A transfer from a public to a private prison has happened only once before, with HMP Birmingham. Such change is unsettling and the transition takes time. As with the experience at HMP Birmingham, the transition at HMP Northumberland presented some challenges for the new provider, which I acknowledge. That was also picked up in the report by the chief inspector of prisons published earlier in the year. The prison has taken action to address the chief inspector's recommendations, which included completing a review of its induction unit. That has resulted in moving the induction unit to a larger location in the prison, with improved capacity and improved classroom facilities. The National Offender Management Service and Sodexo have worked closely in partnership, particularly during the transition period.

I am aware that concerns have been raised about the numbers of staff at the prison. The merging of two prisons led to a duplication in some services, such as catering and facilities management. Since Sodexo became responsible for the prison, it has implemented new structures and new ways of working that have resulted

in fewer staff being necessary to operate the prison. In total, 210 staff left the prison on voluntary exit terms and there were no compulsory redundancies.

In order to provide assurance, bidders were required during the competition to submit a detailed response, which was assessed by a team of assessors made up of operationally experienced governors. Sodexo had to show that it had built its staff profiles and to demonstrate the expertise of the team that designed them and the governance process that assured the design. It had to show that it had taken into consideration environmental and other factors and operational resilience.

Sodexo subsequently reviewed its staffing levels at the prison and decided that a further 16 permanent staff were needed, and I am pleased to say that it has now filled all those vacancies. As my hon. Friend said, the current staffing levels are considered to be sufficient to run a safe, decent and secure prison, and they are kept under review. Sodexo informed us that a total of 402 full-time equivalent staff are employed at HMP Northumberland, of whom 372 worked at the prison before the transition, so their valuable experience has been retained. The majority of the existing senior managers have a wealth of custodial management experience within public sector prisons, and the new director who joined the prison earlier this year, of whom my hon. Friend spoke highly, has extensive custodial management experience, including in the public sector.

HMP Northumberland continues to take staffing issues seriously. It is undertaking a consultation programme with staff to identify and address any further issues that transpire as a result of the transition to Sodexo. HMP Northumberland is addressing the transition issues positively, and I am grateful for the leadership, resilience and professionalism that staff have shown in maintaining delivery at HMP Northumberland under these changing circumstances.

My hon. Friend raised concerns about safety. I cannot emphasise strongly enough how importantly the Government take the issue of safety for all prisoners and staff. Violence in prisons is wholly unacceptable and we treat any assault extremely seriously. Any prisoner who commits an act of violence can expect action to be taken against them, which may include a loss of privileges or sanctions under the prison disciplinary procedures. Where appropriate, they may face criminal charges and prosecution.

We are under no illusions about the scale of the issue. Assaults in prisons increased from 14,664 in 2013 to 16,196 in 2014. Some of that increase is due to an improvement in the reporting of assault incidents following changes in data assurance processes, but those reporting improvements do not account for all of the increase. Serious assaults, including those on staff, rather than other prisoners, have risen even more. They have increased by 35%, from 1,588 assaults in 2013 to 2,145 in 2014. The increase in serious assaults is completely unacceptable. We are, however, holding a more violent prisoner population: the number of people sentenced to prison for violent offences has increased by 30% in the past 10 years.

In addition, the illicit use of new psychoactive substances, or NPS, has been a significant factor. I refer to them as “lethal highs”, and I encourage my hon. Friend and the hon. Member for Wansbeck to use that term. Getting the language right helps us in this incredibly important

battle. There is strong evidence that the increase in the illicit trade and misuse of synthetic drugs or new psychoactive substances is linked to the recent increase in violence across the prison estate. HMP Northumberland is also experiencing the effects of such substances, as my hon. Friend said. It has increased its levels of target searching and enhanced its security procedures for visitors to help to address this issue. To answer my hon. Friend's specific point, we will introduce mandatory drug testing for NPS for all prisons when new contracts are agreed early next year. In the interim, we will shortly trial NPS testing as part of mandatory drug testing in some prisons. NPS are also an increasingly prominent problem in the community at large, and hon. Members will be aware of the Government's new legislation to control such substances.

During the transition period, HMP Northumberland retained its own drug dogs. All drug dogs at HMP Northumberland are accessed through the north-east drug dog scheme. Drug dogs will be provided to the prison in response to its individual needs. I can tell my hon. Friend that dogs have now been trained to detect new psychoactive substances. A meeting was held this month between the prison and the drug dog unit to agree the way forward and ensure that adequate drug dogs are available to the prison.

We have taken the decision to ban smoking in closed prisons. Let me assure my hon. Friend that banning smoking will be done in a way that ensures operational stability. We will draw on the lessons we can learn from elsewhere, including Canada and New Zealand, where smoking bans have been successfully introduced. The ban should also be a gain in tackling NPS misuse, and as the roll-out of the smoking ban proceeds we should see reduced NPS misuse.

Violence reduction remains a key priority for HMP Northumberland and activity to address that issue is reviewed on a regular basis. Sodexo has already made improvements, including installing CCTV in part of the prison. It has also introduced more structured interventions towards the perpetrators of violence. The National Offender Management Service has a programme of activity in train across both public sector and private prisons to tackle violence in prisons. Action taken includes issuing new guidance to governors to support the development of their local violence reduction strategy. There is currently a pilot of body-worn cameras across 24 establishments, including HMP Northumberland. We are building on the existing evidence of significant benefits in prisons that already have experience of using them. The evaluation report for that scheme will be available in March. When I have been to prisons recently and seen them, I have been extremely impressed. Staff and prisoners told me that they feel safer as a result of their use, but we must obviously wait for the full evaluation.

There were two new offences in the Serious Crime Act 2015: being in possession of a knife or other offensive weapon within a prison without authorisation, and throwing items over a prison wall without authorisation. The first of those offences is already in place and is actively being used, and the offence of throwing items over prison walls will be introduced shortly. It is aimed at the criminal gangs that are throwing packages containing

illicit drugs into prisons. It will attract up to two years in prison on conviction. Both offences are intended to send a clear message to offenders that we are not prepared to tolerate that type of criminal behaviour in and around our prisons.

A joint national protocol conducted by NOMS, the Crown Prosecution Service and the police was published in February with the purpose of ensuring a nationally consistent approach to the referral and prosecution of crimes in prison. The protocol sets out a requirement for prisons to submit a prison community impact assessment, with each case referred to the police, which will explain the impact the offence has had on the establishment and will ensure that it is properly understood and taken into account in the determination of referred cases.

Deaths in prison custody have risen over time. With the overall ageing of the population, there is an increasing number of elderly prisoners. Of the four deaths in the past year that my hon. Friend referred to, three were from natural causes and one was self-inflicted. Of course, that is one too many. In every case, the prison has worked on the recommendations made by the prisons and probation ombudsman on the deaths, and action been taken. For example, the prison has reinvigorated its local personal officer policy to provide clarity for staff on their role in supporting individual prisoners who are at risk.

NOMS is also taking forward a programme of work to address the rise in self-inflicted deaths. A review of compliance and delivery of the assessment, care in custody and teamwork process has taken place and is due for completion shortly. Multi-agency work is being undertaken on the person escort record, which accompanies individuals transferred between police stations, courts and prisons.

We have heard some criticisms of the prison today. I can tell my hon. Friend that the hours out of cell are 10 hours on Monday to Thursday, with eight hours on Friday and seven and a half hours at the weekend. That is an average of nine hours during the week.

There have been some significant successes. For example, the prison has almost doubled the number of prisoner work hours since Sodexo took over. We should be grateful for that achievement. As my hon. Friend rightly said, productive work is important in ensuring that we have a safe and secure prison. The prison has achieved Red Tractor accreditation for its horticultural food produce and it undertakes various charitable works for the local Northumberland community. It runs a bicycle repair workshop on behalf of the Margaret Carey Foundation and refurbishes bicycles for use in developing countries, so some positive things have happened since Sodexo took over.

I absolutely accept the points that my hon. Friend raised, which we take seriously. I look forward to visiting the prison, hopefully with her, at some point in the not too distant future.

Question put and agreed to.

11.29 am

Sitting suspended.

Welfare Benefit Changes

[MARK PRITCHARD *in the Chair*]

2.30 pm

Carolyn Harris (Swansea East) (Lab): I beg to move,

That this House has considered the effect of changes to welfare benefits.

It is a pleasure to serve under your chairmanship, Mr Pritchard. Since this debate was scheduled, I have been inundated with offers of briefings from so many social charities that I could speak for the entire 90 minutes, although colleagues will be relieved to hear that I do not intend to do that. Several national charities have provided so much compelling evidence that this debate needed to be heard. I pay tribute to Barnardo's, Gingerbread, Crisis and The Trussell Trust, and we will all have names of local hard-working groups that are swamped with requests for help from those in difficult times. In my case, they are the Eastside food bank in Bonynmaen and the Jesus Cares organisation, which deliver monthly food parcels to my office, allowing me to offer practical support to families in great need.

The changes to the welfare system have featured heavily on this Government's agenda. Ministers repeatedly tell us that the reforms will tackle benefit dependency and incentivise people to work, but it is clear from the Institute for Fiscal Studies analysis of the summer Budget that, taken in the round, the measures are regressive. Even taking into account the new national living wage and the increased personal tax allowance, many families will be worse off.

As the Resolution Foundation made clear last week, the Prime Minister's rhetoric on tackling poverty and disadvantage is in stark contrast with the reality: 200,000 more working households could be in poverty by 2020. What is too often missing from this debate is full consideration of the impact that cuts to benefits can have on children. We must remember that children are never responsible for their parents' decisions or any misfortune. They must not be punished. I therefore want to concentrate on some of the aspects of the Government's proposals and the impact that they will have on the UK's poorest and most vulnerable children and young people.

The Welfare Reform and Work Bill, currently in Committee, contains several measures that will have a significant impact on some of our most vulnerable families. The Government's impact assessment shows that an additional 224,000 children will be affected by the change in the household benefit cap. Of course, the Government's response is that people affected will simply choose to move into work and therefore avoid the cut in income. As hon. Members will know from their own constituencies, however, the situation is rarely that simple.

In 2014, a judicial review examined the impact of the benefit cap on two single parents. In the Supreme Court ruling, three of the five judges found that the benefit cap did not comply with the United Nations convention on the rights of the child. Statements from the judges included that the benefit cap deprived children of the "basic necessities of life" and made them

"suffer from a situation which is none of their making".

The judgment suggests that the policy is incompatible with the UNCRC and underlines the need for future assessment of the impact of the benefit cap on children's wellbeing. The Secretary of State will be able to change the benefit cap levels without full parliamentary scrutiny. It is important that the wellbeing of children, particularly very young children, is taken into account. The UNCRC provides a framework for this scrutiny and the Children's Commissioners hold the expertise about the convention. An impact assessment into the wellbeing of children by the Children's Commissioners would provide the Secretary of State with the evidence to make an informed decision on future benefit changes.

In my experience, if families are relying on benefits, it is usually because they face significant barriers to work, not simply because they do not see the point in getting a job. Some lack skills or confidence. Others may have mental health problems or health issues. Young parents may be struggling to care for their children. Whatever the reason, the best solution is not a punitive one. This is not just about the cap. Depending on inflation, the four-year freeze in working age benefits could have a significant impact for those on low incomes. There are also the cuts to tax credits. That is a debate for another day, but it is important to register that over 4 million families, accounting for 7.5 million children, will see a difference between getting by on a tight budget and not getting by at all as a result of the changes to tax credits.

As I said, despite rhetoric to the contrary, the summer Budget is regressive. Poor families will get poorer and many on the edge could be driven into poverty. Barnardo's has calculated that for some of the most vulnerable families, the cuts will mean a significant drop in income. I cannot see how that is right or fair, or how it is in line with stated Government policy. The Government tell us that work is the way out of poverty. Indeed it could be and should be, but we cannot ignore the fact that poverty also affects families where one or more adults works.

A Barnardo's case study tells of a dad who asked staff for some nappies. When the project worker attended the house to see how things were going, she discovered only biscuits and crisps in the cupboard. The parents were missing meals in order to feed the children, and they had not asked for help because they were too proud. That family provides a window into the reality of life for so many people. The mother works at a call centre and dad looks after their three small children, one of whom is not yet in school. Their house was deemed too big, but no smaller one was available, so they were hit with the under-occupancy subsidy—the nice phrase for the bedroom tax. They are working people, but their income just does not cover the basics. Reluctantly, they eventually asked Barnardo's for help and were pointed in the direction of a food bank.

The Joseph Rowntree Foundation stated that working single parents will be hit hardest by the changes in benefits. Under the current benefit cap, single parent households are disproportionately affected, particularly those with younger children. Since the introduction of the benefit cap, 63% of affected people were single parent households, of which 70% had a child aged under five. In May 2015, 76% of capped single parent households had a youngest child under five and 34% had a child under two.

According to Barnardo's, a lone parent working full time on the national living wage for 37 hours a week with two young children could lose £1,200 a year from

April 2016. For many single parents hit by the benefit cap, it will not be possible to reduce expenditure through budgeting or moving to cheaper accommodation. Gingerbread tells of a single parent with two primary aged children who phoned its helpline in June 2015. She is expecting a baby in October and was told that, when the baby is born, she will be subject to the benefit cap, causing a shortfall of £32 a week in her housing benefit. I urge the Government to consider how we can justify reducing support to such families. We must think again.

What about larger families with more than two children? Children in larger families are already 1.4 times more likely to be living in poverty. The Welfare Reform and Work Bill will limit support through both tax credits and the Government's new system of universal credit, so that families receive help for only the first two children. As the Government's impact assessment makes clear, the policy will disproportionately affect black and ethnic minority families, who are more likely to live in poverty and to have larger families.

We also need to consider the less obvious implications of the policy. What if a family with two children decides to adopt a third? What if a family with one child decides to adopt two siblings? We know that sibling groups often have to wait a long time for a new home. There is already a shortage of families able to take them. Given such difficulties, will the Minister not agree that such scenarios were not considered when the policies were drafted?

What about the withdrawal of housing support for 18 to 21-year-olds? In the summer Budget, the Government announced that from April 2017 unemployed 18 to 21-year-olds making a new claim for universal credit will not be entitled to support for their housing. Crisis has serious concerns that the removal of young people's access to support for their housing costs will lead only to a further increase in youth homelessness.

For many young people, housing benefit is all that stands between them and homelessness. That includes care leavers and those who have experienced violence or abuse in the family household. Some might be unable to live with their parents because of a relationship breakdown, but are unable to prove that—for example, if a parent remarries or they have been kicked out for announcing that they are gay. All such scenarios for why young people need to leave home must be considered.

Young people who have already found themselves homeless might have been supported into accommodation funded by housing benefit. Between 2010 and 2014, Crisis helped create 8,128 tenancies in the private rented sector for people who were homeless or at risk of homelessness. It is vital that young people should be able to maintain such forms of accommodation and that those at risk of homelessness should be able to continue to access them.

An example from Crisis is that of Ryan, who was in care as a young child and adopted at four. He never had a good relationship with his adoptive parents and as soon as he turned 16, in the middle of his GCSE examinations, they asked him to leave. Ryan spent the next four years living in a series of hostels, bed and breakfasts and temporary flats, with periods of homelessness. During that time his housing costs, when appropriate, were covered by housing benefit. He managed a college catering course, but found it too difficult when homeless.

The Government will introduce the cut to housing benefit for young people through regulation rather than in primary legislation. Perhaps Ministers anticipated resistance to removing support from vulnerable young people. Whatever the reason, it is outrageous to introduce such a change without giving hon. Members the opportunity to debate it.

The Parliamentary Under-Secretary of State for Disabled People (Justin Tomlinson): The hon. Lady is making an important point, but she should remember that vulnerable young people will be exempted from the changes.

Carolyn Harris: I thank the Minister and look forward to seeing the exemptions, because so far it has not been made clear to us what they will be. This debate is a good time for us to be told about them. I also hope that the Minister will commit to publishing the regulations in time for a full debate in the House when the Bill is on Report.

My final point is about the sanctions regime. The increase in conditionality is significant, primarily because it will mean that parents with three or four-year-old children will be subject to financial sanctions—in other words, a loss in their weekly income. Any sanctions on claimants in my constituency, where nearly 10,000 are dependent on out-of-work benefits, will be catastrophic for their families. Barnardo's, Gingerbread, the Trussell Trust, Crisis and in fact all the charities and organisations tasked with helping those most affected by sanctions would describe the regime as unnecessarily punitive and not fit for purpose.

The Select Committee on Work and Pensions and other organisations have already repeatedly called for a broad independent review of conditionality and sanctions. It is imperative that such a review should take place before sanctions are extended to families with three and four-year-old children. We know that sanctions can be hugely disproportionate—a single mother missing an interview because her child became ill on the way to school, or a father delayed because he is on the phone to a school and misses an appointment by 10 minutes. Those are examples of everyday occurrences that will result in sanctions for people dependent on benefit. The resulting loss of benefits for weeks on end will leave families struggling to feed their children and to heat their homes. Barnardo's has reported that parents using its services because of sanctions are being driven to food banks or further into debt.

I hope that, as a result of what I have said and what others will say, the Minister takes a message back to his Department and says that the voices of those affected by such cruel, punishing and crippling benefit changes need to be heard.

Mr Mark Williams (Ceredigion) (LD): I congratulate the hon. Lady on her excellent speech, which has covered so many matters, but I want to ask about a couple more. Does she share the concerns expressed by organisations such as Parkinson's UK about, first, the appropriateness of progressive disease sufferers being placed in the work-related group and, secondly, how under the Government's Bill employment and support allowance payments will be cut to the level of jobseeker's allowance? There are serious concerns about people such as sufferers of Parkinson's in that regard.

Carolyn Harris: I agree. No such section of society will not be affected by such heinous cuts. No section is safe from what is about to happen.

[Carolyn Harris]

Voices need to be heard and what they are saying needs to be considered, with appropriate action taken. The damage that the cuts are having on the lives of vulnerable families is devastating. I urge the Minister to look into the eyes of a child suffering the effect of the Government's policy and to reassure them that it is in their best interest. Removing "child poverty" from the narrative does not remove the problem. The Minister should look to his conscience, have a heart and take action now to stop any further damage to young lives.

2.46 pm

Jim Shannon (Strangford) (DUP): It is a pleasure to speak in this debate, Mr Pritchard. It is interesting that those in the Chamber are on the Opposition Benches, although the Minister is present as well. I am pleased to see him and I look forward to his contribution. We are concerned about tax credits and such issues, but whatever we say is not meant against him—it is not a personal attack. I want to put that on the record.

I am in the Chamber because I am concerned about the impact of changes to welfare benefit—tax credits, specifically. Recently we have heard a lot about that in the news and the Leader of the Opposition asked the Prime Minister questions about the issue during Prime Minister's questions today. The news has been full of stories about tax credits so I want to touch on them; they are vital to people in my Northern Ireland constituency where, as of April 2015, 6,500 were in receipt of tax credits. Of that number, 4,500 were in work and 2,000 were not.

Such figures speak for themselves. The majority of people receiving tax credits are in hard-working families on low incomes, and they need some extra help to get by. What worries me, however, are—I will say this with respect to the Prime Minister's reply today; he mentioned the increase in those who will be tax exempt—those in the £10,000 to £11,000 bracket. If tax credits are taken from them, they will feel the pain more than anyone.

Of the 4,500 in work and in receipt of tax credits in my constituency, 2,500 received both working tax credit and child tax credit, 1,300 received child tax credit alone and only 700 received working tax credit alone. As a clear result—this, too, was mentioned by the hon. Member for Swansea East (Carolyn Harris) in her introduction—the Institute for Fiscal Studies estimated that the number of children living in poverty increased over the past three years from 2.3 million to 2.5 million: 200,000 more children in poverty, which is massively worrying. The IFS also estimates that the reductions in tax credits will see that figure rise to 2.8 million. Think about that number of children in poverty for one minute—up from 2.3 million to 2.8 million, 500,000 more in child poverty.

Only last month, I spoke about the importance of eradicating child poverty; it now seems like an ever-intensifying and uphill battle, in particular for those struggling to make ends meet. We must also bear in mind that two thirds of children living in poverty in the UK are from working families, which makes the situation much harder, especially given that the cuts could reduce working family incomes by an average of £1,400 per year—someone today mentioned that the figure could be £1,800. Certainly there will be a large reduction in the income of such families.

I have said it before and I need to say it again: the financial changes will make a huge difference to everyday folk on the street. The number of people coming into my office to get food bank vouchers has increased so much in the past year and indicates the trend. I have always felt that food banks contribute greatly to our society, bringing people together to contribute and to help those less able to look after themselves. By that very nature, food banks are positive—I want to put that on the record—but the fact that so many people are using them is another case entirely.

Steve McCabe (Birmingham, Selly Oak) (Lab): I am told that in Birmingham the fourth largest category of people using food banks is those in work. Is it not a condemnation of Government policy that they have driven working people into the arms of charities?

Jim Shannon: I thank the hon. Gentleman for that. Unfortunately, that is probably the norm in my constituency as well. We are not seeing anything different anywhere else in the rest of the United Kingdom of Great Britain and Northern Ireland.

We cannot be completely in shock about the cuts, given that such benefits make up nearly 40% of welfare spending, just shy of £30 billion. To put that into perspective, that is a lot more than the £2.5 billion that the Government spend on jobseeker's allowance. It has been estimated that the cuts will save the country £5.37 billion a year by 2019. Given the huge hole in the budget we need to try to fill, that will certainly be a start, but I must ask the Minister: are we punishing hard workers on low wages to do that? I fear that we are.

The Government and we as a nation pride ourselves on helping those who help themselves, but we must bear in mind the reality for many: although they work extremely hard, they simply do not earn enough to make ends meet. That is the sad reality and this vulnerable group in society will be hit extremely hard—unbearably hard, in many cases.

According to the Institute for Fiscal Studies, 3 million families will be £1,000 a year worse off following the new cuts. Those are the figures, so it is hard to equate that with saying, "Actually, things are going to be better" when all those who know tell us that clearly they will not. It has been claimed that families will be £20 a week better off because of the rise in the minimum wage and the cut in income tax. However, the IFS says it is "arithmetically impossible" for families not to be hit by the cuts. The Prime Minister has already conceded that different families will be affected in different ways. Unfortunately, it seems that, for the majority, the figures will be working against them.

Mark Durkan (Foyle) (SDLP): The hon. Gentleman has referred several times to the Institute for Fiscal Studies and its observations on the overall impact. It has not given a regionalised profile the impact, but it would do so if asked. My party has proposed at the Stormont House talks for it to be asked to provide exactly those projections on the situation in Northern Ireland. Given that he is so committed to quoting the IFS, will he encourage his party leadership for once to support that request, so that, when we discuss welfare reform, we can know what we are talking about? It is not enough for him to say that he opposes welfare reform here when his party colleagues vote for it in the Assembly on the basis that "a big boy made me do it."

Jim Shannon: I am quite happy to go into the political decisions. My party is in the Stormont House agreement and, since the hon. Gentleman brought the matter up, I will reply to that. The Stormont House agreement—*[Interruption.]*

Mark Pritchard (in the Chair): Order. I gave some latitude to Mr Durkan, but I do not want to encourage discussion of that point any further. That is a Stormont issue rather than a Westminster one.

Jim Shannon: I am happy to reply to the IFS question. I have no difficulty with this. My politics are well known in this House. I am left of centre; I am interested in the person who needs help. That is my politics, that is where I come from and who I am. For me it is no bother whatever to ask the IFS to give those figures and I will make it my business to do so. I am as committed to opposing these austerity measures as the hon. Member for Foyle (Mark Durkan). However, my party has a realistic outlook and keeps that in mind.

How can I stand in this House today and not be an advocate for those in need in my own constituency? I am aware that there are those who take advantage and play the system, but I am also aware that a great number do not. It is for those people that I stand here today.

Cuts to tax credits are not the only problem that people on benefits face. There are a great many others that I have mentioned before. In my office I have a number of members of staff specifically trained to help people fill in forms for the disability living allowance, which is soon to change to the personal independence payment. I see those people every day and I am aware of their difficulties. They have benefits for a good reason. There are people who need extra financial help to pay for carers or more bedding and other resources while they cater for the day-to-day needs of their family, which they need help to do as well. It is not a matter of living it up and not working; it is a matter of just living. Sometimes it is a matter of being ill and needing help. We have a responsibility to these people and I thought that was what being part of the United Kingdom meant. That is what I thought it was to be British.

I am conscious that I need to allow time for others to speak, but in concluding I want to mention the tragic case of Michael O'Sullivan—we all know it. He killed himself after being found fit for work by the Government's disability assessors. That case has briefly cast a welcome spotlight—if I can say that—on the utter disgrace that is the work capability assessment in relation to people with mental health problems. Despite providing reports from three doctors, including his GP, stating that he had long-term depression and agoraphobia and was unable to work, Michael O'Sullivan was taken off employment support allowance and placed on jobseeker's allowance. At the inquest last year, it was found that he killed himself as a direct result of that decision. According to the coroner, Mary Hassell,

“the intense anxiety which triggered his suicide was caused by his recent assessment by the Department for Work and Pensions as being fit for work and his view of the likely consequences of that”.

That cannot be allowed to happen again.

I fear that cuts that affect the people who are most in need could cause real difficulties for an even larger number of people. With that in mind, although I respect

the Minister's position, I have to put on record my honest, sincere issues and concerns with tax credits on behalf of my people in Strangford, who also share those concerns.

2.55 pm

Drew Hendry (Inverness, Nairn, Badenoch and Strathspey) (SNP): It is a pleasure to serve under your chairmanship, Mr Pritchard. I give my apologies because, as you know, I have to leave before the end of the debate. I congratulate the hon. Member for Swansea East (Carolyn Harris) on securing this important debate. I would talk about tax credits, child poverty and working families, but I am aware that a lot of people want to speak. We have already heard powerful speeches and I am sure that we will hear more. I will therefore focus on what is a constant issue at my constituency surgeries.

The Government's new proposals build on existing failures that will further punish those in need of our help. In Inverness, Nairn, Badenoch and Strathspey, an ever-rising number of constituents get in touch with me about their PIP claims. There is the gentleman who has just had a second stroke but been deemed fit to work, and the young man with severe disabilities whose benefits were removed because the very action of his carrying a letter handed to him by his carer from the assessment room was evidence enough for an Atos assessor to make a judgment on his reading abilities.

Four out of 10 decisions made by Atos are later overturned. The stress people are put through in those assessments is incredible. There is a woman who, having worked all her life, now holding down two jobs, faces eviction because her husband took ill but was deemed fit for work, despite his being housebound. They can no longer make their rent; they are currently three months in arrears and shortly they will be knocking on Highland Council's door as homeless, leaving their private rental and joining the 10,000 people waiting on the Highland housing register.

Day in, day out I see the pain and suffering my constituents are put through just to get an Atos appointment, for the lack of a home visit is the first hurdle for many disabled people. I have listened time and again to people describe the process in the assessment room. They use words such as degrading, inhuman and disgraceful, which are repeated often. Each and every one of them faces a catalogue of questions when the primary aim seems to be to find a hook to remove or reduce their benefit entitlement.

Minister, why is it that 30 minutes in an assessment room counts for more than months and years of medical records, or indeed the medical advice of those who are treating people on a daily basis? Why is it that I constantly find myself astonished that those people have been even asked to make their way to attend an interview, given their severe medical conditions?

Justin Tomlinson: I am conscious that the hon. Gentleman will not be here for my response. The process takes more than an hour, and it is nothing to do with whether an individual is fit for work. PIP is different from ESA and the assessor is not making a decision on whether someone should get a benefit. Their job is to help the individual complete the forms to present the strongest possible case to the DWP staff. I feel that he is mixing up two benefits.

Drew Hendry: I encourage the Minister to come and speak to people in my surgeries who have had to go through this, because I do not recognise the procedure he describes and neither do my constituents.

Indeed, even those who have degenerative illnesses are asked to attend assessment and reassessment. By the very nature of their illness, those people are not getting better. Why on earth does anyone find it acceptable to keep reminding them of that while subjecting them to punishing assessments? Why is my office dealing on a daily basis with constituents who, because—often aided and struggling—they can walk 50 metres, are cut off from mobility support?

Justin Tomlinson: Under the old DLA system, 71% of people were given lifetime awards, but the conditions of one in three people changed significantly within a 12-month period. Without a reassessment, huge numbers of people were on a lower benefit than they were entitled to, which is why, under DLA, only 16% of people got the highest rate of benefits. Under the personal independence payment, that figure is 20%. It is right to make sure that people get the appropriate amount of support.

Drew Hendry: I thank the Minister for that intervention, but again I have to say that he must get out there and speak to people in our constituencies, because their experiences are not reflected in his remarks.

I will conclude, because I am conscious that other people should speak in the debate. The effects of benefit changes are wide-ranging and widespread. I urge the Government to reconsider those punishing changes. We have also heard about the changes to tax credits and the vulnerability of the working families who will be affected. A great number of people in my constituency will be pushed into further poverty because of those changes in the coming months. I urge the Government not to use vulnerable people and the disabled as scapegoats for what is, essentially, a failed austerity agenda.

3.1 pm

Paul Flynn (Newport West) (Lab): I will be uncharacteristically brief because of the large number of people here from whom we will hear valuable contributions. The shame of the Government Back Benchers is eloquently displayed by their total absence. I congratulate my hon. Friend the Member for Swansea East (Carolyn Harris) on a splendid speech and on raising this subject.

I want to make one point, on the question of equality in society. In the orgy of self-congratulation at the Tory party conference last week, we heard a remarkable speech by the Prime Minister. Rhetoric has rarely been so far removed from reality. He talked about getting rid of inequality. We know the overwhelming importance of equality to achieving wellbeing in society. A splendid book, "The Spirit Level", examined 23 countries to discover which are the happiest and have the highest sense of wellbeing. It was not the richest countries but those with the smallest gap between the rich and the poor—that led to satisfaction in society. The happiest countries on that basis are the Nordic countries and Japan; the two saddest countries in the world are the USA and the United Kingdom.

Part of that is a result of what has been happening. Of all my time in politics I would regard the golden age as the time in the late 1970s when, at the end of a period of Labour government, the measure of pay difference was striking. In 1980, the salaries of the chief executives of the main companies in the land were 25 times that of their average worker; now, they are 135 times that of the average worker. Then, if someone was unemployed their benefit was 21% of the average wage; now, it is 11%.

We have seen various cuts. The Thatcher Government downgraded pensions by downgrading the state earnings-related pension scheme and then encouraging the sale of 6 million personal pensions that were a fraud and a cheat, to get people out of the solidity, assurance and certainty of national schemes. We have gone backwards in our social security legislation and are seeing all these attempts to downgrade the standing of the welfare state. After the health service, the welfare state is the one great achievement of politics in the last century, yet now we are attacking that edifice with a wrecking ball. As my hon. Friend the Member for Swansea East said, every change is assisting the richest in society and disadvantaging the poor.

There was another remarkable report last week about a fringe meeting at the Tory conference run by a group called the TaxPayers Alliance, more accurately known as the tax dodgers alliance. A man called Alex Wild urged the Government, for goodness' sake, cut pensioners' benefits soon. Do it straightaway—you must do it early enough, because lots of them will be dead by the next election, and a lot of them will be gaga, so they will have forgotten whether it was Labour or the Tories who cut their benefits. That degree of cynicism was shocking even from the Tory party. It is shocking that such things are thought, let alone said, and I hope we will get assurances from the Minister that there will be no more cynical attempts to cut benefits.

The Prime Minister's entire speech last week was a wonderful illustration of the fantasy of politics; that it is not about the reality but the way it is painted and presented—that it is the spin that matters. The country is beginning to see through that with our new politics, with what has happened today and what happened as a result of that speech last week. The public want reality. They want the truth—they do not want to hear hugely elaborate and exaggerated accounts about benefits that are just not happening.

Our society is growing more and more unequal by the year, and that means more and more unhappiness. We should ask the Government to make sure that they bridge that gap. As T.S. Eliot said:

"Between the idea
And the reality...
Falls the shadow."

An immense shadow obscures the truth of what is happening in society. We are growing into a more unequal and unhappier nation.

Several hon. Members *rose*—

Mark Pritchard (in the Chair): Order. I call Dr Eilidh Whiteford.

Dr Eilidh Whiteford (Banff and Buchan) (SNP): I thought I was to sum up, Mr Pritchard.

Mark Pritchard (in the Chair): I do apologise. I call Dr Philippa Whitford.

3.7 pm

Dr Philippa Whitford (Central Ayrshire) (SNP): Thank you Mr Pritchard; everyone mixes us up.

My concern about the changes is for two particular groups. As most people know, I am a breast cancer surgeon. I am anxious about people who may be recovering from illnesses, or have illnesses that are hidden, such as illnesses that affect mental health, or that may wax and wane, such as multiple sclerosis. Those people are very difficult to assess. Some—such as, we hope, cancer patients—may return to work. I met one today at a disability into employment conference. She has gone back to work early despite clearly not being ready—she has come through very aggressive breast cancer treatment—because she has no alternative. We are dealing with people who are losing £30 a week in the work-related activity group. Those people will be pushed to go back to work or they will lose money. It is wrong that a society cannot support people who are facing life-threatening illness, or progressive, varying or debilitating illness.

The other big group I am concerned about is children. We all know the song about how children are our future. That is absolutely true. If we do not invest in the children of the future, we will reap the whirlwind when the time comes. Over the years, lots of Governments have talked about eradicating poverty. This Government think they can simply expunge it by changing the names of things. The Social Mobility and Child Poverty Commission is now just the Social Mobility Commission. The Child Poverty Act 2010 will disappear. Of all the things not to measure, we are now not going to measure income. Of course, other measures contribute, but to imply that lack of money is irrelevant is completely wrong.

The groups cross over. Women with breast cancer have children; so do disabled people. Children will be affected by changes for every single other group. We know that at the moment the NHS is in difficulty because we face an ageing population. The issue is not the age—my mum is 81 and as fit as a flea—but the fact that we are not living well. We are collecting illnesses from the age of 50 onwards. We doctors have got pretty good at getting people to survive things, so that they reach an age where they have four major illnesses. We know that a lot of this is contributed to by people's start in life and their level of poverty. Health is massively impacted by wealth inequality and poverty. If the NHS is struggling now, what on earth will it be like in 10, 15 or 20 years' time?

This is not a matter of the workless lying at home with the blinds shut. Two thirds of the children who are now in poverty have a working parent, and we are expecting 1 million extra children to be in poverty. They will face poorer life chances, poorer education, lower chances of getting a job and a lot of more of these debilitating illnesses that we will be trying to ameliorate through the NHS. They will also have a dramatically shorter life expectancy. For us to make decisions in this place that create generations like that in the future is absolutely unforgivable. The changes are very cynical, and we should be looking at them from the point of

view of how they will affect children. If we do not give children a better start in life, we will be having even harder discussions in 20 or 30 years' time.

3.11 pm

Gerald Jones (Merthyr Tydfil and Rhymney) (Lab): It is a pleasure to serve under your chairmanship, Mr Pritchard. I pay tribute to my hon. Friend the Member for Swansea East (Carolyn Harris) for securing this important debate.

We have heard a number of concerns about the impact of the Government's reforms to the welfare system. I want to focus on one particular aspect. The Welfare Reform and Work Bill will introduce new conditionality for parents with a three or four-year-old child who are claiming jobseeker's allowance. In the future, once a child reaches three, both their parents will be expected to look for and prepare for work. That measure should be considered in the context of the Government's promise to increase the free childcare entitlement for working parents of three and four-year-olds to 30 hours a week in England.

As often happens, the devil of this policy is in the detail. Let us start with England. Thirty hours of free childcare will come into force in September 2016. The increased conditionality for parents will come into force under clause 15 of the Bill in April 2016. That is six months in which parents with very young children will be expected to work, but will not be entitled to the free childcare they need.

Members will know that a legal entitlement is not at all the same as full implementation on the ground. Serious doubts have been raised about whether there is capacity in the sector to provide that extra childcare and whether it would be adequately funded. A recent analysis by the Pre-school Learning Alliance showed that the current average hourly cost of childcare per child is £4.53, with the Government contributing just £3.88. When increased to 30 hours, that means that nurseries would operate at an annual loss of £661 per child. That is surely not sustainable.

It is far from clear whether parents in England after September 2016 will have the benefit of the new entitlement, and I challenge the Minister to respond to this: what consideration has been given to the impact of this policy across the UK? I am not as familiar with the situation in Scotland and Northern Ireland, but I know that the Welsh Government currently support 10 hours of free childcare for three and four-year-olds, and there is additional support in "flying start" areas. The Welsh Government want to expand availability once the financial consequences of the plans for England are known, but that is against the backdrop of a significant cut—around £1.3 billion, or 10%—to the Welsh budget by the UK Tory Government.

That brings me on to the serious problem of access to childcare, especially in rural and semi-rural areas, including parts of my own constituency. It is clear that availability of appropriate, accessible childcare that meets the needs of parents and children must be in place before the increased conditionality is introduced.

Lack of childcare is not the only problem with the policy. Conditionality can be extremely difficult for vulnerable parents, as we have heard. Care leavers, young parents, those with addictions and others often

[Gerald Jones]

lack the skills and confidence they need to fulfil work-related activity requirements. Many need support to return to work, which is not always available. We know that jobcentres often lack the capacity and expertise to provide that support and to enable vulnerable parents to transition successfully into work

Barnardo's has raised concerns that many jobcentres lack the basic facilities needed, especially for parents with young children, including bathrooms, and that staff can sometimes be unwelcoming when claimants bring their children to appointments. That is especially challenging for single parents with young children. It goes without saying that when increased requirements come into force for parents of three and four-year-olds, it will become even more important for jobcentres to address those issues. Given those difficulties, will the Minister commit to taking action to ensure that jobcentres adapt to meet the needs of parents and their children before the conditionality extension comes into force?

Another concern I have been made aware of is about the online system, which is now being used more and more. The system apparently frequently freezes, causing horrendous frustration, and the early indications are that the helpline is struggling to cope. Will the Minister look into that?

I will end on the sanctions regime. I agree with the concerns expressed by my hon. Friend the Member for Swansea East, specifically about the punitive and regressive impact that the sanctions regime will have on families with three and four-year-old children. We know that sanctions can be hugely disproportionate, and we have heard some horrendous examples of how bad they can be. We also know that the loss of benefits for weeks on end can leave families struggling to feed their children and heat their homes. Members will be aware that parents are being driven to food banks and into debt. For many families in my constituency of Merthyr Tydfil and Rhymney, that is a reality. I urge the Government to take action.

Mark Pritchard (in the Chair): There are five Members still to speak. I will call Front Benchers from 3.30 pm, which allows everyone to have 10 minutes. I encourage Members to just speak for two or three minutes, to try to accommodate everyone.

3.16 pm

Ian Blackford (Ross, Skye and Lochaber) (SNP): It is a pleasure to serve under your chairmanship, Mr Pritchard. I thank the hon. Member for Swansea East (Carolyn Harris) for obtaining the debate and congratulate her on the powerful and moving speech she delivered.

I am pleased we have this opportunity today, particularly in the light of the wholly inadequate time we had to debate the changes to tax credits before the vote on the statutory instrument to push through the changes on 15 September. In the week of that vote, there was damning evidence in a briefing paper from the House of Commons Library on the effect of the changes on millions of people. It is important that we analyse the impact of these proposals.

A single-earner couple with two children, working a 35-hour week on the minimum wage, will see their tax credit award fall by £1,853 in 2016-17, while the impact

of the new so-called national living wage will only modestly offset the impact of a fall in tax credit income, with net income falling by a huge £1,525. Let us reflect on that and the massive impact it will have on families in the UK. We know that the end result will be to push families with children into poverty.

It is disappointing to look round this room and see the Government Benches empty. We heard from the Tory conference that some Tory MPs have apparently voiced concerns about the changes, but where are they today? The Government need to listen to voices on the Opposition Benches and to those on their own Benches who seem to be questioning this as well. It is not too late to pause, reflect and change tack on the damaging changes that have been pushed through.

The attack on the working poor and low-income families with children flies in the face of the Government's own rationale of making work pay. The Government argue that work is the best route out of poverty, yet it is estimated that 60% of children in poverty in Scotland come from working families. These changes will only make that worse. I say to those on the Government Benches: go back and look at the impact of these changes.

We cannot hit the pockets of so many hard-working families. The money must be found within the Treasury to ameliorate this. I ask all Conservative Members to think about the impact that these changes will have, to reflect on the details published by the House of Commons Library and to find a solution. We cannot and should not be hitting working families in the way that these measures will. We must question the moral compass of a Government who want to increase inheritance tax thresholds while the poorest in society are squeezed to such an extent. We hear from the Government that they want to help strivers. It is those in work who are badly hit by the changes to tax credits.

Perhaps we should ask what the logic of the changes is from an economic point of view. We are told it is about getting the deficit down. The reality, though, is that taking cash out of the pockets of the poorest means taking cash out of the economy and depressing economic activity. People on low incomes tend to spend what money they have. The changes do not fix the deficit; they leave us in a cycle of low growth. That is plain common sense. We can ask the philosophical question whether there should be an effective support to employers who pay low wages, to excuse them from paying wages that offer dignity for all those in work. I would argue that we all want to get to a situation where work pays to the extent that all those in work have a decent standard of living.

The SNP fully supports the desire to make work pay, through a living wage—a real living wage, not the Tory construct. That must go hand in hand with an environment that encourages productivity, but we know that that has not been happening for the past eight years. Productivity has been flatlining and the Office for Budget Responsibility has forecast only a limited increase in productivity for the next four years. We can get to a high-wage economy only if we have investment in skills and innovation, and through business investment. We do not have those, so we need the safety net that tax credits provide. Let us have a broad debate about what we need to do to drive investment into the economy and drive up productivity. That debate is not happening.

That is why the Government now need to reconsider what they have voted through. Let us come back to the example of the family losing £1,525 of their income next year. What will the Government say to such families, who will face difficult choices? Family budgets are already tight. Something has to give. We can imagine what will happen if someone who is living hand to mouth has an unexpected problem. Perhaps over the winter their central heating boiler will need to be fixed or the fridge will need to be replaced. When income is cut by more than £1,500, those things become difficult choices. That is why the Government need to re-examine the issue. I appeal to them to listen to the many voices raising legitimate concerns.

The Government talk of being a one nation Government, but if that is their desire, it cannot be squared with the rise in inequality, which these measures will accelerate. The Prime Minister said at the Tory conference that he wants an all-out war on poverty. Well, actions speak louder than rhetoric. The Government must change course and show that they can act in the national interest. If they want an all-out war on poverty, they must not cut support to those working families who depend on it and who want a decent standard of living.

A report published by the Resolution Foundation on 7 October estimated that the tax and benefits changes will push a further 200,000 children into poverty in 2016. I ask the Government whether that is a price worth paying. We cannot accept that that can be right, and it will not just be those 200,000 falling into poverty next year. This will increase to 600,000 by 2020. Perhaps it is little wonder that the Government want to redefine poverty. The numbers being pushed into poverty are frightening. It is not a price that a civilised society can afford to pay.

I am grateful that we are having this debate today, but it must not end here. I wrote to the Leader of the House on 21 September and asked, given the limited time we had on 15 September, for a full day's debate to enable us to reflect properly on what the House of Commons Library has put before us. I appeal to the Government to listen and have the moral courage to change tack.

3.23 pm

Stephen Kinnock (Aberavon) (Lab): I thank my hon. Friend the Member for Swansea East (Carolyn Harris) for securing this important debate.

In the political to-ing and fro-ing that surrounds the decisions taken in this place, the consequences for innocent children are all too often shunted down the list of priorities. I agree with the numerous calls from children's charities for us to start to put children at the centre of our decision-making process.

Shortly after the Chancellor announced his Budget, I held a child poverty summit in my constituency. Participants included the deputy Children's Commissioner for Wales, children's charities, council officers and local groups that deal with vulnerable children. The overwhelming message that they wanted to convey was that child poverty was a growing issue, particularly in households where it had never previously been an issue—in-work households. Those are families whose incomes previously stretched to cover the mortgage and bills and to put food on the table, and still left enough to live comfortably. However, after years of pay freezes, increasing costs for

fuel and food and the erosion of welfare support those families were just one unexpected bill away from not being able to cover their costs. Many are too proud to ask for help, but we know they are suffering.

I feel that Dickensian conditions are creeping into society. One example given to me at the round table was of children being sent to school in dirty uniforms because their parents could not afford to put the washing machine on. Clothes-swap initiatives sprang up to provide them with clean clothes. In a different example, children in receipt of free school meals were going hungry during school holidays when they did not have those meals. Surely that should not be happening in one of the richest countries in the world. In my constituency 3,910 children are living in poverty and 2,407 of those are in in-work poverty. The Government's latest round of attacks on working families announced by the Chancellor in July will adversely affect 9,400 children in Aberavon.

The Secretary of State recently defended his policy to restrict universal credit to two children as "bringing home to parents the reality that children cost money".

I am sure we all thank him for those words of profound wisdom, but we are not engaged in a teaching exercise; we are talking about children's lives. Questions remain about how the system will detect, for example, fathers who have multiple children with multiple women. If each mother claims for her children, more than two of the father's children could be in receipt of universal credit.

There are huge loopholes in the law, not just massive ethical and moral questions. I wonder what is happening to the party currently occupying the Government Benches, which claims to be a socially liberal party, in the old tradition of the term. The two children policy might perhaps be described as government just large enough to fit into people's bedrooms. There is nothing wrong with making work pay, but it should not be at the expense of children. If the state abandons children when they are in need, what incentive does that give them to contribute to society later in life?

I want to close with a quotation from the recent Conservative party conference:

"We must ensure that...we protect the hardest working and lowest paid.

Shop workers, cleaners, the people who get up in the small hours or work through the night because they have dreams for what their families can achieve".

That was said by the hon. Member for Uxbridge and South Ruislip (Boris Johnson), otherwise known as the Mayor of London. I wonder whether it was simply part of some complex leadership bid. It may or may not have been; the fact is that I think many of my hon. Friends would agree with those comments.

Rosie Cooper (West Lancashire) (Lab): Does my hon. Friend agree that abject failure is the only way of describing the Government's welfare reform programme, which puts headlines ahead of the impact on children, the disabled and other vulnerable people whom society should protect?

Stephen Kinnock: I absolutely agree; as hon. Members have said, the issue must be about the bigger picture and the sort of society we want to build—not tomorrow's headlines in the *Daily Mail*.

[Stephen Kinnock]

The Conservative party claims to be a one nation party and the party of the workers. That is high-flying rhetoric, but the reality is a story of division, attacking the most vulnerable in society while inheritance tax for the richest 60,000 is cut. The gap between the Government's one nation rhetoric and the divisive reality of their policies is fast becoming a chasm. I urge the Minister to reconsider those policies and to close the gap.

3.28 pm

Dr Eilidh Whiteford (Banff and Buchan) (SNP): I thank you for calling me a second time, Mr Pritchard. I am pleased to take part in this afternoon's wide-ranging debate, and I congratulate the hon. Member for Swansea East (Carolyn Harris) on bringing the issues forward so eloquently. The debate has, however, presented a sorry picture of the impact of the Government's welfare reforms across the UK. Above all, it has brought home the point that austerity is not working; the Government are simply attacking low-income families, disabled people and those with long-term health conditions, while giving tax breaks to the very wealthiest.

We have heard today that children will be among those most severely impacted by the changes to tax credits in the new Welfare Reform and Work Bill, currently undergoing legislative scrutiny, but it is important to understand that the new measures are only the latest in a long line of assaults on the most disadvantaged people in our society.

Research on the cumulative impact of the reforms that have already been enacted, published by Sheffield Hallam University in February this year, calculated that by 2018 incomes in Scotland will have been reduced by £1.5 billion a year, or £440 for every adult of working age. According to the House of Commons Library, the current round of reforms in the Welfare Reform and Work Bill will take an estimated further £900 million a year from the lowest income households, and the heaviest losses will be sustained by families with children. As my hon. Friend the Member for Central Ayrshire (Dr Whitford) said so powerfully, child poverty has long-term consequences. It cannot be fixed some years later with a magic bullet; it has a long-term impact on people's life chances and life expectancy.

In Scotland, almost 200,000 families and 346,000 children are going to lose out because of changes to tax credits. The Resolution Foundation has pointed out that the vast majority of those children live in working families, and it expects that across the UK the changes to tax credits alone are going to push 200,000 more children into poverty by 2016, rising to 300,000 by 2020. Far from making work pay, the changes to tax credits for people already on low wages are going to entrench in-work poverty, not address it.

It is important to remember that the welfare reforms that have been implemented are having a hugely detrimental impact on thousands of people already hit by earlier reforms. We are seeing some of those effects much more clearly than we have until now—certainly more than we did at the time of their implementation.

Arguably, the most distressing symptom of the failure of welfare reform is the explosion of food bank use right across these islands. In Scotland, food bank use rose by

two-thirds last year alone. The Trussell Trust distributed 36,000 food parcels to children in Scotland, and that represents only some of the food banks operating in our communities. I do not think that is a sufficient or acceptable safety net for children in 21st-century Scotland—frankly, I do not know how Ministers sleep at night. It is very telling that not a single Back-Bench Tory MP is here today to defend the Government's record. That is shameful.

The two biggest drivers for the unprecedented growth in food bank use are the changes in support for disabled people and those with long-term health problems, and, connected to that, the changes to the conditionality regime. For years now, serious concerns have repeatedly been raised about the work capability assessment for employment and support allowance. It has been an utter shambles.

According to the DWP's own recent statistical analysis, over half of appealed fit-for-work ESA decisions are overturned. That is an unsustainable and unacceptable level of poor decision making. Moreover, it has led to protracted and costly appeal and tribunal proceedings—processes that place enormous stress on and cause real hardship to sick and disabled people and to those who care for them. In some cases, they have exacerbated people's health conditions.

The story with personal independence payments is similar, as my hon. Friend the Member for Inverness, Nairn, Badenoch and Strathspey (Drew Hendry) pointed out. A number of my constituents waited nearly a year for a PIP assessment, and so far, 20% of mandatory reconsiderations of PIP have resulted in a different decision being made. Under the previous contractor, Atos, the Government spent around £60 million a year on around 600,000 appeals against Atos decisions. A new contractor is now in place, but unless the Government actually change what they ask these companies to assess, and how, it is hard to see how Maximus is going to do any better than its predecessor.

A key problem has been that the complex medical histories of some claimants have not been consistently sought or considered adequately in a process that has been focused on functionality.

Emily Thornberry (Islington South and Finsbury) (Lab): Given that the hon. Lady is on this point, I should briefly highlight that when there was a movement from the disability living allowance to the personal independence payment, there were instructions out that the Government expected 20% fewer people to be on PIP.

Dr Whiteford: The hon. Lady makes an important point. Those people still have those conditions to live with, in many cases, and their condition has not got any better. It is just that it has become more difficult for them to deal with their condition. The problem has been particularly strong and acute for people with fluctuating conditions and mental health problems—illnesses that are perhaps not immediately visible. The Multiple Sclerosis Society has pointed out that 39% of its members who were surveyed said that their ESA assessments had not taken account of additional evidence.

I have raised this issue with Ministers many times, particularly in relation to mental health. The hon. Member for Strangford (Jim Shannon) rightly raised the tragic

case of Michael O’Sullivan, following a ruling by the coroner concluding that a decision made in relation to his ESA was a major factor in his death. This man committed suicide after having been found fit for work by the Government’s assessors in 2013, but sadly this is not an isolated case.

Some time ago, I raised the case of a woman known as Ms DE, whose suicide in 2011 was the subject of an investigation by the Mental Welfare Commission for Scotland. Ms DE took her own life after scoring zero points in a work capability assessment made in the absence of an ESA50 form and without any additional information from her clinicians. The only information her assessor had about her condition was a single word, “depression”, which in her case masked a long and very complicated psychiatric history. Both her general practitioner and her consultant psychiatrist considered her unfit for work at the time of her death, even though she had worked for most of her adult life and wanted to go back to work. The distress caused by her benefits assessment may have played a role in her suicide. The investigation concluded that there was “no other known trigger” for the events that took place.

Those two cases have been properly investigated and fully documented, but they are unlikely to be isolated. I have had to learn to deal with constituents coming to me expressing suicidal feelings because of their experiences in the assessment process, and I am certainly not qualified to give them the kind of support that they clearly need. As an MP, all I can really do is point them in the direction of the appropriate services and try to help them work their way through state bureaucracy. However, just at a human level, I do not think anyone can fail to be moved or to understand that we have a fundamental problem in this process. It is not treating people with the basic dignity that they require.

The shortcomings of the assessment system are leading directly to the problems experienced with the new sanctions regime. There has been considerable evidence for some time now that, for example, those with mental health conditions are being disproportionately sanctioned. Again, that chimes with the anecdotal evidence that I am sure many MPs here today will have seen at first hand—of very unwell people simply falling through the social safety net.

Recent figures published by the DWP on the sanctions regime show that in nearly 50% of reviewed cases, decisions are being reversed. We see a system that is not working efficiently, and again, we see horrendous social consequences for people who are ill and, in some cases, really very vulnerable. Once again, taking better account of individuals’ medical histories and getting the decisions right in the first place would prevent the stress, hardship and anxiety of sick and vulnerable people falling foul of the sanctions regime and finding themselves stigmatised, vilified and castigated simply for being unwell.

We need a root-and-branch review of the sanctions regime. In the last Parliament, the cross-party Work and Pensions Committee recognised that, as have countless external bodies representing those living with health problems. Will the Minister today please just bite the bullet, go back to the drawing board on the sanctions regime and recognise the links to the inadequacies in the assessment process?

I have already talked about the Government Benches; when I look around the Chamber, I am also struck by the number of Members who have spoken from Scotland, Wales and Northern Ireland this afternoon. I think that reflects the differential impact that welfare reform is having on the devolved Administrations. I also think it probably reflects a very different political ethos, but we will leave that for another day.

The Scottish Government have tried to protect those most affected by welfare reforms, providing over £300 million to mitigate the worst excesses of the changes; notably, that has mitigated the bedroom tax, maintained council tax benefit for half a million people and established the welfare fund. However, what we really need are economic powers and the powers over social security fully in the hands of our Parliaments, so that we can tackle the causes, not just the symptoms, of poverty and disadvantage.

I am sorry that so far the Government have voted against any moves to devolve really meaningful powers, betraying the promises made just over a year ago, but I hope that when we do have chance very shortly to debate these matters again, the Government will take the opportunity to accept some amendments that have been proposed, if only to reverse the damage that is going to be done to poor households through changes to tax credits.

The Government’s welfare reforms have bitten very deep already into the incomes of very poor people. It is important to remember that this Parliament has a responsibility to all its citizens—not just the rich people and those old enough to vote. We have to make sure that we do not abandon those people, because we have a responsibility to them, and we need a fairer social security system.

3.39 pm

Emily Thornberry (Islington South and Finsbury) (Lab): It is a pleasure to serve under your chairmanship, Mr Pritchard.

The dynamics of this debate have said a great deal. My hon. Friend the Member for Swansea East (Carolyn Harris) spoke with huge passion and absolutely from the heart. We could hear the voice of Swansea in what she was saying, and it was important to hear an authentic voice explaining the real effects of these changes to social security and what they mean to real communities and real people. We are not talking rhetoric; we are not talking learned lines that are copied down throughout the Conservative party. We are talking about what happens to people in their homes and communities—people who, as has been pointed out, feel demeaned by what has happened to them. It is difficult for people to discuss it and, as my hon. Friend said, she wanted this to be an opportunity for the voices of victims of the benefit changes to be heard. I congratulate all hon. Members who have had the opportunity to be heard and who have spoken authentically on behalf of their communities.

We heard the hon. Member for Strangford (Jim Shannon) saying that we are punishing workers on the lowest wages and that that is unbearable for many families. We then heard from my hon. Friend the Member for Birmingham, Selly Oak (Steve McCabe), and the voice from Birmingham said that the people who are using our food banks are in work. We heard from the hon.

[Emily Thornberry]

Member for Foyle (Mark Durkan), who said we need regionalised figures to explain the impact of the changes on our communities. Then we heard from the hon. Member for Inverness, Nairn, Badenoch and Strathspey (Drew Hendry), who gave many examples of people who had been assessed as being fit for work, including a man who had had a second stroke. He discussed those constituents' pain and suffering and how degrading Atos assessments have been—they are degrading, inhuman and disgraceful. I congratulate the hon. Gentleman on that, because he spoke not only for people in Inverness, but for those across the country who have been assessed by Atos and feel the same.

Margaret Greenwood (Wirral West) (Lab): I commend my hon. Friend the Member for Swansea East (Carolyn Harris) on securing this important debate. The Government's study identified that more than 330,000 children from low-income families in England will be hit by the benefits cap and that a couple with two children will be priced out of being able to rent a two-bedroom property in almost all areas of the south of England and across much of the midlands too. Does my hon. Friend agree that this state of affairs will have a potentially devastating effect on the lives of hundreds of thousands of children, who may be forced out of their homes and away from their communities, and that it is likely to have a particularly severe impact on single parents, who rely strongly on the local communities around them for support in bringing up their children?

Emily Thornberry: My hon. Friend makes an important point. Many communities, particularly in inner London, have already been affected by the first benefit cap. We have already seen young children ripped out of primary schools and moved out of London, as families try desperately to find somewhere they will be able to afford under the benefit cap.

Introducing a benefit cap makes a profound change to the way we pay benefits. The social security system used to be, and had always been, a safety net available to everyone, but introducing a benefit cap disconnects need from the amount that we are prepared to pay. Larger families, which are in most need, will be affected most. It is not their fault that they live in inner London or that they cannot live in public rented housing because there is not enough affordable public rented housing so they must live in the private sector. The Government have introduced an arbitrary, politically motivated cap that will have a devastating effect on communities.

Steve McCabe: Does my hon. Friend agree that, as well as the impact on working people on low wages and the poor, another surprising aspect of Government policy is its total disregard for those with long-term, progressive, degenerative conditions such as muscular dystrophy?

Mark Pritchard (in the Chair): Before the shadow Minister answers, let me say that there is no hard and fast rule, but it is usual to allow the Minister enough time for a full response of around 10 minutes, which will be in six minutes.

Emily Thornberry: I fully understand, Mr Pritchard. Given the number of people who have not been able to speak in this debate, I made the decision that I would encourage them to intervene. There is a huge amount I would like to say, but I am reflecting many hon. Members here today who want to speak.

We heard from my hon. Friend the Member for Newport West (Paul Flynn) about increasing inequality and attempts to downgrade the welfare state, which is being attacking like a wrecking ball—I thought that was an important way of putting it. We then heard from the hon. Member for Central Ayrshire (Dr Whitford) about the difficulty of assessing people with variable conditions, and it is perhaps even worse for those with degenerative conditions.

Two thirds of children in poverty have a parent in work. That is an important point; indeed, it should be written on the shaving mirrors and make-up mirrors of every Tory MP. If we are seeing an economic miracle, why is that happening? The Government and their Back Benchers should be thinking about that.

We heard from the hon. Member for Merthyr Tydfil and Rhymney (Gerald Jones) about parents of three and four-year-olds and the expected gap between the time when childcare is supposed to be delivered and the time when they will be expected to go to work. It is obviously nonsense, and the amount of money the Government have provided for that childcare is also clearly nonsense. The Childcare Bill has only four pages and says little more than the Conservative party manifesto. There is no delivery mechanism for this wonderful childcare they claim they will provide, so we wait to see whether it happens.

We heard from the hon. Member for Ross, Skye and Lochaber (Ian Blackford) about the tax credit cut. The obvious question is: why is that happening when the inheritance tax threshold is being increased and from a Prime Minister who says we have an all-out war on poverty? Ha, ha, ha. In what way does that work exactly? My hon. Friend the Member for Aberavon (Stephen Kinnock) talked very movingly about working people who used to be able to pay their mortgage and their bills generally, but who now, after years of a pay freeze, are only one meal away from disaster. He also talked about the increasingly Dickensian conditions. We then heard from my hon. Friend the Member for West Lancashire (Rosie Cooper) about how the Conservatives' policy seems to be based entirely on rhetoric, not evidence.

The best social policy comes from looking at what is happening, how it will work and what its effect will be. The fact that we do not have an equality impact assessment for the Welfare Reform and Work Bill says it all. We know those who will be affected most: it will be women and people from ethnic minority backgrounds. Why is there not an equality impact assessment to help to spell that out? If the Government want to make proper social policy, why do they not base it on evidence? What a shame it is that we hear all these voices—it is like alarm bells going off across the country—saying, "Do not do this. Do not introduce these welfare changes. You are increasing child poverty. You are increasing poverty in this country. Stop, think, pause," and yet there is no one in the Chamber from the Conservative party, with the honourable exceptions of the Minister and his Parliamentary Private Secretary.

Where are all the others? Is it that those who are against the Bill dare not speak out, but just want to whisper behind their hands or give unattributable briefings? Where are those who really believe that what the Government are doing is correct? Where are the troops loyally coming out and saying what a great thing this is? It is not a great thing. The Government are ashamed of themselves, but they continue to keep going, hiding behind rhetoric and their friends in the right-wing media, when the people who are voices for real people in this country know that what the Government are doing is devastating this country.

3.48 pm

The Parliamentary Under-Secretary of State for Disabled People (Justin Tomlinson): It is an absolute pleasure to serve under your chairmanship, Mr Pritchard. I pay tribute to the hon. Member for Swansea East (Carolyn Harris). I recognise that this is an incredibly important debate and that hon. Members have made constructive, thought-provoking speeches, often with personal stories, so I will not give a pre-written speech, but will try to address as many of the points as possible. I am the Minister for Disabled People and if the points raised relate to other Departments, I will do my best to cover them.

I pay tribute to the shadow Minister. It was helpful of her to encourage interventions, allowing everybody here to contribute, bar the hon. Member for Sheffield Central (Paul Blomfield). That was a real shame, because he is one of the Opposition's most effective and measured Members of Parliament and has helped to shape Government policies in the past with well argued points. It is a shame that he did not have the opportunity to contribute.

I have a soft spot for Swansea East because, as the Minister for Disabled People, I celebrate, recognise and champion the fact that Swansea is the first city to be fully disability confident. It is a credit and an honour that the hon. Member for Swansea East represents such a wonderful town. One of my first media activities was to praise it, so she can be very proud of Swansea East. Leading on from that, she raised a point about barriers to work. I recognise that issue in my role as Minister for Disabled People. We have a commitment to halve the disability employment gap. In the last 12 months alone, 226,000 more disabled people have got into work, but halving the gap will require about another million, so there is still a huge way to go. We will be doing a huge amount of work through Disability Confident and our Access to Work scheme, through which we are now close to record numbers of people being helped.

The hon. Lady raised a point about sanctions. That has come up in a number of debates that I have spoken in, and the shadow Minister from the Scottish National party, the hon. Member for Banff and Buchan (Dr Whiteford), raised the point as well. The use of sanctions has fallen by 30% in the last 12 months. The Oakley review did recognise that that was an important part of the mix; it should not be something in isolation. This is about the claimant and the work coach coming together with a contract and both sides working to give that individual the best opportunity. The use of sanctions is an important issue. I recognise some of the personal stories raised, and we shall continue to look at that, but it is an important part of the mix.

The hon. Member for Swansea East also highlighted Parkinson's UK. The issue was raised in a previous debate. I have since met Parkinson's UK, and we have made significant changes to some of the practices in the personal independence payment based on its expertise and advice. I am very grateful that it was able to contribute to that.

I thought that it was an important speech. The hon. Lady highlighted the need for the voice of the vulnerable, and certainly the opportunity was taken with a very powerful speech.

Steve McCabe: Will the Minister give way?

Justin Tomlinson: I am going to be tight on time. Let us see whether I can get through these pieces of paper first and then hon. Members can feel free to intervene.

The hon. Member for Newport West (Paul Flynn) raised the concern that the TaxPayers Alliance was now setting policy. Fear not: it has not taken over the leadership of our party, so do not panic.

The hon. Member for Strangford (Jim Shannon), who for the second day in a row has been detained elsewhere when I have responded to his points—hopefully he will read this—raised the point about food banks. A number of other hon. Members also talked about that. We have argued in the past that we have made them more accessible. One thing we do know is that the proportion of people reporting difficulties affecting food is down in the UK from 9.8% in 2007 to 8.1% in 2012. This is an incredibly important issue. I recognise that concerns have been raised about even people in work sometimes having had to access such facilities. We will continue to look at the issue, but we know that the number of those reporting difficulties with accessing food is falling—something that we would all welcome.

The hon. Member for Central Ayrshire (Dr Whitford) talked about fluctuating health conditions. I stress that, in the proposed changes to ESA, the support group will not change—I just want to make that clear—but we have to recognise that people have fluctuating health conditions, particularly in terms of mental health.

Dr Whitford: The issue is the type of patients who will be put in the WRAG group as recovering, but are then pushed, because of loss of money. It is not the support group—

Justin Tomlinson: That is exactly the point I am coming on to. We have to be more flexible. In terms of mental health conditions, we know that one in five people going for ESA will have a mental health condition as their primary concern. That increases to just below 50% on a menu of conditions. A mental health condition is one of many types of condition that fluctuate, which has to be recognised. That is why the principles of universal credit will make a considerable difference.

This is not just about support to get people into work, although that is incredibly important; it is also about keeping people in work. For example, 300,000 people a year with a mental health condition drop out of work. I know from having employed someone with a mental health condition that it is a lot easier to keep someone in work than for them to drop out, navigate the benefits system, rebuild their confidence and get back into work. We are doing a huge amount of work. There are lots of

[Justin Tomlinson]

pilots and lots of lessons that we are learning. Rightly—this goes across the political divide—we all recognise the significance of mental health conditions and other fluctuating conditions. Life is not simple and the system has to recognise that.

That brings me to the hon. Member for Merthyr Tydfil and Rhymney (Gerald Jones). I am delighted to say that his local football team finally got promoted the other season, which stops his team knocking mine out in the play-offs every year. I have had too many long journeys that have ended in great disappointment. He, too, rightly highlighted the need for flexibility. With universal credit, we will be encouraging the coaches. We will be making the coaches build a flexible relationship with the claimant, recognising that each person is an individual and has different challenges and, crucially, different opportunities.

We have talked about childcare. Obviously, there was our announcement about going from 15 hours to 30 hours. Crucially, this is a devolved issue. We will keep a very close eye on what the devolved Assemblies are doing to see whether there are lessons to be learned and, as ever, we will seek to share best practice. Capacity is a key issue. I recognise that. Between 2009 and 2012, we created 230,000 places—an increase of 12%. We have announced £2 million of start-up grants to encourage more childcare provision. We are simplifying the regulatory framework. That is something we look at.

I thought that it was a fair point about the jobcentre environment. I have done many tours of jobcentres and I think that is something we need to look at. Again, we are doing pilots on how we can change the environment and the services that are offered—joined-up services. Those were fair points on jobcentres. I think we would all recognise that there is work to be done there.

Many of the points in the speech by the hon. Member for Ross, Skye and Lochaber (Ian Blackford) were from the tax credits debate. That is not really today's debate. There will be an opportunity for that next week, but those important points have now been placed on the record. I say to all the people concerned that we cannot look at this issue in isolation. The introduction of the national living wage will help 2.7 million people. The ripple effect will filter through to 6 million people in total. The changes to the personal income tax threshold have made a significant difference to our lowest earners, taking 3.2 million of them out of paying any income tax at all. I particularly welcome the measure whereby that will lock in with inflation once we hit £12,500, so we will not start to see the creep of people being dragged back into paying income tax. I very much welcome that and of course the increased numbers in work. We support the principle that work is the best route out of poverty.

The hon. Member for Aberavon (Stephen Kinnock) made some interesting points. I gently remind him, in relation to the quote that he used, that those were the very people who elected us to form this Government.

I understood the concerns expressed by the hon. Member for Banff and Buchan. I have made an offer before to meet to discuss those, because I know that she has a real desire to see an improvement in this area. I felt sometimes that there was a bit of confusion between the ESA system and the personal independence system; on some of the points, I felt that. I think it would be worth our having that meeting to discuss the issues in detail. I will say that there has been a complete transformation in the service that a claimant would expect through personal independent payment from when it was initially rolled out. There were well documented problems. I have done Westminster Hall debates on that before. We are now down to 11 weeks—median—end to end, and five weeks for an assessment. That is well within where we would expect to be, but it is a journey. We continue to meet organisations that help with the training and with improving the claimant's experience.

Crucially on mental health, under DLA a disservice was done to people with mental health conditions. Under personal independence payment, all impairments are treated equally and the system is geared up to recognise them. That is part of the reason why we are now seeing 20% of claimants getting the maximum benefit, compared with just 16% under DLA. Rightly, the assessment has to be about dignity. The assessors are there to help people with their claims. I am happy to meet to discuss that further.

On ESA, let us remember that, on the WRAG group, only 1% of people are coming off that benefit. That shows that the current system has needed to be reformed. I welcome the extra £60 million that we will be spending on providing specialist support, rising to £100 million by 2020. That leaves me with just 20 seconds. I am sorry that I have not been able to touch my formal speech.

3.58 pm

Carolyn Harris: I welcome the Conservatives who have now joined us. We have been here since half-past 2; it would have been nice to see them earlier. I thank the Minister for his kind words, but I feel that I am leaving this room no wiser than I was when I came into it. The lack of his colleagues throughout the debate and the rhetoric in his answers have done nothing but confirm to me that this Government just do not care.

Question put and agreed to.

Resolved,

That this House has considered the effect of changes to welfare benefits.

House Business Committee

3.58 pm

Mr Graham Allen (Nottingham North) (Lab): I beg to move,

That this House has considered the creation of a House Business Committee.

Welcome to the Chair, Mr Pritchard. It would probably be hard to think of anything more technical, boring or dry than a House Business Committee—that is what people would like you to think. But it is actually the heart of political power in respect of Parliament's relationship to Government. It is amazing that in this day and age, at least 200 years since Montesquieu wrote "The Spirit of Laws", which talked about the separation of powers, the good old United Kingdom still does not have a written settlement. It does not have something that we can all refer to so that we know what Parliament does, what Government do and what the judiciary does, and that keeps them separate.

The lesson learned at great cost in the French revolution, and enacted with some blood in the American revolution, has bypassed the United Kingdom. We still have a system that Charles I would recognise, in which the Executive have supreme control and what they say goes—only Charles I would see that instead of a monarch, we have a Government. They are benign, because we live in a democratic culture, and people are normally very nice to each other and quite polite. The reality, however, is that power is exercised by Government over Parliament, rather than Government seeing Parliament as a partner. That makes our system dysfunctional and incapable of providing a serious process of reconciliation or holding to account.

[*MIKE GAPES in the Chair*]

Of course, many people have vested interests in keeping the system exactly the way it is. I put it to the Government, at both ministerial and official level, that that is an immature way of viewing our politics. It weakens our politics and our governance, particularly in this day and age when people are so turned off by politics in general. This is a moment where we can win people back, and say, "You know what? We are going to listen to people. We do not always want to do what they tell us, but we will listen to them and their elected representatives because that is part of the warp and weft of our democracy."

By doing that, we could bring people together and command greater consensus on our decision making. The decision-making process would be less arbitrary and much stronger if we had that level of maturity in our politics—if the Government did not cynically laugh up their sleeve and say, "We are going to ram this through if we possibly can, come what may, despite what people think," rather than, "I wonder whether any of these people in Parliament who are not in government have a contribution to make. Shall we listen on the off-chance that they have?"

Perhaps if we had a proper Report stage in the House of Commons, we could find a way of making better law. Perhaps it would save us time, because we would not have to come back to things, as we infamously did on, I think, five occasions during one Parliament on a criminal justice Bill. If we listened to people, we would not have to swallow, give in or U-turn, but we could distinguish

the good from the bad and help to make our system better. Doing so would make our politics and our democracy stronger, and it would certainly make our Parliament and governmental relationship stronger.

That is not the way we have chosen to do things so far, however. The Wright Committee suggested that we should have a House Business Committee. Why would we want such a thing? It would bring to the table Parliament and the respective Whips. In addition to those who work for the Government and the alternative Government, it would bring to the table some people from the institution—perhaps the leader of the 1922 committee, the chair of the parliamentary Labour party, a couple of people elected from the Back Benches, someone from a minority party and a nominee of the Speaker. The committee could have a majority from the Government so that, having heard all the voices, the Government could still, if they wanted, ram through whatever they felt was convenient to their long-term interest, whoever was in power.

We would not lose a lot by having such a meeting once a week, and we would risk gaining an incredible amount. For instance, the 90 minutes allocated for the debate in the main Chamber tonight, which everybody seems to feel is incredibly important, on whether there should be a legally binding obligation on deficit reduction could be extended. We could use parliamentary time more effectively. Perhaps, Mr Gapes, someone of your distinguished history on that committee might say, "We are going to clear off early if we possibly can on Tuesday, and we will have only four people in the Chamber. Why don't we use that time effectively to discuss important issues?" It would not be necessary to find a clerkly device to wangle one's way on to the agenda and squeak in a few words to heckle the Executive steamroller; instead, we could have a proper debate on refugees, on the Redcar steelworks or on tax credits. We have just had such a debate in Westminster Hall, which is a well-attended but nonetheless secluded venue for something so important.

I do not raise this matter—yet again—in anger; I raise it in frustration at the fact that our governance is such that we would rather keep control than find a sensible way to conduct a modern and mature democracy.

Mr Peter Bone (Wellingborough) (Con): Can the hon. Gentleman explain to me why in May 2009, the Prime Minister, then Leader of the Opposition, made a powerful speech about fixing broken politics, in which he said that there should be a business of the House committee; why he committed in the coalition agreement to establishing such a committee within three years of the Parliament; and why it never actually happened? What evil forces behind the scenes are stopping this?

Mr Allen: I do not believe that there are any evil forces. There is a desire when in government not to be bothered with explaining things any more than one has to. Governments want to get on and do business. There is a feeling that parliamentarians can be treated with contempt, because Parliament is a holding pen for the sheep who will troop through the Lobbies to enact measures that have been in a manifesto or on the Government's agenda, and that is the way things are done. I do not think that people are evil, unpleasant or malicious; I think that they are simply missing an opportunity.

[Mr Graham Allen]

I want to mention the two most powerful people in the House of Commons: Roy Stone, the principal private secretary to the Chief Whip, and Mike Winter, the head of the Office of the Leader of the House. They are decent civil servants, but they could be told by an incoming Prime Minister, “This is simply not good enough. We are a laughing stock compared with other legislatures.”

We are elected on election day and the electorate give us legitimacy, which is sucked out of us by a Government who have no legitimacy of their own. They are not directly elected, so they have to get legitimacy from somewhere. It is rather like a scene from a science fiction film in which people are tied to a wall and pipes attached to their veins, so that they can give sustenance to a beast that sucks their blood. Government suck out the legitimacy that the electorate give to Parliament and leave us a shell, and we are the worse for it. Government stride off, pumped up with the legitimacy that is rightfully Parliament’s, because they have none of their own.

I do not blame any of the civil servants or incumbent Ministers, because that has been a feature of governance in this country—this includes Labour Governments and Labour Prime Ministers—for as long as I have been in Parliament. I am simply trying to put on the table yet again the fact that there is a better way of doing things, as a result of which we would not be held so much in contempt. If the Government involved Parliament and listened to people, they would act as a symbol to people out there that we are doing things in a different way.

Paul Flynn (Newport West) (Lab): I congratulate my hon. Friend on raising this important subject, as he has for many years. The lesson is that all Governments and Governments-in-waiting are power retentive, with an addiction to hanging on to every scrap of power. They think that, in setting up a House Business Committee through which the House decided its own business, they would lose a minute part of their power.

Because of the Petitions Committee, earlier this week this room was filled with members of the public, who were all allowed to use their iPads to send messages, intent on a subject of their choice through petition. That is one step forward but, unfortunately, it tends to end in disappointment because no decisions are taken at the end of those petition debates.

Mr Allen: Yes, the petitions question is one that my Select Committee—the Political and Constitutional Reform Committee, of which my hon. Friend the Member for Newport West (Paul Flynn) was a distinguished member—looked at, along with all the Wright reforms. Indeed, one of my anxieties is that new Members coming to this place just assume that some of those bits of progress are part of the atmosphere here and have been for several hundred years—not true. Select Committee Chairs and members, some of whom are present today, have just been elected for only the second time in parliamentary history.

Before that, the Government—the very institution that is meant to be held to account—decided who went on those Committees. What an absolute nonsense that was! I was in the Whips Office; of course the people who the Whips think will do more appropriate things were put on Committees. They are not going to put

difficult people into politically tender situations. People are going to be rewarded with Select Committee Chairs and so on. That is no way to run a democracy.

Fundamentally, GCSE-level politics says that unless we have a plurality of institutions, each with their own legitimacy, independence and standing, we cannot say that we have the structure of a genuine democracy. That is where we need to get to and where we will get to, either by kicking and screaming as the Union is dismembered, mass cynicism pervades the electorate and the concept of democracy starts to come under threat, or by using our brains to try to get people to pull together and act in partnership, in a plural way, to build the democracy that the country deserves and needs.

I just managed to squeak in, Mr Gapes, moments before your good self because I was on the Floor of the House where we were talking about devolution, democracy and giving people power. I welcome the Cities and Local Government Bill and the efforts of the Secretary of State who has done a fantastic job on it, perhaps to the alarm of some of my colleagues. But we need to spread that further. We need to say to people, “We cannot do this in little isolated blocks. We actually need to renew our democracy.” That is my ask of Government Ministers and officials.

I know there is a speech ready. I know it will say, “Have we have passed the test set by Mr Lansley? Yes we have. Blah blah.” There will be a defence that although it appeared in the coalition agreement and was reneged on, there were reasons for that. There will, no doubt, be a statement saying, “It was in the manifesto but we didn’t do it. The Prime Minister himself committed to serious reform and certain things got in the way.” I am not interested, to be honest. I would like the Minister to get to her feet and engage me in debate about why we cannot build a better way of running the relationship between Government and Parliament without it being a relationship of subordination and domination. Why can we not get that fantastic added value that we all get in our family affairs by having a properly balanced relationship where discussions happen and decisions are made when people come to a consensus?

I will put this matter on the agenda again if I can. There is a lot more to be said. I could say a lot more but it would be very repetitive because we have raised the issue since the Wright Committee. In other words, we have raised the issue with all parties in Government. We have raised this issue with coalition Governments, Labour Governments and Conservative Governments. At one point in this historical process—I hope I am still alive to see it and cheer: from afar, no doubt—the Government will accept that building an effective, honest and open partnership with Parliament is a better way to govern a democracy that to do what they do now, which is often to impose and to control.

Let a thousand flowers bloom. Let a debate take place. Perhaps a House Business Committee—minor though that may be, and technical and dry though it may sound—could be a symbol of that new start.

4.15 pm

The Deputy Leader of the House of Commons (Dr Thérèse Coffey): It is a pleasure to serve under your chairmanship, Mr Gapes, and to respond to the debate on the creation of a House Business Committee. May I start by congratulating the hon. Member for Nottingham North

(Mr Allen) on securing this debate? Although I recognise that I might not be about to relieve his frustration, I am sure that he will understand, as he said, the points that I intend to make.

The Government's position on the creation of a House Business Committee remains as set out in an answer to a parliamentary question tabled in July by the hon. Member for Nottingham North, which it may be helpful to read out:

"There was an absence of consensus on this issue at the end of the previous Parliament, and there is still no consensus at the beginning of this Parliament. The Government therefore have no intention to bring forward proposals."—[*Official Report*, 9 July 2015; Vol. 598, c. 448.]

That remains the Government's position and although this could be a short speech, I want to add something to that response, including comments on some issues raised during this debate.

I will start by addressing the issue of a House Business Committee directly. During the previous Parliament, the Political and Constitutional Reform Committee proposed a House Business Committee, based around the idea of a consultative committee, from a list of several different options. I think that five or six options were put forward and one was plumped for. By its own admission, the Political and Constitutional Reform Committee recognised that each of its proposals for a House Business Committee had

"virtues as well as disadvantages",

and it had concerns that it did not wish to do anything that

"would undermine the advances already made"

on the reform agenda.

While the principle of a House Business Committee has its supporters, agreement on its purpose, function and composition has been lacking. It is fair to say that a typical week in the House since 2010 gives the Government two days in the Chamber to progress their legislative agenda, with a day for Opposition scrutiny and another for Back-Bench nominated, House-controlled business. Those supporting the creation of a House Business Committee need to address the issue of its purpose and to answer the question of what deficiencies in the current system it would address.

When Lord Lansley was Leader of the House, he set out a number of tests that any Committee would need to meet to be able to operate effectively and add value to our current arrangements. Those tests are still valid. In particular, such a Committee must

"provide Government control of its legislative programme; respect the remit of the Backbench Business Committee; take into account the views of all parts of the House without becoming unwieldy in size; co-ordinate business with the House of Lords; and retain the flexibility to change the business at short notice in response to fast-moving events."

As he said then, he was not able to identify a proposal that met those tests, nor did he suggest a means of doing so. The hon. Member for Nottingham North will be aware that we did not agree with the option that was suggested. There has certainly been a wide diversity of views in support of different options. Indeed, I recall the passing words of the former shadow Leader of the House, the hon. Member for Wallasey (Ms Eagle):

"All I would say is I look forward with a great deal of interest to how you square the circle of the House Business Committee." That remains true today.

Mr Bone: I am grateful to the Minister for giving way and not reading her prepared speech. The situation is that this was in the coalition agreement—the bible of the right hon. Member for Sheffield, Hallam (Mr Clegg) and the Prime Minister. How on earth could it have got in the bible if it had not been thought through and agreed? I do not think that my hon. Friend's speech is career enhancing if she is going against what the Prime Minister wants.

Dr Coffey: I am so pleased that my hon. Friend is interested in the future of my career. At the time, the noble Lord Lansley said that, yes, it had been in the coalition agreement but that he feared he would not be able to effect it because he had not been able to find a model that satisfied those tests. The tests are still valid. Could such a Committee co-ordinate the business of the House of Lords? How would a weekly meeting react to fast-changing events and the need to change business at short notice? How could it represent all Back Benchers without becoming unwieldy in size?

The current system gives every Back Bencher a weekly opportunity to hold the Leader of the House to account for the proposed business, to question him on that business and to make requests for future business. The previous coalition Government gave evidence to the PCRC on the large amount of consultation that had been undertaken and on the diversity of views that had been expressed, none of which fulfilled the tests or looked capable of securing consensus.

I remind Members of the positive reforms and developments in the last Parliament, which should be rightly celebrated. A PCRC report in the last Parliament considered the impact of reform and welcomed the progress that had been made since 2009—indeed, we voted for most of the reforms in 2010. The PCRC stated:

"There have been clear advances in the effectiveness of Commons select committees... The Backbench Business Committee has been a success and we welcome the good working relationships which it has established with the business managers".

We should also consider our recent experience of scrutinising legislation. There have been an increased number of multi-day Report stages—there were 25 in the 2010 to 2015 Parliament, compared with 11 in the previous Parliament. There has been increased use of pre-legislative scrutiny, with 17 measures in the last Session being published in draft. We have allocated more time for scrutiny, but four in five Public Bill Committees, 83%, finished early last year, which is more than in the previous year. We have also implemented explanatory statements on amendments.

The House and the Government have not rested on their laurels. Ten of the reforms highlighted by the 2009 House of Commons Reform Committee report related to better engagement with the public. I am pleased that, following collaborative work between the Procedure Committee and the Government, this House agreed to a joint system of e-petitions, thereby meeting the public's expectation to be able to petition their Parliament and to seek action from their Government in response. The Petitions Committee created in this Parliament as part of the joint package fulfils that expectation. Two debates have been organised by the Committee, including one on Monday led by the hon. Member for Newport West (Paul Flynn), which attracted wide attention.

[Dr Thérèse Coffey]

I am disappointed by the reference of the hon. Member for Nottingham North—dare I say it?—to colleagues being lifeless clones who are just part of the machine. He referred to executive power, and he needs no reminder that the Executive is part of this House. This place may be unusual, although not rare, in not having a separate Executive and legislature, but I do not believe that this is a weak Parliament, far from it. Parliament does hold the Government to account. He referred to legislation being rammed through but, despite what people think, my party has a mandate from winning the election. Nevertheless, it has not been my experience, either as a Back Bencher or as a Minister, that the Government ignore other people; in fact, I find that the Government have listened to people's views. Debates have been extended and Bills have been amended in Committee and on Report to reflect discussions with other MPs. That is mature politics, unlike what was suggested earlier.

There has already been a large amount of scrutiny on the subject of tonight's debate, but I am pleased that we are debating it once again. I am sure that the hon. Gentleman will decide whether some of his colleagues are mindlessly walking through one Lobby or another. The result will be interesting.

I hope that I have addressed the points about the coalition agreement by simply reiterating what the noble Lord Lansley has previously said to the House, but I recognise that the hon. Gentleman will still be disappointed. I conclude by assuring him, and other Members present, that we will continue to work constructively and positively with the relevant Committees and others on both sides of the House. Ultimately, we are all parliamentarians, and we all fought an election to get here. We are all proud of that and want Parliament to work, but we need to do something feasible that allows scrutiny while allowing the Government to enact their legislative agenda.

Mr Graham Allen: On a point of order, Mr Gapes. Would it be in order to squeak against the steamroller one last time by having a vote?

Mike Gapes (in the Chair): Mr Allen, this is not the appropriate time to raise that point. You should raise it after I have put the question.

Question put.

The Chair's opinion as to the decision of the Question was challenged.

Question not decided (Standing Order No. 10(13)).

4.25 pm

Sitting suspended.

Capel Celyn Reservoir (50th Anniversary)

4.30 pm

Liz Saville Roberts (Dwyfor Meirionnydd) (PC): I beg to move,

That this House has considered the 50th anniversary of Capel Celyn reservoir.

This October marks the 50th anniversary of the official opening of the reservoir that flooded Capel Celyn, a rural community in the Tryweryn valley in my constituency. The village, along with other parts of the valley, was razed and then flooded to supply Liverpool and the Wirral with water, primarily for industry.

A private Bill sponsored by Liverpool Corporation was brought before Parliament in 1956. By obtaining authority through an Act of Parliament, Liverpool City Council avoided any requirement to gain consent from the Welsh planning authorities. Despite 35 out of the 36 Welsh MPs voting against the Bill, in 1957 it was passed by Parliament.

The village of Capel Celyn was one of the few remaining Welsh-only speaking communities in existence. It had a school, a post office, a chapel, a cemetery—the usual things—along with a number of farms and homesteads. The culture and life of the people of Capel Celyn might not mean much to those who neither know nor love Wales. To members of the Liverpool Corporation, the farms that they were drowning were no more than convenient stretches of land along a remote valley floor, so the region as a whole—a convenient 800 acres—could thus be put to a more convenient and productive use. To Welsh men and women however, their very names ring like bells—Hafod Fadog, Y Garnedd Lwyd, Cae Fadog, Y Gelli, Pen y Bryn Mawr. But those bells now ring underwater and are heard by no one. It is an evocative image in Wales, which remembers the bells of Cantre'r Gwaelod, and the loss associated with inundation.

To understand the strength of feeling in Wales about the event, one must first know something, not of the agricultural potential or the landscape of the Tryweryn valley, but of the character of the community it supported and its place in Welsh life. The people of Capel Celyn were an integral part of the pattern of one of the richest folk cultures in Europe. Cynghanedd poetry was not an academic affectation, but the flower of a robust tradition with a sophisticated metrical discipline that was passed from generation to generation. It was a community with one of the oldest living languages in Europe. It is a language with an unbroken literary tradition, exceeded only by Latin and classical Greek, which was and remains under threat.

No civilised person would wish to see a community of such significance and such high artistic and intellectual attainment invaded and destroyed by an alien institution. Far greater schemes have been rejected by Government to protect wildlife or sites of antiquarian value. The Tryweryn valley was a living community of men and women, young and old, whose continued existence was of far greater moment to Wales, and indeed to Europe, than any ruins or wildfowl, important though those may be.

The value of what was at stake 50 years ago was described in a letter to the *Liverpool Daily Post* from Mrs Gertrude Armfield, an English woman resident in Wales:

“The way of life nurtured in these small villages which serve, with their chapel and school, as focal points for a widespread population—this way of life has a quality almost entirely lost in England and almost unique in the world.

It is one where a love of poetry and song, the spoken and written word, still exists, and where recreation has not to be sought after and paid for, but is organised locally in home, chapel and school.”

It was not a stretch of land that was flooded against the will of the people of Wales, but a community of people, a culture and a language. People saw the coffins of their parents and grandparents dug up and reburied at Llany Cil and Trawsfynydd.

Jonathan Edwards (Carmarthen East and Dinefwr) (PC): I congratulate my hon. Friend on securing the debate and on the incredibly passionate speech she is making this afternoon. Does she agree that Tryweryn had a traumatic impact on the Welsh psyche? It is immortalised in the words of Meic Stevens, that great Welsh folk singer, when he says:

“Dwr oer sy’n cysgu yn Nhreweryn”—

it is cold water that sleeps in Tryweryn. Does that not say it all about the impact of Tryweryn on the Welsh psyche?

Liz Saville Roberts: It does indeed. Another poet, Twm Morys, says of people who drive past the lake, which is of course strikingly beautiful:

“Be’ weli di heblaw dwr?”

There is more to the place than just the water that we now see and appreciate. The water was for industry in Liverpool, and, indeed, excess water for the Liverpool Corporation to sell at a profit.

But why Wales? Wales is a small country, whose language and way of life was, and is, threatened with extinction—inundation. England on the other hand was a country with 10 times Wales’s area, whose language and life were in no peril. It is safe to say that the English language was then, and remains, the most politically powerful and richly resourced language in the world. There were untapped resources in Cumberland and Westmoreland, where the water of many natural lakes was not being used by any authority. Why insist on flooding a Welsh community for its water? The answer has been given quite openly by those behind the project: they came to Wales, not because water was unavailable elsewhere, but because they could get it at a lower cost. It was purely a matter of business—profits. The issue was not whether Liverpool was to get more water, but how cheaply it could get it.

Another reflection of Liverpool’s attitude towards Wales was its lack of candour. Neither the people of Capel Celyn, nor the people of Wales as a whole, were informed by the council of its intentions. They were left to infer from reports of engineers that the work afoot in the Tryweryn valley would mean something significant to their lives. Those who lived in Capel Celyn facing eviction learned of their fate for the first time from the press. Their reaction was predictable. They put their names to a statement expressing uncompromising opposition. They established a defence fund, contributed liberally to it and, in the best Welsh tradition, set up a Tryweryn defence committee, to which representatives were elected by the public bodies directly concerned, such as the county councils, national park authorities and the Dee and Clwyd river board.

One of the committee’s first actions was to ask Liverpool City Council to accept a strong and representative deputation from Wales, which would put the Welsh

case. The request was refused. The town clerk stated that though the water committee would be willing to meet the deputation, the council itself dealt only with important local matters. The rebuff captured clearly the mentality of those behind the scheme—that Welsh opinion was of small importance in comparison with local Liverpool needs.

Hywel Williams (Arfon) (PC): I congratulate my hon. Friend on securing a debate on a significant matter for people in Wales, particularly north Wales. She will be familiar with the pictures of the march through Liverpool by the people of Capel Celyn and elsewhere. Women and children carried banners saying:

“Your homes are safe...Do not drown our homes”

to the council offices only to be met with a locked door. She spoke of Liverpool council’s priorities; it is clear in this case that the fate of the people of Capel Celyn was not its priority, and that is certainly a lesson for us for the future as far as Wales’s other natural resources are concerned.

Liz Saville Roberts: I thank my hon. Friend. I am aware that many people feel strongly about Capel Celyn, and were present and saw the events or were nearer to the events than I was. I find a certain irony in the fact that I am from south-east London, but it is a matter of pride to me that I am talking about this issue today.

Despite the clear and unmistakable opposition, from not only the people of Tryweryn and the people of Wales, but every single MP from Wales, bar one, Capel Celyn was flooded. Those who advocated the flooding of the village spoke of the employment created by the reservoir. They spoke of the hundreds of jobs created temporarily during the construction phase and “about 20” permanent jobs. Almost any atrocity can be justified in Wales on the grounds that it creates employment. That justification is still used today, most recently perhaps in the case of the so-called “super prison” in Wrexham. Despite the number of prison places needed across the whole of north and mid-Wales being between 700 and 750, a prison to house 2,000 prisoners will be built in Wrexham to accommodate the needs of the north-west of England. The justification? One thousand jobs.

No Welsh man or woman can feel happy about the position of their country when it is possible for anybody outside Wales to decide to take Welsh land and resources regardless of the social and economic impact of that decision on Wales. As the private Bill was passing through this Parliament in 1957, the late Gwynfor Evans, Plaid Cymru’s first MP, spoke of its being “part of the crippling penalty paid by a nation without a government.” He also said:

“Had Wales her Government, Liverpool would have had to negotiate with a responsible Welsh body for the resources it required. A unilateral decision to take Welsh land would be as unthinkable as it would be for an English authority to walk into Ireland and take a valuable part of the Gaeltacht.”

It was that blatant disregard for the social and economic impact of the UK Government’s decision on Wales that sparked the national debate about Wales’s constitutional future. Arguably, it led to the election of Gwynfor Evans in July 1966 to the House of Commons, who became, as I mentioned before, the first ever party of Wales MP—Wales’s first independent voice in this Parliament.

The combination of sadness and anger that the events at Capel Celyn caused in Wales also played its part in the demand for the creation of the Crowther commission,

[*Liz Saville Roberts*]

or the Kilbrandon commission as it was later rebranded. It sparked a realisation in the minds of the people of Wales that we were not adequately represented in Parliament.

Paul Flynn (Newport West) (Lab): I warmly congratulate the hon. Lady on reminding us of these events that took place 50 years ago. I think I am one of the few people in this debate today who has memories of it, because I was a mature politician at that time. The most remarkable figure that she has cited is that only one of Wales's MPs supported the flooding of Capel Celyn. We had this extraordinary unanimity. Welsh MPs at that time agreed on nothing, but they came together on this issue, because it was an act that was insulting to the Welsh nation and because a language that echoed down the centuries—a 2,000-year-old language and culture—was given no power to defend itself. I hope that we have learned the lessons of Tryweryn, and its reverberations are carrying on now in our perception of ourselves as a nation and in the need to have our own independent voices.

Liz Saville Roberts: Indeed. We learned lessons, of course, about what representation actually means and about the impact of not being represented sufficiently, and people came to understand that we were not treated as equal in this unique family of nations.

That understanding, along with the injustice dealt to the people of Wales and Scotland during the 1970s, eventually led to the people of both countries demanding a say in their constitutional future. The 1979 referendums, in which 20% of the Welsh electorate and 52% of the Scottish electorate voted for the creation of national Parliaments, was the first tentative step towards greater autonomy for both nations. Of course, neither country was given a Parliament as a result of those referendums but they laid the groundwork for what followed. And what followed was the historic vote of 1997, in which the people of Wales voted—very narrowly, but they voted—for devolution. That led to the creation, through the Government of Wales Act 1998, of the National Assembly, which was a directly elected democratic body representing the people of Wales.

However, even after the creation of the Assembly and even after the creation of a more powerful Assembly through the Government of Wales Act 2006, the people of Wales still have little say over their natural resources. Wales's natural resources remain outside the remit of the National Assembly. And on the emotive subject of water, the Secretary of State still reserves the right to intervene on any Welsh legislation that

“might have a serious adverse impact on water resources in England, water supply in England or the quality of water in England”.

Such a section is not included in the Scotland Act 1998. Why? I suggest to the House that Wales is unique in being the only developed country on this Earth that allows a neighbouring country to hold such powers of veto over its legislative competence.

That situation cannot continue. The lesson of 50 years ago is that as long as the Welsh nation has no national freedom, and as long as she is shackled to this imbalanced institution and at a constant democratic disadvantage vis-à-vis England, there will always be another Tryweryn waiting to happen.

Today, in the context of debate about her natural resources, Wales has only the freedom to protest; the freedom to recoil and react, but not to take the initiative, act for herself and make her own choices. Our natural resources are our most valuable assets. The supply of clean, fresh water across these islands is limited and there is now a growing appreciation of its importance as an industrial resource as well as a residential necessity. It must be considered as much a raw material as oil or iron ore, and just as precious. It is one of the most important of Wales's natural resources, and if we have been irresponsible in the past in our attitude to the rich resources of our land, we must mend our ways.

A resource taken by a city outside Wales is lost to Wales, with no fair exchange. That is a blunt statement of the obvious, but it is a truth that is too often ignored. We can little afford to ignore that statement. As we are so often reminded, Wales is the poor relation in this family of nations.

In the past, Welsh resources have enabled industry to develop in Liverpool, in Birmingham and in the rest of the English midlands, while Wales herself has been largely a stranger to such development. The people of Wales have had to follow her resources to find work, exacerbating the productivity gap between Wales and the rest of the UK. A responsible attitude towards Welsh resources will ensure that the people of Wales have the benefit of those resources in Wales.

It is right that Wales's natural resources should be used for the enrichment of all the people of Wales, just as the natural resources of every other country are used for the enrichment of their peoples. Until we make the necessary changes to Wales's constitution, Liverpool's actions 50 years ago will remain natural, logical, constitutional and perfectly legal into the future.

There is an opportunity ahead of us to ensure that that situation is not allowed to continue; an opportunity to ensure that the people of Wales have full ownership of their natural resources, and to ensure that never again will we see a repeat of the mistakes of our past. We have yet to have sight of the Wales Bill, but we have seen the White Paper, which was entitled, “Powers for a purpose”. It proposes building Welsh devolution on the same foundation as that of Scotland—a reserved powers model. We welcome that proposal with enthusiasm. It is long overdue and Plaid Cymru welcomes it not simply for the clear practical improvements and legal clarity that it will bring, but for the shift in attitude that it will necessitate.

It is right that decisions that affect the people of Wales should be made in Wales by democratically elected representatives, unless there is a good reason for those decisions to be made elsewhere. The reserved powers model will put the onus on the UK Government to justify why a matter should be reserved, rather than justifying why it should be devolved. It will mean that the UK Government, in producing the Wales Bill, must give the people of Wales full ownership of their resources, or justify not doing so. In that case, the UK Government must justify to the people of Wales why they should not have full ownership of their resources, when the people of Scotland have ownership of theirs.

I doubt very much that any Member of this House considers the flooding of Capel Celyn to be justified; I know that Liverpool Council has since apologised and that apology should be accepted in the extensive way in

which it was offered. However, the UK Government must now ensure that such an event can never be allowed to happen again. They must ensure that the law is changed, so that a repeat of the events of 50 years ago would be illegal today. Never again should the people of Wales be forced out of their communities against their will, against the will of the whole country and against the will of those who represent us in the directly elected National Assembly; never again should Welsh land, Welsh culture or Welsh communities be allowed to be so drastically undervalued; and never again should Parliament leave such a dark mark on Welsh history that it is commemorated here 50 years later.

Since the flooding of Capel Celyn, there has been a significant development in the national consciousness of Wales. There is no longer anyone in Wales who is not aware that the Welsh are a nation and that Wales is their homeland. While Wales's voice has been significantly strengthened, her natural resources remain in the hands of a neighbouring country and there have been no developments to make a repeat of the sad event at Capel Celyn illegal. The Secretary of State now has a chance to make his mark on Welsh history. The Wales Bill is an opportunity to put this matter right and I urge him to take it.

4.50 pm

Susan Elan Jones (Clwyd South) (Lab): It is a great pleasure to serve under your chairmanship, Mr Gapes. We Welsh people—I do not dare say we north Walians—remember the words, “Cofiwch Dryweryn” or “Remember Tryweryn”, and the hon. Member for Dwyfor Meirionnydd (Liz Saville Roberts) has spoken powerfully about that experience today. It was something that we never thought would happen. She described how the small Welsh community, with its school, post office, chapel, cemetery and farms, was suddenly underwater.

As we listened to the hon. Lady retell that history—of the Liverpool Corporation, the private Bill in Parliament and the small community of Capel Celyn—it almost felt as if we were hearing a David and Goliath story, only, on this occasion, Goliath won. I am not sure that he did, however. A year after that Bill, in early 1957, the Council for Wales recommended the creation of the then Welsh Office and the Secretary of State for Wales, and that changed the consciousness of so many people in different ways.

Those who have read Lord Elystan-Morgan's autobiography will know the amazing story of Jim Griffiths, the former deputy leader of the Labour party, in conversation with Nye Bevan. Nye Bevan, of course, belonged to a different tradition from me and my hon. Friend the Member for Newport West (Paul Flynn). We have two traditions in the Labour party on devolution for Wales, and we can safely say that my hon. Friend and I are the ones who have the right views. On this issue, Nye Bevan had the wrong ones. Jim Griffiths spoke to Nye Bevan, and Nye Bevan said, “Jim, do you really believe that we should have a Secretary of State for Wales and a Welsh Office?” Jim Griffiths said, “Yes, Nye, with all my heart I do.” Nye Bevan said, “Then you shall have it.”

What is significant about Capel Celyn is that not one single Welsh Member of Parliament voted for the private Bill. One abstained and all the others voted against. Something happened that flagrantly disregarded the

Welsh people. Of course, it was not the first time that a Welsh community had been displaced to provide water in this sort of way for English cities. It had happened previously in the Vyrnwy and Elan valleys, which were flooded in the late 19th century to create reservoirs serving Liverpool and Birmingham.

Something about Capel Celyn led to greater national consciousness, and that is why Goliath did not win. People considered things differently, and when the Wales Bill is debated, we will be considering things differently. I am delighted that there will be a model of reserve powers. That is right and proper, and it is where our constitutional settlement has taken us.

Some of the issues related to Capel Celyn are much more complex. The hon. Member for Dwyfor Meirionnydd mentioned the fact that, as well as being a north Walian, she is also a south Londoner. She and I—I think uniquely among Welsh MPs—can claim to be that. I lived in Elephant and Castle for several years. There are not too many Members of Parliament who are south Londoners and north Walians, and that helps us realise that, when we talk about the borders of Wales, things are that bit more porous. What was ironic about Capel Celyn was the number of Welsh people who lived in Liverpool. There has always been open migration across our borders.

When we speak about national powers, all of which are immensely important, we realise that, sometimes, even within those structures, there is a fear of big powers taking over little powers. That can be at county council level. I think sometimes of Denbighshire, and the closure of small schools. The hon. Lady will be aware of that with Gwynedd Council and the schools there, which close perhaps a little more often than she might like. Denbighshire is part of north Wales, and when I speak to anyone in Llandrillo in my constituency, they sometimes see the county council as a problem. These are not easy issues.

Today we remember the people of Capel Celyn and Tryweryn. Without quite going back to Cantre'r Gwaelod, we must remember those communities and say that if any good at all has come out of this issue, it is that greater debate on national consciousness. Some of us, including me, could never support independence for Wales—I am not being entirely serious, but if we were talking about independence for north Wales, I might be a little more sympathetic to the idea—but as we have this debate, let us remember what happened in Capel Celyn as we develop our great nation in whichever way we wish. Let us not forget. I congratulate the hon. Lady on an outstanding speech.

4.56 pm

The Parliamentary Under-Secretary of State for Wales (Alun Cairns): As always, Mr Gapes, it is a pleasure to serve under your chairmanship. I thank the hon. Member for Dwyfor Meirionnydd (Liz Saville Roberts) for securing this debate and pay tribute to her for raising such an important historic and emotive issue for the people of Wales.

Let me say at the outset that the whole situation was a shameful chapter in Welsh history and it should not be forgotten. In fact, the words “Cofiwch Dryweryn”, or “Remember Tryweryn”, painted on a wall in Llanrhystud, outside Aberystwyth, are instantly recognisable to people across Wales as they travel between the north and

[*Ahun Cairns*]

south. Those words remind us all of some of the darkest and most regrettable days in modern Welsh history. I am aware of the long-running campaign to have that sign declared a national monument, and I pay tribute to the work of the hon. Member for Ceredigion (Mr Williams), who has championed that. It is one for the Welsh Government, but the strength of feeling among people in Wales should certainly be heeded.

Those words, “Cofiwch Dryweryn”, speak of one of the darkest times in modern Welsh history, when members of one of the last Welsh-only speaking communities were forced from their homes to make way for a reservoir to provide the city of Liverpool with additional water for its people and industry, as the hon. Member for Dwyfor Meirionnydd highlighted. I welcome Liverpool City Council’s apology for its actions. I commend Lord Roberts of Llandudno for working with the council to ensure that that apology was forthcoming.

As the hon. Member for Clwyd South (Susan Elan Jones) mentioned, communities in Wales had previously suffered hardship to provide water. The village of Llanwddyn in Powys was flooded to make way for Lake Vyrnwy in the 1880s. During the passage of the Bill, there were protests from all corners of Wales—from local authorities, churches, individuals, community groups and the charitable sector. Members of all parties criticised the Bill and all Welsh MPs from all political parties, bar one individual, voted against it. The voice of the people of Wales was ignored, however, and sadly the Bill passed.

As the hon. Member for Dwyfor Meirionnydd said, Afon Tryweryn was flooded in 1965, despite a fight by the villagers and their supporters. Twelve houses and farms were submerged, as were the church, the cemetery, the post office and the local school, with 48 of the 67 people living in the valley losing their homes. Let me be clear: the flooding of Afon Tryweryn was a dark day in modern Welsh history, and I think it would be difficult, if not impossible, for anyone to try to defend it today.

Those incredible events arguably started the momentum for Wales to have more control over its own affairs. Last year, the Wales Office celebrated the 50th anniversary of the creation of the post of Secretary of State for Wales, a post that the Prime Minister continues to believe is required to provide a strong Welsh voice at the Cabinet table. Soon afterwards, the Wales Office was established to complement the work of the Secretary of State, and it took on more and more responsibility for Welsh issues from other Departments in Whitehall.

In 1997, Wales took another massive step forward, voting to establish the National Assembly for Wales. This body, directly elected by Welsh people, took on responsibility in vital areas such as planning, water and the Welsh language. In fact, I can still remember, upon being elected to the Assembly in 1999, debating the details of the break-up of Hyder, the company that owned Welsh Water. It led to the sell-off and then the transfer to Western Power Distribution, which led to Glas Cymru. It was sold for £1. That allowed for an innovative model: Welsh Water has no shareholders, so any surplus can be reinvested for the benefit of Welsh customers. The model is unique to the United Kingdom. It provides greater diversity of business models in Wales and around the rest of the country.

In 2011, following an overwhelming referendum victory, the Assembly became a full law-making body. The provisions of the Wales Act 2014 provided for the political institutions to become more responsible and responsive. In what some might argue as appropriate timing on the 50th anniversary of Tryweryn, a new Wales Bill will be published shortly. It will deliver on the commitments to further devolution to Wales made in the cross-party St David’s day agreement in areas such as energy and the environment. The reserved powers model will also provide additional clarity over what the Assembly is responsible for and what this Parliament is responsible for. It offers to provide a clearer, stronger and fairer devolution model.

In the 17 years since they came into being, the Assembly and its Executive, now rightly labelled the Welsh Government, have developed into mature political institutions, elected by the people of Wales to carry out their will in devolved areas. Ignoring the views of the people of Wales in flooding Capel Celyn was and is still seen as incomprehensible by most. Put simply, it would now be impossible. I want to pay tribute to the hon. Member for Dwyfor Meirionnydd for securing the debate. I specifically want to refer to water in my response and address the calls that Wales does not have power over water as it stands.

The St David’s day agreement clearly stated that water is now being considered as part of the joint Government review programme following the second Silk Commission. There are significant complexities because the Wales boundary does not tie in with the Welsh water boundary, and Welsh Water, ironically, has powers over some water supplies in Cheshire. Such matters need to be resolved and teased out. I do not want to reject absolutely the calls that the hon. Member for Dwyfor Meirionnydd has made, but the issues will be considered at length and in greater detail as part of the joint Government working review programme.

The debate has been extremely important. It has enabled us to reflect on some of the darkest days in Welsh history. However, I do not think we can deny the interdependence that we have across the border. Many comparisons have been made with Scotland, but there is a large geographical area between the urban conurbations of Scotland and those of northern England. In Wales, particularly north-east Wales, there is a free-flowing border, which adds to the complexity. So the model for Scotland is not necessarily the right model for Wales.

The hon. Member for Dwyfor Meirionnydd used the prison in Wrexham as an example, but I take that as a positive example. Our interdependence creates greater economic opportunity for us in Wales to provide the services and skills that are necessary to fulfil the needs of people in Wales, England and the rest of the United Kingdom. I thank the hon. Lady and other hon. Members for their contributions to one of the most powerful debates that I have sat through in Westminster Hall. It is something we will never forget.

Mike Gapes (in the Chair): I call Liz Saville Roberts for a few minutes to wind up the debate.

5.5 pm

Liz Saville Roberts: Thank you, Mr Gapes. I appreciate the opportunity to wind up the debate.

To hear the words “Cofiwch Dryweryn” quoted by people from the other two parties present is a source of pride. It shows that there is a general appreciation of the impact that the event had on people in Wales during the 1950s and 1960s. We are still seeing the repercussions now.

I am delighted by the very wise comments of fellow hon. Members this afternoon. It was borne in on me in preparing for this debate that the act of remembering is integral to the wellbeing of a nation, and the debate here today denotes part of the remembering process for Wales.

Hywel Williams: One of the points in my hon. Friend’s speech that impressed me immensely was the call that she made for Wales’s natural resources to be controlled by the people of Wales. I do not want to introduce a discordant note into the debate, but does she share my disappointment with the less than fulsome reply from both Front Benchers? One would have hoped—

Mike Gapes (in the Chair): Order. I remind the hon. Gentleman that this part of the debate is for wind-up remarks. This is not part of the wider debate. If he concludes his remarks, I will be grateful.

Hywel Williams: I am sure that my hon. Friend understands the point I was making.

Liz Saville Roberts: I would like to refer to some of the Minister’s remarks. I mentioned the Government of Wales Act 2006, which specifically provides that the

water that England takes from Wales must not be in any way restricted, and I like to think that Wales will be able to make best use of its resources in future. Although I am delighted to hear about rationalisation and realignment of border arrangements with the various water authorities, I think we are possibly talking about different things.

To come back to the prison in Wrexham, and jobs perhaps being perceived as a panacea for all ills, I think that the people of Wrexham feel differently about it and there are concerns about the social impact of having a prison of that size, and about who will come to fill those jobs.

I am delighted to have had the opportunity to hold the debate today. My agent, Elwyn Edwards, who spent much of his childhood years involved—indeed, he got into terrible trouble for missing school to protest in Liverpool—will also be glad that we have held this debate. Some of us will speak in a rally on the dam in Capel Celyn on Saturday—weather permitting—and we will take the message forward. *Diolch yn fawr.*

Question put and agreed to.

Resolved,

That this House has considered the 50th anniversary of Capel Celyn reservoir.

5.9 pm

Sitting adjourned.

Written Statements

Wednesday 14 October 2015

TREASURY

Double Taxation Arrangement: UK and Guernsey

The First Secretary of State and Chancellor of the Exchequer (Mr George Osborne): An exchange of letters signed in London on 22 September 2015 and in St Peter Port on 7 October 2015 amends the 1952 Double Taxation Arrangement with Guernsey. The texts of the letters have been deposited in the Libraries of both Houses and made available on the gov.uk website. The texts will be scheduled to a draft Order in Council and laid before the House of Commons in due course.

Attachments can be viewed online at: <http://www.parliament.uk/writtenstatements>

[HCWS235]

Double Taxation Arrangement: UK and Jersey

The Financial Secretary to the Treasury (Mr David Gauke): An exchange of letters signed in London on 22 September 2015 and in St Helier on 1 October 2015 amends the 1952 Double Taxation Arrangement with Jersey. The texts of the letters have been deposited in the Libraries of both Houses and made available on the gov.uk website. The texts will be scheduled to a draft Order in Council and laid before the House of Commons in due course.

Attachments can be viewed online at: <http://www.parliament.uk/writtenstatements>

[HCWS236]

Petition

Wednesday 14 October 2015

OBSERVATIONS

JUSTICE

Pardon for Dic Penderyn

The Petition of residents of Wales,

Declares that Richard Lewis (known as Dic Penderyn) was a Welsh labourer and coal miner who lived in Merthyr Tydfil; further that he was involved with the Merthyr Rising of 3 June 1831; further that during the riot, he was arrested and charged with stabbing a soldier, Donald Black, with a bayonet; further that the people of Merthyr Tydfil were convinced of his innocence and signed a petition for his release; further that despite this, he was found guilty and hanged on 13 August; further that in 1874, a man named Ianto Parker confessed on his death bed that he stabbed Donald Black; further that James Abbott, who testified against Richard Lewis at the trial later admitted to lying under oath; further that at Mr Lewis' trial, the Prosecution suppressed evidence which would have exonerated him; further that the same evidence, which should have led to his pardon

in 1831, was also suppressed by the trial Judge and the Home Secretary; further that there is strong feeling in Wales that Richard Lewis was wrongly executed, that his conviction should be overturned and that he should be granted a pardon.

The Petitioners therefore request that the House of Commons urges the Secretary of State for Justice to grant a pardon to Richard Lewis.

And the Petitioners remain, etc.—[Presented by Ann Chwyd, *Official Report*, 29 June 2015; Vol. 597, c. 1305.]

[P001530]

Observations from the Minister for Policing, Crime and Criminal Justice (Mike Penning):

By convention, the Royal Prerogative of Mercy (RPM) is only used to grant a pardon where evidence has come to light which demonstrates conclusively that the convicted individual was innocent and that the relevant appeal mechanisms have been exhausted.

As far as we are aware, no approach has been made to either the Court of Appeal or to the Criminal Cases Review Commission to review the conviction and therefore we do not consider recommending the use of the RPM to Her Majesty the Queen in this case, until all the avenues of appeal have been exhausted.

Should the Court of Appeal refuse to quash the conviction (whether or not after a referral by the Criminal Cases Review Commission), Dic Penderyn's supporters could then approach the Secretary of State to seek a recommendation for a pardon.

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