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**HOUSE OF COMMONS
OFFICIAL REPORT**

**PARLIAMENTARY
DEBATES**
(HANSARD)

Wednesday 25 November 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—

Northern Ireland Executive (Financial Position)

1. **Mary Glendon** (North Tyneside) (Lab): What steps she is taking to ensure that the Northern Ireland Executive's financial position is sustainable. [902242]

9. **Chris Evans** (Islwyn) (Lab/Co-op): What steps she is taking to ensure that the Northern Ireland Executive's financial position is sustainable. [902250]

The Secretary of State for Northern Ireland (Mrs Theresa Villiers): It is for the Executive to deliver a balanced budget and sustainable finances. The Stormont House agreement and last week's fresh start agreement set out a range of measures to help them deliver that. These include implementation of welfare reform, measures to improve efficiency in the public sector and a new independent fiscal council for Northern Ireland.

Mary Glendon: Following the welcome agreement between Northern Ireland parties and the British and Irish Governments last week, how confident is the Secretary of State that the Executive's budget can be put on a sustainable footing, allowing a greater focus on value for money and public service delivery?

Mrs Villiers: I am confident about those matters. Earlier this week, the House passed the welfare reform proposals needed to apply welfare reform in Northern Ireland, which will make a huge difference to financial sustainability, and which also made progress in the House of Lords yesterday.

Chris Evans: Given that the Conservative party has come late in the day to the merits of devolution, what assessment has the Secretary of State made of devolving income tax to the Northern Ireland Executive as a means of putting them on a sure financial footing?

Mrs Villiers: The Conservative party is a strong supporter of devolution. Previous agreements with the Northern Ireland Executive make it clear that we are open to considering the devolution of further tax powers, but the Executive's highest priority is the devolution of

corporation tax, which we hope to press ahead with as soon as the Stormont House agreement conditions on financial sustainability are met.

Mr Laurence Robertson (Tewkesbury) (Con): The petition of concern advice in the fresh start agreement is not compulsory or binding on all parties, but does the Secretary of State agree that adherence to it will be important in enabling the Assembly to function properly and set a budget in a timely manner next year?

Mrs Villiers: My hon. Friend puts his points well. I agree that it is important that petitions of concern are focused on those matters for which they were devised—where individual parts of the community need to be protected on equalities issues—and I believe that the protocol agreed under the fresh start agreement will help to focus them on matters for which they were always intended.

Mark Pawsey (Rugby) (Con): It is important that the agreement puts Northern Ireland's finances on a sustainable footing. What steps will the Secretary of State take to make sure it lasts over the longer term?

Mrs Villiers: One of the most important things that the UK Government are doing to ensure sustainable public finances for the Northern Ireland Executive is implementing our long-term economic plan to deliver economic stability and prosperity. The Northern Ireland economy is growing, and these measures will help to support the Executive in their efforts to ensure that there are sustainable public finances.

Mr Nigel Dodds (Belfast North) (DUP): Does the Secretary of State agree that without the fresh start agreement there would be no prospect whatsoever of a sustainable budget for the Northern Ireland Executive, which would lead inexorably to the return of direct rule, which would be bad for Northern Ireland and all its people? Does she also agree that the agreement provides for the most generous welfare system in the UK, provides help for hard-working families and sets a date for lowering corporation tax, which will help to create jobs and boost employment?

Mrs Villiers: I can agree with all of that. I have made it clear that without the successful outcome of the talks and the fresh start agreement, we would have been on an inexorable path to the collapse of the institutions and a return to direct rule. I wholeheartedly agree that that would have been a major setback, and one that everyone in the House has striven to avoid.

Mr Dodds: Following the fresh start agreement, will the Secretary of State now talk to her Cabinet colleagues, particularly the Chancellor, about how, along with the Northern Ireland Executive, we can link Northern Ireland in with the northern powerhouse, to our mutual benefit?

Mrs Villiers: That is a very good idea to consider, and I will certainly raise it with the Chancellor. The proposals in the economic pact agreed between the Executive and the Government a couple of years ago demonstrate that the two Administrations are working more closely together than ever before, but including a northern powerhouse element is a good idea.

Deidre Brock (Edinburgh North and Leith) (SNP): Once again, I commend the Secretary of State for her work over the past few months, ensuring with all the parties that Stormont continues. As she knows, the bedroom tax and various other sanctions will not be imposed in Northern Ireland, which, for historical reasons, has a higher welfare spend than elsewhere in the UK. This will place a heavier burden on Northern Ireland than elsewhere. What plans do the Government have in place to back up the Northern Ireland Government should they struggle to fulfil these commitments?

Mrs Villiers: A reasonable compromise was reached in the two agreements between the parties and the UK and the Irish Governments that welfare reform would be implemented with certain top-ups agreed. As we have heard this morning, that gives Northern Ireland the most generous welfare system in the United Kingdom. Although we will not pay for a more expensive welfare system in Northern Ireland than elsewhere, the block grant gives a public spending per head rate in Northern Ireland that is higher than anywhere else in the UK. That provides support for Northern Ireland.

Dr Alasdair McDonnell (Belfast South) (SDLP): Does the Secretary of State agree with me that Northern Ireland's financial position cannot ever be sustainable or confident without a major prosperity strategy and an economic development plan that deals with the low skills, low pay and low productivity levels that we have?

Mrs Villiers: I agree that a strategy on prosperity is crucial in Northern Ireland just as it is everywhere else. That is why we are pursuing our long-term economic plan and why the Executive are working hard to make Northern Ireland a fantastic place in which to do business. Recent examples of new jobs announcements are 800 jobs in Enniskillen from Teleperformance; 250 in Belfast from Intelling; and 87 in Ballymoney from McAuley Precision and McAuley Fabrication. The Northern Ireland economy is a great success story, and I think the Executive should take pride in the role they have played in that.

Economic Development

2. **Mr Alan Mak** (Havant) (Con): What recent discussions she has had with the Northern Ireland Executive on economic development. [902243]

The Parliamentary Under-Secretary of State for Northern Ireland (Mr Ben Wallace): The Secretary of State and I hold regular discussions with the Northern Ireland Executive on economic development issues. Indeed, I met Jonathan Bell, the Minister for Enterprise, Trade and Investment last Thursday on such issues. The fresh start agreement, signed only last week, reaffirmed the Government's commitment to devolving corporation tax powers to Northern Ireland, if sustainable Executive finances are secured. This measure has the potential to have a truly transformative impact on the Northern Irish economy.

Mr Mak: I thank the Minister for his answer. Will he join me in welcoming the rise in visitor numbers to Northern Ireland and the economic benefits that it brings, and will he support stronger economic links between Hampshire and Northern Ireland?

Mr Wallace: The one thing that Hampshire and Belfast have in common is the cruise ships in Southampton. I am delighted to say that there has been an increase in cruise ships using Belfast as a gateway to Ireland, where people can visit the fantastic Giant's Causeway, the golf clubs and enjoy the Titanic Experience.

Danny Kinahan (South Antrim) (UUP): There has been no movement in Northern Ireland on an enterprise zone. Will the Secretary of State consider helping Belfast international airport to achieve an enterprise zone in my constituency?

Mr Wallace: During the original Stormont House agreement, the Government committed themselves to supporting an enterprise zone and indeed a city deal, should one come forward. It is for the Northern Ireland Executive to bring forward that city deal. My right hon. Friend and I are here to support that and make sure it happens.

Tom Pursglove (Corby) (Con): What benefits does the Minister think the hosting of the 2019 open championship at Royal Portrush will have on the Northern Ireland economy?

Mr Wallace: It will showcase the fantastic golf courses outside Belfast and around the rest of Northern Ireland. It is important to get tourists not just into Belfast but further afield. Golf is one of Northern Ireland's great offerings.

Ms Margaret Ritchie (South Down) (SDLP): Will the Secretary of State and the Minister have immediate discussions with the Northern Ireland Executive and the Secretary of State for Energy and Climate Change to reinstate the renewables obligation so that the contacts that people already have can be facilitated and so that we can underpin the local rural economy in Northern Ireland?

Mr Wallace: I thank the hon. Lady for her question. The Secretary of State for Energy and Climate Change is sitting here and will have heard her question. I will certainly be happy to discuss it with my right hon. Friend.

Vernon Coaker (Gedling) (Lab): Wherever I go in Northern Ireland, one of the major concerns that business raises with me is the need for improved access to broadband. According to a House of Commons Library research paper, as part of the Government's £530 million investment over the past five years in the UK's broadband network, English counties have received £294.8 million, Scotland has received £100.8 million, and Wales has received £56.9 million, whereas Northern Ireland received just £4.4 million. Will the Minister explain why that figure is so low?

Mr Wallace: I cannot answer exactly why the figure is so low other than to say that some of the responsibility lies with the Northern Ireland Executive and some obviously with the Government. I am happy to take up the low amount for broadband with the relevant Minister. It is important for Northern Ireland that that is improved.

Ian Paisley (North Antrim) (DUP): My constituency has taken a real kicking from the loss of manufacturing jobs in recent days, and, indeed, in the past 12 months. In a recent statement, the business Minister promised that the Government would go the extra mile. Can the Minister give me any hope or encouragement this morning at Question Time for manufacturing jobs in North Antrim?

Mr Wallace: As I have always said to the hon. Gentleman, who is a doughty champion of his constituents and always campaigns to increase manufacturing in his constituency, I will try to help him. This morning and last week, I spoke to the Mayor of London, and I hope that there will be some good news very soon about Wrightbus and more orders to come.

National Procurement Contracts

3. **Gavin Robinson** (Belfast East) (DUP): What discussions she has had with her Cabinet colleagues on ensuring that Northern Ireland benefits from national procurement contracts. [902244]

The Parliamentary Under-Secretary of State for Northern Ireland (Mr Ben Wallace): Northern Ireland firms, like those in the rest of the UK, can apply for large public sector contracts through the *Official Journal of the European Union*. The Government have also set a target that one third of central public procurement spend is delivered by small and medium-sized enterprises. Government Departments and their Northern Ireland Executive counterparts are here to help companies benefit from improved access to public sector contracts, and that includes companies in Northern Ireland.

Gavin Robinson: I know that the Minister, like me, is proud of the contribution that Thales, Bombardier and Harland and Wolff, which are in my constituency, make. However, following Monday's strategic defence and security review, will the Minister, alongside the aerospace, defence and security group, undertake to organise a round table, where companies in east Belfast and across Northern Ireland can ensure that they avail themselves of the opportunities in forthcoming procurement contracts?

Mr Wallace: The hon. Gentleman is right that Northern Ireland's skill base is perfect for increasing and exploiting its aerospace companies. I was delighted to visit Thales not long ago—it recently won another order in Malaysia. [Interruption.] My right hon. Friend the Minister for Small Business, Industry and Enterprise agrees that the hon. Gentleman has put forward a good idea, and I will be delighted to arrange that round table with him and my right hon. Friend.

Mike Wood (Dudley South) (Con): With 90% of firms in Northern Ireland being SMEs, what support is being put in place to safeguard their interests when collaborative procurement is promoted?

Mr Wallace: My hon. Friend is correct that SMEs suffer when bureaucracy is too great, and that is why the Cabinet Office has been leading the red tape challenge, which is designed to reduce red tape for small business.

If we continue to progress on those lines, small business will have an opportunity to thrive and take advantage of the low corporation tax that will hopefully be delivered in 2018. [Interruption.]

Mr Speaker: Order. I can scarcely hear the Minister's mellifluous tones, partly because there is too much noise and partly because the Minister understandably looked back at the person whom he was answering. His full visage should face the House—I feel sure that the House will benefit.

Lady Hermon (North Down) (Ind): Will the Minister commit to meeting senior representatives of Northern Ireland companies who have serious concerns about delays and waste in the UK's defence procurement procedures?

Mr Wallace: As a former aerospace worker, I know the extent to which delay can damage the supply chain. Under the leadership of our Defence Procurement Minister, we have improved defence procurement since I was working in aerospace and the previous Government were awarding contracts. I would be delighted to meet the heads of the hon. Lady's businesses and to ensure that they are getting an efficient service from the contracting Departments and that more business is done in Northern Ireland.

Stormont House Agreement

4. **Bob Blackman** (Harrow East) (Con): What progress has been made on implementing the Stormont House agreement. [902245]

The Secretary of State for Northern Ireland (Mrs Theresa Villiers): The fresh start agreement reached on last Tuesday opens the way for implementation of a range of provisions in the Stormont House agreement on welfare and sustainable public finances, flags, parades and reform of the devolved institutions, including establishing an official Opposition, reducing the size of the Assembly and cutting the number of Executive Ministers.

Bob Blackman: I thank my right hon. Friend for the progress that she has made on implementing the agreement. However, there are many other aspects still to be implemented. Will she update the House on what action she is taking to ensure that the entire agreement is implemented forthwith?

Mrs Villiers: I think that the fresh start agreement is a good deal for Northern Ireland. It is vital that we put the implementation of the Stormont House agreement back on track. It is, of course, a matter of regret that we were unable to agree on enough points on the legacy of the past to introduce legislation, as we had hoped to do, but we will be working hard on this matter, and I shall be meeting the victims commissioner and the Justice Minister next week to consider a way forward.

Mr Jeffrey M. Donaldson (Lagan Valley) (DUP): Will the Secretary of State work with members of my party to ensure that we continue to address the issues relating to the legacy of our troubled past? It is crucial that we

do our best to provide support and care for the innocent victims, and that we find a way of enabling them to have access to truth and justice.

Mrs Villiers: I can give the right hon. Gentleman that assurance, and I look forward to continuing to work with him on these important matters. I believe it is very important for the institutions envisaged under the Stormont House agreement to be set up, because the current institutions are not providing good enough outcomes for victims and survivors. We need to do something about the current situation, and that is why we need to make progress.

13. [902255] **Wendy Morton** (Aldridge-Brownhills) (Con): As we all know, politics is not an easy business, but what lessons can be learnt from the recent events, so that we can do everything possible to ensure that they do not happen again?

Mrs Villiers: That is a very good question, but I think we have already learnt from the problems relating to the Stormont House agreement, whose implementation was stalled a few months after it was established. Both the Northern Ireland Executive and United Kingdom Government have moved swiftly on the fresh start agreement. The Assembly has passed a legislative consent motion agreeing to a balanced budget in the Executive, and we in the House of Commons have pressed ahead with legislation on welfare reform.

Vernon Coaker (Gedling) (Lab): Despite the best efforts of the parties and the Irish Government, and despite the welcome deal that was done last week, the victims, survivors and their families will be both frustrated and disheartened by the fact that measures dealing with the past could not be agreed. However, I am told that progress was made on the issue. Will the Secretary of State tell us exactly what the problem was, who disagreed, and whether any of the documents that were discussed can be published?

Mrs Villiers: We will certainly reflect on whether it might be appropriate, in the coming months, to publish a draft Bill for consideration, but we would take no such steps without engaging in extensive discussions with the First and Deputy First Minister and with victims.

We made considerable progress on the issues of how the Historical Investigations Unit would work in practice and what sort of reflection in statute would be needed for the Implementation and Reconciliation Group. A number of issues were more or less resolved, although a key problem was establishing a mutually agreeable arrangement when it came to matters relating to national security. The Government made it very clear that we would provide the fullest possible disclosure for the HIU, but we have to ensure that documents that go from the HIU into the public domain do not jeopardise national security.

Vernon Coaker: I thank the Secretary of State for what I thought was a helpful answer. As I have said, the planned Stormont House agreement Bill was supposed to include new mechanisms to deal with the past so that victims and their families could find out more about

what happened during the conflict, to ensure that justice was done, and to provide better help and support for those who were affected. Is it not critical that that work is not lost or forgotten, and that we take it forward? How do the Government propose to do that, and will the families be included in the process?

Mrs Villiers: As I have said, I think it important for discussions to take place with victims' groups on charting a way forward. I also think it important for the issue not to be parked by the Northern Ireland parties pending the Assembly elections. We cannot let it rest for another year without taking action. We need to find a way to make progress, and we should try to retain the progress made in the Stormont House talks, which, as I have said, involved broad agreement on a number of important issues.

Legacy Issues

5. **Maria Caulfield** (Lewes) (Con): What steps the Government are taking to deal with the legacy of Northern Ireland's past. [902246]

The Secretary of State for Northern Ireland (Mrs Theresa Villiers): The recent political talks established significant common ground between the parties on dealing with the past, but, sadly, not enough to allow us to legislate at this point. We will keep working to achieve the necessary consensus to allow new structures for dealing with the past to be established.

Maria Caulfield: Does the Secretary of State agree that one of the key ways of moving away from the past, and from the lure of paramilitary activity, is to improve the economy of Northern Ireland, which currently has a higher level of working-age inactivity than any other region in the United Kingdom? What measures are the UK Government taking to help the Assembly to improve employment opportunities for young people in particular?

Mrs Villiers: My hon. Friend is absolutely right that a strong economy is key to more or less every other goal in government. Unless we have a strong economy, we cannot deliver the effective mechanisms for dealing with the past. The Government will continue to pursue their long-term economic plan to deliver opportunities for people young and old in Northern Ireland by creating new jobs: 33,000 more people are in work in Northern Ireland compared with 2010. [Interruption.]

Mr Speaker: Order. I understand the sense of anticipation in the Chamber at this time on a Wednesday, but I point out that we are talking about the legacy of Northern Ireland's past. Out of respect for the people of Northern Ireland, if for no other reason, a seemly atmosphere would be appreciated. Let us hear Mr David Simpson and the Minister's reply.

David Simpson (Upper Bann) (DUP): I am sure the Secretary of State will agree that, whatever settlement is agreed on the legacy of Northern Ireland, the victims are paramount in this, as has already been mentioned. Does she agree that no one but no one should be allowed to rewrite the history of Northern Ireland when we make that settlement?

Mrs Villiers: I can give the hon. Gentleman that assurance. It would be unacceptable to set up institutions that facilitated attempts to rewrite history. That is why the Stormont House agreement has written very clearly into it that new bodies must be objective, fair and impartial in all the work they do.

Sir Gerald Howarth (Aldershot) (Con): My right hon. Friend was not here in the House last week when I pressed my urgent question about the arrest of Soldier J, formerly of the Parachute Regiment. In answer, her excellent and gallant Friend, the Under-Secretary of State for Northern Ireland, said that the Secretary of State and the Irish Government had decided on legacy issues that the best future is to move forward and not back. Does she agree that to prosecute nearly 50 years later former British soldiers now in their late 60s and 70s who have done their best to serve their country would be an injustice?

Mrs Villiers: I am of course very much aware of my hon. Friend's long-standing concern about that case. He will appreciate that decisions on policing and prosecution are rightly matters for the police and prosecuting authorities entirely independent of Ministers, but I reassure him that I am absolutely confident that the Police Service of Northern Ireland will approach that sensitive case with all the principles of objectivity, fairness, impartiality and respect for human rights that it displays in all its work.

Mark Durkan (Foyle) (SDLP): Does the Secretary of State recognise not just that dealing with the past is a matter that we owe to victims, but that people want to know that we have not simply replaced the years of dirty war with a dirty peace? Does she recognise that, in the light of the serious questions raised by the "Spotlight" programme last night, the strictures she is placing on national security could suppress the truth not just about what state forces and state actors did, but what paramilitary forces and paramilitary actors did during the troubles?

Mrs Villiers: The UK Government are committed to the Stormont House agreement provisions on the past. We do think that they need to be set up, that it is important to give clearer answers to victims who suffered as a result of the troubles and to do all we can to pursue evidence of wrong-doing. However, I emphasise that I believe the vast majority of the police and armed forces in Northern Ireland during the troubles carried out their duties with exceptional courage, bravery, integrity and professionalism, so I wholly dissociate myself from the hon. Gentleman's characterisation of this as a "dirty war".

Security Situation

6. **Seema Kennedy (South Ribble) (Con):** What recent assessment she has made of the security situation in Northern Ireland. [902247]

10. **Nick Smith (Blaenau Gwent) (Lab):** What recent discussions she has had on the security situation in Northern Ireland; and if she will make a statement. [902251]

The Secretary of State for Northern Ireland (Mrs Theresa Villiers): The terrorist threat in Northern Ireland continues to be severe. It is being suppressed through effective and dedicated work by the PSNI and MI5, but the need for a high state of vigilance remains.

Seema Kennedy: So that paramilitary organisations no longer have a place in Northern Ireland, it is important to deter people from joining them in the first place. What measures are being taken to prevent vulnerable young people from joining paramilitary organisations?

Mrs Villiers: There is already a number of excellent programmes run by charities such as Co-operation Ireland to deter young people in Northern Ireland from a life of crime or association with paramilitary organisations. The fresh start agreement makes a stronger commitment to increase these programmes, so that young people are shown an alternative path and not drawn into association with terrorism, paramilitary organisations or crime.

Nick Smith: Last week's agreement contained welcome measures to tackle dissident republican groups. What is the Minister's assessment of the threat that is still posed by those terrorist groups?

Mrs Villiers: Those groups have lethal intent and lethal capability. They have been responsible for 150 national security attacks over the past five years. The threat from those groups is being suppressed by highly effective activity in the PSNI, aided in many instances by the Garda Síochána in cross-border activities.

Tom Elliott (Fermanagh and South Tyrone) (UUP): How concerned is the Secretary of State that the IRA army council is still in place and that IRA members are still murdering citizens on our streets?

Mrs Villiers: It is entirely unacceptable that any paramilitary organisations continue to exist in Northern Ireland. I believe that the fresh start agreement will mark a turning point and put us on the path to a day when those organisations are consigned once and for all to Northern Ireland's past and have nothing to do with its present or its future.

PRIME MINISTER

The Prime Minister was asked—

Engagements

Q1. [902327] **Fiona Bruce (Congleton) (Con):** If he will list his official engagements for Wednesday 25 November.

The Prime Minister (Mr David Cameron): Before I start, I would like to say something. Everyone in this House and many people watching at home will know from "Yes, Prime Minister" the central role that Bernard, the Prime Minister's principal private secretary, plays in the life of the Prime Minister and of No. 10 Downing Street. This morning, my Bernard, my principal private secretary, Chris Martin, died of cancer. Chris Martin was only 42. He was one of the most loyal, hard-working, dedicated public servants that I have ever come across. I have no idea what his politics were, but he would go to the ends of the earth and back again for his Prime Minister, for No. 10 and for the team he worked for. Today, we are leaving the seat in the officials' box, where he used to sit, empty as a mark of respect to him. We think of his wife, Zoe, his family and the wider No. 10 family—because it is a bit like a family and we feel we have lost someone between a father and brother to all of us. Whatever happens, we will never forget him.

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.

Fiona Bruce: May I first echo the Prime Minister's sentiments regarding the passing of Chris Martin? I am sure that all Members will send their heartfelt thoughts and prayers today, and we would be grateful if they could be conveyed to his family at this time.

Visyon, the excellent children's mental health charity in Congleton, tells me that the lack of a secure family life is a root cause of many of the problems experienced by the children it helps. The Prime Minister is a champion of family life, so will he confirm that announcements to be made later today will pass his family test by providing security for family relationships and opportunities for vulnerable children?

The Prime Minister: I thank my hon. Friend for her remarks. There will be condolence books in No. 10, and in the Treasury and the Security Service, where Chris Martin also worked. She is absolutely right to say that families are the best welfare state that we have. They bring up our children, they teach us the right values and they care for us when we are sick and unwell. We want to help families, and the Chancellor will have something to say about that later as we boost the national living wage, as we deliver tax cuts for working people and, crucially, as we help with childcare. As I have said before, all these policies should pass the test of helping Britain's families.

Jeremy Corbyn (Islington North) (Lab): On behalf of the Opposition, may I also express my condolences to the family of Chris Martin on his death? The Prime Minister told me how ill he was on Remembrance Sunday, and I am pleased that he was able to visit him at that time. Also, on behalf of the many Members who worked with Chris Martin when we were in government, I would like to say how much we appreciate the professional work that he did in the very highest and best traditions of the civil service in this country. It would be very helpful if our condolences could be passed on.

This week, 55 Labour councils have made a commitment for their areas to be run entirely on green energy by 2050. With the Paris climate talks just days away, will the Prime Minister join me in commending those councils, and will he call on all Conservative councils to do the same?

The Prime Minister: I certainly commend all councils for wanting to promote green energy, and we have made that easier in our country by having the feed-in tariffs and the other measures, particularly solar power and wind power. We will be taking part in the Paris talks because it is absolutely vital to get that global deal, but we have to make sure that we take action locally as well as globally. I would make the point that if you compare the last Parliament with the previous Parliament, we saw something like a trebling of the installation of renewable electricity.

Jeremy Corbyn: The commitment of those Labour councils is a bit of a contrast with the Prime Minister's performance, because he used to tell us that his Government were the greenest Government ever. Does he remember

those days? Does he agree with the Energy Secretary that Britain is likely to miss its target of getting 15% of our energy from renewables by 2020?

The Prime Minister: First of all, I believe that the previous Government does rightly claim that record: the world's first green investment bank pioneered in Britain; a trebling of renewable energy; a meeting of all our climate change targets; contributing to an EU deal that means we go to the climate change conference in Paris with a very strong European record; and the ability to say to other countries that they should step up to the plate. Also, in the previous Parliament we spent record sums helping developing countries to go green. In the next five years, we will be spending \$9 billion on helping other countries, which will be crucial in building the Paris deal next week.

Jeremy Corbyn: The problem with the Prime Minister's answer is that the gap between Britain's 2020 target and our current share of renewable energy is the biggest in the European Union. Some of the decisions he has made recently include cutting support for solar panels on home and industrial projects, scrapping the green deal, cutting support for wind turbines, putting a new tax on renewable energy, increasing subsidy for diesel generators. Is it any wonder that the chief scientist of the United Nations environment programme has criticised Britain for going backwards on renewable energy?

The Prime Minister: The facts paint a different picture. As I said, the trebling of wind power in the previous Parliament is an enormous investment. The right hon. Gentleman makes a point about solar panels. Of course, when the cost of manufacturing solar panels plummets, as it has, it is right to reduce the subsidy. If we do not reduce the subsidy, we ask people to pay higher energy bills, something I seem to remember the Labour party in the previous Parliament making rather a lot of. If you look at the speech by the Secretary of State for Climate Change, you can see the right balance between affordable energy and making sure we meet our green targets. That is what we are committed to. In addition, we are building the first nuclear power station in our country for decades, something that the Labour party talked about a lot in government but we are putting into action now that we are in government.

Jeremy Corbyn: In the past few weeks, 1,000 jobs have been lost in solar companies in Britain as they have gone bust. I have a question from some apprentice solar fitters at Banister House, a large community energy project. Ziggy, Israel and Jay say that cutting feed-in tariffs means stopping solar projects that are needed to help our environment and to give us jobs. They asked the Prime Minister this: "Why do you want to throw all this away?"

The Prime Minister: We are doubling investment in renewable energy in this Parliament. As for solar panels, I think I am right in saying that in the previous Parliament over 1 million homes were fitted with solar panels. It is right that we go on supporting that industry, but we should do it recognising that the cost of manufacturing solar panels has plummeted. Therefore, the subsidy

should be what is necessary to deliver solar power, not what is necessary to pump up the bills of hardworking families.

Jeremy Corbyn: That is not much help to those who are losing their jobs in the solar industry at the present time.

I would like to ask the Prime Minister something else. Today is the International Day for the Elimination of Violence against Women. On average, two women a week are killed by a current or former partner, and domestic violence accounts for up to a quarter of all violent crime. Will the Prime Minister please explain why one third of those referred to women's refuges in England are now being turned away?

The Prime Minister: We have put more money into refuges and the Chancellor will have something to say in his autumn statement about funding women's charities. The fact is that when it comes to rape crisis centres, which we have protected, or domestic violence centres that we help to fund, the Government have a good record on helping women and making sure that the crime of domestic violence is properly investigated by the police and prosecuted in our courts.

Jeremy Corbyn: The late Denise Marshall, who was chief executive of the domestic violence charity Eaves, put this very well when she said:

"If you are a woman who has experienced some form of violence, I believe you have the right to the very best service and the community owes you an opportunity to recover".

In 2012, the Prime Minister's Government signed the Istanbul convention on preventing and combating violence against women and domestic violence. This would make women's support services statutory and would have stopped the closure of Eaves. Can the Prime Minister please tell the House when he will ratify the Istanbul convention?

The Prime Minister: We are going one further than that, and in the autumn statement the right hon. Gentleman will hear in a minute that we are actually going to be putting more money into women's charities, including charities that fight domestic violence, that fight rape and that make sure that we cut out these appalling crimes in our country. In addition to that, we have done more than any previous Government to help prevent forced marriage and prevent the horrors of female genital mutilation, which do not just happen in Nigeria and countries in north Africa—they happen here in our country, too. I do not think any Government before this one have got a stronger record on those grounds.

Q4. [902330] **Maria Caulfield (Lewes) (Con):** Many of my constituents come to my surgery desperate to be able to own their home. Many of them are on a low income and they recognise that a monthly mortgage payment will be significantly lower than their current monthly rental payments—sometimes it will be up to 50% lower. Does my right hon. Friend therefore share the excitement of many of my constituents about the starter homes initiative contained in the Housing and Planning Bill, which will see affordable housing lower the monthly outgoings of many people in this country?

The Prime Minister: I do share my hon. Friend's enthusiasm for that. Clearly, there are lots of individual interventions we can make, such as Help to Buy, which has put buying homes within the reach of many more people by reducing the deposits they need. We can help people to save, which we do with our Help to Buy ISA, whereby we are contributing every time people make a saving. But the biggest contribution we can make is by building more houses, which we are going to be doing during this Parliament, and, crucially, by maintaining a strong, secure and stable economy with low interest rates, so that people can afford to take out a mortgage.

Angus Robertson (Moray) (SNP): May I begin by associating the Scottish National party with the condolences sent by the Prime Minister? Having spoken to him last week, I am aware of how much of a personal loss this is to him, as of course it is to Chris Martin's family and friends.

The fatal dangers of unintended consequences and escalation in Syria are clear for everybody to see in these days. All serious observers agree that an air campaign alone will not lead to the ultimate defeat of Daesh on the ground and that ground forces will be needed. How many troops, and from which countries, does the Prime Minister have in his plan for Syria?

The Prime Minister: First, I thank the right hon. Gentleman for his remarks about Chris Martin, whom I know helped all parties in this House when they had inquiries.

Let me deal very directly with the Syria issue and the question the right hon. Gentleman asked, because this is so crucial. I am not for one minute arguing that action from the air alone can solve the very serious problem we have with ISIL. Clearly, we need a political settlement in Syria and a Government in Syria who can act comprehensively with us against ISIL. The question for the House, which we need to address tomorrow and in the days to come, is: should we wait—can we afford to wait—for that political settlement before we act? My view is: no, we cannot wait for that political settlement. We should work as hard as we can for it, but we should be acting now, with allies, because this is about keeping our own people and our own country safe. He asked specifically about ground troops. The fact is that there are troops in Syria—the Free Syrian Army and the Kurdish forces—who would work with us to help eliminate ISIL, but of course the full range of ground troops will be available only when there is a political settlement in Syria. But the question is simple: can we afford to wait for that political settlement before taking action to keep us safe here at home? My answer to that is: no, we cannot afford to wait.

Angus Robertson: The United Kingdom spent 13 times more on bombing Libya than on investing in its reconstruction after the overthrow of the Gaddafi regime. Reconstructing Syria will be essential to securing stability and allowing refugees to return. How much does the Prime Minister estimate this will cost? How much has he allocated from the UK?

The Prime Minister: Obviously, we have one of the largest development budgets anywhere in the world, as the support that we have given to the Syrian refugees, which stands at £1.2 billion, demonstrates. Clearly, part of our plan, which I will set out tomorrow in a statement

in this House, will be to help fund the reconstruction and rebuilding of Syria alongside the political deal that we believe is necessary. I would far rather spend the money on reconstructing Syria than on supporting people who are kept away from their homes and their country and who dearly want to return.

Q6. [902332] **Richard Drax** (South Dorset) (Con): I know that my right hon. Friend is aware of the growing chorus of concern surrounding the conviction of Alexander Blackman, the former Royal Marine non-commissioned officer who shot a fatally wounded insurgent in Afghanistan in 2011. If there is indeed new evidence and if, as many feel, there has been a miscarriage of justice, does my right hon. Friend agree it is right that this matter should be looked into again?

The Prime Minister: This is exactly why the Criminal Cases Review Commission exists—to look at where there is or may have been a miscarriage of justice. As my hon. Friend knows, we gave the internal report of the naval services to Sergeant Blackman's legal advisers, so there is proper disclosure in this case. The legal team says that it is looking at the option of applying to the Criminal Cases Review Commission. While we are on this point, let me say that our Royal Marines have a worldwide reputation as one of the world's elite fighting forces. They have made an incredible contribution to our country, and we should pay tribute to them.

Q2. [902328] **Margaret Ferrier** (Rutherglen and Hamilton West) (SNP): The Government's handling of child sexual abuse inquiries has done little to instil public confidence so far. Last month, the Goddard inquiry announced that it had accidentally and permanently deleted all the victim testimonies submitted through its website over an 18-day period without anyone from the inquiry ever reading them. These victims deserve justice and for their voices to be heard. Will the Prime Minister please tell the House what independent investigation has taken place to establish the cause of the data loss, and whether or not there was any criminality behind it?

The Prime Minister: I am sure the whole House will welcome the fact that the Goddard inquiry is now up and running. The best way to get justice for these victims is to make sure that we have the full and independent inquiry that we have spoken about. As for the specific issue that the hon. Lady raises, it is a matter for the inquiry. If there is further detail that I can give her, I will certainly write to her. What matters is that this inquiry is now up and running.

Q8. [902334] **Robert Jenrick** (Newark) (Con): Three thousand jobs in Newark were lost under Labour. This month, we celebrate the creation of the 10,000th new job in Newark since 2010. Does the Prime Minister agree that, once again, Newark leads the way to a strong economy, high employment, higher wages and lower welfare?

The Prime Minister: I am delighted to hear that Newark has met that landmark. It is worth remembering that this figure of 10,000 represents 10,000 people, each with a job and livelihood and a chance to support their families. I well remember visiting my hon. Friend's

constituency. I cannot promise to visit it as many times in this Parliament as I did in the previous one, but I know that a business we visited called Knowhow last week announced the creation of more than 800 jobs. As ever, where Newark leads, I am sure that others will follow.

Q3. [902329] **Emily Thornberry** (Islington South and Finsbury) (Lab): Has the Prime Minister ever heard of Shaquan Sammy-Plummer, Alan Cartwright, Stefan Appleton, or Vaso Kakko? They are all teenagers stabbed to death on the streets of Islington in the past year. Vaso was murdered just two days ago. Given the growing culture of drugs, gangs and violence in my borough and many boroughs like it, does the Prime Minister really think it is in the interests of the safety and security of my constituents to cut the Metropolitan police?

The Prime Minister: First, every life lost in the way that the hon. Lady talks about is of course a tragedy, and many of these lives have been lost because of drugs, gangs and knife crime. Overall, knife crime has come down over the past few years, which is welcome, but there are still too many people carrying a knife and not recognising that it is not only against the law but an enormous danger to themselves as well as to others. We will continue with our tough approach on knife crime and with the work that we are doing to disband and break up gangs and to try to deal with the problems of drugs. In London we have actually seen an increase in neighbourhood policing, and the Metropolitan police have done a good job at cutting back-office costs and putting police on our streets.

Q10. [902336] **Steve Double** (St Austell and Newquay) (Con): After many years of neglect under Labour, Cornwall is once again seeing investment in our roads, railways, airport and tourism. Cornwall is ambitious to diversify its economy and become a centre for the UK aerospace industry; indeed, Newquay airport is the forerunner to be the location of the UK spaceport. Will the Prime Minister please provide an update on the decision for the spaceport, and does he agree that Newquay would be the perfect place for it?

The Prime Minister: It is good that this Parliament contains such strong voices for Cornwall, speaking up for that county and ensuring that it gets the assistance, resources and help that it needs. I am a strong supporter of Newquay airport, not just as a user but because it provides the opportunity for a hub of great businesses in Cornwall. We want to become the European hub for spaceflight, which will help to attract further investment in the UK and create jobs. A number of other airports are in the running, and I wish them all well. We aim to launch the selection process next year.

Q5. [902331] **Tulip Siddiq** (Hampstead and Kilburn) (Lab): The Government and I disagree about much of what constitutes progress on gender equality, but I agreed with the Prime Minister last year when he pledged to change the law to include mothers on marriage certificates. I have heard nothing since. With the fast-approaching birth of my daughter, I would like to be valued equally in her life with my husband, so will

the Prime Minister take the important and symbolic step to ensure that mothers are not written out of history?

The Prime Minister: This is an area on which the hon. Lady and I agree. My understanding is that proposals for that legislation have gone to the relevant committee in Government, and she has made an articulate case for why such a Bill should be included in the next Session.

Q13. [902339] **Graham Stuart** (Beverley and Holderness) (Con): Will the Prime Minister join me in commending the French Government for facing down terror and continuing with the climate summit in Paris next week? Will he acknowledge the important role of legislators such as those at the GLOBE summit on 4 and 5 December, and does he agree that his personal presence in Paris sends a message to the world about our continuing commitment to a lasting climate deal?

The Prime Minister: I am grateful for what my hon. Friend says. I will be going to Paris for the start of this vital conference to set out what Britain and the European Union will be doing to bring about that deal. As I have said, what we put on the table in terms of climate finance—nearly \$9 billion over the next five years—is one of the most generous offers made by any country anywhere in the world. The good news about the Paris conference is that, unlike with the Kyoto deal, China and America will be signatories to the deal, which means that many more of the world's emissions will be covered by it. We must work hard to ensure that it is a good deal with proper review clauses, and we need a way of tightening any deal to ensure that we keep to the 2° target. That is the task, but nobody should be in any doubt that Britain is playing a leading role, and has led by example and with money.

Q7. [902333] **Caroline Flint** (Don Valley) (Lab): There will never be a future where we do not need steel, but the Government are spending millions of pounds to compensate for the loss of UK steelmaking. Will the Prime Minister send a clear signal today to potential investors in our UK steel industry that he will do whatever it takes to back a sustainable, cutting-edge UK steel industry in the future? We want more steel that is used in the UK and across the world to be stamped “Made in Britain”.

The Prime Minister: I completely agree with the right hon. Lady. We want to support our steel industry, which is why we are taking action on procurement. If we consider what we have done through our Royal Navy, and what we can do through Railtrack and other organisations, we should back British Steel. We will also exempt heavy energy users such as British Steel from the higher electricity charges, and that rather goes to the questions asked by the Leader of the Opposition. If we endlessly push up bills for everybody else, it costs even more to exempt the high energy users, and that is why we need a balanced programme. Everything that we can do to help British Steel—including a clear infrastructure plan that the House will hear a bit more about in a moment—is all to the good.

Q14. [902340] **Mark Garnier** (Wyre Forest) (Con): In 2010, unemployment in Wyre Forest stood at around 5% of the working population, but it has now dropped

to just 1.6%. Does my right hon. Friend agree that to help those who are still unemployed, and to boost productivity and wages in places such as Wyre Forest, we should offer more opportunities for skills and training? What more can the Government offer to help places such as Wyre Forest?

The Prime Minister: Our vision is that all young people aged 18 should have a real choice of either being able to take on an apprenticeship—we are planning for 3 million in this Parliament—or being able to go to one of our universities. We do not want anybody left behind; everyone should have that choice. My hon. Friend is right that unemployment has fallen in his constituency, as around the country. We will hear from the Chancellor in a minute about what has happened over the past five years, but the fact is that Britain, over those five years, has grown as fast as any other G7 country in terms of our economic performance. We can now look back and see that the decisions made in 2010, 2011 and 2012 were difficult decisions but they laid the platform for sustained economic growth and jobs.

Q9. [902335] **Imran Hussain** (Bradford East) (Lab): Education in Bradford is facing a funding and school places crisis, and we remain at the bottom of the league tables. Bradford's children cannot be failed any longer, so will the Prime Minister support my call for a Bradford challenge based on the highly successful London challenge, and will he stop the dangerous changes to the schools funding formula that will drag the children of Bradford further into the land of inequality, despair and neglect?

The Prime Minister: We made commitments at the last election about funding our schools and funding school places, and we will be keeping to all those commitments, not just in the revenue that we provide to schools, where we will not be reducing the amount that goes in per pupil, but also in spending much more on new school places in this Parliament than in the Parliament that preceded my becoming Prime Minister. We are also helping with building new academy chains and new free schools, and they are available for the hon. Gentleman's constituency as for others.

David Tredinnick (Bosworth) (Con): Does my right hon. Friend agree that the turmoil in northern Iraq and Syria gives opportunities to resolve long-standing international disputes, not least with Russia? Does he agree that the attack on the Russian bomber, something that never happened in the whole of the duration of the cold war, was disproportionate, and will he make absolutely sure that we do not get into a conflict with Russia over Syria?

The Prime Minister: There are opportunities for sensible discussions with Russia about the agenda in Syria, which is about a political transition so there can be a Government who represent all the people of Syria. I had that conversation with President Putin last week. My hon. Friend mentions the downed Russian jet. The facts of this are not yet clear. I think we should respect Turkey's right to protect its airspace, just as we defend our own, but it is very important that we get to the bottom of exactly what happened.

Q11. [902337] **Mr Jim Cunningham** (Coventry South) (Lab): The Prime Minister very often tells us that the first duty of any Government is to protect the public. Will he give an undertaking to restore the cuts to the police and the emergency services to ensure that the public in this country are protected?

The Prime Minister: This Government have a good record of protecting the public, not least because we protected counter-terrorism policing and we had a funding situation with the police that enabled them to help with the cut in crime of 31% since I became Prime Minister.

Jake Berry (Rossendale and Darwen) (Con): Jon Morton, a drink-driver, destroyed the lives of Amy Baxter and Hayley Jones, with Miss Baxter being so severely injured that she is paralysed from the neck down and still in hospital 16 months later. He was sentenced to just a three-year driving ban, a fine and a 20-week tag. Weeks later, he successfully applied to Bolton magistrates court for his tag to be removed so that he could go on holiday to a stag party. Will my right hon. Friend look to issue guidance to magistrates that a tag, when part of a sentence, should never be removed to allow criminals to go on holiday?

The Prime Minister: My hon. Friend makes a very powerful point, and I will look at this very carefully. Let me first express my sympathy to the victim and her family in what is undoubtedly an incredibly distressing case. It is always very difficult to comment on individual cases, because I was not sitting in the courthouse and I did not hear all the points that were made, but the point he makes does seem to be very powerful. A punishment is a punishment, a tag is a tag, and I think he is making a strong case.

Q12. [902338] **Stewart Malcolm McDonald** (Glasgow South) (SNP): Today's middle east is increasingly resembling the central Europe of a century ago. Minorities, be they linguistic, religious or sexual, find themselves under more pressure than ever. My constituents, the Scottish National party and I understand the threat posed to these groups by Daesh, but how is the Prime Minister planning to prosecute a bombing campaign that does not alter the demographic map of the middle east, preventing Aleppo from becoming the new Lublin or Mosul the new Budapest?

The Prime Minister: We will set out the arguments clearly tomorrow, but there is a clear and present danger to the United Kingdom from ISIL, based in Iraq and Syria, planning attacks against our country today. We do not live in a perfect world and we cannot deliver a perfect strategy, but we can deliver a clear, long-term strategy that will work. The hon. Gentleman talks about the lessons we learned from the last century. One of the lessons I would say we should learn from the last century is that when your country is under threat, and

when you face aggression against your country, you cannot endlessly sit around and dream about a perfect world—you need to act in the world we are in.

Nusrat Ghani (Wealden) (Con): Will my right hon. Friend join me in congratulating all the staff at the Crowborough birthing unit, including the midwives and the matron Emma Chambers, and local activist Richard Hallett on scoring 100% on their friends and family survey on satisfaction and care? The commitment of the midwives is matched only by the Conservatives' commitment to the NHS, given the fact that for two elections in a row we have promised and delivered greater investment than Labour in our national health service.

The Prime Minister: My hon. Friend is absolutely right to highlight the friends and family test. It is a simple way of measuring whether our hospitals are giving great care, and I think it has been a real advance in our NHS to have that. As well as a good scheme to make sure that you want your friends and family to be treated in a hospital, we need to provide the resources for that hospital, and that is exactly what we are doing with the spending figures announced today. Crucially on childbirth, it is not often that I stand here and cite the *Daily Mirror*, but it is worth looking at what it is saying about the importance of a seven-day NHS and making sure that we have high standards across our NHS every day of the week. As well as the extra money this Government are putting into the NHS, the seven-day NHS will also mean a much stronger NHS.

Q15. [902341] **Ms Tasmina Ahmed-Sheikh** (Ochil and South Perthshire) (SNP): The Big Lottery Fund supports important local projects in my constituency, including the Gate in Clackmannanshire, a small children's playground in Auchterarder, and Perthshire Women's Aid—projects that play an essential role in their communities, supporting the vulnerable people this Government have left behind. Will the Prime Minister join me in congratulating those local projects on their work and reassure the House that this Government will protect the current level of national lottery funding earmarked for charities and community projects?

The Prime Minister: I can certainly tell the hon. Lady that we will protect the Big Lottery Fund. It does an absolutely excellent job, but I am afraid I cannot resist making the point that one of the things that the United Kingdom brings is a bigger national lottery—a bigger pot—that can support Scottish charities. Following what has happened to the oil price, if there were a Scottish November autumn statement, it would be about cuts, cuts, cuts and taxes, taxes, taxes, with no relief from the national lottery. *[Interruption.]*

Mr Speaker: Order. Mr Angus Brendan MacNeil, calm yourself. You may be a cheeky chappie, but you are also an exceptionally noisy one.

Spending Review and Autumn Statement

12.33 pm

The First Secretary of State and Chancellor of the Exchequer (Mr George Osborne): This spending review delivers on the commitment we made to the British people that we would put security first—to protect our economic security by taking the difficult decisions to live within our means and bring down our debt, and to protect our national security by defending our country's interests abroad and keeping our citizens safe at home. Economic and national security provide the foundations for everything we want to support: opportunity for all, the aspirations of families and the strong country we want to build.

Five years ago, when I presented our first spending review, our economy was in crisis and, as the letter said, there was no money left. We were borrowing one pound in every four we spent, and our job then was to rescue Britain. Today, as we present this spending review, our job is to rebuild Britain—build our finances, build our defences, build our society—so that Britain becomes the most prosperous and secure of all the major nations of the world, and so that we leave to the next generation a stronger country than the one we inherited. That is what this Government were elected to do, and today we set out the plan to deliver on that commitment.

We have committed to running a surplus. Today, I can confirm that the four-year public spending plans that I set out are forecast to deliver that surplus so that we do not borrow forever and are ready for whatever storms lie ahead. We promised to bring our debts down. Today, the forecast I present shows that, after the longest period of rising debt in our modern history, this year our debt will fall and keep falling in every year that follows.

We promised to move Britain from being a high-welfare, low-wage economy to a lower-welfare, higher-wage economy. Today, I can tell the House that the £12 billion of welfare savings we committed to at the election will be delivered in full, and delivered in a way that helps families as we make the transition to our national living wage.

We promised that we would strengthen our national defences, take the fight to our nation's enemies and project our country's influence abroad. Today, this spending review delivers the resources to ensure that Britain, unique in the world, will meet its twin obligations to spend 0.7% of its income on development and 2% on the defence of the realm.

But this spending review not only ensures the economic and national security of our country, it builds on it. It sets out far-reaching changes to what the state does and how it does it. It reforms our public services so that we truly extend opportunity to all, whether it is the way we educate our children, train our workforce, rehabilitate our prisoners, provide homes for our families, deliver care for our elderly and sick, or hand back power to local communities. This is a big spending review by a Government that do big things. It is a long-term economic plan for our country's future.

Nothing is possible without the foundations of a strong economy, so let me turn to the new forecasts provided by the independent Office for Budget Responsibility, and let me thank Robert Chote and his

team for their work. Since the summer Budget, new economic data have been published which confirm this: since 2010, no economy in the G7 has grown faster than Britain. We have grown almost three times faster than Japan, twice as fast as France, faster than Germany and at the same rate as the United States. That growth has not been fuelled by an irresponsible banking boom, like in the last decade. Business investment has grown more than twice as fast as consumption, exports have grown faster than imports, and the north has grown faster than the south. For we are determined that this will be an economic recovery for all, felt in all parts of our nation, and that is already happening.

In which areas of the country are we seeing the strongest jobs growth? Not just in our capital city—the midlands is creating jobs three times faster than London and the south-east. In the past year, we have seen more people in work in the northern powerhouse than ever before. Where do we have the highest employment rate of any part of our country? In the south-west of England. Our long-term economic plan is working.

But the OBR reminds us today of the huge challenges we still face at home and abroad. Our debts are too high; and our deficit remains. Productivity is growing, but we still lag behind most of our competitors. I can tell the House that, in today's forecast, the expectations for world growth and world trade have been revised down again. The weakness of the eurozone remains a persistent problem, and there are rising concerns about debt in emerging economies. These are yet more reasons why we are determined to take the necessary steps to protect our economic security.

That brings me to the forecasts for our own GDP. Even with the weaker global picture, our economy this year is predicted to grow by 2.4%. Growth is then revised up from the Budget forecast in the next two years to 2.4% in 2016 and 2.5% in 2017. It then starts to return to its long-term trend, with growth of 2.4% in 2018 and 2.3% in 2019 and 2020. That growth is more balanced than in the past. Whole economy investment is set to grow faster in Britain than in any other major advanced economy in the world this year, next year, and the year after that.

When I presented my first spending review in 2010 and set this country on the path of living within its means, our opponents claimed that growth would be choked off, a million jobs would be lost and inequality would rise. Every single one of those predictions has proved to be completely wrong. So, too, did the claim that Britain had to choose between sound public finances and great public services. It is a false choice; if we are bold with our reforms we can have both. That is why, while we have been reducing Government spending, crime has fallen, a million more children are being educated in good and outstanding schools, and public satisfaction with our local government services has risen. That is the exact opposite of what our critics predicted. Yet now, the same people are making similar claims about this spending review, as we seek to move Britain out of deficit and into surplus, and they are completely wrong again.

The OBR has seen our public expenditure plans and analysed their effect on our economy. Its forecast today is that the economy will grow robustly every year, living standards will rise every year, and more than a million extra jobs will be created over the next five years. That is

[Mr George Osborne]

because sound public finances are not the enemy of sustained growth; they are its precondition. Our economic plan puts the security of working people first, so that we are prepared for the inevitable storms that lie ahead. That is why our charter for budget responsibility commits us to reducing the debt to GDP ratio in each and every year of this Parliament, reaching a surplus in the year 2019-20 and keeping that surplus in normal times. I can confirm that the OBR has today certified that the economic plan we present delivers on our commitment.

That brings me to the forecasts for debt and deficit. As usual, the OBR has had access to both published and unpublished data, and has made its own assessment of our public finances. Since the summer Budget, housing associations in England have been reclassified by our independent Office for National Statistics and their borrowing and debts been brought on to the public balance sheet, and that change will be backdated to 2008. This is a statistical change and therefore the OBR has re-calculated its previous Budget forecast to include housing associations, so that we can compare like with like. On that new measure, debt was forecast in July to be 83.6% of national income this year. Now, today, in this autumn statement, the OBR forecasts debt this year to be lower at 82.5%. It then falls every year, down to 81.7%—

Clive Lewis (Norwich South) (Lab): Wow, It's magic.

Mr Speaker: Order. Mr Lewis, get a grip of yourself, man. Calm. Take up yoga—you will find it beneficial, man. Now look, the record shows that the Chancellor stays for a very considerable period after his statement to respond to questions, and Members will always find the Chair a friend if they wish to question a Minister—*[Interruption.]* Yes, they will. Those who have questions to ask will be heard. Meanwhile, the Chancellor will be heard.

Mr Osborne: Mr Speaker, I am looking forward to it.

On that new measure, debt was forecast in July to be 83.6% of national income this year. Now, today, in this autumn statement, the OBR forecasts debt this year to be lower at 82.5%. It then falls every year, down to 81.7% next year, down to 79.9% in 2017-18, then down again to 77.3%, then 74.3%, reaching 71.3% in 2020-21. In every single year, the national debt as a share of national income is lower than when I presented the Budget four months ago.

This improvement in the nation's finances is due to two things. First, the OBR expects tax receipts to be stronger—a sign that our economy is healthier than thought. Secondly, debt interest payments are expected to be lower, reflecting the further fall in the rates we pay to our creditors. Combine the effects of better tax receipts and lower debt interest, and overall the OBR calculates that it means a £27 billion improvement in our public finances over the forecast period, compared with where we were at the Budget.

This improvement in the nation's finances allows me to do the following. First, we will borrow £8 billion less than we forecast, making faster progress towards eliminating the deficit and paying down our debt—fixing the roof when the sun is shining. Secondly, we will spend £12 billion more on capital investments, making faster progress to

building the infrastructure our country needs. Thirdly, the improved public finances allow us to reach the same goal of a surplus while cutting less in the early years. We can smooth the path to the same destination.

That means that we can help on tax credits. I have been asked to help in the transition as Britain moves to the higher-wage, lower-welfare, lower-tax society the country wants to see. I have had representations that the changes to tax credits should be phased in. I have listened to the concerns. I hear and understand them. Because I have been able to announce today an improvement in the public finances, the simplest thing to do is not to phase these changes in, but to avoid them altogether. Tax credits are being phased out anyway as we introduce universal credit.

What that means is that the tax credit taper rate and thresholds remain unchanged. The disregard will be £2,500. I propose no further changes to the universal credit taper or to the work allowances beyond those that passed through Parliament last week. The minimum income floor in universal credit will rise with the national living wage.

I set a lower welfare cap at the Budget. The House should know that helping with the transition obviously means that we will not be within that lower welfare cap in the first years, but the House should also know that, thanks to our welfare reforms, we will meet the cap in the later part of this Parliament. Indeed, on the figures published today, we will still achieve the £12 billion per year of welfare savings we promised. That is because of the permanent savings we have already made and further long-term reforms that we announce today.

The rate of housing benefit in the social sector will be capped at the relevant local housing allowance—in other words, the same rate that is paid to those in the private rented sector who receive the same benefit. That will apply to new tenancies only. We will also stop paying housing benefit and pension credit payments to people who have left the country for more than a month. The welfare system should be fair to those who need it and fair to those who pay for it.

Improved public finances and our continued commitment to reform mean that we continue to be on target for a surplus. The House will want to know the level of that surplus, so let me give the OBR forecasts for deficit and borrowing. In 2010, the deficit we inherited was estimated to be 11.1% of national income. This year, it is set to be almost a third of that, 3.9%. Next year, it falls to less than a quarter of what we inherited, 2.5%. The deficit is down again to 1.2% in 2017-18 and down to just 0.2% the year after that, before moving into a surplus of 0.5% of national income in 2019-20, rising to 0.6% the following year.

Let me turn to the cash borrowing figures. With housing associations included, the OBR predicted at the time of the Budget that Britain would borrow £74.1 billion this year. Instead, it now forecasts that we will borrow less than that at £73.5 billion. Borrowing falls to £49.9 billion next year and then continues to fall. It falls to lower than was forecast at the Budget in every single year after that: to £24.8 billion in 2017-18 and down to just £4.6 billion in 2018-19. In 2019-20, we will reach a surplus—a surplus of £10.1 billion.

That is higher than was forecast at the Budget—Britain out of the red and into the black. In 2020-21, the year after that, the surplus rises to £14.7 billion.

So the deficit falls every year; the debt share is lower in every year than previously forecast; we are borrowing £8 billion less than we expected overall; and we reach a bigger surplus. We have achieved this while at the same time helping working families as we move to the lower-welfare, higher-wage economy, and we have the economic security of knowing our country is paying its way in the world.

That brings me to our plans for public expenditure and taxation. I want to thank my right hon. Friend the Chief Secretary, our other ministerial colleagues at the Treasury and the brilliant officials who have assisted us for the long hours and hard work that they have put into developing these plans.

We said £5 billion would come from the measures on tax avoidance, evasion and imbalances. Those measures were announced at the Budget. Together we go further today, with new penalties for the general anti-abuse rule, which this Government introduced, and action on disguised remuneration schemes and stamp duty avoidance, and we will stop abuse of the intangible fixed assets regime and capital allowances. We will also exclude energy generation from the venture capital schemes, to ensure that they remain well targeted at higher-risk companies.

Her Majesty's Revenue and Customs is making efficiencies of 18% of its own budget. In the digital age, we do not need taxpayers to pay for paper processing or 170 separate tax offices around the country. Instead, we are reinvesting some of those savings, with an extra £800 million in the fight against tax evasion—an investment with a return of almost 10 times in additional tax collected.

We are going to build one of the most digitally advanced tax administrations in the world in this Parliament, so that every individual and every small business will have their own digital tax account by the end of the decade in order to manage their tax online. From 2019, once these accounts are up and running, we will require capital gains tax to be paid within 30 days of completion of any disposal of residential property. Together, these things form part of the digital revolution we are bringing to Whitehall with this spending review. The Government Digital Service will receive an additional £450 million, but the core Cabinet Office budget will be cut by 26%, matching a 24% cut in the budget of the Treasury, and the cost of all Whitehall administration will be cut by £1.9 billion. These form part of the £12 billion of savings to Government Departments that I am announcing today.

In 2010, Government spending took up 45% of national income. This was a figure we could not sustain, because it was neither practical nor sensible to raise taxes high enough to pay for that, and we ended up with a massive structural deficit. Today the state accounts for just under 40% of national income, and it is forecast to reach 36.5% by the end of the spending review period. The structural spending that this represents is at a level that a competitive, modern, developed economy can sustain, and it is a level that the British people are prepared to pay their taxes for.

It is precisely because this Government believe in decent public services and a properly funded welfare state that we are insistent that they are sustainable and affordable. To simply argue all the time that public

spending must always go up and never be cut is irresponsible and lets down the people who rely on public services most.

Equally, to fund the things we want the Government to provide in the modern world, we have to be prepared to provide the resources. So I am setting the limits for total managed expenditure as follows. This year, public spending will be £756 billion. Then it will be £773 billion next year, then £787 billion the year after, then £801 billion, before reaching £821 billion in 2019-20, the year we are forecast to eliminate the deficit and achieve the surplus. After that, the forecast public spending rises broadly in line with the growth of the economy and will be at £857 billion in 2020-21.

The figures from the OBR show that over the next five years, welfare spending falls as a percentage of national income while departmental capital investment is maintained and is higher at the end of the period. That is precisely the right switch for a country that is serious about investing in its long-term economic success.

People will want to know what the levels of public spending mean in practice and the scale of the cuts we are asking Government Departments to undertake. Over this spending review period, the day-to-day spending of Government Departments is set to fall by an average of 0.8% a year in real terms. That compares with an average fall of 2% over the last five years, so the savings we need are considerably smaller. This reflects the improvement in the public finances and the progress we have already made. Indeed, the overall rate of annual cuts that I set out in today's spending review is less than half of those delivered over the last five years. So Britain is spending a lower proportion of its money on welfare and a higher proportion on infrastructure; seeing the budget balanced, with cuts half what they were in the last Parliament; making the savings we need, no less and no more; and providing economic security to the working people of a country with a surplus that lives within its means.

This does not, of course, mean that the decisions required to deliver these savings are easy. But nor should we lose sight of the fact that this spending review commits £4 trillion over the next five years. It is a huge commitment of the hard-earned cash of British taxpayers, and all those who dedicate their lives to public service will want to make sure it is well spent. Our approach is not simply retrenchment, it is to reform and rebuild.

These reforms will support our objectives for our country: first, to develop a modern, integrated health and social care system that supports people at every stage of their lives. Secondly, to spread economic power and wealth through a devolution revolution and invest in our long-term infrastructure. Thirdly, to extend opportunity by tackling the big social failures that for too long have held people back in our country. Fourthly, to reinforce our national security with the resources to protect us at home and project our values abroad. The resources allocated by this spending review are driven by these four goals.

The first priority of this Government is the first priority of the British people—our national health service. Health spending was cut by the Labour Administration in Wales, but we Conservatives have been increasing spending on the NHS in England, and in this spending review we do so again. We will work with our health professionals to deliver the very best value for that

[*Mr Osborne*]

money. That means £22 billion of efficiency savings across the service; it means a 25% cut in the Whitehall budget of the Department of Health; and it means modernising the way we fund students of healthcare. Today there is a cap on student nurses—over half of all applicants are turned away, and it leaves hospitals relying on agencies and overseas staff. So we will replace direct funding with loans for new students, so that we can abolish this self-defeating cap and create up to 10,000 new training places in this Parliament.

Alongside these reforms, we will give the NHS the money it needs. We made a commitment to a £10 billion real increase in the health service budget, and we fully deliver that today, with the first £6 billion delivered up front next year. This fully funds the five-year forward view that the NHS itself put forward as the plan for its future. As the chief executive of NHS England, Simon Stevens, said,

“the NHS has been heard and actively supported.”

Let me explain what that means in cash. The NHS budget will rise from £101 billion today to £120 billion by 2020-21. This is a half a trillion pound commitment to the NHS over this Parliament—the largest investment in the health service since its creation.

So we have a clear plan for improving the NHS. We have fully funded it, and in return patients will see more than £5 billion of health research in everything from genomes to antimicrobial resistance, a new dementia institute and a new, world-class public health facility in Harlow. And more—800,000 more elective hospital admissions; 5 million more out-patient appointments; 2 million more diagnostic tests; new hospitals funded in Cambridge, in Sandwell and in Brighton; cancer testing within four weeks; and a brilliant NHS available seven days a week.

There is one part of our NHS that has been neglected for too long, and that is mental health. I want to thank the all-party group led by my right hon. Friend the Member for Sutton Coldfield (Mr Mitchell), the right hon. Member for North Norfolk (Norman Lamb) and Alastair Campbell for its work in this vital area. In the last Parliament we made a start by laying the foundations for equality of treatment, with the first ever waiting time standards for mental health. Today, we build on that with £600 million of additional funding, meaning that by 2020 significantly more people will have access to talking therapies, perinatal mental health services and crisis care—all possible because we made a promise to the British people to give our NHS the funding it needed, and in this spending review we have delivered.

The health service cannot function effectively without good social care. The truth we need to confront is that many local authorities will not be able to meet growing social care needs unless they have new sources of funding. That, in the end, comes from the taxpayer, so in future those local authorities that are responsible for social care will be able to levy a new social care precept of up to 2% on council tax.

The money raised will have to be spent exclusively on adult social care, and if all authorities make full use of it, it will bring almost £2 billion more into the care system. It is part of the major reform we are undertaking to integrate health and social care by the end of the

decade. To help to achieve that I am today increasing the better care fund to support that integration, with local authorities able to access an extra £1.5 billion by 2019-20. The steps taken in this spending review mean that by the end of the Parliament, social care spending will have risen in real terms.

A civilised and prosperous society such as ours should support its most vulnerable and elderly citizens. That includes a decent income in retirement. More than 5 million people have already been auto-enrolled into a pension thanks to our reforms in the last Parliament. To help businesses with the administration of that important boost to our nation's savings, we will align the next two phases of contribution rate increases with the tax years. The best way to afford generous pensioner benefits is to raise the pension age in line with life expectancy, as we are already set to do in this Parliament. That allows us to maintain a triple lock on the value of the state pension, so never again will Britain's pensioners receive a derisory increase of 75p.

As a result of our commitment to those who have worked hard all their lives and contributed to our society, I can confirm that next year the basic state pension will rise by £3.35 to £119.30 a week. That is the biggest real-terms increase to the basic state pension in 15 years. Taking all our increases together over the past five years, pensioners will be £1,125 better off a year than they were when we came to office. We are also undertaking the biggest change in the state pension for 40 years to make it simpler and fairer by introducing the new single-tier pension for new pensioners from April of next year.

I am today setting the full rate for our new state pension at £155.65. That is higher than the current means-tested benefit for the lowest income pensioners in our society and another example of progressive government in action. Instead of cutting the savings credit, as in previous fiscal events, it will instead be frozen at its current level where income is unchanged.

So the first objective of this spending review is to give unprecedented support to health, social care and our pensioners. The second is to spread economic power and wealth across our nation. In recent weeks, great metropolitan areas such as Sheffield, Liverpool, the Tees Valley, the north east and the west midlands have joined Greater Manchester in agreeing to create elected mayors in return for far-reaching new powers over transport, skills and the local economy. It is the most determined effort to change the geographical imbalance that has bedevilled the British economy for half a century.

We are also today setting aside the £12 billion we promised for our local growth fund and I am announcing the creation of 26 new or extended enterprise zones, including 15 zones in towns and rural areas from Carlisle to Dorset to Ipswich. But if we really want to shift power in our country, we have to give all local councils the tools to drive the growth of business in their area and the rewards that come when they do so, so I can confirm today that, as we set out last month, we will abolish the uniform business rate. By the end of the Parliament, local government will keep all of the revenue from business rates. We will give councils the power to cut rates and make their area more attractive to business and elected mayors will be able to raise rates, provided they are used to fund specific infrastructure projects supported by the local business community.

As the amount we raise in business rates is in total much greater than the amount we give to local councils through the local government grant, we will phase that grant out entirely over this Parliament and we will also devolve additional responsibilities. The temporary accommodation management fee will no longer be paid through the benefits system. Instead, councils will receive £10 million a year more, up front, so they can provide more help to homeless people. Alongside savings in the public health grant, we will consult on transferring new powers and the responsibility for its funding, as well as elements of the administration of housing benefit.

Local government is sitting on property worth a quarter of a trillion pounds, so we will let councils spend 100% of the receipts from the assets they sell to improve their local services. Councils increased their reserves by nearly £10 billion over the last Parliament. We will encourage them to draw on those reserves as they undertake reforms.

That amounts to a big package of not only new powers but new responsibilities for local councils. It is a revolution in the way we govern this country and if we take into account both the fall in grant and the rise in council incomes, it means that by the end of the Parliament local government will be spending the same in cash terms as it does today.

The devolved Administrations of the United Kingdom will also have available to them unprecedented new powers to drive their economies. The conclusion last week of the political talks in Northern Ireland means additional spending power for the Executive to support the full implementation of the Stormont House agreement. That opens the door to the devolution of corporation tax, which the parties have now confirmed they wish to set at a rate of 12.5%. That is a huge prize for business in Northern Ireland and the onus is now on the Northern Ireland Executive to play their part and deliver sustainable budgets so that we can move forward. Northern Ireland's block grant will be more than £11 billion by 2019-20 and funding for capital investment in new infrastructure will rise by more than £600 million over five years, ensuring that Northern Ireland can invest in its long-term future.

For years, Wales has asked for a funding floor to protect public spending and now, within months of coming to office, this Conservative Government are answering that call and providing that historic funding guarantee for Wales. I can announce today that we will introduce the new funding floor and set it for this Parliament at 115%. My right hon. Friend the Secretary of State for Wales and I also confirm that we will legislate so that the devolution of income tax can take place without a referendum. We will also help to fund a new Cardiff city deal. So the Welsh block grant will reach almost £15 billion by 2019-20, while the capital spending will rise by more than £900 million over five years.

As Lord Smith confirmed earlier this month, the Scotland Bill meets the vow made by the parties of the Union when the people of Scotland voted to remain in the United Kingdom. It must be underpinned by a fiscal framework that is fair to all taxpayers and we are ready now to reach an agreement. The ball is in the Scottish Government's court. Let us have a deal that is fair to Scotland, fair to the UK and built to last. We are

implementing the city deal with Glasgow, and negotiating deals for Aberdeen and Inverness too. Of course, if Scotland had voted for independence, it would have had its own spending review this autumn. With world oil prices falling, and revenues from the North sea forecast by the OBR to be down 94%, we would have seen catastrophic cuts to Scottish public services.

Thankfully, Scotland remains a strong part of a stronger United Kingdom, so the Scottish block grant will be more than £30 billion in 2019-20, while the capital spending available will rise by £1.9 billion through to 2021—the UK Government giving Scotland the resources to invest in its long-term future. For the UK Government, the funding of the Scotland, Wales and Northern Ireland Offices will all be protected in real terms.

We are devolving power across our country, and we are also spending on the economic infrastructure that connects our nation. That is something that Britain has not done enough of for a generation. Now, by making the difficult decisions to save on day-to-day costs in departments, we can invest in the new roads, railways, science, flood defences and energy that Britain needs. We made a start in the last Parliament, and in the last week, Britain topped the league table of the best places in the world to invest in infrastructure. In this spending review, we go much further. The Department for Transport's operational budget will fall by 37%, but transport capital spending will increase by 50%, to a total of £61 billion—the biggest increase in a generation. That will fund the largest road investment programme since the 1970s—for we are the builders.

That means that the construction of High Speed 2 to link the northern powerhouse to the south can begin and that the electrification of lines such as the trans-Pennine, the midland main line and the Great Western can go ahead. We will fund our new Transport for the North to get it up and running, London will get an £11 billion investment in its transport infrastructure, and having met my hon. Friend the Member for Folkestone and Hythe (Damian Collins) and other Kent MPs, I will relieve the pressure on roads in Kent from Operation Stack with a new quarter of a billion pound investment in facilities there. We are making the £300 million commitment to cycling that we promised, we will spend more than £5 billion on roads maintenance this Parliament, and thanks to the incessant lobbying of my hon. Friend the Member for Northampton North (Michael Ellis), Britain now has a permanent pothole fund.

We are investing in the transport we need, and in the flood defences too. The day-to-day budget of the Department for Environment, Food and Rural Affairs falls by 15% in this spending review, but we are committing more than £2 billion to protect 300,000 homes from flooding. Our commitment to farming and the countryside is reflected in the protection of funding for our national parks and for our forests—we are not going to make that mistake again. In recognition of the higher costs they face, we will continue to provide £50 off the water bills of South West Water customers for the rest of this Parliament—a Conservative promise made to the south-west, and a promise kept.

Investing in the long-term economic infrastructure of our country is a goal of this spending review, and there is no more important infrastructure than energy. So we are doubling our spending on energy research with a major commitment to small modular nuclear reactors.

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We are also supporting the creation of the shale gas industry by ensuring that communities benefit from a shale wealth fund that could be worth up to £1 billion. Support for low-carbon electricity and renewables will more than double. The development and sale of ultra-low emission vehicles will continue to be supported, but in light of the slower than expected introduction of more rigorous EU emissions testing, we will delay the removal of the diesel supplement from company cars until 2021.

We support the international efforts to tackle climate change, and to show our commitment to the Paris talks next week, as the Prime Minister just explained, we are increasing our support for climate finance by 50% over the next five years. The day-to-day resource budget of the Department of Energy and Climate Change will fall by 22%, we will reform the renewable heat incentive to save £700 million, and we will permanently exempt our energy intensive industries, such as steel and chemicals, from the cost of environmental tariffs, so we keep their bills down, keep them competitive and keep them here.

We are introducing a cheaper domestic energy efficiency scheme that replaces the energy company obligation. Britain's new energy scheme will save an average of £30 a year from the energy bills of 24 million households, because the Government believe that going green should not cost the earth. And we are cutting other bills too. We will bring forward reforms to the compensation culture around minor motor accident injuries, which will remove over £1 billion from the cost of providing motor insurance. We expect the industry to pass on this saving, so that motorists see an average saving of £40 to £50 per year off their insurance bills.

We are a Government who back all our businesses, large and small, and Conservative Members understand that there is no growth or jobs without a vibrant private sector and successful entrepreneurs. So this spending review delivers what business needs. Business needs competitive taxes. I have already announced in the Budget a reduction in our corporation tax rate to 18%. Our overall review of business rates will report at the Budget, but I am today helping 600,000 of our smallest businesses by extending our small business rate relief scheme for another year.

Businesses also need an active and sustained industrial strategy. That strategy, launched in the last Parliament, continues in this one. We commit to the same level of support for our aerospace and automotive industries, not just for the next five years but for the next decade. Spending on our new catapult centres will increase. We will protect the cash support we give through Innovate UK—something we can afford to do by offering £165 million of new loans to companies instead of grants, as France has successfully done for many years. That is one of the savings that helps us reduce the budget of the Department for Business, Innovation and Skills by 17%.

In the modern world, one of the best ways to back business is to back science, and that is why, in the last Parliament, I protected the resource budget for science in cash terms. In this Parliament, I am protecting it in real terms, so that it rises to £4.7 billion. That is £500 million more by the end of the decade, alongside the £6.9 billion capital budget. We are funding the new Royce Institute in Manchester, and new agri-tech centres in Shropshire,

York, Bedfordshire and Edinburgh. And we will commit £75 million to a transformation of the famous Cavendish laboratories in Cambridge, where Crick and Rutherford expanded our knowledge of the universe. To make sure we get the most from our investment in science, I have asked another of our Nobel laureates, Paul Nurse, to conduct a review of the research councils. I want to thank him for the excellent report he has just published. We will implement its recommendations.

Britain is not just brilliant at science; it is brilliant at culture too. One of the best investments we can make as a nation is in our extraordinary arts, museums, heritage, media and sport. Now, £1 billion a year in grants adds a quarter of a trillion pounds to our economy—not a bad return. So deep cuts in the small budget of the Department for Communities and Local Government are a false economy. Its core administration budget will fall by 20%, but I am increasing the cash that will go to the Arts Council, our national museums and galleries. We will keep free museum entry and look at a new tax credit to support their exhibitions. I will help UK Sport, which has been living on diminishing reserves, with a 29% increase in its budget, so we go for gold in Rio and Tokyo. The right hon. Member for Kingston upon Hull West and Hessle (Alan Johnson), a former Home Secretary, has personally asked me to support his city's year of culture, and I am happy to do so with a grant. His campaign has contributed to the arts, while his Front-Bench team contributes to comedy.

The money for Hull is all part of a package for the northern powerhouse that includes funding the iconic new Factory Manchester and the Great Exhibition of the North. In Scotland, we will support the world famous Burrell collection, while here in London we will help the British Museum, the Science Museum and the V&A move their collections out of storage and on display, and we will fund the exciting plans for a major new home for the Royal College of Arts in Battersea. We are also increasing the funding for the BBC World Service, so that British values of freedom and free expression are heard around the world.

All this can be achieved, as my right hon. Friend the Prime Minister said, without raiding the Big Lottery Fund, as some feared. It will continue to support the work of hundreds of small charities across Britain. So too will our £20 million a year of new support for social impact bonds. There are many great charities that work to support vulnerable women, as was mentioned in Prime Minister questions. My hon. Friend the Member for Colchester (Will Quince) has proposed to me a brilliant way to give them more help. Some 300,000 people have signed a petition arguing that no VAT should be charged on sanitary products. We already charge the lowest rate—5%—allowable under European law and we are committed to getting the EU to change its rules. Until that happens, I will use the £15 million a year raised from the tampon tax to fund women's health and support charities. The first £5 million will be distributed between the Eve Appeal, SafeLives, Women's Aid, and The Haven, and I invite bids from other such good causes.

It is similar to the way we use LIBOR fines—and today I make further awards from them, too. We will support a host of military charities, from the organisation for guide dogs for military veterans to Care after Combat. We renovate our military museums, from the Royal

Marines and D-Day museums in Portsmouth to the National Army museum, the Hooton Park aerodrome, and the former HQ of RAF Fighter Command at Bentley Priory. In the Budget, I funded one campaign bunker, but more have emerged since then.

At the suggestion of my right hon. Friend the Member for Mid Sussex (Sir Nicholas Soames), we will support the fellowships awarded in the name of his grandfather by funding the Winston Churchill memorial trust. We will fund the brilliant Commonwealth War Graves commission, so it can tend to over 6,000 graves of those who died fighting for our country since the second world war; and we will contribute to a memorial to those victims of terrorism who died on the bus in Tavistock square 10 years ago. That is a reminder that we have always faced threats to our way of life, and have never allowed them to defeat us.

We deliver security so we can spread opportunity. That is the third objective that drives this spending review. We showed in the last five years that sound public finances and bold public service reform can help the most disadvantaged in our society. That is why inequality is down, child poverty is down, the gender pay gap is at a record low and the richest fifth now pay more in taxes than the rest of the country put together. The other side talks of social justice; this side delivers it because we are all in this together.

In the next five years, we will be even bolder in our social reform. It starts with education, because that is the door to opportunity in our society. This spending review commits us to a comprehensive reform of the way it is provided from childcare to college. We start with the largest ever investment in free childcare, so working families get the help they need. From 2017, we will fund 30 hours of free childcare for working families with three and four-year-olds. We will support £10,000 of childcare costs tax free. To make this affordable, this extra support will now be available only to parents working more than 16 hours a week and with incomes of less than £100,000. We will maintain the free childcare we offer to the most disadvantaged two-year-olds. To support nurseries delivering more free places for parents, we will increase the funding for the sector by £300 million. Taken together, that is a £6 billion childcare commitment to the working families of Britain.

Next, schools. We build on our far-reaching reforms of the last Parliament that have seen school standards rise even as exams become more rigorous. We will maintain funding for free infant school meals, protect rates for the pupil premium and increase the cash in the dedicated schools grant. We will maintain the current national base rate of funding for our 16 to 19-year-old students for the whole Parliament. We are going to open 500 new free schools and university technical colleges, and invest £23 billion in school buildings and 600,000 new school places. To help all our children make the transition to adulthood—and learn about not just their rights, but their responsibilities—we will expand the National Citizen Service. Today, 80,000 students go on National Citizen Service. By the end of the decade we will fund places for 300,000 students on this life-changing programme pioneered by my right hon. Friend the Prime Minister.

Five years ago, 200 schools were academies: today, 5,000 schools are. Our goal is to complete this school revolution and help every secondary school become an academy. I can announce that we will let sixth-form

colleges become academies, too, so that they no longer have to pay VAT. We will make local authorities running schools a thing of the past, which will help us save around £600 million on the education services grant.

I can tell the House that as a result of this spending review, not only is the schools budget protected in real terms but the total financial support for education, including childcare and our extended further and higher education loans, will increase by £10 billion. That is a real-terms increase for education, too.

There is something else I can tell the House. We will phase out the arbitrary and unfair school funding system that has systematically underfunded schools in whole swathes of the country. Under the current arrangements, a child from a disadvantaged background in one school can receive half as much funding as a child in identical circumstances in another school. In its place, we will introduce a new national funding formula. I commend the many MPs from all parties who have campaigned for many years to see this day come. The formula will start to be introduced from 2017, and my right hon. Friend the Education Secretary will consult in the new year.

Education continues in our further education colleges and universities—and so do our reforms. We will not, as many predicted, cut core adult skills funding for FE colleges; we will instead protect it in cash terms. I announced in the Budget that we would replace unaffordable student maintenance grants with larger student loans. That saves us over £2 billion a year in this spending review, and it means we can extend support to students who have never before had Government help.

Today I can announce that part-time students will be able to receive maintenance loans, helping some of our poorer students. We will also, for the first time, provide tuition fee loans for those studying higher skills in FE, and extend loans to all postgraduates, too. Almost 250,000 extra students will benefit from all this new support that I am announcing today.

Then there is our apprenticeship programme—the flagship of our commitment to skills. In the last Parliament, we more than doubled the number of apprentices to 2 million. By 2020, we want to see 3 million apprentices. To make sure they are high-quality apprenticeships, we will increase the funding per place, and my right hon. Friend the Business Secretary will create a new business-led body to set the standards. As a result, we will be spending twice as much on apprenticeships by 2020 as compared to when we came to office.

To ensure that large businesses share the cost of training the workforce, I announced at the Budget that we will introduce a new apprenticeship levy from April 2017. Today I am setting the rate at 0.5% of an employer's pay bill. Every employer will receive a £15,000 allowance to offset against the levy, which means over 98% of all employers and all businesses with pay bills of less than £3 million, will pay no levy at all. Britain's apprenticeship levy will raise £3 billion a year and will fund 3 million apprenticeships, with those paying it able to get out more than they put in. It is a huge reform to raise the skills of the nation and address one of the enduring weaknesses of the British economy.

Education and skills are the foundation of opportunity in our country. Next we need to help people into work. The number claiming unemployment benefits has fallen

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to just 2.3%—the lowest rate since 1975. But we are not satisfied that the job is done; we want to see full employment. So today we confirm we will extend the same support and conditionality we currently expect of those on jobseeker's allowance to over 1 million more benefit claimants. Those signing on will have to attend the jobcentre every week for the first three months. We will increase in real terms the help we provide to people with disabilities to get them into work. This can all be delivered within the 14% savings we make to the resource budget of the Department for Work and Pensions, including by reducing the size of its estate and co-locating jobcentres with local authority buildings. It is the way to save money while improving the front-line service we offer people and providing more support for those who are most vulnerable and most in need of our help.

We cannot say we are fearlessly tackling the most difficult social problems if we turn a blind eye to what goes on in our prisons and criminal justice system. My right hon. Friend the Lord Chancellor has worked with the Lord Chief Justice and others to put forward a typically bold and radical plan to transform our courts so they are fit for the modern age. Under-used courts will be closed, and I can announce today that the money saved will be used to fund a £700 million investment in new technology that will bring further and permanent long-term savings and speed up the process of justice.

Old Victorian prisons in our cities that are not suitable for rehabilitating prisoners will be sold. This will also bring long-term savings and means we can spend over £1 billion in this Parliament building nine new modern prisons. Today, the transformation gets under way with the announcement that the Justice Secretary has just made. I can tell the House that Holloway prison—the biggest women's jail in western Europe—will close. In the future, women prisoners will serve their sentences in more humane conditions, better designed to keep them away from crime.

By selling these old prisons, we will create more space for housing in our inner cities, for another of the great social failures of our age has been the failure to build enough houses. In the end, spending reviews like this come down to choices about what your priorities are. I am clear: in this spending review, we choose to build. Above all, we choose to build the homes that people can buy, for there is a growing crisis of home ownership in our country. Fifteen years ago, around 60% of people under 35 owned their own home. Next year, the figure is said to be just half that. We made a start on tackling this in the last Parliament, and, with schemes such as our Help to Buy, the number of first-time buyers rose by nearly 60%, but we have not done nearly enough yet, so it is time to do much more.

Today we set out our bold plan to back families who aspire to buy their own home. First, I am doubling the housing budget to £2 billion a year. We will deliver, with Government help, 400,000 affordable new homes by the end of the decade. Affordable means not just affordable to rent, but affordable to buy. That is the biggest house building programme by any Government since the 1970s. Almost half of them will be our starter homes, sold at 20% off market value to young first-time buyers, and 135,000 will be our brand new Help to Buy: Shared

Ownership, which we announce today. We will remove many of the restrictions on shared ownership—who can buy them, who can build them and who they can be sold on to.

The second part of our housing plan delivers on our manifesto commitment to extend the right to buy to housing association tenants. I can tell the House that this starts with a new pilot. From midnight tonight, tenants of five housing associations will be able to start the process of buying their own home.

The third element of the plan involves accelerating housing supply. We are announcing further reforms to our planning system so that it delivers more homes more quickly. We are releasing public land suitable for 160,000 homes and re-designating unused commercial land for starter homes. We will extend loans for small builders, regenerate more run-down estates and invest over £300 million in delivering at Ebbsfleet the first garden city in nearly a century.

Fourthly, the Government will help address the housing crisis in our capital city with a new scheme—London Help to Buy. Londoners with a 5% deposit will be able to get an interest-free loan worth up to 40% of the value of a newly-built home. My hon. Friend the Member for Richmond Park (Zac Goldsmith) has been campaigning on affordable home ownership in London. Today we back him all the way.

The fifth part of our housing plan addresses the fact that more and more homes are being bought as buy-to-lets or second homes. Many of them are cash purchases that are not affected by the restrictions I introduced in the Budget on mortgage interest relief, and many of them are bought by those who are not resident in this country. Frankly, people buying a home to let should not squeeze out families who cannot afford a home to buy. So I am introducing new rates of stamp duty that will be 3% higher on the purchase of additional properties, such as buy-to-lets and second homes. It will be introduced from April next year and we will consult on the details so that corporate property development is not affected. This extra stamp duty raises almost £1 billion by 2021, and we will reinvest some of that money in local communities in London and places like Cornwall, which are being priced out of home ownership. The funds we raise will help build the new homes.

This spending review delivers: a doubling of the housing budget; 400,000 new homes, with extra support for London; estates regenerated; right to buy rolled-out, paid for by a tax on buy-to-lets and second homes, and delivered by a Conservative Government committed to helping working people who want to buy their own home. For we are the builders.

The fourth and final objective of this spending review is national security. On Monday, the Prime Minister set out to the House the strategic defence and security review. It commits Britain to spending 2% of our income on defence, and it details how these resources will be used to provide new equipment for our war-fighting military, new capabilities for our special forces, new defences for our cyberspace, and new investments in our remarkable intelligence agencies.

By 2020-21, the single intelligence account will rise from £2.1 billion to reach £2.8 billion, and the defence budget will rise from £34 billion today to £40 billion. Britain also commits to spend 0.7% of our national

income on overseas development, and we will reorientate that budget so that we both meet our moral obligation to the world's poorest and help those in the fragile and failing states on Europe's borders. It is overwhelmingly in our national interest that we do so, so our total overseas aid budget will increase to £16.3 billion by 2020.

Britain is unique in the world in making these twin commitments to funding both the hard power of military might and the soft power of international development. It enables us to protect ourselves, project our influence and promote our prosperity. We do so ably supported by my right hon. Friend the Foreign Secretary and our outstanding diplomatic service. To support them in their vital work, I am today protecting in real terms the budget of the Foreign and Commonwealth Office.

But security starts at home. Our police are on the frontline of the fight to keep us safe. In the last Parliament, we made savings in police budgets, but thanks to the reforms of my right hon. Friend the Home Secretary and the hard work of police officers, crime fell and the number of neighbourhood officers increased. That reform must continue in this Parliament. We need to invest in new state-of-the-art mobile communications for our emergency services, introduce new technology at our borders and increase the counter-terrorism budget by 30%. We should allow elected police and crime commissioners greater flexibility in raising local precepts in areas where they have been historically low. Further savings can be made in the police as different forces merge their back offices and share expertise. We will provide a new fund to help with this reform.

I have had representations from the shadow Home Secretary that police budgets should be cut by 10%, but now is not the time for further police cuts. Now is the time to back our police and give them the tools to do the job. I am today announcing that there will be no cuts in the police budget at all. There will be real-terms protection for police funding. The police protect us, and we are going to protect the police.

Five years ago, when I presented my first spending review, the country was on the brink of bankruptcy and our economy was in crisis. We took the difficult decisions then. Five years later, I report on an economy growing faster than its competitors and public finances set to reach a surplus of £10 billion. Today we have set out the further decisions necessary to build this country's future. Those decisions are sometimes difficult, yes, but they build the great public services families rely on; build the infrastructure and the homes people need; build stronger defences against those who threaten our way of life; and build the strong public finances on which all these things depend.

We were elected as a one nation Government. Today we deliver the spending review of a one nation Government. The guardians of economic security, the protectors of national security, the builders of our better future—this Government, the mainstream representatives of the working people of Britain.

1.38 pm

John McDonnell (Hayes and Harlington) (Lab): Mr Speaker, like me, you have witnessed many autumn statements and other statements by the Chancellor of the Exchequer. You will know that there is the iron law

of Chancellor's statements: the louder the cheers for the statement on the day, the greater the disappointment by the weekend when the analysis has been done. From what we have heard today, we do not need to wait until the weekend for the statement to fall apart. Over the past five years, the Chancellor has barely set a target that he has not missed or ignored.

Five years ago, the newly elected Chancellor and Prime Minister came to the House and warned us that the dire economic situation that our country faced meant that a five-year programme of austerity measures was needed: job cuts, wage freezes and cuts in public services. But we were promised, specifically by this Chancellor, that, by today, the deficit would be eliminated and debt would be under control and falling dramatically. People put their trust in that commitment. *[Interruption.]*

Mr Speaker: Order. I said earlier that the Prime Minister would be heard; the shadow Chancellor will be heard too. If people think that they are being clever when they are shouting their heads off, they need not bother to try to ask a question, but they should at least try to have the sense to realise the conflict between the two.

John McDonnell: The Prime Minister also assured us that although it was going to be hard and sacrifices had to be made, we were all in it together. Today, five years on, the Chancellor must have some front to come to the House and lecture us about deficit reduction. Today is the day when he was supposed to announce that austerity was over and the deficit was under control. Given what people have heard today, I think that they will feel absolutely betrayed. The reality is that, after five years, the deficit has not been eliminated, and this year it is predicted to be over £70 billion. Instead of taking five years to eliminate the deficit as the Chancellor promised, it is going to take 10. Furthermore, debt-to-GDP will not be the 69% that he promised five years ago. As he said today, it will be 82.5%.

We are now potentially to bequeath to our children a debt of £1.5 trillion. That will be their debt. The Chancellor—*[Interruption.]* The Chancellor—*[Interruption.]* The Chancellor continues to miss—

Mr Speaker: Order. Both sides are still shouting their heads off. It is very downmarket, it is very low grade, and it is very widely deprecated by the public. How people can think it is legitimate to behave in that way while trying to reconnect with an electorate who are disillusioned with politics is just bizarre. If some people are so unintelligent that they still cannot grasp the point, I pity them.

John McDonnell: After five years as Chancellor, with that level of debt, there is no one else for him to blame. Past Governments can be blamed for only so long; there are no more excuses for this Chancellor after five years.

We were also promised that if sacrifices had to be made to tackle the deficit, we were not to worry, because we were all in this together. No, we are not. Eight-five per cent. of the money saved from tax and benefit cuts in the last Parliament came directly out of women's pockets. Disabled people were hit 18 times harder than anyone else. Moreover, 4.1 million children now live in absolute poverty, an increase of 500,000 since 2009-10.

[John McDonnell]

The fiasco over tax credits demonstrated once and for all that we were not in this together. At the same time as the Chancellor was planning to cut tax credits for working families, he cut inheritance taxes for some of the wealthiest families in the country.

When the Chancellor and the Prime Minister were first elected to their current positions, they were attacked for being “posh boys”. I disagreed with that strongly. People do not choose the class that they are born into, or the wealth that they inherit. Nevertheless, if people are fortunate enough to have wealth or good incomes, like all Members of Parliament, the onus is on them—on us—to take particular care when making decisions about the lives of those who are less fortunate than themselves.

What shocked and, indeed, angered many, not just in the House but throughout the country, was the fact that the Chancellor made no attempt to understand the effects of the decision to cut tax credits. For many families, it would have meant a choice between the children being able to go on that school trip like the other children, and having a decent Christmas or a winter coat. Today the Chancellor has been forced into a U-turn on his tax credit cuts, and I congratulate the Members on both sides of the House who have made that happen. I congratulate the Members in the other House as well. I am glad that the Chancellor has listened to Labour, and has seen sense.

As ever with this Chancellor, however, we await further clarification of the details, particularly if the limit to two children remains, and we are aware of the impact on universal credit. It appears that the 14,000 families who are already on universal credit will still suffer the full cut, and that all families who would newly qualify for tax credits in 2018 will suffer the full cut under universal credit; so this is not the full and fair reversal that we pleaded for. Moreover, the Chancellor remains committed to £12 billion of welfare cuts over the course of this Parliament. We know that they will fall on the most vulnerable, the poorest, and those who are just struggling to survive.

Some believe that the Chancellor is using the deficit and austerity to reshape the role of the British state, and that this is some well-thought-through Machiavellian scheme. Well, I do not think that any more. I am convinced that it is sheer economic illiteracy, built on incompetence and poor judgment. Only four weeks ago, the Chancellor brought his charter for fiscal responsibility to the House. An essential part of it was adherence to his welfare cap, which we supported. Today he has broken his own welfare cap, although he said himself when he introduced it last year that breaking it would be a

“failure of public expenditure control”.—[*Official Report*, 26 March 2014; Vol. 578, c. 380.]

He is condemned on his own terms, in his own language.

The Government are cutting today, and not investing in the future. The Chancellor is putting us all at future risk. I congratulate my right hon. Friend the Member for Leigh (Andy Burnham) on his campaign against policing cuts, which has forced a U-turn, but we do not forget that we face the highest level of risk from terrorist attack in a generation. We have already lost 17,000 police officers as a result of the cuts that have been made

under this Government. We know that the first line of intelligence collection, prevention and response consists of the local police officers in the community, so we claim today another Labour gain and victory. However, there are now concerns about the impact of the local council cuts and freezes in expenditure on other emergency services. We fear for the people’s safety as more firefighters’ jobs are cut and fire stations close as a result of today’s settlement.

The Chancellor has announced that he is front-loading part of the additional £8 billion of funding for health. In reality, that will plug only some of the gap in the huge deficits that health trusts are reporting, but the Government are also relying on the finding of £22 billion of unrealistic savings. The extra money seems to be coming from nurses’ training, the public health budget, and other aspects of local authority support for care. That will be a false economy, which will simply cause more burdens to fall on the NHS. All the signs are that we are facing a massive winter crisis in our NHS, and that, yet again, we will have to rely on the professional dedication of its staff. The Health Secretary’s refusal to go to ACAS to settle the junior doctors’ dispute is no way to maintain morale among our NHS professionals.

One of the greatest scandals under this Chancellor has been the attack on social care. Three thousand beds have been lost already and according to the Association of Directors of Adult Social Services, the 2% care precept announced by the Chancellor is not nearly enough to fill the funding gap this Government have created. The result is that some of the most vulnerable people in our society will be at risk and more people will be forced to resort to their local hospital for their care.

We also know much more about the scale of people suffering from mental health problems. We welcome the additional funding today devoted to mental health, but it is no use funding mental health support through the health service when local authority support is being cut as a result of this settlement. More people will be left vulnerable.

In education, the Government claim that schools budgets will be protected, but we fear that the Government will use the new funding formula to take funding away from the pupils who need it most—the most deprived. We will monitor the funding formula carefully to ensure equity.

In today’s statement, the Chancellor has announced that for further education there will be a settlement that restricts it to cash protection. In effect, that means that around the country sixth forms and FE colleges will be under threat and at risk of closure. At a time when the economy is crying out for a skilled, educated workforce, the Government are denying young people access to the local courses they need. On today’s announcements on childcare, we note there is a delay yet again—for another two years. That is another delay following a commitment given.

The Chancellor’s much vaunted pledge on house building is cobbled together from reheated promises from the past. The vast majority have already been announced. The Tories should be judged by their actions, not their words.

The Chancellor’s first act in office was to slash housing investment by 60%. His plans today could still mean 40% less to build the homes we need, compared with the

investment programme he inherited from Labour. As a result, house building remains at its lowest peacetime level since the 1920s. As my right hon. Friend the Member for Wentworth and Dearne (John Healey) said this morning,

“if hot air built homes, then conservative ministers would have our housing crisis sorted.”

I worry that the vast majority of young people hoping for a new home will be disappointed by the Chancellor's failure to deliver. His record on building anything so far does not inspire confidence at all. Over the past year, he has forced himself on to building sites throughout the country to secure a photo with a high-vis jacket. When he did his Bob the Builder speech at the Tory party conference, what he did not tell delegates was that his investment record is abysmal. Only 9% of the projects have started under his infrastructure pipeline in two years. In 2012, he announced a £40 billion guarantees scheme. Three years on, only 9% of that sum has been signed up. In 2011, he announced a £20 billion pensions infrastructure platform but four years on only £1 billion of commitments have been secured. The construction industry is actually shrinking this year and going into recession.

The Chancellor has also failed to invest in skills. The Royal Institution of Chartered Surveyors has said that the UK's biggest infrastructure programmes could grind to a halt unless the Government adopt new measures to tackle the skills and funding issues. The most ironic cut of all must be the virtual closure of large sections of the Department for Business, Innovation and Skills. There are 146,000 unfilled vacancies due to the lack of skilled workers, so naturally the Government's solution is to move to effectively close the very Department tasked with improving skill levels.

On the environment, the Government have announced today various measures but let us be clear. Ministers can go to the Paris summit on climate change with the proud record of nearly killing off the UK's once flourishing solar renewable energy sector. On international aid, let me caution that the international aid budget was supposedly protected, but now it is to be raided for defence spending.

On defence, the Government commissioned an aircraft carrier last year. A few years ago, they at least woke up to the fact that it needed aircraft as well. But the funding for the defence review is to come from £11 billion-worth of cuts, with the inevitable loss of thousands of defence workers' jobs, whose specialist skills will be lost forever.

Alongside those cuts and many more to help dig himself out of the financial hole he has got himself into, the Chancellor is selling off whatever public assets he can. It is no longer the family silver up for sale—the furniture, fixtures and fittings are now being sold. We know who is the first in line to buy. I never envisaged that when it came to nationalising I would be outdone by a Conservative Chancellor. The only difference between us is that I would like to bring services such as rail back into the ownership of the British people. The Chancellor wants to sell them to the People's Republic of China. Nationalisation is okay for him as long as it is by any other state but ours.

To assist Comrade Osborne in his dealings with his new found comrades, I have brought along Mao's little red book. Let me quote—*[Interruption.]*

Mr Speaker: Order. I want to hear about the contents of the book.

John McDonnell: I think the Chancellor will find this invaluable. *[Interruption.]*

Mr Speaker: Order. The hon. Member for Kingswood (Chris Skidmore) is a historian, if a rather excitable one.

John McDonnell: I thought this would help the Chancellor. Mao is rarely quoted in this Chamber. The quote is this—*[Interruption.]* Behave.

“We must learn to do economic work from all who know how, no matter who they are. We must esteem them as teachers, learning from them respectfully and conscientiously. We must not pretend to know when we do not know.”

I thought it would come in handy for the Chancellor in his new relationship.

I am sure that Tory Back Benchers will be under instruction to shoehorn into their speeches at every opportunity references to the mythical long-term economic plan. What we have been presented with today is not an economic plan but a political fix. It is not a plan when you ridiculously commit yourself to unachievable policies and leave yourself no room for manoeuvre. It is not a plan when you sell off every long-term asset you have for short-term gain. It is not a plan when you leave important industries to go to the wall—as we have seen with steel—and it is not a plan when you cut the support for those in work, leaving working families to rely on food banks. It is not a plan when you force councils up and down the land to close the very services that people depend upon, and it is not a plan when you invest so little in skills and infrastructure that our future is put at risk.

Instead what we have seen today is the launch of a manifesto for the Conservative leadership election. Our long-term economic security is being sacrificed for the benefit of one man's career. I want to tell both the Home Secretary and the hon. Member for Uxbridge and South Ruislip (Boris Johnson), my neighbour, who has now left the Chamber, not to worry. The economic reality that is emerging in our economy will mean that this will be seen as the apex of the Chancellor's career.

The hon. Member for Uxbridge and South Ruislip exudes classical references in his speeches. He will recognise in the Chancellor, Icarus, the boy who flew too close to the sun and burned and crashed. I fear that for the Chancellor it is all downhill from here. Labour Members will do all we can to ensure that he does not take this economy and our country down with him.

In the end this debate is about what sort of society we want to live in. The Government are systematically dismantling all those aspects of our society that make our community worth living in and celebrating. The Chancellor is not just cutting our services today—he is selling off our future.

But there is an alternative. Our alternative is that we will eliminate the deficit but we will do it fairly and effectively. We will do it by ensuring that we end the tax cuts to the rich, that we tackle tax evasion and avoidance, and that we invest to grow. We will grow our economy on the basis of investment in skills and infrastructure. In addition to becoming the financial centre of Europe, under a Labour Government research in science and technology will enable us to become the technology

[John McDonnell]

centre of Europe. That means high skills, high investment and high wages. That is what Labour Members are committed to, and that is what we will secure when we return to office.

Mr Osborne: So the shadow Chancellor literally stood at the Dispatch Box and read out from Mao's little red book. And look—it's his own personal signed copy. The problem is that half the shadow Cabinet have been sent off for re-education. People treat this Labour leadership as a joke, but they are actually a deadly threat to the economic and national security of this country.

The hon. Gentleman comes here to complain that the deficit and the debt are too high, yet he wants to increase the deficit and the debt and to borrow for ever. The problem is that he would borrow in the good times, because he says the country can afford it, and borrow in the bad times because the country could not afford not to. He would always be borrowing money. And how would he be able to afford it? He could afford it because, as he says, his policy

“can readily be funded...through printing money”.

He has said that he would end the Bank of England's control over interest rates, and he calls it the “people's quantitative easing”. That is called deficit financing, and it has only been tried in Weimar Germany and Zimbabwe. It would lead to the economic ruin of this country. The Labour leadership's chief adviser on the economy has said that it would cause a sterling crisis, but that the

“sterling crisis would pass very quickly”.

The shadow Chancellor talks about our support for business and defence industries, but he is a threat to the free market of this country. He wants literally to take control of the commanding heights of the economy. His manifesto is all about nationalising industries. He wants to nationalise the whole banking system of this country—as if the last Labour Government did not do a good enough job by nationalising half of it.

The hon. Gentleman gave a speech at the weekend in which he described his policies as “socialism with an iPad”. The problem is that if the socialists built an iPad, it would weigh a ton, it would be impossible to use and no one would design any programmes for it. It would literally be app-less. And then he has the temerity to get up and talk about defence industry jobs and the police. He has spent his entire career attacking the police forces of this country and calling for them to be disarmed. He has sent me a letter saying that I should fund the Security Service, but it turns out that he has been campaigning to disband MI5. He says he is on the side of the British Army, but he has been sharing platforms with the Irish Republican Army. That is the truth.

Let me end by asking this question. Where is shadow Chancellor going this evening? He is travelling to Waltham Forest to support the new hard-left members of the constituency Labour party there who are trying to deselect the hon. Member for Walthamstow (Stella Creasy). He is addressing a rally called “Keep up the momentum”—[*Interruption.*] Well, if he was actually in charge of this country, we know where the momentum would be. It would be in one direction: growth down, jobs down, the security of the country destroyed. In the last three months, he and his friends have taken control

of one of the great institutions of our political democracy, the Labour party, and they have brought it to its knees. That is their business, frankly, but Conservative Members are going to make sure that they never get their hands on any of the other institutions of this country, so that we can keep our country safe.

Mr Kenneth Clarke (Rushcliffe) (Con): I congratulate my right hon. Friend on sticking unswervingly, despite all the recent difficulties, to his commitment to a balanced budget over the cycle and on answering the fears expressed by some of us by sticking to his aim of a modest budget surplus if the economic cycle remains strong. Will he reinforce the argument that that is an essential precondition for our building a modern, sustainable economy in this country that is able to withstand such shocks as the global economy will send us in the next few years? When the cheers die down—as they will—and as people fall upon the details, assisted by lobbies, will he tell the responsible majority that ought to exist in this House and in the House of Lords that no Chancellor acting in the national interest could possibly produce a Budget that had no reductions in public spending and no increases in revenue? We do not want a repeat of the utterly irresponsible reversal of the £4 billion a year savings that were made in his earlier Budget.

Mr Osborne: I thank my right hon. and learned Friend; he is absolutely right. We do not know what economic storms lie ahead, but we sure as hell know that we have not abolished boom and bust in this country, so we have to prepare for whatever the world throws at us. If a country is not running a budget surplus after nine or 10 years of economic growth, when is it ever going to do so? We are taking sensible steps to build up that surplus and pay down our debts, which have in my view reached dangerously high levels because of the very large deficit we ran over recent years. So those are the steps we are taking. He is also completely right about the lobby groups. In the end, the best way to have great public services is to have sustainable finances. We know to our cost what happens when those public finances are not sustainable: the people who suffer in our country are the most vulnerable and those who are least advantaged. That is why we have taken these steps today to protect them.

Frank Field (Birkenhead) (Lab): When the Chancellor came to the part of his statement about tax credits, I assumed that it was good news, as it was quickly overwhelmed by cheers from those on his own side. For that good news, I thank him. I heard him preface those remarks by saying that he was still in listening mode. Does he accept that when tax credits were devised and shaped, our economy was not moving towards a national living wage? Might I ask him to continue in listening mode, so that by 2020 we can have a tax credit system that reflects the new world of higher wages?

Mr Osborne: I want to thank the right hon. Gentleman, who has made sensible and constructive interventions in this debate over recent weeks. The members of his Select Committee also took their task very seriously. Over this Parliament, tax credits are largely being phased out as we move to the new simpler—and better, in my view—universal credit. People will be protected during the transition to universal credit. As he says, we are at

the same time reducing the proportion of people's income that will come from welfare payments because more of it will come from the wages paid by their employers. I do not think we should be supporting and subsidising low pay through the tax credit system in the way we have in the past. In the phasing out of tax credits, the introduction of universal credit and the reforms announced in the summer Budget, including limiting support to families with up to two children, we are creating a fairer welfare system that is fair to the taxpayer.

Mr Andrew Tyrie (Chichester) (Con): A key judgment that the Chancellor has had to make is how much to cut the deficit. With the euro crisis unresolved, the Chinese economy more fragile, the middle east unstable and the US likely to raise rates shortly, does he agree that, given all those risks, it would be not only imprudent but extremely dangerous not to reduce the deficit now, while we have the opportunity to do so? We can never rely on forecasts. Will he confirm that the OBR's sensitivity analysis towards the back of its report, which I have had a chance to look at only briefly, demonstrates clearly that any future downturn in the public finances would require further retrenchment and that it is therefore absolutely essential we take every opportunity to tighten the finances now, while we have the chance?

Mr Osborne: My right hon. Friend is absolutely right. As an economy, we have been growing faster than most of the advanced economies of the world. In that situation, not getting the deficit and the debt falling is really signalling to the world that we are never, ever going to try to bring public finances under control. As it is, we have debt falling in every year of this forecast, and it is lower than the forecast in the Budget. The deficit is also falling and overall borrowing is lower in this forecast than in the one I produced in the summer Budget. We take these steps to pay down our debts. Our national debt, at 80% of national income, is uncomfortably high. It does not necessarily, therefore, give us all the flexibility we would want if we were to be hit by some kind of external shock and is all the more reason for us to use the better times to pay down the debt.

Stewart Hosie (Dundee East) (SNP): I was intrigued by Tory Back Benchers cheering the humiliating U-turn on tax credits. It seems like barely three or four weeks ago that they were cheering on, and voting for, the implementation of the tax credit policy. But times move on and things change.

The genesis of today's statement was the decision announced last year when the Chancellor stated that he wanted to reduce public spending to barely 35% of GDP by the end of this Parliament. That was adjusted up to just over 36% in the summer Budget, but the direction of travel—the shrinking of services provided by the state—was very clear. It was set in stone with the fiscal charter earlier this year, with the intention to run a current account surplus of £40 billion a year by 2019-20. Those numbers have changed slightly today. The Chancellor wants not only to shrink the size of the state to 36.5% of GDP but to run a current account surplus of £42 billion. Can we just be clear? The UK has not routinely seen spending at 36% or 37% of GDP since the 1930s and 1940s. The Chancellor's ideology has not changed. In essence, he still intends to cut more than £40 billion a year than he needs to, to run a current account budget in balance by the end of this Parliament.

Notwithstanding the humiliating U-turn on tax credits, the Government added £37 billion of cuts in tax rises in the summer Budget to the £121 billion of fiscal or discretionary consolidation in the previous Parliament. Announced in the Blue Book today is £18 billion of cuts and the Chancellor was very clear that the £12 billion of welfare cuts remain on the table. Even after today, the public are facing a decade of austerity. These decisions are political choices. The Government ignore the fiscally responsible alternative course of action, which, with a very modest increase in public expenditure, would ensure that no one is left behind.

The Government are not for working people. Nothing they say can camouflage the failure of the past five years, and the Chancellor's statement merely confirms that they are making the same mistakes all over again. We saw the impact on GDP growth of rising inequality in the 20 years to 2010. The continuation of the austerity agenda represents a wilful disregard and failure to learn the lessons of the recent past.

The Chancellor may not care about inequality, and the 1 million people receiving food parcels compared to barely 25,000 five or six years ago, but the Government should care about its impact on economic growth. Let me ask the Chancellor some specific questions. We have been concerned for some time about the failure to increase productivity. The Chancellor knows that the UK sits in the third quartile of advanced economies. How does a 17% cut to the Department for Business, Innovation and Skills help to support firms seeking to increase productivity?

We have been concerned about the negative impact of balance of trade, a situation that got worse between the spring and summer Budget forecasts. The impact for every year published today is still negative. How does the absence of a plan to encourage exports and a further cut to the UK Trade & Investment budget help to reverse the dire balance of trade position? We share the Chancellor's concern to protect growth and tax yield, and to close the tax gap, but how does the closure of 137 HMRC offices possibly do anything other than weaken the ability of the Revenue to collect the tax that is due?

The Chancellor said that the UK would take the fight to its enemies, but he omitted to mention action in Syria. Should the Government get the vote they want in the next few weeks, will he tell us how much he plans to set aside for the reconstruction and stabilisation of Syria after any military intervention is over? We remain as concerned as he does about the failure to invest in capital, which is absolutely imperative to boost economic growth. We welcome the increase in capital spend announced today. I just say to him, however, that cuts last winter, increases in the spring, cuts in the summer and increases in the autumn represent a shambles of a way to plan long-term capital investment.

In Scotland, we saw cuts to revenue and capital over the previous Parliament. We have had confirmation today of further real-terms cuts to Scottish revenue funding over the spending review period. Instead of the Bullingdon sneering about oil, which the Chancellor did earlier, he would have been better recognising that the Scottish economy is now 2.5% larger than it was pre-crisis and productivity is 4% higher than in 2007. It is contributing to the UK recovery. Instead of hobbling and undermining the Scottish Government, he might consider it to be worthy of support.

[Stewart Hosie]

The Government received barely a third of the vote of those who voted and the Conservative party achieved its worst result in Scotland since 1865. Let us be clear. I do not expect the Chancellor to change his mind, but the public in Scotland and in the UK did not vote for a decade of austerity.

Mr Osborne: This spending review delivers economic and national security for the people of Scotland. It funds a £1.9 billion increase to their capital budget and the block grant goes up by £1 billion. There is a 14% capital boost from the United Kingdom Government. Instead of complaining, the hon. Gentleman might, on behalf of the Scottish Government, have welcomed that and set out any plans he might have for how to spend it. I suspect we will hear a lot from the Scottish nationalists in this Parliament about process, constitutional issues and all that, but they will not tell us what they are actually going to do to improve the lives of people in Scotland. He talks about productivity. If we look at the Scottish Government's record, we see that they have cut 140,000 further education college places in Scotland. They have used the money they have taken from the university sector for free prescriptions for millionaires, as if that is a good use of Scottish taxpayers' money. Health spending in Scotland is rising more slowly than it is in England, where the Conservative Government are in charge of the English national health service.

In the spending review, there is extra capital for Scotland so it can invest in its long-term future. There is a huge commitment to the defence estate in Scotland, with new planes based at RAF Lossiemouth and a massive investment in shipbuilding on the Clyde for many years to come. By the way, I know that the SNP is keen to court the unions in Scotland. The GMB said that the news about the frigates

"should be welcomed and not used for political mischief".

That is another sensible thing the GMB has said. And there is the huge investment at the base at Faslane, where 8,000 people work. The Scottish National party pretends it would get rid of the nuclear deterrent and somehow give all those 8,000 people jobs in our defence establishment—the SNP is not being straight with the people who work on the Clyde or in Scotland's defence industries.

We are also working on implementing the Glasgow city deal, and on a city deal for Inverness and for Aberdeen, and we are ready to sit down with John Swinney to negotiate a fiscal framework. We have now the Scotland Bill, which Lord Smith says "delivers the legislation required" to deliver the agreement. For months, SNP Members have been telling us that we were not doing what the Smith commission said, but now Lord Smith says that we are. To make these powers work, we need agreement on a fiscal framework. Let us sit down—we can sit down tomorrow, next week or whenever—to agree a fair fiscal funding framework.

The truth is that SNP Members complain about decisions on public expenditure, but if Scotland had voted to be independent, its public finances would be in complete tatters. The OBR forecast today is that oil revenues are down 94% in the North sea because of the fall in the world oil price. That is a £20 billion hole in the financial programme that the SNP Government

tried to foist on the people of Scotland. The whole thing can be summed up by the words of Mr Alex Bell, who was the former First Minister's head of policy. He said this week:

"The SNP's model of independence is broken beyond repair... the campaign towards the 2014 vote, and the economic information since, has kicked the old model to death. The idea that you could have a Scotland with high public spending, low taxes, a stable economy and reasonable government debt was wishful a year ago—now it is deluded."

That is the SNP verdict on the SNP plans.

Mrs Cheryl Gillan (Chesham and Amersham) (Con): May I congratulate the Chancellor, both on his leadership in continuing to secure our economic recovery and on his long-term economic plan, which is certainly working? There is so much to welcome in this autumn financial statement. While he is continuing to develop our infrastructure plans, may I ask him also to look at the Government's promise on the environment? Will he again examine the plans for HS2 and look at extending the tunnelling under the full length of the Chilterns area of outstanding natural beauty—a mere 8.8 km? I think he will find that the savings in time and costs to this project are worth it, as are the savings to the misery of my constituents and many others.

Mr Osborne: I thank my right hon. Friend for her support for the statement, and of course she is absolutely right that the sound public finances that are at the heart of what we are seeking to build in our country are vital for the working people of Chesham and Amersham. They also enable us not only to afford big infrastructure projects such as HS2, but to mitigate the environmental impacts. We of course have listened to the representations she has made so forcefully and well on behalf of her constituents to ensure that more of that line is in tunnels through her constituency than would have been the case if she had not fought hard for her constituents. Of course I will always listen to the case she makes, but the plans for HS2 are now well developed and construction is going to start in this Parliament. Indeed, one of the major capital commitments in this spending review is to the budget for HS2, which increases during this Parliament, but I think this is exactly the kind of big infrastructure that this country has not been good at providing in the last few decades and is vital for our future.

Chris Leslie (Nottingham East) (Lab/Co-op): I am more interested in the wisdom contained in the big Blue Book from the OBR, page 6 of which says that

"the cost of the tax credit reversal is more than offset by cuts to a variety of other benefits"

but in later years. Will the Chancellor confirm that he has delayed the effective changes in tax credits, not U-turned on them? Page 24 of that book states that

"the terms of the welfare cap are set to be breached in three successive years".

Will he at least have the guts to send a Treasury Minister, preferably himself, each time—each year—to explain why he has failed his own test?

Mr Osborne: First, the welfare cap I set at the summer Budget, which of course was reduced from the welfare cap in the March Budget, was made lower by the tax credit changes that were put forward. Now that we are not going ahead with those tax credit changes, clearly

welfare spending—spending on tax credits—is going to be higher in the first couple of years. That is why the welfare cap is exceeded in those years, but then, as the hon. Gentleman can see in the table on that page, the spending comes below the welfare cap and we achieve the £12 billion of welfare savings on which we fought the general election. He opposed those but in the end did not carry the day with the British public. The long-term savings we have made today to housing benefit are less than £1 billion but they continue into the future, and because of the phasing out in respect of tax credits, by the time we get to 2019-20 those tax credit changes were saving only about £1 billion. That is why that is the case, and I think it is part of a sensible plan to help families in the transition, which is what I was asked to consider. I have been able to use the improvement in the public finances to achieve that.

Stephen Hammond (Wimbledon) (Con): We have heard a lot about political careers today. I am sure the Chancellor is on a very different trajectory from the shadow Chancellor. I am not entirely sure that the next minute will help my own, but in the spirit of the Leader of the Opposition, let me read out what David from Wimbledon, who emailed me many times about tax credits over the past month, has just emailed me again to say:

“Can’t fault it so thanks for listening!”

Thank you, Chancellor.

Mr Osborne: Obviously, I thank my hon. Friend’s constituent for that comment. If we have improvements in the public finances, we can help families, we can reduce the deficit, as we have done, and we can make the investments in the long-term capital of the country. That is the advantage of having an economic plan that actually produces better results than were forecast, rather than worse results, which is what was happening when Labour Chancellors were giving autumn statements.

Sammy Wilson (East Antrim) (DUP): The shadow Chancellor might wish to push Britain into the red, but we, like many Members, wish to see Britain in the black—I will not be reading anything out of my wee black book, mind you. While the Chancellor has been seeking to balance the finances, he has also listened on housing, tax credits, policing and the Barnett consequentials of HS2 for devolved Administrations. Does he accept that growth is still unbalanced across the United Kingdom and that although Administrations in Northern Ireland have been seeking to promote growth and paying out of a reduced budget for corporation tax, there is still much to be done? What is there specifically in this autumn statement for areas like Northern Ireland, where growth is still lagging behind and where we still need to see improvements in the economy?

Mr Osborne: First, I thank the hon. Gentleman for the support he has given to the measures we announced, including the Barnett consequentials for Northern Ireland. I also commend him and his party for the work they have done to reach the agreement with the other parties in Northern Ireland and with the UK Government on the Stormont House agreement, which of course unlocks further resources for Northern Ireland. In this specific spending review, there is an extra £600 million for capital investment in Northern Ireland. In the detail of the books we have produced there are also extra funds

for regional air connectivity from Northern Ireland. I believe about 2,000 new flights a year will be able to be funded to and from Northern Ireland—this is a £7 million commitment. Above all, as I mentioned in my statement, if we can get the Northern Ireland Executive budget on a sustainable footing—I know how hard he is working to bring that about—we can achieve that goal of devolving corporation tax and having the 12.5% rate in Northern Ireland, which would make Northern Ireland super-competitive, not just on the island of Ireland but across Europe.

James Cartlidge (South Suffolk) (Con): I congratulate the Chancellor on an excellent statement. In particular, may I assure him that schools in my constituency, which have been underfunded for too long by comparison with those in other areas, will be delighted by his commitment to a fairer funding formula? Does he agree that a one nation education policy needs one national funding formula?

Mr Osborne: My hon. Friend is right; this has long been a perverse and arbitrary formula in our education system, which many MPs, from all parties, have campaigned to have changed. A national funding formula is a big step forward in education, and my right hon. Friend the Education Secretary will set out the details. It cannot be right that children in one part of the country can in some cases receive £3,000 less per child than children in exactly the same circumstances—the same level of disadvantage—in some other part of the country. It is not always about shire counties, as some Labour Members have said. A child in Knowsley, for example, is receiving less money today through the funding formula than a child in exactly the same circumstances in Wandsworth, and that cannot be right.

Mrs Louise Ellman (Liverpool, Riverside) (Lab/Co-op): The investment in transport infrastructure is very welcome, but the Chancellor also said that the Transport Department would have an operational cut of 37%. Will he tell us where the axe will fall?

Mr Osborne: Yes, absolutely. First, the Transport Department had set aside a number of contingency funds, which we do not have to use. We are also phasing out the resource grant for Transport for London, but Transport for London is getting a big capital settlement, which is a large part of the Transport Department’s resource budget, and that is where some of the savings come from.

David Rutley (Macclesfield) (Con): Protecting the science budget and electrifying the TransPennine line are vital tasks to help rebalance the economy. Will my right hon. Friend remind the House how long it has been since he set out the vision for the northern powerhouse, and what has been achieved since then?

Mr Osborne: My hon. Friend and constituency neighbour has been a big champion of investment in the north, not just in his constituency but in the north-west of England. My speech on the northern powerhouse, which I gave to an audience that included Labour metropolitan leaders, was last summer. Since then, working across party divisions, we have had agreement now in Liverpool, Greater Manchester, Sheffield, Tees Valley and in the north-east to have a big devolution of power

[Mr Osborne]

from Whitehall to those areas and elected mayors. There is a huge commitment of transport capital. We have created Transport for the North, which did not exist a year ago, and funded it, and there is a big commitment to the cultural institutions in the north of England as well, so we are talking about a massive commitment. We have also made a big commitment to science institutions across the north, which is something close to his heart.

Keith Vaz (Leicester East) (Lab): I warmly welcome the Chancellor's decision to increase the counter-terrorism budget and to protect the policing budget, not just because of what happened in Paris but generally for the future of policing. Given that so much organised crime and terrorism are international, is there sufficient flexibility in what he said this afternoon for us to support organisations such as Europol and Interpol, which obviously help us in the work that we are doing?

Mr Osborne: Of course we support those international institutions that help us to fight crime. I want to thank the right hon. Gentleman for his support for what we have said today about our police and police funding. The Home Secretary will set out more details about how that real-terms protection will be provided. We do not just provide funding to forces but have a transformation fund, which can encourage the efficiencies that we all want to see in our police, not least the police officers themselves, and make sure that they have the capabilities they need to deal with threats such as marauding gun attacks. It is a real-terms protection, and also, as a minimum, it is a protection in cash terms for the National Crime Agency to ensure that it is funded to do its work as well.

Suella Fernandes (Fareham) (Con): My constituents in Fareham will warmly welcome the Chancellor's statement today, particularly the announcement of a national funding formula for schools. Hampshire is the third lowest funded authority in the country. Is it not right that this can be delivered only because of the difficult decisions that have been taken on the economy, and that it simply would not have been possible had we ducked those decisions?

Mr Osborne: My hon. Friend is right. I am delighted that she has had success in campaigning on behalf of her constituents in Fareham to deliver a fairer funding formula for her local schools and the pupils whom she represents. She is absolutely right that we would not be able to deliver the kind of protection to the schools budget that we have announced today if we did not have a strong economy. The economic security that a strong economy brings is the bedrock of everything else we are achieving.

Caroline Flint (Don Valley) (Lab): Creative though it may be, I never thought that I would see the day when my sex was fined for having a period.

The Chancellor made a lot of the fact that he was phasing out grants to local government. Then he said that there were different ways in which local authorities could raise money for social care or, for that matter, for policing under the police and crime commissioners. I believe in fair funding, and I am sure that he realises

that, in more prosperous areas, the take from that sort of raising of funds is higher than for communities such as Doncaster and elsewhere, and it may not be able to meet the challenges on our doorsteps. Is he prepared to carry out an impact assessment on this matter to ensure that funding goes to the areas of greatest need?

Mr Osborne: I hope that the right hon. Lady welcomes the decision that we have taken on the money that is raised from the tampon tax—the VAT on sanitary products. The truth is that we have not been able to change the European Union rules. The previous Labour Government tried. Indeed I remember the right hon. Member for Normanton, Pontefract and Castleford (Yvette Cooper), when she was in the Treasury, standing at the Dispatch Box saying that she was trying to get the rules changed. What I have done is provide the best interim solution, which is to set up a fund to support women's charities. As with LIBOR money, I have been able to help charities that Members from across the House have proposed. Hopefully, we can carry that forward.

On local government, the right hon. Lady makes a very fair point about the regional economic disparities. What I said was that business rates would be retained 100% by local government. There is already a re-allocation of business rates through a tariff system. I propose that, on day one, those tariffs are set in stone. Thereafter any growth in business rate income in that area can go to the local council. An area such as Doncaster—I do not have the details here—might well be already receiving some additional money from the re-allocation of business rates from, say, central London. Thereafter, it would be up to Doncaster council, the local enterprise partnership and the elected mayor in South Yorkshire to ensure that they are doing everything they can to grow the area and get in the investment. I am sure that the right hon. Lady will welcome the investment in small modular reactors, which will be a big boost to that industry in South Yorkshire, which is a world leader in that field.

Dr Andrew Murrison (South West Wiltshire) (Con): I warmly congratulate my right hon. Friend on a truly outstanding statement, and particularly on the 3.7% increase in NHS funding, which is above inflation, that he announced. However, he knows that healthcare inflation has always run at about 4%, and that spending in the UK lags far behind countries with which we can reasonably be compared, such as France, Germany and the Netherlands, yet outcomes tend to be inferior. What is he doing to ensure that we plan sustainably for the future in healthcare funding so that we can continue to see the substantial increases in funding that will be necessary in the future?

Mr Osborne: I thank my hon. Friend for his support. Hopefully, as both a doctor and a former serviceman, he welcomes the support for the NHS and for our defence forces. On the question of the NHS, what we have done is ask the NHS to come forward with a plan for its own future. That five-year forward view was drawn up by the NHS, independently of us, and put forward by Simon Stevens, who is not affiliated to any political party and who worked for the former Labour Government. That plan, which is supported by the NHS, provides a sustainable future for the NHS. We have fully funded it up front, so that we can achieve the

transformations in, for example, primary care that the plan sets out. We are requiring of the NHS, like we are of the public sector, real efficiencies, but in the NHS's case, those efficiencies are put into the frontline healthcare that he is so determined to champion.

Several hon. Members *rose*—

Mr Speaker: Order. On present trends, if I were to call everybody, as I aspire to do, it would take another hour and a half. That is rather long, from which Members should deduce—whether they are Back Benchers or the esteemed Chancellor—that pithiness is the order of the day. We will be led in that mission by Mr Thomas Brake.

Tom Brake (Carshalton and Wallington) (LD): I welcome the Chancellor's decision to scrap tax credit cuts. Does he intend apologising to the people who were unnecessarily scared by his original plans, and does he intend disciplining his peers in the House of Lords who, had they supported the Liberal Democrat motion there, would have saved him from this embarrassing U-turn?

Mr Osborne: I said that I would listen and I have—I thought the right hon. Gentleman would welcome the fact that cuts in this Parliament under this spending review will be half what they were in the previous Parliament. Now that we are freed from the shackles of the Liberal Democrats, we can invest even more in our public services.

Michael Ellis (Northampton North) (Con): Does the Chancellor of the Exchequer realise that he is becoming a hero to those who, like me, have campaigned to deal with the perennial plight of potholes on our roads? [*Laughter.*] That is an area of major concern to millions of people in constituencies all over the country, and by establishing a permanent pothole fund, the Chancellor is helping to deal with a signal problem.

Mr Osborne: My hon. Friend is right. [*Laughter.*] Hon. Members may laugh in the Chamber when we talk about the pothole fund, but as constituency MPs, we know that the state of local roads and potholes is an issue of real concern to people. As a result of the extra investment that we are putting into our roads budget, we are able to increase the maintenance budget. We will not just build new roads; we will improve the roads we have.

Alison McGovern (Wirral South) (Lab): The Chancellor should have come to the House today to say that he has finally dealt with the budget deficit, but he overshot that mark by £60 billion. Does he honestly believe that when he leaves the Treasury for the last time, he will preside over anything but a deficit?

Mr Osborne: I have set out the projections to achieve the surplus that have been forecast by the Office for Budget Responsibility, and we made a commitment in the Charter for Budget Responsibility that has been set before the House. More broadly, in the five years that I have stood at this Dispatch Box, I do not think that I have heard a single proposal from any Labour MP for a reduction in Government spending. It is not credible to go on saying, "We want to cut the deficit and cut borrowing"—[*Interruption.*] Labour Members are shaking

their heads. Here is a test: every Labour MP who rises to speak should propose a cut in public spending before they propose an increase.

Dr Tania Mathias (Twickenham) (Con): I congratulate the Chancellor on his veritable listening skills on tax credits. When will he decide on airport expansion, and will his excellent listening skills be ready for my constituents when he does so?

Mr Osborne: As I said, I was able to listen to concerns that were raised, including by my hon. Friend, and because of the improvement in public finances we can help families move to the lower welfare, higher wage economy that I know people in Twickenham want. On investment in our infrastructure, I have detailed the plans that we have set out for roads and railways. When it comes to airports my hon. Friend must be patient just a little more because, as she knows, the Government are considering the Davies report and will make a decision on that in due course.

Helen Goodman (Bishop Auckland) (Lab): Table 2.1 in the spending review shows a 56% cut in grant to local authorities, which the Chancellor expects them to make up from business rates and higher council tax. As my right hon. Friend the Member for Don Valley (Caroline Flint) said, that is easier to do in wealthy areas than in poorer areas. Will the Chancellor provide regional analysis that shows what his assumptions are and takes account of the differential spend on infrastructure in different parts of the country?

Mr Osborne: My right hon. Friend the Secretary of State for Communities and Local Government will set out details of the local government settlement in due course, and we have taken the opportunity to put floors and ceilings on some of the effects of those changes, relatively to protect certain authorities. Given the area that the hon. Lady represents, I am sure she appreciates that there is a huge amount in this statement to support regional growth and growth in the north of England, and to ensure investment in the transport infrastructure, science and civic power of the north. That will help us to continue what we are seeing at the moment, which is the north growing faster than the south.

Chris Philp (Croydon South) (Con): I welcome the Chancellor's proposals to introduce a stamp duty premium for buy-to-let landlords and second-home purchasers—an issue that we discussed prior to this statement. Will he confirm that that will encourage homeownership in our country?

Mr Osborne: I put on record my thanks to my hon. Friend. He came to see me and we discussed what more we could do to level the playing field so that families trying to buy their own home are not disadvantaged when compared with those purchasing buy-to-let properties in places such as Croydon. We discussed what we could do with stamp duty, and he was one of a number of people who discussed clever ideas about how we could help families to buy their own home. I am glad that his thinking has come to fruition in this autumn statement.

Hywel Williams (Arfon) (PC): We look—sometimes in vain—to the Welsh Government for transparency and coherence. Given the increase in health spending in England, will the Chancellor enumerate in real terms

[Hywel Williams]

and on a year-by-year basis the consequential increases in funding for the Welsh Government? If he cannot do so now, will he write to me?

Mr Osborne: The Welsh block grant will rise in cash terms and will be worth £15 billion—over £500 million more than this year. There is also additional capital investment, and £900 million more is available for investment in Wales. Today we have made the historic announcement about a Welsh funding floor, which addresses long-held concerns in Wales that it is under-protected and not fairly treated by the Barnett formula. We have addressed that by building on work that has been done over many years by people such as Professor Holtham, and I am sure the hon. Gentleman agrees with me that this is a good deal for Wales.

Mark Menzies (Fylde) (Con): Once again I thank the Chancellor for all that he is doing to support the economy of the north of England. My constituency is the powerhouse of the northern economy because we manufacture the nuclear fuel that fuels almost every reactor in the UK. Will the Chancellor do everything he can to ensure that fuel for the new nuclear reactors that he spoke about today is made in Fylde?

Mr Osborne: I certainly give my hon. Friend a commitment that we will continue investing in his constituency, which he champions so effectively. We have spoken previously about the enterprise zone at Blackpool airport, and although shale gas development is controversial in his area, it is now supported by a shale wealth fund that will mean money for local communities. He is right to say that north-west England is an area with real expertise in nuclear power, and we have made a big commitment not just on the development of this generation of nuclear power stations, but on the small modular reactors about which there is real expertise not just in south Yorkshire but in the north-west.

George Kerevan (East Lothian) (SNP): The OBR report—at paragraph 1.43, in case the Chancellor has not read it—states that

“there is a roughly 55 per cent chance”

of him meeting his budget targets. Given that 50:50 proposition, will the Chancellor reassure the House that this Budget will not be torn up the way that three previous ones have been in the past 12 months?

Mr Osborne: The OBR assesses the Government against our fiscal targets, and that is the point of having an independent fiscal council. May I make a suggestion to the Scottish Government and the Scottish nationalists? Why not get on and create an independent fiscal council in Scotland? It is something they are refusing to do.

Helen Whately (Faversham and Mid Kent) (Con): As my right hon. Friend knows, this summer Operation Stack brought Kent to a standstill, so I welcome his announcement of a £0.25 billion investment in Kent's infrastructure to keep Kent moving. Does he agree that investment in infrastructure is vital for Britain's economic growth, national security and public services?

Mr Osborne: My hon. Friend came to see me to fight on behalf of her constituents who see their lives disrupted when the channel tunnel is blocked and lorries queue up on the motorways and block local roads. She, together with other hon. Friends with constituencies in Kent, came to me with a proposal to relieve that congestion and the impact of Operation Stack. We are making a £0.25 billion commitment to the county of Kent to help it deal with that traffic problem and provide a permanent solution.

Barbara Keeley (Worsley and Eccles South) (Lab): As my right hon. and hon. Friends have been telling the Chancellor, he is trying to push the issue of underfunding of social care on to local councils. A total of £4.6 billion has been taken out since 2010, and the gap is growing at £700 million a year. As my right hon. Friend the Member for Don Valley (Caroline Flint) said, there is fourfold difference between the ability of different areas of the country to raise funding through the 2% council tax increase. How is he going to close this gap when there is no extra funding from the better care fund until 2017?

Mr Osborne: Overall funding for social care will be protected in real terms. The council tax premium can be levied, and the better care fund will have an additional £1.5 billion to make sure that it can help local government integrate with the national health service. Our objective is to achieve over the next five years the integration of health and social care services across the country. Places such as north-east Lincolnshire, Northumberland and Greater Manchester have made big progress in this area, and I hope that the hon. Lady's local area also takes steps in that direction.

Mr David Burrowes (Enfield, Southgate) (Con): I welcome this compassionate Conservative statement with, for example, councils receiving £10 million more up front to tackle homelessness in their local areas. Will the additional £105 million pledged over the course of the Parliament to tackle complex needs of homelessness, mental health and youth unemployment be delivered through the roll-out to the troubled families programme, delivering social justice for single persons with complex needs?

Mr Osborne: I thank my hon. Friend for his support and for the work that he has done to champion the most disadvantaged and vulnerable in our communities. The troubled families programme is protected and supported in this spending review. The money for social impact bonds to help with complex social needs in our society is additional to that, as is the extra support for homeless people, which will go direct to councils rather than through the benefits system and have an extra £10 million put into it. There are a number of pieces of good news.

Jack Dromey (Birmingham, Erdington) (Lab): Just days ago, our police service, reeling from the biggest cut in Europe of 17,000, was facing the catastrophe of being cut in half. Now, following pressure from the public, the police and the Labour party, the Chancellor has thought again, including embracing our proposals for sensible savings on procurement. Does he agree that the first duty of any Government is the safety and security of their citizens, and that a U-turn, however begrudging and belated, is to be welcomed?

Mr Osborne: The first duty of Government is to protect the people. Because we have a strong economy, we can not only invest in our defence overseas but protect the public at home with the real-terms protection for the police, which comes on top of the increase in community support officers in the previous Parliament and the greater proportion of our police on the frontline. The hon. Gentleman says that the Labour party is championing the police's cause. I do not know where he stands in the civil war taking place in the Labour party at the moment, but those who currently lead it have spent their entire lives undermining the police, campaigning against them, and criticising them. That is what the public are going to judge the Labour party on.

Alex Chalk (Cheltenham) (Con): I warmly welcome the Chancellor's announcement of a boost in funding for our security services, who do so much unsung work to keep us safe. Does he agree that the creation of a cyber-innovation centre in Cheltenham will mean that those extra taxpayer funds will not just enhance our national security but boost private sector jobs and opportunity?

Mr Osborne: My hon. Friend is absolutely right. He represents some remarkable people who keep us safe, working at GCHQ in Cheltenham. I was very pleased to meet him at GCHQ headquarters last week, with local businesses that are growing cyber-business in Cheltenham, creating jobs and making sure that GCHQ is not just a source of jobs in the public sector in Cheltenham but jobs in the private sector. The new cyber-innovation centre and the work we are going to do in Cheltenham will only go from strength to strength.

Wes Streeting (Ilford North) (Lab): In 2007, Martin Lewis of moneysavingexpert.com and I were asked by David Willetts to lead an independent campaign for student finance information, and we agreed on the basis that we thought it would be better that people were able to make an informed choice and not be deterred from studying. Imagine my disappointment, then, at finding on page 93 of the book that student finance repayment conditions are not only being changed regressively but applied retrospectively. Not only do I regard this as a personal betrayal, but how can any applicant trust the information they are given by Government at the point of application? Furthermore, what message does the Chancellor think he is sending to the nursing profession and aspiring nurses that they should pay for the privilege of a profession in which they have to work incredibly hard for not-particularly-good pay? What an absolute outrage—he should apologise to students and to nurses.

Mr Osborne: One would not have guessed from the hon. Gentleman's outburst that it was a Labour Government who introduced tuition fees and a Labour Government who introduced top-up fees. I think it is perfectly—[*Interruption.*] The truth is this: Labour Members got into opposition, they became completely irresponsible, and they have no economic plan and no economic credibility. Part of that was opposing the very student fees that they had themselves introduced when in government. The changes we are making to student fees enable us to expand student places. They not only remove the cap on nurse training places, whereby at the moment over the half the applicants are turned away,

and as a result hospitals have to rely on agency staff and nurses from overseas, but expand student places across our universities in all disciplines. I would have thought that the hon. Gentleman, as a former head of the National Union of Students, would welcome that.

Nicola Blackwood (Oxford West and Abingdon) (Con): I thank the Chancellor for listening to the Science and Technology Committee and protecting science and innovation spending, which will mean more high-value jobs, higher productivity, and more inward investment. However, does he agree with us that we will realise the full value of this settlement only with better co-ordination between capital and resource allocations so that our researchers and innovators achieve their full potential for the United Kingdom?

Mr Osborne: I thank my hon. Friend for her words of support and for the work that she has done as Chair of the Science and Technology Committee. She made exactly the same point to me in person—that as well as providing capital support for science, we had to provide resource support to make sure that the facilities were well funded and could operate throughout the year. That is why we have increased the science resource budget and made sure that it now goes up in real terms. I know that she will want to look at Paul Nurse's report, which is about making sure that we better co-ordinate our scientific research activity across the country.

Jess Phillips (Birmingham, Yardley) (Lab): I very much welcome the Chancellor's announcement about how the tax that I pay on my sanitary products will now be spent on women's health charities. Will any of that money be spent on domestic and sexual violence charities? Will it be better spent than the money he announced in his Budget, which provided 27p for each woman who lived in a refuge, is only being given out now, and has to be spent by the end of March, pretty much helping no one for about four months?

Mr Osborne: The £15 million from the tampon tax will be available to charities that support women: not just women's health causes but domestic violence causes, where they do brilliant work. I have announced the allocation to four charities, some of which are already involved in domestic abuse prevention. Having listened to the hon. Lady over the past few months as a new Member of Parliament, I suspect that we will not agree on many things in this Parliament, but if she has some good causes that she would like to be funded by this money, I will take a very serious look at them.

Huw Merriman (Bexhill and Battle) (Con): I welcome the devolved powers on business rates and adult social care funding to local authorities. In my constituency, we desperately need to attract more business to pay for an ageing population. With that in mind, will the Chancellor restate his support for the High Speed 1 link between my constituency and the neighbouring constituency of Hastings and Rye?

Mr Osborne: I am happy to restate my support for the Javelin travelling to Hastings and supporting my hon. Friend's constituents in Bexhill and Battle. We are also investing in the roads in his area, because it is a particularly congested part of the south-east. There are

[*Mr Osborne*]

lots of exciting things happening on the south coast at the moment, as businesses come in and the university in Hastings—where some of the people he represents work—grows. I am very happy to look at anything more we can do to boost businesses in my hon. Friend's constituency.

Alex Salmond (Gordon) (SNP): When the Chancellor sat down after his summer Budget, he had a 50% chance of becoming the next Prime Minister. This morning it was estimated to be 25%. Mike Smithson, a former Liberal Democrat councillor who runs the Political Betting website, has invented a surefooted money making scheme: he buys the Chancellor on the day of his statement and sells his stock as the Chancellor's plans unravel in the following weeks and months. What guarantees can the Chancellor give the House that he is not back in bed with the Liberal Democrats and involved in the same sort of nefarious scheme to buy himself short and sell out the rest of us long?

Mr Osborne: To be honest, I am not going to take advice from the right hon. Gentleman about political projects that do not come to anything. He tried to make his country independent, but the people of Scotland had the good sense to say no.

Mr Robin Walker (Worcester) (Con): I congratulate the Chancellor on the way in which he balanced efficiency with compassion throughout his statement. He was as right to invest more in the NHS and housebuilding as he was to clamp down on tax avoidance. To keep up investment in our vital public services, we need to increase our income, both nationally and as individuals, so we need to keep investing in skills. Will the Chancellor expand on how his funding for apprenticeships and the apprenticeship levy will help smaller businesses to invest in skills?

Mr Osborne: The apprenticeship levy and the commitment we have made to 3 million apprentices is a huge boost to skills in this country, and it addresses one of the endemic weaknesses in the British economy that has bedevilled us for many decades. Small businesses are a big winner from the scheme: they do not have to pay the levy, but they get the advantage of the funded apprenticeships. We are also increasing the amount we pay for some of the apprenticeship courses. Indeed, there is a general uplift in apprenticeship funding. This will help small businesses, which do so much to support our economy, but which did not always get the support they wanted for training in the past.

Stephen Timms (East Ham) (Lab): The local government grant is available because some local authorities have a lower tax base than others. Can the Chancellor reassure us that the same necessary degree of rebalancing will be delivered once the grant has been phased out?

Mr Osborne: The reallocation of business rates, which takes place after we allowed local authorities to retain 50% of their business rates in the last Parliament, will be in place from day one. Thereafter, local areas, such as the right hon. Gentleman's, will have strong incentives to attract businesses to their area. They will be able to cut business rates, if they would like to bring in those

businesses. Frankly, I think that will also help with speeding up planning decisions and encouraging local economic development. We all know that the trouble is that there is always a cost to local councillors saying yes to developments in our constituencies. It is often controversial and they do not see the benefits. Councillors will now see the benefits, and, more importantly, so will local communities.

Christopher Pincher (Tamworth) (Con): Over the past three years, Jaguar Land Rover has doubled the size of its workforce in the west midlands—a job made easier by our skill base. In welcoming the jobs news the Chancellor has given us, may I ask him to say a little more about how he is going to help automotive firms recruit locally, not least from the Torc vocational centre in Tamworth, whose automotive hub has received a £2 million grant from Conservative-controlled Staffordshire County Council?

Mr Osborne: I thank my hon. Friend's Conservative council for the support it gives to the car industry, and I thank him for championing the industry in this House. We have made a commitment not only to maintain the money we are putting into our automotive strategy, but to continue doing so for the next 10 years. Obviously, product lines at JLR and other important car firms take many years to develop and invest in. I am sure that long-term commitment to our brilliant car industry will be very welcome.

Ruth Smeeth (Stoke-on-Trent North) (Lab): Following on from questions asked by colleagues, led by my right hon. Friend the Member for Don Valley (Caroline Flint), will the Chancellor outline exactly what today's autumn statement means for cities such as Stoke-on-Trent, sitting between Greater Birmingham and Greater Manchester, with little family silver to sell in terms of assets, and with 94% of my residents living in properties in council tax bands A, B and C? What are we meant to do without the local government block grant and with business rate revenue that will not fill the gap?

Mr Osborne: The reallocation of funding within local government continues to support poorer areas of the country such as that represented by the hon. Lady. There is now a huge set of incentives for the local community, local businesses and the local council to grow Stoke-on-Trent and see the benefits. They can work with us to make that happen. I am very happy to discuss what more we can do for Stoke and, of course, what more we can do to ensure that Stoke co-ordinates with Crewe and Cheshire East authority, which my constituency sits in and where there are lots of exciting plans to do more together.

James Berry (Kingston and Surbiton) (Con): The security of our nation starts at home, so may I welcome warmly the excellent news that the police budget will be protected in real terms and that an additional 30% will be spent on counter-terrorism? Does my right hon. Friend agree that protecting or increasing spending in important areas such as the NHS, schools and policing is simply not possible if difficult decisions are not made about public spending elsewhere, and that ideas for such spending cuts are never forthcoming from the Labour party?

Mr Osborne: My hon. Friend is absolutely right. I am sure that the decisions taken on the NHS, education and policing will be very welcome in his constituency. They will enable us to deliver on the promises he made to local people. It is very easy for people to get up and say, “We want more money spent on this and more money spent on that,” but I do not think I have yet heard an answer to my challenge to the Labour party to come up with a single public expenditure saving.

Mr Ronnie Campbell (Blyth Valley) (Lab): Trident.

Mr Osborne: There you go—Trident. That is the modern Labour party: it wants to get rid of our nuclear deterrent. Some Labour Members are now shaking their heads. May I make a polite suggestion? Why does not the Labour party sort out its policies and then come to the House of Commons and tell us what they are?

Debbie Abrahams (Oldham East and Saddleworth) (Lab): I welcome the Chancellor’s announcement of increased mental health funding, especially as it follows a cut to the mental health tariff in the last Parliament. Given last week’s research findings, which showed a clear link between the Government’s own work capability assessment policy and an increase in suicides and other adverse mental health effects since 2010, how much of the increased funding will be spent on ameliorating the adverse effects of the Government’s own policies?

Mr Osborne: It is generally accepted across this House that mental health services in the NHS have not always had the support they need over many decades and that we have not always had equality of treatment in the NHS. We have now made that change in the constitution of the NHS. Today I have announced £600 million extra funding for mental health, on top of what was announced at the March Budget. That will help with access to talking therapies and to perinatal mental health services. I would have thought and hoped that the hon. Lady welcomed that.

Lucy Frazer (South East Cambridgeshire) (Con): I commend the Chancellor’s commitment to the fairer funding formula. How precisely will it help students in Cambridgeshire, who historically have received about £2,000 less per pupil than those in some other areas of the country?

Mr Osborne: The current funding for schools is arbitrary and unfair. Children in different areas but with exactly the same circumstances can receive many thousands of pounds in funding at their schools, depending on where in the country they live. Cambridgeshire is one of the areas that has been underfunded historically. The new national funding formula will help address that unfairness. My hon. Friend has been championing that cause, and my right hon. Friend the Education Secretary will set out how the formula is going to work.

Mr Ronnie Campbell: Has the Chancellor got any plans to bring in more privatisation to the health service?

Mr Osborne: Our national health service is publicly run, free at the point of use and now well funded under this Conservative Government.

Victoria Atkins (Louth and Horncastle) (Con): May I thank my right hon. Friend for his commitment to fairer funding for schools so that the children in my

constituency can get a fairer deal? On the subject of education, will he join me in thanking the shadow Chancellor for sharing his favourite book with us and therefore designing my next campaign leaflet?

Mr Osborne: My hon. Friend is absolutely right to champion the schools in her Lincolnshire constituency and to draw attention to the fact that the funding formula has not been fair to her constituents. That is why we are getting rid of it and introducing a new national funding formula, which will help to make sure there is a fair deal for Lincolnshire schools.

Having had a chance to look at it, I have discovered that this is a pretty well-thumbed copy of the little red book, so I do not think this is the first time that the shadow Chancellor has read from it.

Dr Eilidh Whiteford (Banff and Buchan) (SNP): The Chancellor has been forced into a humiliating climbdown on tax credits. That will at least give a stay of execution to some of the affected families. However, from what we have heard today, hundreds of thousands of social sector tenants now face losing money because of his austerity agenda. Why is he determined to put low-income households on the frontline?

Mr Osborne: We are saying that rents in the social sector should not be higher than rents in the private sector in a particular area. It has to be said that in most parts of the country they are not higher, but there are some parts of the country where they are. This is perfectly fair—fair to those who pay for our welfare system, fair to those who rely on it. It is only for new tenancies.

I would make the broader observation that if the Scottish nationalists want to do something about housing benefit, they should agree the fiscal framework and make use of the powers they are being offered in the Scotland Bill. As always, they want to duck responsibility for decisions that we have devolved to them and the Scottish Government. They should stop arguing about the process—Lord Smith has put an end to that argument—and get on and agree the framework, and then they can defend the decisions that they take on housing benefit in future.

Several hon. Members *rose*—

Mr Speaker: Order. My wish to accommodate all interested colleagues has to be balanced against the pressure of subsequent business. If I am to accommodate colleagues, what is now needed is a single, short supplementary question, without preamble. If a colleague can deliver that, great; if not, reconsider.

James Morris (Halesowen and Rowley Regis) (Con): As the chairman of the all-party group on mental health, may I welcome the Chancellor’s announcement of additional money for mental health? Does he agree that that is a first step in delivering our manifesto commitments on mental health, which not only is right in principle, but will put mental health at the centre of our national health service in the future?

Mr Osborne: My hon. Friend has been a great champion of mental health, and he is right in what he says.

Barry Gardiner (Brent North) (Lab): This morning, the Government released the figures for the highest number of excess winter deaths this century—43,900—yet, in his statement, the Chancellor has cut the ECO budget, which was designed to improve home insulation, by 60%. How does he reconcile those figures?

Mr Osborne: We are ensuring we have an efficient home efficiency scheme, and at the same time we are cutting the energy bills for families. I remember the Labour party in the last Parliament—it did not do Labour Members any good in the end—campaigning to freeze energy bills. They should be welcoming this cut in energy bills.

Michael Tomlinson (Mid Dorset and North Poole) (Con): Time does not permit me to list all that is welcome in the Chancellor's statement for residents of Dorset and the south-west, but I must mention Dorset Green, the new Dorset enterprise zone, which is incredibly welcome, and perhaps most importantly of all, the fairer funding formula for our schools in Poole and Dorset, which have until now been among the worst funded in the country.

Mr Osborne: My hon. Friend is a great champion of his Poole and Dorset constituents. The enterprise zone is going to be a great success in Dorset, and the funding formula will of course help schools in Dorset.

Cat Smith (Lancaster and Fleetwood) (Lab): I thank the Chancellor for clarifying that the £15 million raised from the tampon tax will go to domestic violence charities as well as to women's health charities. Given that women have gone from paying a luxury tax to what is in effect an insurance payment in case they have to flee violence, will he, in the interests of equality, consider a tax on lads mags to fund prostate cancer, or do only women have to pay for the price of their own services?

Mr Osborne: I think the hon. Lady should be fair about the situation that the United Kingdom finds itself facing. When she was Chief Secretary to the Treasury, the right hon. Member for Normanton, Pontefract and Castleford (Yvette Cooper) gave a very clear explanation of why, because of EU rules, the United Kingdom cannot reduce VAT on sanitary products below 5%. It is no good just standing up and asserting that we can do this, when Labour Ministers have stood at the Dispatch Box and explained why it is not possible. We will continue to campaign, as the previous Labour Government did, to get rid of that tax in the EU, but in the meantime, we are doing something they did not do, which is to take the money and put it into a fund. I ask the hon. Lady to come forward with some good causes that help both women who suffer from domestic violence and women's health charities so that they can be funded from that pot.

James Heapey (Wells) (Con): Amid the all the wonderful news for Somerset on road and rail infrastructure, will the Chancellor reassure us that he remains fully committed to connecting 100% of homes to superfast broadband?

Mr Osborne: There is a £1.7 billion superfast broadband programme, which will help in the west country. Of course, we are also looking at a universal service obligation on telecom providers—as we have on other utilities—to help my hon. Friend's constituents.

Stewart Malcolm McDonald (Glasgow South) (SNP): The Burrell Collection refurb is vital for pulling visitors to the south side of Glasgow in my constituency, so I welcome the announcement of £5 million of funding. Will the Chancellor go a little further and commit to meeting me and local people who are keen to build up the south side as a tourist place in Glasgow so that we can really raise its profile?

Mr Osborne: I am very happy to meet the hon. Gentleman and, indeed, anyone he wants to bring with him. If there are sensible projects in Glasgow that we can fund, we will of course look at them. My view is that the Barnett formula and the block grant to Scotland does not mean that the UK Government have done all we can do to help Glasgow. That is why we have the city deal and why we are supporting the Burrell Collection today. If he has some other good ideas, we will be able to fund them too.

Martin Vickers (Cleethorpes) (Con): Some £355 million is allocated for flood defence schemes in the Yorkshire and Humber region. Will my right hon. Friend give us an assurance that the strategically important Humber ports will be prioritised within that allocation?

Mr Osborne: My hon. Friend has been a doughty champion of flood defences on the Humber. As he well knows, the Environment Agency is looking at the big, long-term scheme that has been put forward there. I will make sure it takes a serious look at what it can do to protect industries in his constituency.

Diana Johnson (Kingston upon Hull North) (Lab): Continuing with the Humber theme, I welcome the Chancellor's announcement of the £1 million for Hull city of culture 2017, which I think takes the total to £5 million. If he is really serious about the northern powerhouse and investing in the arts in the north, may I gently point out to him that that compares very badly with the fact that an arts campus in Battersea is getting £150 million, an unspecified arts project at the Olympics site will get money and there is an additional £150 million for London museums? Will he think again about what the northern powerhouse and the arts actually mean?

Mr Osborne: I do not think the sum the hon. Lady gave for the Battersea project is quite right. I make no apology for saying that we should invest in our great national museums wherever they are—the Museum of Science in Manchester, the Burrell Collection in Glasgow, or the Science Museum and the V and A in London—because they are all part of what makes the United Kingdom a fantastic place to visit and to live in. I will look seriously at proposals she puts forward for investments in the arts in Yorkshire. As she will see in the autumn statement, we have made a big investment in the arts in Manchester with the commitment to Factory Manchester. We have previously committed money for the Turner Collection to come to Hull, and we have already renovated a number of museums in Hull. Does she have new ideas? Her constituency neighbour, the right hon. Member for Kingston upon Hull West and Hessle (Alan Johnson), made a request to me and I have funded it, which I am glad she welcomes.

Iain Stewart (Milton Keynes South) (Con): In the welcome context of increased capital investment in transport, may I ask my right hon. Friend to say more about the progress of the Hendy review, particularly the east-west rail project that is vital to unlocking economic and housing growth in Milton Keynes and Aylesbury Vale?

Mr Osborne: Peter Hendy is doing an excellent job in sorting out the finances of Network Rail. We funded the projects in control period 5 and funded additional spill-overs into control period 6. East-west rail is an important project and it will go ahead.

Tom Blenkinsop (Middlesbrough South and East Cleveland) (Lab): The autumn statement confirms the Chancellor's climate change exemptions, which leave energy-intensives such as steel companies no better off cash-wise. The partial exemptions from renewables obligation certificates and feed-in tariffs, which are now to end in four months anyway, leave the Chancellor's new permanent exemption as close to worthless as it gets. The Chancellor announced four years ago an exemption to his carbon price floor tax. Where is it?

Mr Osborne: We are providing a permanent exemption to the maximum amount allowed by EU state rules for steel industries in the hon. Gentleman's constituency and elsewhere, as well as chemicals and other energy-intensive industries. This will be a permanent exemption, rather than a grant from the Department for Business, Innovation and Skills. That makes it much more sustainable going forward.

Kevin Hollinrake (Thirsk and Malton) (Con): I welcome the £50 million investment in our agri-tech centre at Sand Hutton and the protection for our North York moors, both of which are in my constituency. I welcome the apprenticeship levy as well. Will the Chancellor welcome the comments made during my visit to Karro Foods that the apprenticeship levy would allow it to employ more local people and fewer people from abroad?

Mr Osborne: My hon. Friend is right that we have been able to boost skills in his Yorkshire constituency. We have been able to fund the great national parks of Yorkshire. We have also been able to invest in one of our great British industries, which has not always got a mention in Chancellors' speeches in the past—farming. The big investment that we are making in agri-tech science with those four centres around the country, including one in York, will be very welcome.

Jenny Chapman (Darlington) (Lab): Can the Chancellor explain why the OBR has just forecast that household debt to income levels are set to rise to above pre-crash levels?

Mr Osborne: The OBR is forecasting a rise in household debt which is partly reflected in a rise in house prices and therefore household assets, against which the debt is secured. But of course there is a big difference from the unsecured debt that we found in 2008. The big difference we now have is a Bank of England with a Financial Policy Committee, which is able to step in when it sees debt levels reach worrying levels. The Governor of the Bank of England signalled before the

Treasury Committee yesterday concern about buy-to-let prices, for example, and he is receiving the powers to do something about it. That is a big change from the situation five years ago.

Richard Drax (South Dorset) (Con): My constituents in South Dorset will want to thank my right hon. Friend for the enterprise zone at Winfrith Green, which is going to create thousands of jobs, for looking again at the education funding, which was very unfair to Dorset, and for the incentives to take on apprenticeships, which is so important for the future economy and particularly for the young people of this country.

Mr Osborne: I thank my hon. Friend. Dorset is a fantastic county. The enterprise zone will be a great success. Schools in Dorset will be boosted by the announcement today on the funding formula. He is absolutely right—we want great jobs in Dorset that are available to local people, so the apprenticeship support will mean that local people have the skills to get those jobs.

Philip Boswell (Coatbridge, Chryston and Bellshill) (SNP): I see on page 14 of the autumn statement that the Chancellor forecasts public sector net borrowing increasing significantly from 2014 through 2019, then almost miraculously hitting the Chancellor's £10 billion surplus target by 2019-20. How can he be sure of keeping interest rates low enough for long enough to even have a hope of hitting this most optimistic of targets in this decade of austerity?

Mr Osborne: I do not know whether the hon. Gentleman misread the table, but public sector net borrowing is shown on page 14 as falling in every year, then it reaches a surplus.

John Glen (Salisbury) (Con): I thank the Chancellor for his unwavering commitment to welfare reform, enabling him to invest in schools, defence and the NHS, and in particular for his investment in infrastructure. Can he confirm that he will continue to take a close interest in the future of science jobs at Porton and the planned investment in the A303 at Stonehenge?

Mr Osborne: I can give my hon. Friend that assurance. I am very keen to support the Porton science hub that he has championed and to make sure that as the public health laboratories move over a period of years, we build up a strong science hub there. That will be helped by the improved transport connections, including the huge billion-pound or so investment in the A303 past Stonehenge in his constituency.

Roger Mullin (Kirkcaldy and Cowdenbeath) (SNP): Given the Chancellor's unwillingness—surely not inability—to answer any of the questions posed by my hon. Friend the Member for Dundee East (Stewart Hosie), may I ask him again how much has been set aside for reconstruction in Syria?

Mr Osborne: The overseas aid budget, which is going up substantially as our economy grows, is being refocused so that as well as helping the world's poorest—for example, in sub-Saharan Africa and in countries such as Pakistan—we will also have money to help those

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states on the borders of Europe that are fragile or failing. Some 50% of our overseas aid budget will go towards those fragile and failing states in the world. We are therefore able to increase the resources going to Lebanon, Jordan and the camps in Turkey that are helping the refugees of that terrible crisis. I hope the SNP will look carefully at the arguments that my right hon. Friend the Prime Minister will make tomorrow in this House.

Andrew Percy (Brigg and Goole) (Con): I welcome the Chancellor's recalibration of tax credits. In my dealings with him on the subject, he was always prepared to listen, polite and understanding of the concerns. On flood defence funding, he mentioned the Humber scheme on which he worked with the Environment Agency. That has now gone back to the EA, which has pooh-poohed the very proposals that it worked with us to create. That is extremely important for the Humber. Can my right hon. Friend assure us that he will do everything to work with local MPs to come up with a scheme that properly defends the Humber and all the investment that we have got coming?

Mr Osborne: I can give my hon. Friend that assurance. I thank him for what he said about the fact that we have had a very constructive dialogue. I have always been prepared to listen to the concerns that my hon. Friend raises, which I always think are heartfelt. On the Humber, we worked together to cut the bridge tolls, to get the enterprise zone, to get the Siemens factory there and to get the new roads to places such as Immingham. On the flood defences, I know that this has taken time, but we are trying to work on a sustainable solution that will protect the businesses of the Humber estuary. I know that he feels very strongly about it, as does my hon. Friend the Member for Cleethorpes (Martin Vickers), his neighbour. Let us work together and see if we can move forward with the Environment Agency. It has a rigorous way of assessing these projects. Let us try and make sure that the scheme meets those assessments.

Nic Dakin (Scunthorpe) (Lab): When the Chancellor says that he will permanently exclude energy-intensive industries such as steel from environmental taxes, is he including the carbon floor tax which the Government unilaterally introduced in previous years?

Mr Osborne: The exclusion on the energy bills is for the various tariffs, such as feed-in tariffs. We are announcing at the Budget the results of our long-term consultation on energy taxes—we announced at the Budget earlier this year that it would take place—so we will have an answer for the hon. Gentleman then.

Matt Warman (Boston and Skegness) (Con): Across every Government Department the Chancellor is investing in a nationwide digital revolution, which I warmly welcome. Will he heed the more than 100 Members of Parliament across this House who have asked him to invest in broadband to make all that possible?

Mr Osborne: We have got the £1.7 billion. We are committing to the superfast broadband rollout that will take it to 95% of the population. We are, as my hon. Friend knows, looking at a universal service obligation

on the telecoms companies to reach more customers, as the other utilities already have. He is right that broadband is vital for the economic future of this country and helps rebalance our economy not just geographically from south to the north, but in the rural areas of our country, where it is now possible to run successful international businesses in a way that was not possible a decade ago.

Neil Gray (Airdrie and Shotts) (SNP): The Blue Book adds just a little detail to the Chancellor's announcement of the expansion in social security conditionality. It is estimated that 1.3 million people will be caught up in this. Can the Chancellor say whether he will be dragging the sick and disabled to jobcentres every week?

Mr Osborne: There is additional support for disabled people who want to get into work. There is help for people who have been unemployed for 18 months through our help to work scheme. The additional conditionality that the hon. Gentleman refers to relates to people who are currently on housing benefit but do not face that conditionality. Housing benefit is becoming part of universal credit, so that is one category of people we can extend the conditionality to.

Craig Mackinlay (South Thanet) (Con): May I follow my hon. Friend the Member for Faversham and Mid Kent (Helen Whately) in offering words of thanks from the people of Kent for the £250-million commitment to find a permanent solution to Operation Stack? Kent MPs should go and see the Chancellor more regularly. Does he agree that Kent, which is on the frontline of cross-border trade and movement of people, deserves special treatment and, at times, spending?

Mr Osborne: Kent is a very special place as the garden of England. My hon. Friend and other hon. Friends from Kent came to see me and made a compelling argument about what happens to local roads when the channel tunnel is blocked and how that affects his constituents and people in Folkestone near the tunnel mouth. We are making a quarter of a billion pound commitment to finding a permanent solution to that problem. I congratulate him and other Kent MPs on a successful campaign.

Gavin Newlands (Paisley and Renfrewshire North) (SNP): I am sure that the Chancellor merely forgot to answer the questions of my hon. Friends the Members for Dundee East (Stewart Hosie) and for Kirkcaldy and Cowdenbeath (Roger Mullin) on the rebuilding of Syria, so I will give him another chance. If the Government persuade the House to back military action, how much has he set aside for the city deals for Aleppo, Damascus and Homs?

Mr Osborne: As I have said, we have an increasing overseas aid budget and 50% of that budget will go to failing states. I assure the hon. Gentleman that if there was a political solution in Syria that enabled the Department for International Development to go to Aleppo and Damascus, we would be able to spend considerable sums on rebuilding those cities. It is frankly a bit unrealistic of the Scottish nationalists to ask about the city deal for Aleppo when it is in the middle of a civil war that we are all trying to bring to an end.

Tom Pursglove (Corby) (Con): I strongly welcome my right hon. Friend's announcements on police spending and the progress that is being made on exempting the steel industry from green taxes. Those are issues that I am hugely passionate about, as are my constituents. Will he clarify, however, when the exemption will kick in?

Mr Osborne: My hon. Friend, who I believe is the son of police officers, made a persuasive argument to me about what we could do to our police when we discussed that matter. He has done his parents and his constituents in Corby proud. The support for energy intensive industries has been provided by the Department for Business, Innovation and Skills out of its departmental budget this year. In the years ahead, it will be provided as an exemption from the green tariffs.

Peter Dowd (Bootle) (Lab): In addition to the threat to thousands of Revenue and Customs jobs in my constituency, proposals have been announced by Webhelp and Shop Direct, which has the Very and Littlewoods brands, to transfer 400 call centre jobs to South Africa. What in the statement will encourage such companies to remain or, as the Chancellor puts it, stay here in Britain, especially in the light of the cuts to departmental budgets?

Mr Osborne: The way in which we can support the hon. Gentleman's constituents and ensure that businesses invest here is by being a competitive place to do business. He is right to draw attention to the fact that companies can choose to locate anywhere in the world. How do we address that? We make Britain the place to invest and we make Liverpool the place to invest, so that we attract those businesses here. Investment is coming into this country. Indeed, Britain has attracted more investment than the rest of Europe. As I set out today in the autumn statement, overall investment in our economy is going up by more than investment in any other G7 economy this year, and it will go up more here next year and the year after than in any other G7 economy. That will produce the jobs that he wants for his constituents.

Dr James Davies (Vale of Clwyd) (Con): I thank the Chancellor for an autumn statement that will be welcomed by my constituents in the Vale of Clwyd. Over the past few months, I have received several representations about the need to meet the growing cost of social care in north Wales. How will the very necessary new social care precept and the increase in the better care fund apply to Wales, bearing in mind the fact that local government functions are devolved?

Mr Osborne: The Barnett formula consequential will apply. I am happy to write to my hon. Friend on the specific support that we can give to social care in Wales. As I say, his constituents will be beneficiaries of the relative protection for the NHS and things like social care in England through the Barnett formula. Crucially, the new funding floor will also provide protection. I will write to him specifically about the devolved arrangements in social care.

Alison Thewliss (Glasgow Central) (SNP): First, I associate myself with the comments made by our Labour sisters about the tampon tax. I am glad to see that the Chancellor is helping the SNP to implement at least one aspect of our manifesto.

I have been asking the Chancellor since his statement in July how he intends to make women prove that they had their third child as a result of rape. There are still no answers on that and the two-child policy still applies, despite his U-turn on the tax credit cuts.

I would also like to ask about the limiting of housing benefit and pension credit to four weeks for claimants who go abroad. Will there be protection for people who have to go abroad as a result of a bereavement in their family?

Mr Speaker: All those matters are of the highest importance and I know that the Chancellor will respond diligently, but sometimes Members suffer short-term memory loss, so perhaps I should just remind the House of the merits of pithy questions.

Mr Osborne: The last point that the hon. Lady raised was a perfectly fair one. At the moment, people can leave this country for up to 13 weeks and continue to receive housing benefit and pension credit, without any explanation of why they left. That is a very long time for the people she represents and the people I represent to pay the housing benefit of someone who is not even in the country and is not living in the house for which the housing benefit is being paid. We are reducing that to a month, which is still quite a long period. There will be arrangements and discretionary support to help people who face exceptional circumstances of the kind that she describes, such as a bereavement.

As part of the Welfare Reform and Work Bill, we will come forward with the results of the work and consultations that we have undertaken on the issue she raises about rape and violence.

John Stevenson (Carlisle) (Con): I thank the Chancellor and congratulate him on securing an enterprise zone for Carlisle. It is hugely significant for the area and I look forward to his visiting when the site is full. Does he agree that if business is to invest in places such as the Carlisle enterprise zone there must be financial stability and consistency of policy? Does he agree that it is important that business success is central to Government policy?

Mr Osborne: My hon. Friend is absolutely right. He is a champion of bringing businesses to Carlisle. I have made a number of visits with him to Carlisle businesses, including a sawmill and construction sites that are providing new homes for people there. He is right that none of those things is possible—people do not build houses and businesses do not expand—if there is no economic security and no confidence in the long-term plan of the Government. We have been able to provide a new enterprise zone for Carlisle and, buried in the detail of the document there is extra support for air routes from Carlisle as well.

Alan Brown (Kilmarnock and Loudoun) (SNP): I ask the Chancellor to answer this question without any bluster about oil and fiscal frameworks. In fact, I ask for a one-word answer. In real terms, over the course of this Parliament, will the Scottish revenue grant suffer a Tory cut?

Mr Osborne: The block grant is going up, and there is a big increase in the capital budget. If the SNP had had its way and Scotland had become independent, there

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would have been savage cuts, because the OBR has just confirmed a massive fall in oil revenue income, which would have devastated Scotland. Thankfully, Scotland is part of a strong United Kingdom.

Several hon. Members *rose*—

Mr Speaker: Order. The hon. Member for Wealden (Nusrat Ghani) has perambulated around the Chamber, which of itself is perfectly legitimate, and we enjoyed hearing from her earlier. May I just ask, was she here throughout the statement?

Nusrat Ghani (Wealden) (Con): Yes.

Mr Speaker: She was; we will hear from her.

Nusrat Ghani: Thank you, Mr Speaker.

A good education not only enables our children to reach their full potential but is empowering, and we now have 1 million children attending good or outstanding schools. May I thank the Chancellor for protecting our schools budget and for the good news about the commitment to a new funding formula, which will mean so much to my rural constituency?

Mr Osborne: The constituency of Wealden is dear to my heart, as my father grew up in Framfield, near the town of Uckfield, and I have been to see the area.

My hon. Friend is right that the support we are giving East Sussex in this statement is really compelling. It means that we can support the schools in her constituency, of which she has been such a strong champion.

Greg Mulholland (Leeds North West) (LD): Following England's series win against New Zealand, I am delighted that the Government are supporting the bid for the 2021 rugby league world cup. Last time there were huge problems on the trains, so will he bring forward plans to electrify the TransPennine line and the Leeds, Harrogate and York line which are so important to his northern powerhouse?

Mr Osborne: I am glad that the hon. Gentleman has noticed the bid that we have made for the rugby league world cup. Let us just hope that England, and indeed all the home teams, are a bit more successful than we were in the rugby union world cup.

The TransPennine train route is being electrified as fast as is possible in engineering terms. It is not a question of money—we have said that we will spend the money required for the electrification. The timetable is simply being dictated by what is possible in the engineering. I am therefore confident that we are making progress as fast as we possibly can.

Callum McCaig (Aberdeen South) (SNP): The Chancellor seems to find the fall in the oil price somewhat amusing, whereas in the real world it means job losses and companies going to the wall. When will he stop laughing and start delivering the support for exploration that the industry requires?

Mr Osborne: It is now SNP policy that it wants a higher oil price, so presumably all the motorists would have to pay more for their car journeys in SNP Members' constituencies and all the non-oil businesses would have to pay more as well. The truth is that not even the Scottish nationalist party is in control of the world oil price. It changes, and we have to ensure that that brilliant industry in the North sea is supported through the ups and downs of the world oil price cycle.

We have made huge cuts to North sea oil taxation this year and provided additional support for exploration. We have stepped in, with the industry, to create the Oil and Gas Authority for the UK and make sure it does everything it can so that we get every drop of oil we can out of the North sea, and indeed get the gas out too. I would have thought the hon. Gentleman wanted to work with us to make that possible. Of course, that kind of support would never be possible if Scotland were independent.

Mr Speaker: Last but not least, Mr Jim Shannon.

Jim Shannon (Strangford) (DUP): Thank you, Mr Speaker. It is always a pleasure to speak in the House. I thank the Chancellor for the good things that he is doing for Northern Ireland, which have been confirmed today. Other Members have spoken about them.

Next Tuesday will be World AIDS Day. The latest figures for the United Kingdom show a rise in HIV and sexually transmitted diseases. In the news today, the talk was that many clinics where diagnosis of sexually transmitted infections takes place would have their funding reduced. Can the Chancellor confirm that the extra moneys set aside for health will ensure that those clinics remain open so that STIs can be diagnosed at an early stage?

Mr Osborne: The hon. Gentleman is right to draw attention to World AIDS Day, and to the fact that we are funding the national health service and so can support screening for and research into sexually transmitted disease and provide support for people with HIV/AIDS. We have included in our announcements this week the £1 billion Ross fund, named after Ronald Ross, a Nobel laureate of this country. That will go towards disease research, which could well include the disease that the hon. Gentleman mentions.

Mr Speaker: I thank the Chancellor, the shadow Chancellor and all colleagues. Three hours and 10 minutes later, subject to their other commitments, they can have a cup of tea.

ROYAL ASSENT

Mr Speaker: I have to notify the House, in accordance with the Royal Assent Act 1967, that the Queen has signified her Royal Assent to the following Act:

Northern Ireland (Welfare Reform) Act 2015.

Scotland Act 1998 (Amendment)

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

Mr Speaker: I call the hon. Member for Na h-Eileanan an Iar, who has been patiently waiting.

3.44 pm

Mr Angus Brendan MacNeil (Na h-Eileanan an Iar) (SNP): Excellent pronunciation, as ever, Mr Speaker.

I beg to move,

That leave be given to bring in a Bill to establish a mechanism by which the Scottish Government, Scottish Parliament and a majority of Members representing Scottish constituencies may jointly determine further powers and responsibilities to be devolved to Scotland; and for connected purposes.

The House has decided that there is a need for English votes for English laws, or EVEL, and now, to keep modernising the House of Commons, in which the Scottish National party is always keen to play a constructive role, and, more importantly, to put Scotland first, it is time to have Scots votes for Scots laws, or SVSL—as an aide memoire, that sounds almost like thistle.

The foundation of my argument and of the call for SVSL comes from a great promiser of devolution who said:

“If Scotland says it does want to stay inside the United Kingdom then all the options of devolution are there and are possible”.

That promiser was, of course, the Prime Minister. Since then the SNP has tabled 80-plus amendments to the Scotland Bill on Report alone and none were accepted—not quite all options, and very far from all possible. The SNP is, as I have said, here to help.

Given that, as I will show, Westminster has failed Scotland, it is time to move to a point beyond that at which we are promised crumbs from the table or we plead for those crumbs—to a point at which we are given the keys to the larder where Scotland’s powers have been deposited since 1707. That would mean that, in line with the Prime Minister’s words, Scotland could choose to take powers fulfilling the solemn promise he broadcast to Scotland just eight days before the referendum: all options of devolution are there and all are possible. That was the premise on which the Scottish people voted for the other option to yes. It was not a no vote. Remember, Madam Deputy Speaker, that at the time of the vote the three amigos, as they were dubbed in Scotland, galloped from this Chamber to Scotland. The referendum became a choice between yes and lots of powers, with even a vow thrown in, and/or as close to federalism as possible.

To help, I propose an amendment to the Scotland Act 1998 whereby devolution to Scotland occurs first, when Her Majesty’s Scottish Government want the powers; secondly, when the Scottish Parliament ratifies the Scottish Government’s wish; and thirdly, when a majority of Scottish constituency MPs at Westminster agree to that. Those Scottish votes for Scottish laws—SVSL—would complement EVEL in this Chamber. A devolution triple lock, but with an energetic drive. I would not include defence, by the way, but given that the Scottish Government are already moving on foreign affairs, it would seem sensible to let that option be there if chosen by Scotland, so that we can improve our trading situation as a nation.

Some will ask why I want to do this. The latest Scotland Bill has been described to me by an eminent independent legal mind in Scotland as more of a miscellaneous provisions Act—in other words, it is a bùrach. In fact, this is Westminster’s third attempt to tell Scotland, “You’ve had all you’re getting of your powers back; now be happy and stop bothering us.” That has twice clearly been unsatisfactory, and it looks as though it will be unsatisfactory again.

Indeed, the House of Lords would seem to support my point that the Scotland Bill is already failing Scotland. Last Friday, newspaper headlines read “Lords demands halt to Scotland Bill” and “Committee slams detail on fiscal framework”, with a Lords Committee saying that there has been a lack of

“attention to detail or principles”,

the upshot being that the Bill is impossible for it to scrutinise.

In Scotland, the feeling is certainly that Westminster must do better, as it has had three chances and has failed. It has failed three times. The definition of madness is to continue to do the same thing and expect different results. Therefore, to save us from the well-meaning blundering of Westminster we in Scotland feel, to paraphrase Churchill, that Westminster’s virtues are worse than the vices of 2,000 men. We needed amendments to the Scotland Act 1998 to provide us with a solution.

The solution I outlined earlier is based on experience and practice and informed by conversations and observations, one of which took place on 8 April last year when Uachtarán na hÉireann Mícheál D. Ó hUiginn—Irish President Michael D. Higgins—came to address both Houses of this Parliament in an historic first state visit by an Irish Head of State to the UK since the formation back in 1922 of both those equally aged states, if in slightly different guises—that is, the Republic of Ireland and the UK. The experience I witnessed was a real joy.

To set the scene, after the Irish President’s address I had the good fortune over at the Lords to be in what is known as the Robing Room. I was speaking to the President in a healthy mixture of Scottish Gaelic and Irish Gaelic when who interrupted our conversation with the coarser Saxon tongue but the Prime Minister. His words, however, were of honey: he told the President of the magnificent relations he saw between the UK and Ireland—the stuff in all the papers at the time—and how the relationship hardly needed a nudge. It was honey, sweetness, light—hon. Members can add their own mellifluous superlatives. The contrast between the respect for independent, thriving Ireland and the attitude to Scotland, even then—pre-referendum—and especially now, could not be starker: a relationship of relaxed joy towards Ireland as against one of grudging grievance about treating Scotland the same way.

Example tells us it could be otherwise in the British Isles. Between Ireland and Scotland, England and Wales is Eilan Vannin, as it is called in its own Gaelic language, or the Isle of Man, as it is known in the coarser tongue. With a population of 85,000, it has a Parliament that dwarfs Westminster in antiquity and is rivalled only by those of Iceland and the Faroe Islands in the scope of its history—these places being linked by those unlikely but pioneering early lawmakers the Viking Norse, who, it was noted at the time, followed the rule of law more than the rule of a king.

[Mr Angus Brendan MacNeil]

The independence of the UK, Ireland and the Isle of Man vis-à-vis one another has led to higher GDP in these islands than would exist had they all been one state, regardless of where the capital was and where decisions were made—Dublin, Edinburgh, London or indeed at the Tynwald of Ellan Vannin. Hence I am calling for this sensible step to enable Scotland to move forward as Scottish society sees fit, as the Manx and Irish societies already do, and not be held back by the ball and chain of continued Westminster failure of process and policy from a governing party that was not chosen by 90% of the Scottish electorate.

Let us look at a better example for Scotland, away from the crumbs at the table, and towards the open door with the keys to the larder. Let us look to the model of the Faroe Islands and Denmark: a model for London to aspire to now. It is worth recapping what we currently do—and redo—to the exasperation of the Lords and the Scottish people, as I have said. When devolution came to the UK and Scotland in 1999, after decades of chip-on-the-shoulder Tory resistance, it was devolution, driven by Labour, of Departments it thought would not present a problem—health, education, transport. This was in 1997, when Labour ruled supreme at Holyrood and Westminster—the heady days of Blair and “things can only get better”, the days before Iraq.

The next stage of proposed devolution is fragmented and sees Westminster keeping hold of powers and bits and pieces of departmental responsibility, including some welfare and some tax, meaning we can lower air passenger duty but not benefit from the extra revenues that such a change will bring to Scotland. We can have parts of welfare, but we have to deal with benefit cuts being made on the back of the poorest. In essence, we are still just getting the crumbs from the table—and even then only where we cajole enough. Let us make the relationship mature by fulfilling the words of the Prime Minister:

“If Scotland says it does want to stay inside the United Kingdom then all the options of devolution are there and are possible”.

Let us turn the telescope, and instead of getting crumbs from the table, let us open the larder door. That is exactly what Copenhagen does for the Faroe Islands, which can take or leave powers as they want. They have chosen to take everything except defence and justice. For example, their Finance Minister, Kristina Háfoss, within her jurisdiction, which covers 50,000 people, has powers equivalent to those that the Chancellor of the Exchequer has in a jurisdiction covering 60 million people. Given that the Faroese unemployment rate is lower than the UK’s, she is arguably more successful.

The Finance Minister’s party colleague in the coalition Government, the Fisheries Minister, Høgni Hoydal, deals not with Denmark on fisheries but with the entire EU, Iceland and Norway, as they decide the fate of north-east Atlantic fisheries. The Faroe Islands are in Denmark, but not in the EU. Size does not matter, as is proved by the fact that, on fisheries matters, 50,000 Faroese often get the better of 500 million EU citizens. It is not a case of asking Denmark or justifying policies to Copenhagen; it is a case of their own people in their own Parliament deciding what powers and policies they want. This is known as normality.

So let us learn. Let us turn the telescope. Let us help the Prime Minister fulfil his words about all options of devolution being there and possible. Let us cast aside the repeated failures of Westminster. Let the settled will of the Scottish people drive Scotland forward. Let us trust the people: Scots votes for Scots laws.

Question put and agreed to.

Ordered,

That Angus Brendan MacNeil, Stewart Malcolm McDonald, Stuart C McDonald, Stewart Hosie, Stuart Blair Donaldson, Carol Monaghan, Dr Paul Monaghan, Calum Kerr, Callum McCaig, Alex Salmond, Angus Robertson and Brendan O’Hara present the Bill.

Mr Angus Brendan MacNeil accordingly presented the Bill.

Bill read the First time; to be read a Second time on Friday 11 March, and to be printed (Bill 101).

Childcare Bill [Lords]

Second Reading

Madam Deputy Speaker (Mrs Eleanor Laing): As we come on to the Childcare Bill [Lords], I have to remind the House that Mr Speaker has certified clauses 2, 4 and 6 under Standing Order No. 83J in relation to England. I further remind the House that this does not affect proceedings in the Second Reading debate or indeed in Committee or on Report. After Report, Mr Speaker will consider the Bill again for certification and, if required, the Legislative Grand Committee will be asked to consent to certified provisions.

3.56 pm

The Secretary of State for Education (Nicky Morgan): I beg to move, That the Bill be now read a Second time.

I am delighted to open this Second Reading debate. At the general election, the Prime Minister promised that a Conservative Government would

“give working parents of three and four-year-olds 30 hours of free childcare a week”.

We put the early years at the heart of our manifesto because we know how important those years are for children’s school readiness and future educational success. We also know that working families struggle to find flexible, affordable and high-quality childcare. For many parents, this challenge is the biggest barrier to work. So I am determined—and this Government are determined—to deliver these measures that will give children the best start in life, support parents to work and allow our economy and our society to prosper as a result.

We brought forward this Bill so that we can give working parents an extra 15 hours of free childcare—in addition to the current 15 hours of free early education for all three and four-year-olds. The 30-hours offer will give hard-working parents a real choice to earn more by going out to work or working more hours, if they want to do so. We have not wasted any time in delivering on this commitment. Just one month after the election, we introduced this legislation to the other place and launched a review into the cost of providing childcare—something that providers had long called for to inform a fair and sustainable funding rate.

Mrs Maria Miller (Basingstoke) (Con): My right hon. Friend rightly says that she wants to make sure that her measures are delivering for all children. How is she going to make sure that this Bill delivers for disabled children and their access to childcare, which can be so important for helping parents who want to get back into work?

Nicky Morgan: I thank my right hon. Friend very much indeed for that question. She raises an important point. We want local authorities—in fact, they are under a duty—to ensure that they provide places for all children, including those with disabilities and those without.

This Childcare Bill and the 15 additional free hours it provides is, of course, part of an overall package of childcare measures being introduced by this Government. My right hon. Friend has already talked today about the fact that we are spending over the course of this Parliament £1 billion more on childcare every year. I shall come on to talk about this in more detail.

We will conduct an early years funding formula review, as we want to understand how providers cater for children with disabilities and special educational needs. I should also point out for the sake of completeness that our tax-free childcare proposals mean that the maximum amount parents could pay into their childcare accounts is double the amount that could be paid for children without disabilities. Parents can use that money for children with disabilities until they are 18, and for children who are not disabled until they are 12. I hope my right hon. Friend will agree that we are offering a comprehensive package of childcare support for all children and all families.

Michael Tomlinson (Mid Dorset and North Poole) (Con): I am very grateful for what the Secretary of State has said, but can she reassure nursery providers in my constituency, such as Broadstone Christian nursery and Montessori nursery in Lytchett Minster, that there will be a fairer funding formula? We heard about the formula a few moments ago, but it is particularly important for childcare providers.

Nicky Morgan: I am delighted to hear about the work of the nurseries in my hon. Friend’s constituency. Yes, I can give him that assurance. The national funding formula review will apply not only to schools but to early years, and it will include the high-needs block of funding as well.

Bob Stewart (Beckenham) (Con): The doubling of hours for childcare is great, but how will we ensure that the quality of the care that our children receive will be doubled up? How will we ensure that there are sufficient places, and that they are of the right quality?

Nicky Morgan: My hon. Friend has raised an important point. We are, of course, doubling the entitlement to free childcare for two-year-olds, which originally applied to 20% who were the most disadvantaged, and now applies to 40%. The sector responded by creating an additional 230,000 places over the last Parliament. It has already risen to the challenge, and will do so again. I shall go on to say something about the way in which families will respond to the entitlement and how they will use the additional hours—I am sure that other Members will speak about that as well—but we know that there is already spare capacity in the system.

Emily Thornberry (Islington South and Finsbury) (Lab): The right hon. Lady will correct me if my reading of the Blue Book is wrong, but I understand that the maximum amount will be £5,000 per child. If that applies only to term-time, we are talking about 30 hours times 38—1,140 hours—which, as things stand, means a maximum of £4.38 per hour. In my constituency, where childcare costs more than £9 an hour, that will not be enough to pay for it.

Nicky Morgan: I shall go on to talk about the hourly rate. I shall be publishing the findings of the funding rate review, but as part of the funding formula review, we want to ensure that as much money as possible goes to the front line.

Julian Sturdy (York Outer) (Con): The Secretary of State is right to refer to the fairer funding formula, which is vital to nurseries. She will probably come to

[Julian Sturdy]

this later, but what measures is she introducing to guarantee that local authorities will pass on all the extra funding to nursery providers, and will not top-slice it?

Nicky Morgan: I will come on to that, but my hon. Friend is absolutely right. As I have said, we want as much money as possible to go to the front line, and that will be one of the issues that we will raise as part of the funding formula review.

Emily Thornberry: Will the Secretary of State give way?

Nicky Morgan: I am going to make some progress. I think the hon. Lady will want to hear what I say about rates. She may want to ask a further question after that.

The hon. Member for Manchester Central (Lucy Powell) is on record as saying that she is pleased to see that the Government are offering more support for early years, and wants to see our policies turned into reality. Today, she has the chance to demonstrate her support by joining us in the Lobby to support the Bill. It appears that she will be doing that, and I welcome the support of the Labour party.

Questions were raised in the other place about why the Bill was introduced so early. My response to that is “Why would we wait?” It is clear from the interest expressed by Members today, and from the reaction of our constituents, how successful and important the existing 15-hours offer is in supporting better outcomes for children. As the OECD’s latest “Education at a Glance” study reminds us, the United Kingdom is one of 13 OECD countries in which more than 90% of children aged three are enrolled in pre-primary settings, and pupils who received each one year of pre-primary education in the United Kingdom perform better at the age of 15 than their peers who did not.

We also know that the extension of free childcare is something that working parents want, so instead of waiting, we committed ourselves to implementing the extended offer early in some areas, from September 2016. We know that that is what parents want because we have listened to them. Over the summer, my Department consulted nearly 20,000 members of the public and 750 employers. Those who took part told us that they wanted 30 hours of free childcare and that the increase in hours would support their work choices. I heard that myself on a visit to Rolls-Royce in August with the Under-Secretary of State for Education, my hon. Friend the Member for East Surrey (Mr Gyimah), who has responsibility for childcare and education. Employees talked to us about their childcare decisions and what they are looking for from the entitlement to 30 hours of free childcare. It was a pleasure for us to meet them and I thank them for sharing their views. They were very clear that they want more flexibility and choice in how they can access childcare.

I am determined to ensure that high-quality, affordable childcare is available to those parents, so that pressure is taken off their household budgets, and so they are more financially secure and better able to plan for their future. I am confident that we have a childcare sector that will deliver. The childcare market is flourishing: it has grown by 230,000 places since 2009.

Mrs Flick Drummond (Portsmouth South) (Con): Does my right hon. Friend agree that the 124 childminders who create 597 places in Portsmouth make a big difference to the overall quality of childcare? Will measures be put in place to support them with administration, in particular?

Nicky Morgan: I thank my hon. Friend for her intervention. Childcare by childminders is very much part of the response. They are popular and flexible. We want to continue to do what we did in the last Parliament—to offer childcare business support grants, which enable people to set up in business as childminders; often they are women setting up in business for the first time. We welcome their contribution to this market.

Providers have demonstrated what they can do through the two-year-old free entitlement programme, with nearly 60% of eligible children accessing a place at the beginning of this year, four months after the entitlement was extended. Now we will increase our overall investment in the childcare sector and set an increased funding rate that will enable providers to deliver the entitlement and ensure fair value for the taxpayer.

The Chancellor has just made the autumn statement and he could not have demonstrated more clearly the Government’s commitment to funding the early years and childcare. In the last Parliament, we invested around £20 billion to support parents with childcare. The Chancellor’s announcement today, along with the funding announced at the Budget in the summer, mean that this Government will go even further and invest a record amount in childcare.

The Government will provide more support than any other in history, with, as I have mentioned, a package that includes rolling out tax-free childcare from 2017 and more support for families on universal credit. The extended entitlement means that working families will be entitled to receive an unprecedented increase in childcare support, with savings of up to £5,000 per child per year for working families. By 2019-20, we will be investing more than £1 billion a year to fund our manifesto pledge for 30 hours of childcare for working parents of three and four-year-olds.

As well as being the only party to commit to extending free childcare to 30 hours, at the general election we were the only party to commit to raise the average funding rate paid to providers. Today we are confirming we will do so.

Carol Monaghan (Glasgow North West) (SNP): Will the Secretary of State give way?

Nicky Morgan: I am going to make some progress on this paragraph and then I will come back to the hon. Lady.

The increase in funding includes nearly £300 million for a significant uplift to the rate paid for the two, three and four-year-old entitlements. That will deliver a new national average funding rate paid to providers. Both rates will increase by at least 30p per hour. For three and four-year-olds, the new average rate will be £4.88, including the early years pupil premium and the rate for two-year olds will be £5.39. With that increase we have set the level of funding that providers need to deliver high-quality childcare, while at the same time providing good value to the taxpayer. We will also consult on a package of reforms to improve efficiency in the sector

and further ensure value for money. I can also confirm that the early years pupil premium will not change and is worth £50 million in 2015-16, helping to ensure that three and four-year-olds from the most disadvantaged backgrounds have the best start in life.

The increase in the funding rate is supported by the robust review into the cost of childcare carried out over the last six months. Today that review is being published and will be made available in the Library of the House. I thank those who responded to the call for evidence as part of the review, as well as those who were involved in attending round table discussions across the country. The participation and engagement of organisations including the Pre-school Learning Alliance, the National Day Nurseries Association, the Professional Association for Childcare and Early Years, the Independent Schools Council and other key partners, meant we were able fully to understand the concerns and arguments around the funding of the entitlement.

As the Chancellor has also announced, we are committed to ensuring that funding is allocated in the fairest way. Next year, we will consult on an early years national funding formula, which will give due consideration to funding for disadvantaged children and to special educational needs funding for the early years.

Emily Thornberry: I am sorry; I remain genuinely confused. I hear the Secretary of State talking about a fairer funding formula. In Islington, the rate is £9.40 per hour. Will money be taken from other boroughs to pay for the childcare there? Obviously, an amount less than £4.50 an hour will not be enough to pay for it. These are not my figures.

Nicky Morgan: I suggest that the hon. Lady look at the review, which is being published as I speak. The figure of £9 an hour is not one that we recognise. No such case has been made to us in the course of the review. As I have just set out, the average rate is going to go up to £4.88 for three and four-year-olds, and to £5.39 for two-year-olds. We are confident, based on the evidence we have gathered, that that increase will provide high-quality childcare for children in Islington and elsewhere in the country.

Emily Thornberry *rose*—

Nicky Morgan: Let me just answer the hon. Lady's other question. She asked about the funding formula review. That is about making sure that as much money as possible goes to the frontline. I hope she has also had a conversation with Islington council. The duty is on me, under this Bill, to procure the places, but the local authority's role is to provide a sufficient number of places for families needing childcare and it must pass on as much of the money as it possibly can—we have already talked about top-slicing—so that the front-line providers get the money that the taxpayer is providing.

Emily Thornberry: As I understand it, the figure of £9.50 that I quoted was provided by the Daycare Trust. The Secretary of State really ought to be aware that there are boroughs, particularly in inner London, where the price of childcare is much more than £4.50 an hour. We simply will not be able to afford to provide childcare for the amount that is being announced today.

Nicky Morgan: The Bill is going to enter Committee and I am sure that there will be debates on this, but the evidence-based review we are publishing today does not support the figure the hon. Lady mentions. She might be talking about the additional rate that some providers will charge, but we are talking about the free entitlement and about the hundreds of millions of pounds of hard-earned taxpayers' money that this Government are going to spend to ensure that working families get the support for childcare that they need.

Michelle Donelan (Chippenham) (Con): The subject of councils siphoning off a bit of the money has been mentioned. That happens in Wiltshire, and I welcome my right hon. Friend's intention to try to stop it. What measures will be put in place to achieve that, so that people in Wiltshire will get just as much as everyone else?

Nicky Morgan: Part of the reason for having the funding formula review, which is part of the wider review of school funding, is to ensure that we talk to the local authorities, and the other bodies that receive the money, to find the best ways of doing this. In my opinion, that should involve maximum transparency so that people know how much money is being given by the Government, how much the local authority is receiving and how much is being passed on. That would enable the childcare-providing businesses and the families who were potentially going to be paying additional costs to know exactly how much money was not making it through to the frontline. We need to have that review and ensure that we get contributions from across the country.

Julian Sturdy: Is this new money going to be ring-fenced? I am a bit uncertain about that. I had assumed that it would be ring-fenced specifically so that it could go to nursery providers.

Nicky Morgan: The money for childcare providers is paid to local authorities as part of something called the dedicated school grant, and it is obviously paid for the provision of childcare. This goes back to the point I have just made about transparency. We need to know exactly how much of it is being spent and how much is reaching the frontline. In this case we are talking about childcare providers, but this also applies to the other money that local authorities receive for their education budgets.

Let me turn to the funding review clause, which was added to the Bill in the other place. Now that we have carried out a substantial funding review and acted on its findings, we want to get on with implementing free entitlement. However, the first clause in the Bill, which aims to establish an independent funding review before the Bill comes into force, will put early implementation at risk. Despite claiming to be on the side of working parents, Labour peers were willing deliberately to delay these important measures by asking for a further funding review.

I appreciate that the hon. Member for Manchester Central (Lucy Powell) and other Opposition Members might be feeling a little embarrassed as the Chancellor has comprehensively debunked all their scaremongering and doom-mongering of recent weeks about education

[Nicky Morgan]

funding. She now has the opportunity to redeem herself by backing the Bill and helping us to overturn the amendments that seek to delay the implementation of the extended entitlement. If she does not, then I do not think working parents will look kindly on her attempts to delay their access to more free childcare.

The Government deliver on their promises, so the Bill intentionally places the duty to secure 30 hours of free childcare on the Secretary of State. Local authorities are very successful in delivering the first 15 hours of free early education for all three and four-year-olds, with a take-up rate of 96%. The Bill places the duty to secure free childcare on the Secretary of State, but I will discharge it through English local authorities, which are best placed to ensure that working parents are able to access their free entitlement.

The Government are committed to working with local authorities as we develop the delivery of the programme now, through the early implementer stage from September 2016, and beyond that into full roll-out of the system from September 2017. We have been working closely with the Local Government Association and I would like to thank it for the work it has done with us and for its co-operation. About 1,800 local authorities and providers have already come forward to register their interest in taking part in the early implementer pilots. There are huge opportunities through the early implementers to test capacity, flexibility and innovation, and to make sure that all eligible children, including those with special educational needs, are able to access the 30 hours offer.

As part of early implementation, we particularly want to encourage innovative approaches to providing flexible childcare for working parents whose children are disabled. I am clear that early years providers should be able to meet the needs of all children in their care. In the previous Parliament, the Children and Families Act 2014 delivered the most significant reforms to the special educational needs and disability system for 30 years, putting early identification and integration at its heart. We are committed to continuing to make a real difference for families through inclusive early years provision.

We also want to encourage providers to offer the free hours at the times of day that will help working parents with their busy lives and offer flexibility to those working outside of nine-to-five. That means delivering flexible, full-day childcare, which is the type that parents often need. The Government recognise that the need for childcare does not end when a child starts school. That is why we are also going to give more working parents something the best schools already do. We will give parents of school-aged children the right to request childcare in the form of breakfast and after-school clubs or holiday care at their child's school.

Jess Phillips (Birmingham, Yardley) (Lab): I welcome the news about before and after-school clubs. Will the Secretary of State guarantee that parents will be able to access those places? I recently lost all breakfast facilities for both my children and was offered only one morning a week on two separate mornings for each of my children, which is absolutely no use to me. Will she guarantee that parents like me will be able to get that?

Nicky Morgan: The hon. Lady sets out precisely the problem we are trying to solve. She and other parents at her children's school would be able to contact the governing body and request that. I will publish more details shortly. There is a real need for schools to make their facilities available for the schools or others to provide both before and after-school clubs and activities. That would extend to having provision during school holidays, which are another time when it is very difficult for working parents to juggle their parental responsibilities while keeping employers happy.

I talked about tax-free childcare. I do not know the ages of the hon. Lady's children, but up to the age of 12 she will be able to pay money into the account. The Government would top that up, up to £2,000 a year. She could also then use that for provision. In my experience, when schools and others realise there is parental demand they want to respond to it.

Tristram Hunt (Stoke-on-Trent Central) (Lab): I am delighted to see that the Government are trying to implement more Labour policy. The Secretary of State talks about the provisions that schools can make, so will she confirm that she has allowed the Chancellor to deliver a £600 million cut to the academies budget, through the education services grant?

Nicky Morgan: First, the hon. Gentleman should be pleased the Conservative party is on the side of working people, as he will know that his own Front-Bench team are not at the moment—if he would like to join us, he would be very welcome. Secondly, when he was shadow Education Secretary at the general election, his party did not commit to increasing the funding for early years in the way we have done. We can, of course, have a wider debate about the schools budget, but that is not the subject for debate today. I just point out to him that not only have we committed to protecting the schools budget in real terms, but by the end of this Parliament the Department for Education's resource budget will be higher than it was at the start. His policies would never have delivered that.

Emily Thornberry *rose*—

Nicky Morgan: I will give way to the hon. Lady, for the last time.

Emily Thornberry: I have a number of questions, but I will just stick to the money. When Labour was promising 25 hours a week in term-time only, as opposed to 30 hours a week in term-time only, the Minister at the time told us it would cost £1.6 billion. Is not the Secretary of State's problem that she is missing £1 billion? That is why she cannot cover childcare at its real cost.

Nicky Morgan: Yet again, I do not agree with the hon. Lady's figures. The point is that she is missing the additional help we also giving to families through tax-free childcare and through universal credit, which net each other off. She needs to look at the funding review rate that has been published today, where she will see the response from those who are working in the sector regarding the rate they have been asking for and the reason the figures have been arrived at today. I have just mentioned them and they are an increase. She should also take note that we are going to be spending £1 billion

more on childcare every year in the course of this Parliament. If she wants to be a member of the Committee, I am sure that she would be very welcome and that her Whips will ask her to do that.

Let me turn to eligibility for this childcare package. One of the key messages from parents during the consultation was a desire for a simpler system. We confirmed in the other place that eligibility for the 30-hour entitlement will align with tax-free childcare. As the Chancellor set out, parents will be able to access the 30-hour entitlement if they each work at least the equivalent of 16 hours per week at the national living wage—or national minimum wage for those aged under 25—including those who are self-employed. In the case of lone-parent households, the same threshold will apply. This makes it a significant offer of additional support and means that anyone earning more than £107 a week, at this year's minimum wage rate, will be eligible.

As many parents and children will be able to benefit from both the extended entitlement and tax-free childcare, it makes sense that parents will be able to apply for both schemes through a joint online application being developed by Her Majesty's Revenue and Customs. This will provide a simple and straightforward way to access both schemes, saving parents and providers valuable time. The Government recognise that families are complex and that different circumstances need to be taken into account, so the additional free hours will be available where both parents are employed but one or both parents are temporarily away from the workplace—for example, on maternity or adoption leave. That will ensure continuity and will limit disruption for young children and providers. The additional free hours will also be available where one parent is employed but the other has substantial caring responsibilities or where one parent is disabled.

We are making a significant commitment to investing in the early years, but doing so at a time when we are facing difficult decisions across all spending areas. At the centre of these difficult decisions has been the belief that it is right for those with the broadest shoulders to bear the greatest burden. We therefore intend to introduce an income cap, whereby parents who earn more than £100,000 per annum will not be able to access the additional entitlement.

We want to support parents to make informed choices about what is right for them and their children. To do so, it is vital that parents have easy access to information about the childcare available in their area, including hours offered and cost, as well as suitability for disabled children. That is why, through the Bill, we have introduced a requirement on local authorities to publish information and advice for parents on childcare in their area. The childcare.co.uk digital app, which now allows parents to search for free childcare for two, three and four-year-olds based on where and when they need it, will make it even easier for parents to find out about high quality and flexible childcare places. That will mean that parents can access the information they need to find the childcare that is right for their child and that suits their family's circumstances.

The message and the measures in this Bill are clear: the Conservative party is the party of working people and this Government are on the side of working parents. Through the passage of this Bill, we will fulfil our

manifesto pledge to do more to help ease the pressure on many working families by supporting them with the costs of childcare. We are pushing forward with this legislation to get families that support as quickly as possible and it should be supported from all parts of the Chamber.

I look forward to hearing Members' contributions, and I hope that the principles behind the Bill are ones that everyone in the House will support. The Under-Secretary of State for Education, my hon. Friend the Member for East Surrey (Mr Gyimah), who is responsible for childcare and education and I look forward to working with all Members on this Bill.

4.25 pm

Lucy Powell (Manchester Central) (Lab/Co-op): I rise to support the Second Reading of this Bill. Labour has a proud record on childcare, and on enabling women to return to work. We introduced free childcare for three and four-year-olds; delivered the first and only childcare strategy across Government; created Sure Start centres, serving families in every community; expanded school nurseries; more than doubled childcare places; increased maternity leave from 12 weeks to 12 months; increased maternity pay; introduced paternity leave; introduced the right to request flexible working; and gave parents help with the cost of childcare through tax credits and vouchers. Childcare was a key part of our plans to support families and to make work pay. We welcome any investment in childcare.

I am pleased that the Government now seem to accept that supply-side funding through free entitlements is a more effective way of helping parents with the cost of childcare, controlling prices and increasing quality, something for which I have long argued. For all the Secretary of State's trumpeting of the Government's achievements, the record tells a different story. Financial support for childcare for most families fell in the previous Parliament. In that time, the cost of childcare rocketed by a third—up more than £1,500 since 2010. The pre-election promise of tax-free childcare remains undelivered, and early years childcare places have fallen by more than 40,000 since 2009. The offer for two year olds, while a good policy, remains under-subscribed, and Sure Start centres have gone to the wall in many areas. Even the Prime Minister disagrees with his own Government's record on Sure Start centres in Oxfordshire.

I welcome the U-turn on tax credits from the Chancellor today. However, cuts to tax credits to date have hit families really hard. The story of the previous Parliament by this Government is one of reducing support for working families, childcare costs going up, and the gender pay gap remaining stuck for the first time in 15 years.

Michael Tomlinson: The hon. Lady mentioned cuts to child tax credits in the last Parliament. Does she accept that it is unfair and unjust that nine out of 10 families, even families of Members of Parliament, are eligible for child tax benefits?

Lucy Powell: Most families under the Government's plans for tax-free childcare will be eligible for support with childcare. The point is that the Government took away the financial support on which many families relied for childcare and are now reintroducing it by different means.

[Lucy Powell]

Today's claim of significant resources for childcare belies the reality for parents. Families were promised that tax-free childcare would be delivered now, but it will be another two years behind schedule. The three and four-year-old entitlement, which is also due in autumn 2017, still has funding question marks, as we have already heard from Members today. Parents with a two, three or four-year-old at the last election might have expected to have received additional support for childcare after the election, yet none of them will receive an extra penny, as their children will have passed the eligibility ages by the time the policies are eventually introduced.

Childcare is vital to our future success for two key reasons: for growing our economy through enabling parents to work and to work more hours; and to close the development gap pre-school, which is critical to educational achievement throughout a child's life.

High-quality, flexible childcare is critical to the economy. We have made great strides in childcare over the past 20 years, but important policy challenges remain. Our maternal employment rates—particularly for mothers with children aged between one and four—are poor compared with other OECD countries. More than a third of mothers who want to work are unable to do so because of high childcare costs, and two-thirds would like to work more hours but cannot because of unaffordable childcare bills. That is particularly true for second earners, as the Resolution Foundation and the Institute for Public Policy Research have illustrated.

Many mothers still face a pay and status penalty in the labour market for having children. Although the pay gap is small for younger women, once people hit the age of 40 the pay gap can be stark. Increasingly, work is becoming the only option for both parents as pressures on family budgets have increased. According to the Joseph Rowntree Foundation, single-earner households are now more likely to be in poverty.

To boost our economy and give families the chance of a decent job and income, childcare investment is essential, and high-quality childcare is vital to tackling the disadvantage that exists. We know that many of the most disadvantaged five-year-olds start school 18 months behind their peers. Good-quality childcare can close that gap and give children a firm foundation for school and later life.

The two aims of economic output and early education require different policy solutions, but too often they are conflated and seeking to improve one element sometimes comes at the expense of the other. That is why supply-side support—such as extra free hours—is a good way to deliver both aims. Although tax-free childcare is still some way behind being delivered, it is designed to put cash in parents' pockets, and does not contain levers to deliver quality or control prices. The offer for two-year-olds aims to reduce inequalities rather than be an economic driver, although that will be a consequence. The extension of the 15-hour offer to 30 hours should be about delivering both objectives, but that will require quality and funding.

As I have said, Labour supports this Bill, but there are a number of challenges with the Government's plans and it is only right to scrutinise them. First, the childcare policy must be considered in the context of

the totality of childcare support, which is complex, and overall support has fallen for families while costs have gone up. Any measures such as those in the Bill should be robustly analysed for their impact on the market in which they operate, including the impact on price, places and quality. Given those tests, many questions remain.

Put simply, high-quality affordable childcare is not cheap, and attempts by the Government to cut corners will ultimately fail. At the heart of the Bill is a serious funding gap, and today's announcements go only some way towards answering that. The other place voted to amend the Bill on three separate occasions, mainly on procedural grounds because the Bill lacks substance and clarity on funding. When Ministers first announced the free offer, they said that it would cost £350 million. That figure was pie in the sky by the Government's admission, and the figure was recently revised to £640 million. The IPPR has identified a £1 billion funding gap in the Government's plans, even on the basis of the current hourly rate. We welcome today's announcement, which seems to show that the Government understand there is a funding shortfall, but we must investigate that issue further as the Bill proceeds. As we have heard, that hourly rate still remains below the true cost of childcare.

Reducing the numbers of those entitled to extra support to provide funds for the offer for three and four-year-olds is a switch-spend, not new money, and it still leaves a funding shortfall. Families where one parent works between eight and 15 hours a week—those are often among the poorest families—will rightly be disappointed that they are no longer eligible for that extra support. The Secretary of State is right to reduce entitlement at the top end of the salary scale to £100,000 per parent—something we strongly argued for—but will she clarify how that funding will be allocated? The danger is that the Government's failure adequately to fund the free offer could have far-reaching implications on the childcare market.

Lucy Frazer (South East Cambridgeshire) (Con): I am a little confused. There has been a review, which the hon. Lady will not yet have had an opportunity to see. The Chancellor has announced, as the Secretary of State said, that there will not be a cap, so the figures that the hon. Lady identifies must necessarily be out of date because they do not take into the account the review, which she rightly says—I do not criticise her for this—that she has not yet seen, and they do not mention the cap that she refers to.

Lucy Powell: With respect, neither has the hon. Lady seen the review, and she misunderstands the nature of the market. The hourly rate that is paid to nurseries via local authorities is not a cap on the cost of the childcare but a cap on the amount that the nursery can claim. The true cost of the childcare, as we have heard, is significantly more. In places like Islington, the true cost of the childcare provided can often be as high as £9 an hour. In the case of nurseries in my constituency, it can be considerably higher than the hourly rate, which I understand has gone up by 30p. Therefore, the private providers cross-subsidise from the free offer that they make to parents, with paying hours that other parents pay for. The hon. Lady may well look puzzled. I know a considerable amount about this topic, having been the shadow childcare spokesperson for two years, so she can have a debate with me if she likes.

I do not need to see what has been put in the Library to know that there are major problems with the childcare market, even if the hourly rate is increased by 30p, and even if the early years pupil premium is used to cross-subsidise, taking money from elsewhere.

The Parliamentary Under-Secretary of State for Education (Mr Sam Gyimah): The cost of childcare review that was undertaken by the Department over a period of six months had 2,000 responses, including from all the sector representatives. The hourly rates that have been announced today reflect the data that were given to us by the sector, including the profit and loss accounts of providers. I would encourage the hon. Lady to look at that before criticising the rates that have been announced.

Lucy Powell: Of course I will look at it. Perhaps next time we are having a Second Reading debate where funding is so critical, Ministers might care to let Opposition Front Benchers have sight of such important information before we embark on it. As the Minister knows, there remain key issues about the ability of the vast majority of providers in the sector, who are private and voluntary providers, to deliver these free hours, notwithstanding the challenges that remain for schools.

Emily Thornberry: Reference has been made to the cost of childcare review, and we have been told that 6,000 people have put in for it. It has 184 pages. We know that it is yet to be found in the Library, because people are burrowing away there looking for it.

Mr Gyimah: It is online.

Emily Thornberry: Yes, but it is taking a certain amount of time to print it off. Therefore, we have not been able to look at it in advance of this debate, nor even during the debate. In those circumstances, my hon. Friend presumably agrees that it really is a farce having this Second Reading debate now.

Lucy Powell: I do of course agree with my hon. Friend, who makes a very good point. This is all regardless of the fact that this policy still has a considerable funding shortfall, even under the new hourly rates, as the Minister himself has said. When Labour announced before the last election that we were seeking to increase the number of free hours from 15 to 25, he said that that policy would cost £1.2 billion. That is far greater than the funding allocation that the Government have put forward for an additional five hours a week. There are big funding gaps that they have still yet to address, regardless of the hourly rate being paid and the information that has been put in the Library.

House of Commons Library analysis has shown that there are over 44,000 fewer early years childcare places today than there were in 2009. In addition, six in 10 local authorities tell us that they do not have an adequate supply of childcare for local parents. There is a downward trend in childcare places that should cause concern. As I said, private and voluntary providers make up the vast majority of childcare places in England. If there is not adequate resource for these nurseries, they will simply not offer the 30 hours, leading to a reduction in choice for parents. I welcome the increase in the hourly rate, but questions remain about how many new places will be provided. Without an increase in supply, costs will continue to rise for parents.

Parents will also be very concerned that the quality of childcare could be damaged by the Government's failure to adequately support their proposals. A wealth of evidence from the Education Committee and Ofsted clearly identifies strong links between outstanding provision and the best qualified staff. Poor childcare is worse than no childcare, as the Committee reported, and can be detrimental to a child's development. I am very concerned that unless the Government have answers on adequate funding, the result will be a diminution in quality provision. Can the Secretary of State give a commitment today that, beneath the proposals and those outlined in today's autumn statement, there are no plans to reduce quality, to increase ratios or to lower requirements for those who can offer the free entitlement? In summary, insufficient funds and poor delivery could have the opposite effect to what the Government want and lead to fewer places, poorer quality and higher cost for parents.

The Government have ample time to address those concerns before their policy is due to be introduced in autumn 2017. We want to work with Ministers to ensure that their plans are credible and affordable and meet the tests we have set out. Part of the problem is that the Government have no clear strategy for childcare. I hope the Education Secretary will reflect on that and come back to this House in due course with an overarching childcare strategy. *[Interruption.]* Would the Under-Secretary of State for Education, the hon. Member for East Surrey (Mr Gyimah) like to intervene?

Mr Gyimah indicated dissent.

Lucy Powell: I would be happy if the hon. Gentleman had a childcare strategy; this is a very complex market that could do with a proper strategy.

We will continue to support the progress of this Bill through Parliament, but it is the Secretary of State's responsibility to satisfy this House and the other place—and, indeed, parents—that the plan for childcare is deliverable, sustainable and affordable. To make the policy work, she must set out her funding plans and reassure us throughout the passage of the Bill. Other questions also remain unanswered. For example, who will be liable to prove that parents are working and are on sufficient hours, and how will disabled children be supported by the Bill?

I want this policy to work. I want it to be a success, to have real meaning for parents and to ensure that children are supported to achieve a great start in life. I look forward to working on it with the Education Secretary, and I recommend that we support the Bill this evening.

4.42 pm

Mrs Maria Miller (Basingstoke) (Con): Childcare is not a political football, and I really hope that the hon. Member for Manchester Central (Lucy Powell) is not choosing to make it one. On behalf of my constituents and, indeed, those of Members across the House, we want to make sure that a consistent approach is taken to childcare in the future. That also applies to the children of those constituents and to the providers of childcare as well.

It is important to recognise that there are important differences between Members on the two Front Benches. The Conservative Government are showing a real

[Mrs Maria Miller]

understanding of the role of childcare, and their proposed measures are vital for working parents. A quiet revolution has been happening in the workplace since the country's recovery from the recession, with more women in work than ever before, including, to be frank, in this place. It is important to recognise our different approach, particularly the fact that, over the past five years, the Prime Minister has made it central to his work in Government to make sure that shared parental leave and flexible working are in place for all parents and, indeed, in the case of flexible working, for all of us. The Labour party did not deliver those ambitions during its time in office.

There are still many women who are not in work but who would like to be. I am participating in this debate because it is important to support the Bill, which will double free childcare alongside other measures mentioned by my right hon. Friend the Education Secretary, including, for the first time ever, tax-free childcare. As she has said, it will offer more support to working parents than any previous Government have ever offered. May I gently suggest to her that as well as talking about our being the party of working people, she should talk about our being the party of working women? In essence, that is what this Government are delivering through the childcare priorities that she has set out.

It is vital to understand the pressures faced by working parents, particularly those with small children. In the past, women who wanted to return to work found it almost impossible to do so because of the financial pressures on them. It would be entirely wrong for the other place to seek to delay this important manifesto commitment by forcing yet further research and funding reviews, which are clearly not required for this measure to work. I underline the words "manifesto commitment" to make sure that those in the other place listening to this debate do not seek to block an important measure supported by Members on both sides of this House.

Childcare costs continue to be a real pressure, which is why the Bill is really important. I pay tribute to the work of organisations such as 4Children which have provided us all with excellent briefings in advance of this debate. In its briefing, 4Children points out from its research that one in five parents have considered reducing their working hours because of the cost of childcare. That is why this Government measure is so important. We have gone a long way to make childcare affordable, but there is still more to do, and the Bill will help to do that for parents. I hope that the hon. Member for Manchester Central, who is listening to the debate on the Opposition Front Bench, really registers that point and accepts that it is the will of parents.

I welcome the Bill, as well as the Government's commitment to increase average childcare funding rates paid to providers. I also welcome the preliminary measures that the Secretary of State has outlined to ensure a fair distribution of funding across the country.

In most of the families my constituency—one-parent and two-parent households—all the parents are working. Indeed, 16,000 families in Hampshire could benefit from the Bill. This measure will be a seismic change for those families, and it is important to put it in place. In Hampshire, we are well placed to take advantage of the new measures, because 90% of our providers are good or outstanding, according to Ofsted. We have more

than 1,400 early years providers in the county, doing a fantastic job providing private and independently owned places to deliver this key public service.

We are, however, still recovering from past measures that were put in place with good intentions but that unintentionally did some damage. In the past, thousands of childminders left the sector because of the pressure they felt from the administrative burdens on them. That was a great shame, because those childminders provided excellent or good childcare for many working parents, particularly those looking for after-school care. Undeniably, Government funding for free places was top-sliced, as my hon. Friend the Member for York Outer (Julian Sturdy) mentioned in his intervention, because of a lack of focus on the detail of how that could be prevented.

Indeed, parents have in the past been overwhelmed by the complexity of what was on offer. Initiatives were so complex, badly communicated or overlapping that many of our constituents found it difficult to understand how they could access them, and they also provided additional complexities for employers. I therefore welcome the Secretary of State's commitment to making the system simpler, which is an admirable place to start.

For a Second Reading debate, the hon. Member for Manchester Central rather over-focused on the financial details. They are important, but so are other things. I will draw the attention of the Secretary of State and her Ministers to a few of them. The first is the importance of making sure that we have stability for parents in terms of their access to childcare. If working parents do not have long-term, permanent contracts, they may have breaks in employment or variable hours during the working week. We need to make sure that there is stability in the childcare on offer to the children involved. Perhaps the Under-Secretary of State for Education, my hon. Friend Member for East Surrey, will touch on how he will ensure that there are grace periods, so that parents with an underlying eligibility who have short breaks in their employment can still access childcare if at all possible.

My second point is on flexibility, building on some of the points made by the hon. Member for Manchester Central. Some 45% of women with children do not work full-time. Many work atypical hours, but many work less than a full working week. Flexibility should take account of both types of work pattern so that the cost of childcare is not higher than it should be, relative to the hours those women work. This should be at the heart of the proposals that Ministers are introducing, not left to the discretion of local authorities. I hope Ministers will consider this further, to make sure that a great policy works in practice for women and parents who need it so badly.

Emily Thornberry: From my study of the Blue Book, it seems that childcare will not be available to parents unless they have a weekly income level per parent equivalent to 16 hours a week worked at the national living wage. That seems to contradict the idea of people, particularly women, being able to work flexibly.

Mrs Miller: I thank the hon. Lady for bringing that up. I am not about to have a Committee debate on the Floor of the House. I hope she is on the Committee because she will bring undoubted expertise to it, to judge from her earlier comments. I am simply setting out the issues that I think should be debated in the

course of the Bill's passage through the House, and I leave the Ministers to answer the detail of the hon. Lady's point.

On the business model of the providers, the hon. Member for Manchester Central, speaking for the Opposition, highlighted the need to make sure that the provisions work for the providers. Unlike many services that Governments deliver, childcare is delivered predominantly by private and independent providers. It is important that there is an understanding of the business model according to which providers work, and, as was touched on earlier, it is important to make sure that any funding regime takes into account the realities of business life for providers.

I applaud the announcement today of an increase in the average hourly rate that will go to providers, but this will work only if there is a guarantee that the money made available is not top-sliced by local authorities, which may seek to use it to prop up services that apparently support the childcare sector. Some of those services are important, but most important is that the money gets to the providers to provide the care for our children. Making sure that more of that money gets through will ensure the quality of that care.

Another aspect that I hope the Secretary of State will be able to consider as the Bill passes through the House is the knock-on opportunities for staff. Apprenticeships should be made available to those working in the sector in the quantity that will be needed to staff this new initiative.

I thank my right hon. Friend for her response to my intervention about special educational needs. That point was raised with me by Contact a Family, which has undertaken an excellent piece of research that shows that 40% of families with disabled children cannot take up the 15-hour childcare offer that is currently available. That is 10 times more than the families of non-disabled children. Parents of disabled children often feel that staff do not have sufficient training or that providers can refuse a place for a disabled child. Denying a child that opportunity to develop is unacceptable. Denying parents the opportunity to work is unacceptable. I am delighted to hear that there is a focus on ensuring that the support for children who are disabled to get such childcare is manifest. I applaud the work that has been done and hope that it continues.

In conclusion, I am hugely fortunate to come from an area, Basingstoke and north Hampshire, that has a strong childcare sector—strong because we have a strong local economy as a result of the measures that this Government have put in place. Our unemployment levels are at a record low, but this is not the case all over the country. We need to have a strong scheme to ensure that the childcare sector can flourish in every constituency up and down the country.

In my constituency, more than 40 group settings have said that they want to provide the 30-hour offer and 92 childminders have expressed interest in being part of the early implementation of this groundbreaking offer for parents. I believe that Hampshire County Council is registering its interest in being an early adopter of the policy. I hope that, with support from the Government, the council is able to do that, because we need to ensure that such excellent counties are in the vanguard of delivering this exciting new policy. I commend Ministers for the incredibly hard work they have put into this measure and for bringing it before the House today.

4.55 pm

Carol Monaghan (Glasgow North West) (SNP): I speak as a former teacher with 20 years' experience in education, so I will speak from a personal point of view. I also plan to speak fairly briefly. I will speak in particular about clause 2 because there are issues with it.

Years ago, I worked at Glasgow University in a team that trained new teachers, from nursery teachers through to secondary science teachers. As part of that job, I had to visit students on their placements. I visited one student in a particularly deprived area of Glasgow. There was a small boy who had started school a few weeks before the visit and he had only one word in his vocabulary: "man". He used that word for any adult or older pupil. He was not a child with special educational needs, but his language development was severely behind where it should have been. The hon. Member for Manchester Central (Lucy Powell) mentioned an 18-month developmental gap. For that particular child, the gap was closer to two years. That is a very difficult gap to make up.

Some great work was done by a Notre Dame sister who was a secondary head teacher in Liverpool. She came to Glasgow to look at inner-city schools and the difficulties that young children had in communicating and making their views known. She worked very closely with the parents and realised that early intervention was key. This nun, Doreen Grant, wrote a fabulous book called "Learning Relations", which Members might want to tap into from time to time.

The proposal for 30 hours of childcare will be fantastic for working parents. It is extremely important and will make a massive difference to their lives. I therefore welcome it. However, we need to be careful about the language we use and should think about revising it. We keep talking about "childcare". In Scotland, we talk about "early-years education". The education programme starts at the age of three. I am talking not about formal education and learning to read and write, but about learning to communicate, learning about relationships and starting to work through a curriculum. There is a subtle but fundamental difference between the word "childcare" and the words "early-years education". Childcare is about the parents. It is about supporting them, benefiting them and making their lives more convenient. Of course, it benefits the children as well—I am not denying that. However, early-years education is focused 100% on the children. It is about improving their life chances.

The Secretary of State said that the Conservative party was the only party to have in its manifesto a commitment to 30 hours a week of childcare. I am sure that was a slip-up, because of course the Scottish National party had a commitment to 30 hours' early-years education in its manifesto. The difference, of course, was that that was for all children. We are talking about education as a way of increasing life chances and reducing inequality, so it is crucial that we do not limit it to families where both parents are in work. Clause 2 will further increase inequality, as the children most in need of a good start and early intervention could miss out.

I am concerned that three groups of parents are not fully addressed in the Bill. First, we have heard about children with disabilities, and I welcome the Secretary of State's commitment to ensure that provision will be made for them, but what about parents with disabilities

[Carol Monaghan]

who are not able to work? Where will their children be left? They could be further excluded from society and miss out on chances. Extremely young children could have to take on a caring role, so I feel strongly that the provision set out in the Bill has to be increased to include parents with disabilities who are unable to work.

I am also concerned about grandparents, sometimes elderly grandparents, who look after children. No provision is made for them, and they too have to fulfil the requirement of being in work in order to access the 30 hours of childcare. We have an opportunity to make a real difference to those carers, who are unsung heroes in society.

The third group of parents I am concerned about is those on zero-hours contracts. The right hon. Member for Basingstoke (Mrs Miller) mentioned flexible working, but what about those people? Unless we have a firm commitment to childcare provision for them, they will not be able to access it. That is really worrying.

There is a famous quote, which has been attributed to a lot of different people—“Give me the boy until he is seven and I will give you the man.” That is key, because what we do at the early stages makes such a difference. The Secretary of State talked about school-readiness and the difference that the 30 hours of childcare will make to young children when they go to school. Are we only going to ready children from some sectors of society? I urge the Secretary of State to expand the provision so that all children, particularly those from a disadvantaged background, can access it.

We have an opportunity to support both parents and children, and I urge the Secretary of State to follow the Scottish Government’s ambitious target of providing 30 hours of childcare—or better, 30 hours of early-years education—to all children.

5.3 pm

Chloe Smith (Norwich North) (Con): I rise to give some reasons why I welcome the Bill. First, it goes to the heart of what I am sure constituents in every part of the country say to us, whether they are already working and want more security against the costs of the childcare they currently pay for, or are in a couple and want to be able to get into work or back to work, but find that the costs of childcare mean that it is just not worth it. I have spoken to scores of Norwich parents and childcare providers who welcome the Bill for those reasons. I am proud that the childcare provision was an election manifesto pledge. The Bill will help parents considerably by doubling from 15 to 30 the number of hours of free childcare that they can access.

If we get this right, it will have a transformative effect for many people. Parents will be able to manage their household finances more easily and will now be able to choose to go to work. Some parents might be able to change their career if they wish because they have this backing behind them. We will see a benefit for the children who will be able to get more high-quality early years education; I, too, want see an emphasis on quality as much as quantity in the Bill. We will also see a benefit for local businesses and local economies, as the workforce will be better supported, less stressed and more resilient. Employees will be altogether more able to take advantage of the opportunities that they wish to. Local businesses—

nurseries and childcare providers—will also be able to grow to meet this demand and to employ more local people.

We have to get the legislation right. I want to give a few examples from my constituency and from the county of Norfolk. Norfolk County Council’s 2014 childcare sufficiency assessment and more recent surveys show that with household incomes in Norfolk lower than the national average the biggest concern for families is the cost of childcare. Research shows that there is already a large private voluntary and independent sector in Norfolk, although the county does not necessarily attract the large national chains. Childminder numbers are coming down and recruitment is a challenge for some settings.

The quality of childcare provision in Norfolk is higher than the national average, which is very much to be welcomed, and 94% of Norfolk parents are happy with their current childcare although they report some dissatisfaction with affordability, accessibility and availability. Norfolk parents want to use childcare. Nearly eight out of 10 parents of eligible two-year-olds have taken up that provision, compared with six out of 10 nationally. Credit should be given where it is due to Norfolk County Council for having promoted the scheme well and for having been able to respond to demand by creating more than 2,000 free places for eligible two-year-olds in one year.

There is a surplus of places for two-year-old funded children in Norfolk overall, with deficits in certain pockets of the county, but there is a widespread shortage of funded places for three to four-year-olds. The county council estimates that places are still required for more than 3,600 two-year-olds and more than 18,700 three to four-year-olds. In Norwich North, specifically, demand outstrips supply for places for two-year-olds and three to four-year-olds. For example, recent figures suggest that there are about 560 childcare places available in the Catton Grove, Mile Cross and Sewell areas of my constituency, but 1,200 three and four-year-olds. In other words, there is a shortfall of half the number of places needed.

As in many constituencies around the country, there is housing growth to come to the north of Norwich and the nought to five population is rising. Quite naturally, demand is likely to rise still further with this doubling of the free hours. In many ways, this is an opportunity, and that is the theme of my speech. There is an opportunity to be grasped in local economies such as Norwich so we can do this well for parents.

Let me add some thoughts from constituents who contacted me. One constituent talks about there also being a shortage of out-of-school care. Of course, that relates to children who, in some cases, might be older than those about whom we are talking, but her comments apply to parents facing all types of childcare shortages. She says that the local childminders are all full, with waiting lists, and that the local school has increased its intake and that its breakfast and after-school clubs do not provide enough places for the total number of pupils at the school. She asks, “How is that sufficient?” She wrote:

“I work for the NHS as a nurse working with disabled children. I am going to struggle severely to be able to continue doing any of this type of shift work. I love the work I do. However, my son has

to come first and with no option of childcare I will have no option to leave... If you can influence the provision of after schools provision that would be great for many parents.”

Another parent, who faces having to give up her new job, told me that

“having exhausted all avenues including the NCC website, Facebook groups, online services, Sure Start centre, playgroups and even the school itself we are left with either my giving up my job or trying to move our child...The situation in this area is desperate and I feel that I am being penalised for having to work full time.”

We have a huge opportunity to get this right for working parents, particularly those of three and four-year-olds, which is what we see in the Bill. It is an opportunity for parents, children and our local economies. In my constituency, we need more providers to come forward with more places. I have convened a local action group, bringing together the council, with its statutory responsibilities, the local further education college, as a workforce training provider, the chamber of commerce, major employers, existing providers and the National Day Nurseries Association, to ask how we can encourage greater supply in Norwich. We have to consider that question alongside the Bill. We have two years to get this right. We all want to get it right. Parents need us to get it right.

In Norwich, we are looking at some of the obvious concerns, such as the availability of suitable premises and land in an urban area and the funding settlement. I welcome the higher funding settlement announced today, and I want the message to go out loud and clear to childcare businesses in Norwich that this is their chance to serve their local economy by doing business in this area. I also expect the council to reconsider its funding model, some of the detail of which it has recently changed—for example, how it applies funding to different types of setting. I note, as well, that it spends nearly 9% of its early-years funding centrally rather than passing it to providers. That is too high. By comparison, Cornwall spends 0.3% centrally and Lincolnshire 2.9%. It can be done, therefore, but those costs should be brought down. I urge the council to consider that.

The group I am convening will work together in five areas: first, we will co-operate with schools as they plan for their intakes; secondly, we want to co-operate with local authorities on their development and housing planning—neighbourhood plans, business rates, the community infrastructure levy and the use of existing buildings and land; thirdly, we want to work with business and inward investment organisations—the larger chains, which have not yet seen the opportunity there, should come to sunny Norfolk and see the investment opportunities there; fourthly, we want to work with local education providers on a training offer to meet the necessary demand; and finally—this is my call throughout my contribution—we must raise awareness. We must grasp this opportunity. We would let down parents, children and our local economies if we did not grab it, so let the message go out that childcare is an exciting opportunity and the Government are doing what they can to deliver for parents and children.

In conclusion, I have laid out some of the characteristics of childcare in Norfolk, particularly in my constituency. I am leading action on behalf of parents in my constituency who need this childcare, but there is much more to do. I thoroughly support the Bill. It will pave the way for parents to go into work, for local businesses to grow and for children to benefit from good-quality early

education. Childcare is a foundation in the lives of the parents and their children, and it lets people build their dreams. We should see the Bill accordingly.

5.14 pm

Tristram Hunt (Stoke-on-Trent Central) (Lab): It is a pleasure to follow the hon. Member for Norwich North (Chloe Smith).

As usual, the debate on childcare has been split between a conversation about maternal employment rates and productivity and questions about school readiness and childhood development, which the SNP spokesperson raised so effectively. I would give more credence to her view if the rates of social mobility in Scotland under the SNP Administration were working faster, yet if we look at the number of children from disadvantaged backgrounds going into higher education in Scotland relative to England, we see that the SNP has not delivered what it promised.

Carol Monaghan: Perhaps the hon. Gentleman does not realise that one of the routes to higher education in Scotland is further education, but that the figures on that sector are not included in the UCAS statistics.

Tristram Hunt: I do know that fact, but if I were an SNP representative I would certainly not defend its role in further education. The SNP has supported higher education at the expense of further education, hammering the poor. I am being dragged away, however, from the Second Reading of the Childcare Bill.

As the shadow Secretary of State suggested, we can all welcome the Government’s policy of extending free childcare for three and four-year-olds to 30 hours a week for working families. This builds on the Labour party offer at the last general election of 25 hours of free childcare, which were told was unaffordable and could never be delivered. More importantly, it builds on decades of work by hon. Members on both sides of the House in making the case. Any legislation that aims to tackle the childcare crisis, to increase maternal rates of employment and to generate long-term growth has to be welcomed, but over the last five years the Government have made it much harder for parents to find the childcare hours they need. Compared with 2010, there are more than 40,000 fewer childcare places, and six in 10 councils report that they do not have enough childcare available for working families—not least in Oxfordshire, where I know the Prime Minister is leading the anti-austerity movement.

At the same time, childcare prices are crippling families that are already under pressure with parents spending more than £1,300 extra on childcare than they did in 2010. In Stoke-on-Trent, costs have increased by almost 73%, so anything that attempts to redress those impacts on families is to be welcomed. The question, I think, is how it is to be funded.

I welcome the Chancellor’s announcements today of the £300 million of additional funding for the scheme to increase the hourly rate childcare providers will receive, once this measure is introduced from 2017-18, alongside the £50 million of capital investment to create additional places in nurseries to be brought in from the same year. As my hon. Friend the Member for Islington South and Finsbury (Emily Thornberry) will explore in her incisive speech, however, the figures do not quite add up. We can reflect again on the irony that we were told during the election campaign that 25 hours was wholly unrealistic and could not be done, while the Government have now

[*Tristram Hunt*]

come up with some completely different figures. I am sure Chairman Mao would have had a witty aphorism about that.

This ignores the massive childcare places crisis that is hitting the sector now. As the shadow Secretary of State suggested, the Government's free childcare policy is already vastly behind schedule. Today, Ofsted is announcing an 11,000 fall this year in the number of childcare places provided by nurseries. We are actually seeing a drop in the course of this year, which is leading to many providers having to close, resulting in a further shortage of places. In my own Stoke-on-Trent constituency, there are 74 fewer registered providers than in 2009, which is evidence that the underlying infrastructure needed to deliver the Government's announcements today is creaking to breaking-point.

The Institute for Public Policy Research has warned in its recent report on the Bill's implementation that if more childcare providers close it will drive down childcare quality, with poorer outcomes for children and less choice for parents as the market shrinks. In the face of increasing demand and decreasing provision, it is likely that the Government will have to deregulate childcare or weaken childcare ratios—we can go back to that old debate—to make the plan sustainable.

Mr Gyimah: On our staff to child ratios, I can confirm to the House, and we have said so in the other place, that there are no plans to reduce the ratios for three and four-year-olds.

Tristram Hunt: I am delighted that this is probably the third or fourth U-turn of the day—it is hard to keep up—but it is important, when we think about this question, to focus on not only the economics, but the quality of early years provision. As the shadow Secretary of State said, there is strong evidence for a link between a judgment of “outstanding” for childcare provision and the presence of better qualified staff. It is vital that practitioners and settings are appropriately funded.

The Education Committee clearly set out in its excellent report that poor childcare is worse than none and can be detrimental to a child's development. It is always a depressing moment when one sees young women—it is usually women—who struggle with their own educational attainment working with young children from disadvantaged backgrounds. All the challenges in oracy and early childhood development show that high quality of provision is essential.

Mr Gyimah: Is the hon. Gentleman aware that we are doubling the entitlement, but not necessarily the demand? Many parents already buy more than 15 hours, which is the current free entitlement, of childcare. The policy changes who pays for it. All the scaremongering about reduction in quality does not stack up.

Tristram Hunt: I am arguing not about reduction in quality, but for an improvement in it. I understand the point about doubling the provision, but when there is such ingrained inequality in our society and such disadvantage in so many communities, surely the quality of provision needs to improve.

We know that investment in the early years is about more than just announcing more childcare. The Government have repeatedly ignored, cut and deprioritised

a huge part of the infrastructure for early years education. Time and again, children's centres, a huge part of this country's early years architecture, have come under assault from the Government. The previous Labour Government tried to make Sure Start centres and early years an essential part of the welfare state. This Government's ambition to dismantle the welfare state means stripping away one of the elements that are such a civilising part of our society, with more and more centres being forced to close and drastically cut back their services due to inadequate funding.

There were no announcements today for funding for children's centres or support for the early intervention grant. According to the Children's Society, when the early intervention grant, which funds children's centres, was introduced, its total value was around £3.2 billion in today's prices. However, by 2015, the value of the grant has been more than halved to around £1.4 billion. By the end of 2015-16, the allocation provided to local authorities through the revenue support grant will have been cumulatively reduced by £6.8 billion compared with funding for comparator services before the Budget in 2010.

Overall, local authorities in England reduced spending on children's centres and young people's and family support services by some £718 million in real terms between 2010-11 and 2014-15. That amounts to cumulative spending reductions of more than £1.5 billion. With local authority budgets coming under extra pressure, the outlook for children's centres is bleak.

The Government do not like this figure, but over the past five years more than 700 centres have been closed. We know that effective early intervention does not begin at the age of three, but with antenatal classes, drop-in health clinics and open access provision. It begins with teaching parents the importance of bonding and attachment. If anything, those first years of a child's life are the most important for child development. The more we discover about neurological development and the growth of the brain in those early months and years, the more startling it is that the Government have piled on the cuts for the earliest years. They are not serious about tackling disadvantage and inequality. If they were, they would not be making all the cuts in that area. It is no wonder that great charities like Teach First say that poor kids do worse under this Government, and it is no wonder that we see the effects of that in our education system. The Government's record on protecting the architecture and delivery of early-years education over the past five years is wholly lamentable.

The Labour Government protected the entire education budget, including the crucial early intervention grants that were part of our election promise. This Government protected only schools. Today's announcement about sixth-form and further education is welcome, but it really means an 8% cut in those budgets over the coming five years. Despite the global financial crash, and with the help of the Sure Start architecture, we slashed child poverty by 900,000 during our time in office. That is what Labour Governments do: that is what progressive Governments do. On the basis of the latest figures from the Resolution Foundation, we know that we shall see child poverty rocket under this Government. Time and again, the early years have been deprioritised.

Labour Members have an enduring commitment to the emancipatory power of early-years education. We believe that it is the most effective way of narrowing the achievement gap so that no children are left behind when they take their first steps inside a reception classroom. We are—I am—supportive of working families—

Chloe Smith: Does that suggest that there is a division?

Tristram Hunt: No! We are all united in this House on the need for measures to help working families and raise maternal employment rates. However, we need a much richer, deeper and more sophisticated focus on the quality of early-year provision, and on what it can do to tackle inequality and disadvantage.

5.26 pm

James Berry (Kingston and Surbiton) (Con): It is a pleasure to follow the hon. Member for Stoke-on-Trent Central (Tristram Hunt). He says that this is a Labour policy. I do not remember its being chiselled on to the Edstone, but perhaps the hon. Member for Manchester Central (Lucy Powell) will refresh my memory. Anyone who saw the photographs of the visit by the Prime Minister and the hon. Member for Uxbridge and South Ruislip (Boris Johnson) to Advantage children's day nursery in Tolworth, in my constituency, will know that the policy literally had blue fingerprints all over it.

I am pleased that the Childcare Bill was one of the first that the Government introduced following the Queen's Speech. By doing so, they made it clear that promoting social aspiration was four-square with the heart of their agenda. Ensuring that young people are given the very best start in life, regardless of their background, is at the core of the progressive, one-nation Conservative mission. For me, it is one of the core duties of any Government. It is certainly what I hope to try to achieve as a Member of Parliament, and it is certainly what my parents worked to achieve throughout their lives in the teaching profession.

The policy of providing 30 hours of free childcare has two principal objectives. The first is to ease the burden on parents who want to go back to work, but who are either prohibited or restricted in that ambition by the gap between their low pay and the high cost of childcare. It is absolutely right that the provision of 30 hours of free childcare formed the central plank of our offer to hard-working families at the time of the general election, and we are working to deliver it now.

The second objective of the policy is to improve significantly the life chances of the next generation, and it is on that objective that I want to concentrate this afternoon. For too long, early-years education has been the Cinderella of schooling policy, but, during all that time, more and more evidence has pointed to the fact that the emotional and physical health, the social skills and the cognitive linguistic facilities that we develop in the early years are the principal prerequisites for attainment at school, in the workplace, at home and in the community. It is not surprising, therefore, that research suggests that early-years education is the critical ingredient in the process of closing, pre-emptively, the educational achievement gap between children from low-income households and those from high-income households before they start primary school.

Investment in early-years education is also cost-effective. More than one study conducted in the United States

has found that the average benefit to the public purse for each child who underwent a quality pre-school programme was nearly \$200,000. Recent Department for Education figures show that in England one in four children are starting primary school without the expected level in early language skills. Last week, Save the Children carried out a survey that found that 75% of teachers see British children arriving in reception class struggling to speak English properly. Sixty-five per cent. said they see five-year-olds struggling to follow simple instructions. That is simply not good enough.

Children in my local authority, Kingston upon Thames, perform above the average in speech and language development at age five, thanks in part to the excellent teaching in the borough. However, the poorest children are almost twice as likely to fall behind and are around a year behind their peers by the age of five. The implications for children failing to master these basic skills are patently clear. It is little surprise that those children who start behind, tend to stay behind, with fewer opportunities and limited chances of success throughout their lives at school and beyond. As those from deprived backgrounds are most likely to start behind, the cycle of poverty is perpetuated by the education attainment gap.

In order to help children to escape the cycle of poverty, we must ensure that, when children arrive for their first day of primary school, they have been equipped with the basic skills they need to be ready to learn. For our part, we must apply some of the same rigour that we have applied to schools in the past five years to the education that children receive during those most formative years of their lives, at nursery.

One of the most progressive policies of the last Government was the pupil premium. Children who are eligible for the pupil premium at primary school will get the best out of the extra support it offers at primary school only if they arrive with the tools to learn and to benefit from it. There is evidence that the presence of trained early years teachers in nurseries has a huge impact on children's early development. That is particularly the case for boys and children from disadvantaged backgrounds who are most at risk of falling behind in early language development. Yet at the moment almost half of independent nurseries do not employ a single early years teacher. Therefore, I ask the Minister to look at ways to support graduates and apprentices working in early years, including in nurseries.

The Bill presents us with an unprecedented opportunity to deliver more early education, to deliver better early education and significantly to improve social mobility, ensuring that children are able to benefit more from education and from the opportunities even if they come from the poorest households. We must grab that opportunity with both hands. That is why I am proud to support the Bill.

5.32 pm

Corri Wilson (Ayr, Carrick and Cumnock) (SNP): The Under-Secretary of State for Education, Lord Nash, stated in the other place that this Government are committed to supporting working families and that their focus is

"unashamedly on children and their parents."—[*Official Report, House of Lords*, 14 October 2015; Vol. 765, c. 238.]

[Corri Wilson]

I have some issues with that statement. Unlike this Government, the SNP is committed to improving and increasing high-quality, flexible early learning and childcare which is accessible and affordable for all children and families, not just those lucky enough to be in work. The Scottish Government-funded study “Growing Up in Scotland” tracks the lives of thousands of children and their families from the early years, through childhood and beyond. The main aim of the study is to provide new information to support policy making in Scotland. The most recent report has shown that, at age five, children in the highest income group are around 13 months ahead in vocabulary and 10 months ahead in problem solving ability.

It is clear that the attainment gap in education faced by children from poorer families is already established before they even get to school. That is why the SNP Government have put in place an ambitious plan backed by £100 million of funding to close that attainment gap. Early intervention has been shown to have a positive impact. However, this Bill, while providing welcome support for children of working families, can serve only to widen the attainment gap for children from families where one or more parents are unemployed.

Nursery education is not just about helping parents back into work; it is about giving children the best start in life. Providing access to high-quality early-years education for children from deprived backgrounds is the most effective way to reduce that gap in attainment. That is why, in Scotland, we have already announced plans to double childcare provision to 30 hours a week for all three and four-year-olds and vulnerable two-year-olds.

Michelle Donelan: Will the hon. Lady give way?

Corri Wilson: I want to make some progress, if the hon. Lady does not mind.

To truly focus unashamedly on children, the Government should be using this Bill to improve outcomes for all children, especially those who are more vulnerable or disadvantaged, and to support parents to work, train or study, especially those who need routes into sustainable employment and out of poverty. Instead, the Bill excludes the children of families where a parent is out of work or using volunteering as a route back into employment, and it could negatively impact on those whose parents are on zero-hours contracts and are unable to work the number of hours per week required to qualify.

The SNP is determined that every child in every community should have every chance to succeed at school and in life. Delivering the best start in children’s lives starts well before they reach school, which is why tackling inequalities sits at the heart of our agenda. Our vision is to make Scotland the best place in the world to grow up, by improving outcomes and reducing inequalities for all. However, our efforts are being hampered by the callousness of the UK Government’s measures, which are designed to hurt the incomes—and, consequently, the standard of living—of children in low-income families.

The Scottish Government are continuing to protect Scotland’s children from Westminster’s austerity measures by ensuring that once a child becomes eligible for early learning and childcare, they will stay eligible, even if

their parents’ employment status or rights to benefits change. We will protect this essential support for many vulnerable children in Scotland, which is welcome in my constituency, which has areas of high unemployment and poverty.

This Government might think that their focus is on children, but their Bill clearly shows that they care only about meeting the needs of some children, and not necessarily those who need our support the most. It will do nothing to provide the universality, flexibility or quality that the SNP is focused on delivering in Scotland, and it will almost certainly see children from more disadvantaged households slip further behind in attainment levels by the time they start school at five. We are committed to getting it right for every child. Will the Government confirm that they are?

5.36 pm

Lucy Frazer (South East Cambridgeshire) (Con): This legislation is extremely welcome. One of the greatest barriers to re-entry into the workplace is childcare. Many parents, often women, find the financial burden of childcare prohibitive and do not return to work, because in the short term it simply is not financially viable. Their whole salary is eaten up by childcare costs. According to a recent report by the Fawcett Society, childcare responsibilities remain a significant limiting factor in women’s participation in the workplace. That is also self-evident from the figures. Childcare costs in the UK are the highest in the EU, with families here paying over 25% of their income on childcare, compared with an OECD average of 11.8%.

This legislation is not simply about short-term financial gain, however. It is also about long-term prospects. If women have the option to return to work, career progression is easier. It is about ensuring equality, because women who take long-term breaks are more likely to remain on low pay. Now that women have an opportunity to continue in their roles, promotion will be easier and the gender pay gap will be reduced. Of course, not every parent will want to return to work when their children are young, but this legislation is enabling and empowering for those who do. The Bill offers freedom and choice, and for that reason it must not only be welcomed but applauded.

The Childcare Bill ought to be not only about parents but about children. It emanates from the Department for Education and comes under its budget, so it must ensure that the needs of the child are at its core. The Bill enables all children of three and four to access early-years education, providing an opportunity to ensure that all children, whatever their background, get the same educational opportunity in life. It provides an opportunity to change life chances and to create a fairer society. We all know that by the age of five children from low income households are over a year behind in vocabulary, compared with children from high income households. The attainment gap for children on free school meals increases as they progress through school. In early years, the differential in performance is about 20%. As their schooling progresses, it widens such that by GCSE it can be as large as 30%. Unless we address disparities in education in the early years, these children will always be behind. The Bill will enable us to fill the gap.

Carol Monaghan: Surely the hon. Lady would agree that the very children she is talking about, who really need help to narrow the attainment gap, need additional early years education? The Bill will ensure the gap remains as it is.

Lucy Frazer: The Bill will enable two, three and four-year-olds to have the schooling they need. I welcome the Chancellor's announcement that there will be a £1 billion increase in education spending, but I ask the Secretary of State not to lose this great opportunity to ensure that disadvantaged children get the best start in life.

In undertaking the pilots and the review next year, I ask the Secretary of State to take into account the points made to me by nursery providers in my constituency: to recognise the differences in nursery provision throughout the country and the scalability or otherwise of nurseries; to consider that rural and urban provision may be different; to recognise the different living costs of staff around the country, which may be high in Cambridgeshire; and to provide a rate that will enable providers to provide good quality and consistent education and care. If that is achieved, the Bill could be instrumental in our children's futures, providing the best outcome for the next generation.

5.41 pm

Emily Thornberry (Islington South and Finsbury) (Lab): Providing more free childcare for working parents was supposed to be an easy win for the Government. There should be nothing difficult or controversial about it, given the level of support in the country for it in principle and the amount of support the Government would have in this House for it in principle. The Government, however, seem to have somehow made an extraordinary mess of the Bill. In fact, I cannot remember another occasion when a proposal that was so warmly received in principle produced a Bill that was so comprehensively rubbished by everybody who set eyes on it. There are so many questions in relation to it. The defence of the Bill we have heard today is high on rhetoric, but what we want is reality. We do not want fiction. The problem is not a lack of enthusiasm for the Bill in principle. The trouble is that, as my nan used to say, warm words butter no parsnips.

Surely the most important place to start is this: how is it going to be paid for? I am not an expert, but I have been looking at the Blue Book published today and asking some obvious questions. If the amount spent per child from September 2017 will be £5,000—if I am wrong about this, perhaps the Minister could please interrupt me—and we are talking about term-time only working, so 38 weeks a year, then 30 hours multiplied by 38 is 1,140 hours. On the face of it, that means £4.38 per hour will be spent on childcare. I have already explained to the Minister that the average price of childcare in Islington is £9.40 per hour. I am then told that I am wrong, the figures are pooh-poohed, or there seems to be some suggestion that not all the money has been put into the frontline, as if the head of my early years is upholstering her three-piece suites in mink, but that is just the price of education for three and four-year-olds in Islington. The prices are high as they are—it is just a fact.

Then I am referred to a cost of childcare review, which I am told is in the Library but it is not. I send people off to have a look in the Library and they ask

around but nobody can find it. Then I am told it is online and that it consists of 184 pages, but I have not got all of them. I have got the ones I could and they total 59 pages. I have therefore had 59 of 184 pages during this debate. I am told that 6,000 organisations have contributed to this review, but I have nothing from any of them. I would like to read this sort of thing, because I take this seriously.

Mr Gyimah: I also take this very seriously. The enrolment rates for the first 15 hours are 96% for four-year-olds and 94% for three-year-olds. If the system is so chronically underfunded, how come that many young people are enrolled in it successfully?

Emily Thornberry: Let me give the hon. Gentleman my view, which, again, is based on experience from my constituency. What happens is that the free entitlement is given to parents and a deal is done, whereby they get their free 15-hour entitlement and then they have to pay over the odds to be able to—*[Interruption.]* He shakes his head but I am telling him that this is what happens. Parents have to pay over the odds for the additional hours or they pay more money for meals; somehow or other this money is raked back to nursery providers, because they simply cannot provide the childcare at the level currently provided for. He has asked me a question, so I will ask him one, and I wonder whether he will be able to help me with it.

As I understand it, at the moment my local authority gets £4.84 per hour for three and four-year-olds, which is much less than the average charged of £9.40 per hour. If the new national rate announced today with such fanfare is introduced, will Islington actually be getting a cut and will our rate be going down to £4.35 per hour?

Mr Gyimah: As the Secretary of State said in her opening speech, as part of announcing this rate we will be introducing an early years national funding formula, which will seek to ensure that the early years funding is allocated on the basis of need, rather than historical circumstances. Some local authorities get quite a lot of money whereas others get less. We will be looking to make sure that all local authorities are treated fairly.

Emily Thornberry: Again, that sounds great, but it does not make any sense. Does it mean that my local authority will get a cut in its rate or not? If the hon. Gentleman knows, he may intervene on me again, because this is important. As I say, if Islington is going to get a cut in its rate to £4.35 per hour for it to provide places for nursery school children—three and four-year-olds—when the average price in Islington is £9.40 an hour, this is extremely bad news for Islington.

Mr Gyimah: The hon. Lady is throwing out lots of numbers, but nobody has mentioned the £4.35 she has just thrown out there. To answer her question, we have said that we will consult local authorities in order to design the early years national funding formula. Part of that consultation will be about recognising how authorities such as Islington are funded and making the appropriate decisions then. She can contribute to that consultation, as can every other local authority in the country.

Emily Thornberry: I would be interested to know whether the Minister regrets producing the document entitled "Cost of delivering the early education entitlement"

[Emily Thornberry]

halfway through the debate rather than earlier, if it was produced some time ago. He knows that one problem throughout the passage of the Bill in the Lords was that people criticised the fact that it was a cut-and-paste job from the Tory party manifesto put in a four-page Bill and that it has had no detail. The reason the Government have been getting into trouble is that everyone has been saying, “Where is the detail? Where is the plan? How much money are we getting?” And when the Bill finally reaches this place, keen people like me get a copy of half of this document halfway through the debate.

Lucy Powell: My hon. Friend is making some excellent points and scrutinising the Minister extremely well. She makes a good point about the true cost of childcare and how many private, voluntary or independent nurseries cross-subsidise to deliver the free offer. Is she aware that in parts of London in particular, and in other more expensive cities, many providers do not even offer the free entitlement because there is not a good enough business case for them to do that, and so families in Islington are probably missing out altogether?

Emily Thornberry: I think that that is right, and there was a hint of that, I think, from the hon. and learned Member for South East Cambridgeshire (Lucy Frazer) when she was talking about the importance of the rate that is being paid in order to ensure that there is childcare provided in her area. Although Cambridge is not as expensive as Islington, I imagine that it is another area where childcare is likely to be provided at a fairly high rate, and is likely to be very expensive.

Having looked at the Blue Book, I have another question. As I understand it, to pay for these additional hours of childcare, the Government will not provide free childcare for parents whose income is more than £100,000—I do not think that there is any problem with that—but the other part is—[*Interruption.*] I am sorry, but I am asking the Minister a question. I can say it again. The other part of the condition is

“and a minimum weekly income level per parent equivalent to 16 hours (worked at the national living wage)”.

Does that mean that my single parents on the Market estate, who are currently working nine hours, will not get free childcare, and that in order to get free childcare they will need to work not only 16 hours but—because they are all on the minimum wage—16 hours at the equivalent of the national living wage, which presumably means that they will have to work something like 24 hours?

Helen Goodman (Bishop Auckland) (Lab) My hon. Friend is making a very—

Mr Gyimah: Mr Deputy Speaker, this is a novel—

Mr Deputy Speaker (Mr Lindsay Hoyle): Order. I am sorry. You are winding up the debate, so you will have a chance to come back to the hon. Lady, but I am sure that she will give way, as she has been very generous so far. At this moment though she has given way to Helen Goodman.

Helen Goodman: My hon. Friend is pointing out that, according to the Chancellor, to qualify for this free

childcare, a parent needs to be working 16 hours. Coincidentally, I found out that Asda employs 30% of its people on less than 16 hours a week, and they are paid less than the living wage, because they are on the minimum wage. That is probably the case in supermarkets across the land. We are talking about hundreds of thousands of women here.

Emily Thornberry: The point is—[*Interruption.*] I am just pointing out that the Blue Book refers to

“a minimum weekly income level per parent equivalent to 16 hours (worked at the national living wage)”.

A parent could be working 16 hours at the national minimum wage, but still not get free childcare. That is as I understand it, but we are not in Government. We are involved in scrutiny.

Mr Gyimah: The eligibility will be checked by HMRC, and it will be based on the actual income earned, so at 16 hours on the national living wage, someone would have to earn £107 a week in order to qualify for 30 hours of free childcare. In addition to the 30 hours of free childcare, that person may get other support such as the childcare element of tax credits or tax-free childcare. This is an incredibly generous offer, but that is not what the hon. Lady is suggesting.

Emily Thornberry: Is the Minister therefore saying that people do not need to be earning a minimum weekly income at the national living wage, because tax credits would make it up? Or is he saying that people have to get an income equivalent to 16 hours worked at the national living wage, and then they will get tax credits and the 30 hours? These are important questions. This Bill has already been in the Lords. We are now in the Commons. It is important for us to understand the Bill.

We are not against childcare, as some have suggested. We are absolutely in favour of childcare, but we would like it to be funded properly so that people get proper access to it, and that includes my single mothers from the Market estate who may be working only a few hours at the moment, but who would like to have additional childcare available to them so that they can look for other jobs, because if Asda will not increase their hours, they will try to find a job somewhere else. They need childcare if they have three and four-year-olds so that they have some time to fill in their CVs, and go to Jobcentre Plus to get the assistance they need to work further hours. I hope that the Minister understands that.

Mr Gyimah: The answer to the hon. Lady’s question is simple: a lone parent would have to earn £107 a week to qualify for 30 hours of childcare. Eligibility is judged not on hours but on someone’s earnings, because HMRC can monitor earnings, not the hours that people work. If someone earns £107 in half a day that gets them 30 hours of childcare, and if someone earns that in a week they still receive those 30 hours of childcare.

Emily Thornberry: Therefore, someone who works 16 hours on the national minimum wage will not get 30 hours of childcare a week. That is an important point, and I am grateful to the Minister for clarifying it.

That message needs to go out if we are talking about fairness. No wonder the end of paragraph 2.61 of the Blue Book states that this measure

“will save £215 million by 2020.”

If we are talking about fairness, opportunity, and ensuring that women are able to go to work, I am concerned about the changes being made.

Mr Gyimah: The first 15 hours of childcare is a universal offer that everyone receives. The income testing applies to the second set of 15 hours. I reiterate that eligibility is judged on income, not hours worked.

Emily Thornberry: I am grateful to the Minister for making that clearer. Over the next few days I am sure that many more questions will be asked and many more answers given, and we will get a better understanding of exactly what the country is being offered.

On Second Reading in the other place, the Bill was repeatedly described as a “skeleton” piece of legislation—well, absolutely. Lord Touhig went a step further and called it a “missing Bill”. Their criticisms were well summarised by the Delegated Powers and Regulatory Reform Committee, which in a scathing report observed:

“While the Bill may contain a legislative framework, it contains virtually nothing of substance beyond the vague ‘mission statement’ in clause 1”.

As I was saying, it is a cut and paste job from the Tory party manifesto. The job of the Lords is to scrutinise legislation, as is our job in this Chamber. How can we do that if we do not get a plan or a proper understanding of what the funding will be?

I come to this issue blinking into the light after the Welfare Reform and Work Bill Committee. I became concerned about this issue because, as I am sure the Minister knows, mothers with three and four-year-olds will be forced to look for work on the understanding that adequate childcare will be available for them. Given what the Minister has just said, 15 hours of childcare may be available to them whether they work or not when their children are three and four, but they will need to work additional hours, or earn the amount that the Minister indicated, to receive the full 30 hours.

We are talking about getting women with three and four-year-olds into work, and the other problem that struck me is the obvious point that this is just about term-time working. We are asking the question that single mothers and parents ask all the time: what are people going to do in the summer? For 38 weeks people may get 30 hours’ childcare, but how do they cover the summer period if they are doing low-level work and do not earn a great deal? If they do not accept a job, they could be sanctioned or receive a penalty because they will not be working properly.

In the Welfare Reform and Work Committee we tabled an amendment to say that women should not be forced to look for work when they have three and four-year-olds unless adequate childcare is available. As I explained, if the Government are so confident that adequate childcare will be available for voting women, surely they would not vote against that amendment, but they did. That is what has brought me to be so concerned about this Bill, which impacts on the lives of women in whatever department. I am a shadow Work and Pensions Minister, and if the Minister is able to introduce a

proper Bill that will support women and their children and help women get into work, that will have an impact across the piece, as I am sure he appreciates.

The House of Lords has said that the Bill contains virtually nothing of substance beyond the vague mission statement in clause 1. In other words, the Bill has almost nothing more to say than the Conservative party manifesto. Clearly, the Government like the idea of doubling working parents’ free childcare entitlement; they just have not worked out exactly how to do it. They might as well have written a Bill saying that the land would flow with milk and honey—we would all agree with that.

Perhaps inevitably, the most glaring admission involves the cost of the free childcare extension, about which we have heard a little today. That seems to ask more questions than it answers. If the level of payment is such as to be less than half the amount that childcare costs in my constituency, there are obvious questions in relation to that. As everyone speaking in this debate is likely to know, childcare does not come cheap, and it rarely, if ever, comes free. Costs have been rising dramatically in the past five years to the point where families in England pay more for childcare than in any other country in Europe apart from Switzerland.

The average cost of part-time childcare for two children under primary school age now exceeds the cost of the average mortgage. Given the spiralling housing costs that this Government have presided over, that is quite an achievement. In my constituency, the cost of a part-time nursery placement of 25 hours a week has risen by 183% since 2010. At an average of £235 a week, childcare costs in Islington are the highest of any local authority in England apart from Kensington and Chelsea. Imagine if someone has two children—how are they going to be able to work? While existing support for childcare costs may be a helpful contribution, it has not solved the problem of a large number of working parents.

The Government say that the Bill doubles for working parents the free 15 hours already available to all parents of three and four-year-olds, but there is no such thing as a free lunch, and, in many ways, no such thing as free childcare. As is well known, the free 15 hours are chronically underfunded as it is. There is no legal obligation on any childcare provider to provide them to any parent, and according to a survey by Citizens Advice, a quarter of them do not. The Minister should be concerned about this. We are concerned about it, and working mothers are concerned about it. Those that do provide it will find themselves faced with a conundrum. The significant shortfall between providers’ reimbursement rate and their actual costs means that somehow a way has to be found to square the circle. The options are limited, and none of them is good. Either the cost of the extra hours will rise, new charges will be added for hidden costs such as activities, pencils, books or whatever, or the supposedly free hours will come with so many strings attached as to prohibit most parents from being able to use them.

It is not at all uncommon for parents to be told that they can access their 15 hours free entitlement but only if they pay more for additional hours on top. For working parents with up to 50 hours’ childcare a week, taking into account the early drop-off and late pick-up, the 15 hours may be free but then there is the additional

[Emily Thornberry]

charge for the 35 hours that are supposed to be provided at much higher levels. With fees at the level that they are in my constituency, this means that even with the free hours, families face annual childcare costs in excess of £20,000 a year—and that is for one child. Let me tell Ministers that not many single parents on the Market estate in Islington have that kind of money lying around. The idea of doubling the entitlement to free childcare without addressing the underlying funding gap is simply out of touch with the reality of the lives of people whom I represent, and we all represent.

The IPPR, in a report published last month that has already been quoted, but which I will quote again, described the Government's estimate of the costs of free childcare extension as

"inexplicably low compared to other estimates, as well as to current funding."

It concluded:

"The Government's drastic underfunding gives rise to concerns that the hourly rates that it will give to providers to deliver this care will be too low, resulting in falling quality, poorer outcomes for children and less choice for parents as the market shrinks."

As recently as this summer, when the Bill was introduced in the other place, the Government were maintaining the ludicrous fiction that the extension could cost no more than £365 million. It is right for Labour Members to say clearly that that is not right. To a certain extent, I am pleased that we have had a little bit of an answer today with the extra £300, but frankly it is still not enough, and the Minister knows it. He, as I understand it, endorsed what the original childcare Minister, the hon. Member for East Surrey, said when the Government were costing the amount, and we were saying what we wanted to do—[*Interruption.*] I am so sorry—I did not realise that the Minister is the hon. Member for East Surrey. I do apologise. He will remember saying that Labour's pledge to extend free childcare for three and four-year-olds to 25 hours would cost £1.6 billion. I am so sorry that I did not realise that it was he who said that, but I am sure he remembers saying it. He is not providing £1.6 billion for 30 hours' childcare for three and four-year-olds, so how can it work, particularly when the costs of childcare continue to go up? Childcare is so expensive in areas such as mine. I accept that my constituency has a large number of single parents who are not working and who find it extremely difficult to find work, but one of the major reasons for that is the cost of childcare.

I want to support this Bill. I want it to help the single mothers on the Market estate, but I just do not believe it will. I will vote for it—I am not going to vote against it—but it is not as though my criticisms have not already been raised in the House of Lords. They were raised in another place at great length and by people who are much more articulate and much better informed than I am. Indeed, concerns continue to be raised, but what happened today? Halfway through the debate, we got the report. I have only half of it and my copy is still warm because it had to be printed off a computer, so I apologise that I have not had a chance to scrutinise it in depth.

When this Bill came here from the other place, the major criticism of it was that the funding was inadequate and that there was no adequate explanation of how it

would be viable. To produce a document that we have to print off a computer in the middle of a debate is not democracy; it does not give us an opportunity to scrutinise what the Government do. The Government should not behave with the arrogance of a Government who have a majority of 120. Their majority is 12, and Bills such as this should have complete cross-party support. We should all be able to work together and not go away with a feeling that the Government are playing games, but I fear that that is what they are doing. It was not necessary to produce the report halfway through the Second Reading debate.

Mr Gyimah *indicated dissent.*

Emily Thornberry: I assure the hon. Gentleman that it was produced halfway through. We sent people to the Library to look for it. It eventually appeared on the internet and attempts have been made to print it out. The process should not be some sort of marathon. If the report had been produced yesterday, we would all have sat down and read it overnight. I am sure my hon. Friend the Member for Manchester Central (Lucy Powell) would have read all of it, even if I had not. We would then have had an opportunity to scrutinise the Bill properly. Given that the criticism throughout has been of inadequate funding and a lack of clarity on that funding, the situation is disappointing, to say the very least.

I think I have made my point. I am not an expert on the subject, but I am concerned about the inadequate amount of childcare that will be produced on time, before single mothers of three and four-year-olds are forced to look for work. I am very concerned that there will not be sufficient childcare, that it will be available only during term time, that it will not be sufficiently flexible and that it is not sufficiently funded. I am particularly concerned about the process we have indulged in on the Bill. It has already been discussed in the other place, but the details we have been given are still inadequate. I am very disappointed.

6.8 pm

Pat Glass (North West Durham) (Lab): This has been a really good debate, with informative contributions from Members on both sides of the House. I will highlight a few of those contributions.

My hon. Friend the Member for Islington South and Finsbury (Emily Thornberry) hit the nail firmly on the head: there is a huge funding gap between the hourly rate the Government are making available for childcare and what parents are actually paying. The hon. Member for Glasgow North West (Carol Monaghan) talked about the importance of early learning in childcare, and my hon. Friend the Member for Stoke-on-Trent Central (Tristram Hunt) spoke of falling numbers of childcare places and the shrinking market in childcare. The hon. Members for Kingston and Surbiton (James Berry) and for Ayr, Carrick and Cumnock (Corri Wilson) talked about the importance of narrowing the gap between those children from the most advantaged and affluent homes and those from the least well-off homes. The hon. and learned Member for South East Cambridgeshire (Lucy Frazer) talked a lot of sense about the barriers that a lack of childcare can place in the way of women wanting to return to and contribute in the workforce. I applaud her remark that the Bill should have the needs of the child at its core.

I confirm that Her Majesty's Opposition welcome the Government policy of extending free childcare for working parents to 30 hours a week. However, the promise of 30 hours of free childcare has gradually been whittled down, in the other place and in this place, to something very different from what parents would expect. We want the provision to be inclusive, high-quality and supportive of good outcomes for all children. We want it to narrow the attainment gap between those from well-off homes and the rest. We know that that gap begins to open from the age of 22 months.

Any parent who has worked, either by choice or necessity, and has placed their child in someone else's hands will know just how hard that is to do. It is much easier for parents to work if, as they go out to work each day, they can be confident that their child's provision will have a positive long-term impact on their child's development, their health and wellbeing, and their future life chances.

We need to be realistic about what is now happening in relation to childcare. We have already heard that there are 40,000 fewer childcare places now than there were in 2010, that six in 10 councils do not have enough childcare available for working families, that working families are spending on average £1,500 more on childcare today—if they can access it—than they did in 2010, and that 40% of parents of children with a disability who want childcare cannot even get access to the 15 hours to which they are entitled.

We want to work with the Government to make the policy work for families, and particularly for children, up and down the country, and we want it to be in place as quickly as possible. Unfortunately, however, as the Bill stands—even after today's announcement about the 30p per hour increase in the rate the Government pay to providers—there remain really serious concerns, many of which have already been raised in the other place, not least about the lack of detail in the Bill, which the Minister really must address.

The Opposition's first concern is the funding gap. I do not believe that the Government have adequately explained during the Bill's passage to date, including today, how the policy will work in practice and how it will be properly funded. The Government have been all over the place on this matter. As we have heard, when talking about Labour's promise of 24 hours of childcare, the Minister said that it would cost £1.2 billion. However, when he first announced the Government's offer of 30 hours, he said it would cost £350 million, or £365 million to be precise. By their own admission, they have recently revised the figure to £640 million. However, the Institute for Public Policy Research has identified a £1 billion funding gap in the Government's plans, even on the basis of the current hourly rate. We welcome today's announcement, which on the face of it shows that the Government understand there is a funding shortfall, but we believe that the policy is still £1 billion short of the true cost.

The Government have called this Bill the Childcare Bill, and the Department for Education has responsibility for taking it through Parliament, but in fact it is an economic Bill targeted first and foremost at getting parents, particularly mothers, back into employment. There is nothing wrong with that, but it does not put the child at the centre of the Bill. Given the massive funding gap, there are serious concerns that quality will be the first casualty of this policy, and capacity the second.

A wealth of evidence, not least in the 2013 Education Committee report on Sure Start centres and the foundation years—I was the Opposition lead on the Committee—and from Ofsted, clearly identifies the strong links between an Ofsted judgment of outstanding and the presence of better-qualified practitioners and of appropriately funded settings.

In its report the Education Committee highlighted the fact that the cost of poor quality childcare is not neutral. It went on to say that poor quality childcare is worse than no childcare at all and can be damaging. It can have negative long-term impacts on the development of children, particularly children who are already disadvantaged. If the policy is to work, it cannot be at the expense of good quality childcare or a widening of the already wide attainment gap between those from better-off homes and the rest.

Providers have been clear that unless the policy is properly funded, it could result in more poor quality childcare and less, not more, childcare provision. If that happens it will be, as is always the case, the few, well-off, sharp-elbowed who get access to 30 hours of good quality childcare, at the expense of the many, less well-off and less advantaged. That cannot be allowed to happen.

The Bill lacks detail so, as we go through the Committee stage, we will be looking for detailed answers. How will the Government pay for this policy without reducing quality or capacity within the sector, without increasing ratios or reducing regulation, which would have implications for the safety and well-being of children? How will the Government ensure that we have both the premises and the staffing necessary for this expansion in the sector to occur? How will the voluntary sector be helped to contribute to the extension of childcare without pushing out the pensioners luncheon clubs, the WI and the many other groups that currently use church halls alongside mother and toddler and childcare groups?

Exactly who is going to qualify for the extra 15 hours of childcare? Will it apply to those who work non-standard hours, those on flexible working hours, zero-hour contracts, self-employed parents, and parents in education or training who want to return to the workforce? As has been asked many times in the House today, how will the Government ensure that the parents and carers of disabled children can access the extra 15 hours when the overwhelming evidence now is that those parents and their children cannot even access the 15 hours that they are entitled to at present? Some 41% of parent carers of disabled children report that they cannot access the 15 hours of free childcare currently on offer, either on the grounds of cost or because staff are not trained and sufficiently confident to care for their children.

Only 21% of local authorities say that they have sufficient childcare for disabled children in their area. The Minister may recall that I chaired a parliamentary inquiry into childcare for disabled children. I was going to say that I was shocked by the outcomes, but actually I was not shocked; I was incredibly disappointed that disabled children and their parents matter so little in our society that we are not prepared even to make sure that they get access to the minimum entitlement to childcare. Parents have talked to me about institutional discrimination and systematic discrimination in childcare, and that is with the current 15 hours. They are very concerned that the existing awful situation for disabled children will deteriorate further unless the Government specifically address this issue.

[Pat Glass]

I mentioned earlier that the manifesto promise was 30 hours of free childcare. That has been whittled down ever since. The Secretary of State told us today that the rates that will be paid are £4.88 for three and four-year-olds and £5.39 for two-year-olds. However, early analysis shows that when the early years pupil premium is taken into account, the 30p increase is, in fact, 17p. Taken with the Government's plans for reviewing funding in the maintained sector, this will result in 250,000 children in 31 local authorities being less well funded than at present. For those local authorities whose rates will drop, including Manchester, Bristol, parts of London and Birmingham, as we heard earlier, the Government must put in place transitional funding to make sure that the 250,000 children and their families who are potentially affected do not miss out.

We heard today from the Chancellor of the Exchequer that the eligibility rate will change from eight hours to 16 hours. Early analysis tells us that this will affect at least 1.4 million workers working less than 16 hours, most of whom are women. The Minister said that there would be a cumulative effect, and that the criterion would be not hours, but money. However, he confirmed that workers on 16 hours who were on the minimum wage would not qualify. Those will mainly be women.

Mr Gyimah: As I said very clearly, this is an income check. Irrespective of the number of hours someone works or what they earn, they will have to have an income of £107 a week to get 30 hours of childcare. HMRC will check their income, not their hours.

Pat Glass: That means that those on low pay and short hours—mainly women—will be affected.

We have heard today that the thresholds for access have increased; that there will be further delays in implementation, so none of this will be in place before 2017; and that there is a massive shortfall in funding. Quite honestly, parents who voted Conservative in May on the basis of this manifesto promise will be feeling seriously short-changed this evening.

We want the policy to work and we want to help the Government to make it work. However, the Government must be able to answer the questions we have during the line-by-line scrutiny of the Bill, because they have studiously avoided answering them so far. Good opposition is about scrutiny and challenge. We cannot scrutinise and challenge when there are outrageous situations such as the publication of all this information halfway through the debate today. Quite frankly, it is disingenuous. The Minister can be absolutely sure that when he comes to Committee, there will proper scrutiny and challenge of this policy. We want it to work, but it will not work unless we get it right. Proper scrutiny and challenge is exactly what he will get.

6.21 pm

The Parliamentary Under-Secretary of State for Education (Mr Sam Gyimah): Today is an exciting day for the childcare sector. At a time of austerity when we still have to work hard to balance the books, the Government have made a strategic decision to invest more in early years and childcare. As my right hon. Friend the Secretary of State said, by 2019-20, £1 billion will be invested in

the manifesto pledge of free childcare for the three and four-year-olds of working parents.

The hon. Member for Islington South and Finsbury (Emily Thornberry) said that it looked like we had cut and pasted the Bill from our manifesto. I am pleased that people think we are delivering what we said in our manifesto.

The shadow Secretary of State started her speech by talking about Labour's legacy. She mentioned Sure Start and maternity leave. As she spoke, it occurred to me that the Labour party is still living in the past when it comes to childcare. At one point, there was only one Back Bencher on the Opposition Benches. There clearly is not as much interest in the future of childcare on that side of the House.

Given that the shadow Secretary of State dwelt on Labour's legacy, let me tell her what our legacy is in this area. In the last Parliament, we invested £20 billion in childcare. We increased the free entitlement for three and four-year-olds from 12.5 hours to 15 hours. We introduced 15 hours of free childcare for disadvantaged two-year-olds. We introduced the early-years pupil premium for the most disadvantaged three and four-year-olds to ensure that they do not start school behind. This Bill builds on a strong track record of success.

The extremely generous funding that the Chancellor announced for the sector today is, for the first time, built on detailed analysis. This is the first time that any Government have undertaken an analysis of the cost of providing childcare. It is important to differentiate between the cost of providing childcare for providers and the cost of childcare for parents. We looked at 2,000 responses, looked at the accounts, analysed the true cost of providing childcare and came up with a couple of rates—£4.88 for three and four-year-olds and £5.39 for two-year-olds—that are fair for the taxpayer and sustainable for the sector.

Some Members have asked whether the first 15 hours of provision will be different from the second 15 hours. We will pay the same rate for each, so there is no dumbing-down of the policy, as some researcher who was quoted in the debate has said. Nor are we changing staff to child ratios again, as some reports have said we will have to do to deliver the policy. Staff qualifications will remain the same.

Lucy Powell: Aside from the hourly rate, the bigger question that the Minister has been asked today is about the overall package of funding for the offer, which by any calculation falls well short of previous predictions. The key variable is the number of families who will access the offer. On the basis of the original calculation of a cost of about £1.5 billion, about 650,000 families would have been accessing it. However, the costings that the Government have outlined today suggest that they now believe fewer than 250,000 families will access it.

Mr Gyimah indicated dissent.

Lucy Powell: Well, the Minister can work out the maths himself. I can help him if he likes.

Mr Gyimah: That point is completely irrelevant. The first 15 hours will be a universal offer. Every three and four-year-old in the country will get 15 hours of early education. The Chancellor outlined today that there will be an income cap for the second 15 hours, so that

people who earn more than £100,000 do not get it. The progressives on the Conservative Benches believe that is right. We also believe that, given that the measure is a work incentive, it should encourage people to work more hours.

The overall cost has been mentioned a number of times. The Labour party's proposed 25 hours of childcare would also have applied only to working families, and Labour did not say that it would increase the rate paid to providers, which we have done. I am on record as saying that the proposal would have cost £1.5 billion. The reason for the discrepancy between Labour's numbers and our numbers is that we recognised that if we extended the free entitlement, there would be less demand for other Government-funded childcare programmes. Once again, Labour got its numbers wrong.

Lucy Powell: I actually made the costings calculation myself at the last election. The discrepancy in the figures is way bigger than the Minister has outlined. The cost per year of the Government's additional hours proposal will be about £2,500 for each family who qualifies for it. If the Minister divides the overall budget that they have allocated for it by that number, he will find that his Department has significantly reduced the number of families that it anticipates accessing the offer from about 600,000 to about 250,000.

Mr Gyimah: The hon. Lady is absolutely right that fewer families will access the additional hours, particularly among the well-off. It is right that we have introduced an income cap.

My right hon. Friend the Member for Basingstoke (Mrs Miller) made some fantastic points. I particularly welcome her suggestion that Hampshire participates as one of the early implementers of the policy, which I would definitely like to consider. She rightly mentioned childminders, who are often forgotten in debates on childcare. They offer excellent childcare based in the home, and they can offer parents much-needed flexibility. We will look at the burdens of bureaucracy that affect them.

My right hon. Friend also mentioned the need to make the offer as simple as possible for parents, and we will examine that in detail. It should also be simple for providers, as my right hon. Friend the Secretary of State said. We want not only to provide more money to the sector but to reform the system that underpins it. That means having a national funding formula that allows as much of that money as possible to get to the frontline. It also means examining the bureaucracy that means that a provider operating across different local authority areas has to have different contracts within different systems. We will look at that to ensure that providers can deliver as easily as possible.

The hon. Member for Glasgow North West (Carol Monaghan) made some good points about the distinction between childcare and early education. She is right to say that early education is about the child's development, while childcare is about the parents. This policy ticks both boxes. The first 15 hours, which is the universal offer, applies to every child and is about school readiness, whereas the second 15 hours helps parents to work more hours. That said, I do not necessarily agree with her point about Scotland being a good example. Just 15% of Scottish local authorities, for example, said that

they had enough childcare for working parents in 2015 compared with 23% in 2014. I do not think Scotland is the best example as regards sufficiency issues.

Carol Monaghan: Of course, we are talking about ambitious targets and the Minister is outlining his Government's targets. Those targets are also ambitious, but targets are something that we work towards. We are working towards our targets, as I am sure the Minister will have to work towards his.

Mr Gyimah: I am glad to say that in England we have ambitious targets, but also targets on which we are delivering. For the first 15 hours, 97% of four-year-olds and 94% of three-year-olds are enrolled. The latest information from the early years foundation stage profile shows that more children than ever before are reaching a good level of development.

The non-economic eligibility criteria were mentioned, specifically as regards disabilities. I am pleased to say that in families where one parent is unable to work because they are disabled, three and four-year-olds will be eligible for 30 hours of childcare. We have also committed to including in the eligibility criteria for 30 hours parents who are unable to work because of caring responsibilities as well as lone parents and those on zero-hours contracts. To recognise these situations, there will be a grace period so that if parents lose their jobs, they do not automatically lose their entitlement to childcare.

My hon. Friend the Member for Norwich North (Chloe Smith) gave a very good speech, focusing on the need for sufficiency. I want to reassure her that, as she will have heard in the Chancellor's statement, £50 million is being made available to increase the number of places in early years provision. Now that free schools can bid for funding to create nurseries, we project that 4,000 nursery places will be created through that programme. I understand and note her concerns about local authority top-slicing, which was mentioned a number of times in the debate, and we will be looking at that very closely as we implement the policy.

The hon. Member for Stoke-on-Trent Central (Tristram Hunt), who is no longer in his place, spoke eloquently, as he often does, but misguidedly about quality in the early years sector. As I have said, 85% of providers are rated good or outstanding and the Government have not only raised the qualifications criteria for staff but are seeing quality increase as well.

My hon. Friend the Member for Kingston and Surbiton (James Berry) made a good case for the value of pre-schools and underscored why this policy, particularly the entitlement for two-year-olds that we have kept in the spending review, is so important. We know that early education can make a huge difference to outcomes at school, particularly for disadvantaged children.

The hon. Member for Islington South and Finsbury (Emily Thornberry), with her usual bluster and conjecture, sought to criticise the policy at every turn but ended her speech by saying that she will support the Bill today. I hope that she will join the Committee, because I would very much like to go through the Bill line by line with her to ensure that we get it right for working parents, which is what I am sure she wants to do.

[Mr Gyimah]

As the father of an 18-month-old in full day care who I drop off every day, I know what it is like for parents to be concerned about their children being cared for by high-quality professionals and I know what it is like to need flexibility and for it to be affordable, as I know many parents up and down the country do. This Bill and the spending settlement announced by the Chancellor today deliver precisely that: high-quality affordable childcare for parents.

Question put and agreed to.

Bill accordingly read a Second time.

CHILDCARE BILL [LORDS]: PROGRAMME

Motion made, and Question put forthwith (Standing Order No. 83A(7)),

That the following provisions shall apply to the Childcare Bill [Lords]:

Committal

(1) The Bill shall be committed to a Public Bill Committee.

Proceedings in Public Bill Committee

(2) Proceedings in the Public Bill Committee shall (so far as not previously concluded) be brought to a conclusion on Tuesday 15 December 2015.

(3) The Public Bill Committee shall have leave to sit twice on the first day on which it meets.

Proceedings on Consideration and up to and including Third Reading

(4) Proceedings on Consideration and proceedings in legislative grand committee shall (so far as not previously concluded) be brought to a conclusion one hour before the moment of interruption on the day on which proceedings on Consideration are commenced.

(5) Proceedings on Third Reading shall (so far as not previously concluded) be brought to a conclusion at the moment of interruption on that day.

(6) Standing Order No. 83B (Programming committees) shall not apply to proceedings on Consideration and up to and including Third Reading.

Other proceedings

(7) Any other proceedings on the Bill (including any proceedings on consideration of any message from the Lords) may be programmed.—(*Simon Kirby.*)

Question agreed to.

CHILDCARE BILL [LORDS]: MONEY

Queen's recommendation signified.

Motion made, and Question put forthwith (Standing Order No. 52(1)(a)),

That, for the purposes of any Act resulting from the Childcare Bill [Lords], it is expedient to authorise the payment out of money provided by Parliament of:

(1) any expenditure incurred under or by virtue of the Act by the Secretary of State; and

(2) any increase attributable to the Act in the sums payable under any other Act out of money so provided.—(*Simon Kirby.*)

Question agreed to.

Business without Debate

DELEGATED LEGISLATION

Motion made, and Question put forthwith (Standing Order No. 118(6)),

NORTHERN IRELAND

That the draft Northern Ireland (Elections) (Amendment) (No. 2) Order 2015, which was laid before this House on 2 November, be approved.—(*Simon Kirby.*)

Question agreed to.

Mr Deputy Speaker (Mr Lindsay Hoyle): With the leave of the House, we shall take motions 6 to 8 together.

SPEAKER'S COMMITTEE FOR THE INDEPENDENT PARLIAMENTARY STANDARDS AUTHORITY

Motion made, and Question put forthwith (Order, 17 November, and Standing Order No. 118(6)),

That in pursuance of paragraph 2A of Schedule 3 of the Parliamentary Standards Act 2009, as amended, Bronwen Curtis be appointed as lay member of the Speaker's Committee for the Independent Parliamentary Standards Authority, for a period of four years from 26 January 2016.

ELECTORAL COMMISSION

That an humble Address be presented to Her Majesty, praying that Her Majesty will appoint Rob Vincent as an Electoral Commissioner with effect from 1 January 2016 for the period ending on 31 December 2019.

LOCAL GOVERNMENT BOUNDARY COMMISSION FOR ENGLAND

That an humble Address be presented to Her Majesty, praying that Her Majesty will appoint Professor Colin Mellors as Chair of the Local Government Boundary Commission for England with effect from 1 January 2016 for the period ending on 31 December 2020.—(*Simon Kirby.*)

Question agreed to.

DELEGATED LEGISLATION

Mr Deputy Speaker: With the leave of the House, we shall take motions 9 and 10 together.

Motion made, and Question put forthwith (Standing Order No. 118(6)),

REPRESENTATION OF THE PEOPLE, SCOTLAND

That the draft Representation of the People (Scotland) (Amendment) (No. 2) Regulations 2015, which were laid before this House on 12 October, be approved.

REPRESENTATION OF THE PEOPLE

That the draft Representation of the People (England and Wales) (Amendment) (No. 2) Regulations 2015, which were laid before this House on 12 October, be approved.—(*Simon Kirby.*)

Question agreed to.

PETITIONS

Torquay Magistrates' Court

6.36 pm

Kevin Foster (Torquay) (Con): It is a pleasure to present this petition from residents of Torquay. As the House might be aware, the proposed closure of Torquay magistrates court has raised concerns among court users and residents of the bay concerned that there might no longer be a system of local justice for a range of offences within the bay. There is a particular concern that our local police might end up acting almost as a taxi service between Torquay and Plymouth for custody purposes—

Mr Deputy Speaker (Mr Lindsay Hoyle): Order. This is a petition, not a speech.

Kevin Foster: I am delighted to present this petition from 390 residents of Torbay.

The petition states:

The petitioners therefore request that the House of Commons urges the Government to reconsider the proposed closure of services in Torquay and commit to keeping justice local in the Bay.

I would particularly like to thank Lesley Hawath, who helped collect many of the signatures.

Following is the full text of the petition:

[The petition of the residents of Torbay,

Declares that the closure of Torquay Magistrates' Court will have a detrimental impact on court users and a wider implication that justice is no longer to be decided at a local level by local people. The closure will mean that victims, witnesses and those accused will have to travel much further to achieve justice.

The petitioners therefore request that the House of Commons urges the Government to reconsider the proposed closure of services in Torquay and commit to keeping justice local in the Bay.

And the petitioners remain, etc.

[P001555]

Bishop Auckland Hospitals

6.37 pm

Helen Goodman (Bishop Auckland) (Lab): I rise to present a petition concerning hospital cuts in my constituency.

The petition states:

The petition of residents of Bishop Auckland, Shildon and surrounding areas,

Declares that Bishop Auckland General Hospital should have a midwife led maternity unit, breast screening services and an urgent care centre.

The petitioners therefore request that the House of Commons urges the County Durham & Darlington Foundation Trust to guarantee a midwife-led maternity unit, breast screening services and an urgent care centre for the next 10 years.

And the petitioners remain, etc.

[P001570]

Richardson Hospital

6.38 pm

Helen Goodman: I rise to present a second petition, also on hospital cuts in my constituency. The petition states:

The petition of the people of Teesdale and surrounding areas,

Declares that Richardson hospital is a vital and much used resource for the people of Teesdale, an area with very limited public transport, and it should not have its services reduced either by the closure of wards, the removal of equipment or the reduction of its staff team.

The petitioners therefore urge the House of Commons to ask County Durham & Darlington Foundation Trust to guarantee these services for the next 10 years.

And the petitioners remain, etc.

Some 3,500 people have signed these two petitions, and I am grateful to many of my constituents for collecting the signatures, particularly Judi Sutherland, who lives in Barnard Castle. In both cases, the County Durham and Darlington NHS Foundation Trust has made temporary closures, at Bishop Auckland to breast screening and maternity services and in Barnard Castle to one ward. Consultation was followed by an immediate decision. This is not acceptable, and it is why the residents would like the trust to think again.

[P001571]

Anti-social Behaviour in Rushey Fields Park (Leicester)

6.39 pm

Keith Vaz (Leicester East) (Lab): I am presenting a petition signed by 256 local residents. The petition was collected by volunteers, including Pradip Dullabh, Bindu Dullabh and Sanjeev Sharma from the local area, together with local councillors Riata Patel, Ross Willmott and Piara Clair and other local residents.

The petition states:

The petition of residents of Leicester, East:

Declares that urgent steps need to be taken to stop the antisocial behaviour, attacks and robberies by groups of young people on users and nearby residents of Rushey Fields Park in Leicester, and further that it is the only green space in the area and this kind of behaviour is discouraging people who are concerned for their safety and welfare from using the park.

The petitioners therefore request that the House of Commons urges Leicester City Council to put CCTV security measures in place and increase police patrols to discourage anti-social behaviour, robberies and attacks on park users and nearby residents.

And the petitioners remain, etc.

[P001572]

Greenbelt Land in Morecambe and Lunesdale

6.41 pm

David Morris (Morecambe and Lunesdale) (Con): I rise to present a petition on behalf of my constituents, who are opposed to any building on the green belt in Hest Bank and Bolton-le-Sands. Over 150 constituents have petitioned me on this issue. They are opposed to any building that would see up to 500 homes built and their two distinct villages merged into one urban sprawl. Whilst this matter is a devolved issue, my constituents ask the House to urge Lancaster city council to scrap green belt 4 from the local plan.

Following is the full text of the petition:

[The petition of residents of Morecambe and Lunesdale, Declares that the petitioners believe that there should not be any building allowed by Lancaster City Council's Local Plan on the Greenbelt in Bolton Le Sands and Hest Bank.

The petitioners therefore request that the House of Commons urges the Government to encourage Lancaster City Council to take steps to support the residents in Morecambe and Lunesdale and to ensure that plans to ring-fence the Greenbelt marked GB4 are scrapped and that places to build homes are sought in other areas.

And the petitioners remain, etc.]

[P001573]

Safety in Deep Sea Diving: Stephen O'Malley

Motion made, and Question proposed, That this House do now adjourn.—(*Simon Kirby.*)

6.42 pm

Mrs Louise Ellman (Liverpool, Riverside) (Lab/Co-op): In opening this Adjournment debate, I would like to pay tribute to my constituent Nicola Braniff, the partner of the late Stephen O'Malley, and her father Joe for their dedicated work in unearthing vital information about the circumstances surrounding the tragic death of Stephen and for their tireless campaign for justice.

On 3 May 2012, Stephen O'Malley, a UK citizen, was employed as a contracted commercial deep-sea diver for SubC Partner, based in Denmark. Servicing wind farm turbines in the North sea on the Alpha Ventus offshore wind farm in German waters, he was on a routine dive from the Blue Capella vessel. Stephen did not return from that fateful dive alive. There is documentation of what happened; I viewed with mounting horror the helmet camera recording of the unfolding tragedy.

Stephen's first distress call came less than two minutes into the dive, as he complained that his neckdam was too tight. I have a neckdam with me here, and I think it is clear to see how it is designed to sit closely on the neck. If it fits too tightly, however, there can be horrendous consequences. I repeat that Stephen's first distress call came less than two minutes into the dive, as he complained that his neckdam was too tight:

"I can't breathe with the neckdam. It's choking me. It's restricting my breathing."

After four minutes and 28 seconds into this horrendous video, Stephen is heard to cry:

"Get me up. I can't breathe."

The final call for help from Stephen came after 6 minutes and 25 seconds, yet it was nine minutes from the start of the dive before a rescue diver was sent down. He made valiant efforts, but Stephen became entangled in the umbilical air cord. There were also problems locating the C clip on his jacket, which was necessary for him to be hoisted up. It took 15 minutes from the start of the dive to bring him on deck—and I ask Members to remember that it is within two minutes of that dive that Stephen is heard on the video to call for help, very clearly. It took longer still to remove his helmet. Still more time passed before he was brought up, and more time passed before resuscitation began.

One hour later, a doctor was flown out from Germany and pronounced Stephen dead. There was no sense of urgency, and it is unclear whether the crew were made aware of what was happening. The company issued a statement that Stephen had died of a heart attack.

I am deeply disturbed both by the horrendous manner of Stephen's untimely passing, and by the absence of any comprehensive health and safety investigation of what had taken place. Yes, there were post mortems in Denmark and in Liverpool, but there has been no comprehensive investigation. I have spoken to a number of people with knowledge of the sector and of this tragic event, and a great deal of very detailed work has been done by my constituent Nicola Braniff herself. There are grave concerns about the condition of the vessel, the absence of a basket to facilitate rescue, the tangled cord and the over-tight neckdam, and the management of the rescue attempt.

Had this calamity occurred under British jurisdiction, in British waters or within a British zone, the Health and Safety Executive would have been responsible for investigating, but as the vessel sailed under the Danish flag, in German waters, Denmark is held responsible. To date, the actions of the Danish authorities have been deficient. For reasons that I will identify later, they have declined to conduct an investigation.

I commend the diligence and sensitivity of André Rebello, the Liverpool and Wirral coroner who conducted the UK inquest in Liverpool. I also thank Merseyside's Detective Chief Inspector Griffiths for his hard and conscientious work. The British consultant forensic pathologist Dr Brian Rodgers conducted the Liverpool post mortem. In his report, he concluded:

"The problems with the neckdam ring and/or the dry suit were crucial in this man's death and I would record the cause of death as compression of the neck by an overnight neckdam".

André Rebello's verdict rejected the Danish post-mortem conclusion that Stephen had probably died as a result of an undiagnosed heart condition as "fanciful in the extreme". He found that

"on the balance of probabilities Mr O'Malley has suffered a cardiac arrest as a result of hypoxia caused by his respiratory function being impaired by him hyperventilating as a result of difficulty in breathing from the compression on his neck from the neck dam ring. There is no evidence of any previously undiagnosed cardiomyopathy having any role in his death."

The coroner issued a regulation 28 report to SubC Partner, the company that had employed Stephen, to prevent future deaths. The report stated:

"The court has been advised that rescue of Mr O'Malley from the sea was delayed because the standby diver could not locate the c-clip on the back of his harness which was to facilitate hoisting him from the water. The Court has heard that checking this c-clip is free and accessible is not part of the standard checks before a dive. Should such a check be part of the pre-dive protocol checks?"

The company must reply to the coroner giving its views.

André Rebello wrote to me, after I had a detailed conversation with him, to say:

"I am restricted by law to what I can do and find. I am only permitted to determine who has died, when and where the death occurred and how the death occurred. I also have regard to the fact that the authorities overseas retain primacy and that they might revisit the circumstance of this tragic event".

What is the situation concerning such a potential investigation by those overseas authorities, which, as André Rebello points out, apparently retain primacy? I have made representations to a wide range of organisations in this country and across Europe, including to Ministers in the Department for Transport and the Foreign and Commonwealth Office and to the Health and Safety Executive. They explained that they themselves were not in a position to investigate, but I thank Ministers and the HSE for their thoughtful responses. In particular, I thank the Secretary of State for Transport and the Under-Secretary of State for Transport, the hon. Member for Scarborough and Whitby (Mr Goodwill), for the care they took in responding to my queries and the consideration they took in acknowledging my concerns.

I would like to look now at the authorities overseas, including the authorities that the Liverpool and Wirral coroner stated have primacy and that we have to have regard to because they may wish to return to the issue. The Danish maritime investigation branch stated that the case was outside its jurisdiction as it considered that Stephen's death was

"not directly in connection with the operations of the ship",

which, it says, European directives require to be the case before it can investigate. The Danish maritime authority did not conduct a formal investigation because it believed that Stephen died of natural causes. Southern Denmark police have discontinued their investigation on the ground that

“it is not reasonable to presume that a criminal offence has been committed”.

The Danish maritime authority's findings are illuminating. I quote from its report:

“the video footage shows it took too much time to get the people in distress out of the water but this is attributable to a combination of several unfortunate coinciding circumstances. That the rescue line was not immediately available, that the person in distress was entangled in the umbilical air supply line and that the hoist was slow and accordingly there are no grounds for establishing which regulations were violated.”

The maritime authority adds:

“the diverging medical information does not change the previous view of the maritime authority.”

I have read that report again and again, particularly the section that I have read out to the House. My conclusion is that those findings are precisely why there must be a comprehensive investigation. The combination of factors cited by the Danish maritime authority in relation to Stephen's death suggests serious deficiencies in relation to both the equipment available to Stephen and the unsuccessful rescue attempt. Taken together, they were lethal.

Grave concerns about the implications of a “too tight neckdam” have already been identified. In this country, the HSE issued a special warning note in 2012 about neckdams following another fatal accident involving a deep-sea diver. I commend the HSE's action in relation to that. The warning that the HSE issued to help to improve safety for deep sea divers—certainly those within British jurisdiction—reads as follows:

“A neck seal that is too small can cause severe breathing problems leading to unconsciousness and, if not acted on quickly, death.”

Again, I am holding up a neck seal.

The current impasse relating to Stephen O'Malley's sad passing is totally unacceptable, and I ask the Minister to pursue my request for a full investigation into his death with the relevant Danish authorities, possibly on a joint basis with the UK. This is what my constituent Nicola Braniff, her father Joe and many others are seeking. I ask the Minister for an assurance that he will pursue this matter. In doing so, I draw his attention to the United Nations convention on the law of the sea, which states that the flag state—in this case, Denmark—and the other state, the UK, should co-operate in cases such as these. I quote from the convention:

“Each State shall cause an inquiry to be held by or before a suitably qualified person or persons into every marine casualty or incident of navigation on the high seas involving a ship flying its flag and causing loss of life or serious injury to nationals of another State or serious damage to ships or installations of another State or to the marine environment. The flag State and the other State shall cooperate in the conduct of any inquiry held by that other State into any marine casualty or incident of navigation.”

The National Union of Rail, Maritime and Transport Workers and the Divers Association are acutely aware of the importance of safety in deep-sea diving, and I thank both organisations for their work and support. They have pointed out at least two other instances of

the deaths of deep-sea divers employed in the sector, in disturbing circumstances in which full inquiries have not been held.

Deep-sea divers are contract workers who may be reluctant to pursue individual safety issues because of concern that this could jeopardise their future employment. This places the onus firmly on official bodies. Stephen was a British national. Had he been working in British waters, the Health and Safety Executive would have investigated his death. It is because he was working in German waters under a Danish flag that this impasse has arisen. Other commercial deep-sea divers will continue to work in similar circumstances, and I ask the Minister to pursue my request as a matter of urgency. We owe that to Stephen O'Malley as well as to the commercial deep-sea divers of the present and of the future.

6.57 pm

The Parliamentary Under-Secretary of State for Disabled People (Justin Tomlinson): I congratulate the hon. Member for Liverpool, Riverside (Mrs Ellman) on securing this debate and on raising the important issue of safety in deep-sea diving. My thoughts go out to the family of Stephen O'Malley, who lost his life while carrying out commercial diving work off the coast of Germany on 3 May. I have to say, on a personal note, that when I was preparing for this debate, all the circumstances were explained to me—and the hon. Lady has set them out for us tonight—and it was absolutely dreadful to hear about the those awful events.

I also pay tribute to the hon. Lady for the unstinting support she has provided to Stephen's family since his tragic death—to his partner, Nicola Braniff, and to his brother, Andrew Santos. I understand this because two Swindon residents were killed in the recent capsizing of the whale-watching boat in Canada. My hon. and learned Friend the Member for South Swindon (Robert Buckland) and I therefore have some understanding of the emotions that those bereaved in these dreadful accidents go through, and of how we all wish to seek explanations. So please be assured that this is something that I have taken very seriously. This is an important debate for the family. Tonight, I am here as the Minister responsible for health and safety at work in Great Britain, including offshore diving in areas covered by British law.

Following Stephen's tragic death, the Foreign and Commonwealth Office provided important consular assistance both to his family and his employer. As part of that assistance, they also passed information from the Danish authorities to the Liverpool and Wirral senior coroner to inform his investigation into the death. Given the circumstances of Stephen's death, when his body was brought back to Liverpool there had to be a coroner investigation. The Liverpool and Wirral senior coroner commenced an investigation on 23 May 2012 and it was concluded with the inquest in Liverpool on 14 September 2015.

7 pm

Motion lapsed (Standing Order No. 9(3)).

Motion made, and Question proposed, That this House do now adjourn.—(*Justin Tomlinson.*)

Justin Tomlinson: I would here like to acknowledge the hon. Lady's keen interest throughout the coroner's investigation and inquest. I know she was deeply involved at every stage. I would also like to pay tribute to

[Justin Tomlinson]

Stephen's partner Nicola and his brother Andrew, who I understand showed considerable dignity throughout the coroner's investigation and inquest despite their recent grief at their sad loss. At the end of the inquest hearing, the senior Liverpool and Wirral coroner sent a report to Stephen's Danish employer, SubCPartner, suggesting action it might take to prevent further deaths. I understand that SubCPartner has now responded.

On seeking to re-open the case into the death, the UK Government do not have the power to request the Danish authorities to re-open an investigation. I will go into that further, but I hope that at the very least a copy of this debate is raised directly with them. The hon. Lady mentioned the United Nations convention on the law of the sea. My officials have sought legal advice on this specific point and consulted the Maritime and Coastguard Agency. They have concluded that the UK does not have jurisdiction in this case. This is frustrating and I wish it were the other way.

The advice centres on the definition of a "marine casualty" in the convention. Stephen was diving from a ship that was acting as a diving platform for a diving project not related to the ship. If Stephen had been working on a marine activity directly connected with the ship, for example working on the deck or diving on the ship's hull, the convention would apply.

Mrs Ellman: Does the Minister accept that the manner in which Stephen died, shown graphically on the horrendous video, suggests that this situation cannot be left like this and further action must be taken?

Justin Tomlinson: I absolutely agree. At this point, we are looking at whether it is us, the Government, who can lead on that. That is why we sought legal advice on whether we had jurisdiction, whether through the Health and Safety Executive, which I am representing tonight, or the Government as a whole. There are options, however. The family could pursue this matter privately through the proper channels in Denmark. I understand that the Foreign and Commonwealth Office has provided a list of English-speaking Danish lawyers who may be able to do that on their behalf with the appropriate authorities through the proper Danish legal channels.

I will take a moment to explain the regulations for diving at work in the UK and why the Health and Safety Executive cannot investigate this case even jointly with the Danish authorities. In Great Britain, the Health and Safety Executive, under the Health and Safety at Work etc. Act 1974, is responsible for investigating diving accidents in Great Britain and UK territorial waters. In Great Britain, the 1974 Act applies to all work activities within Great Britain—separate, parallel legislation applies in Northern Ireland. This is extended to the territorial waters and designated areas of the continental shelf by the Health and Safety at Work etc. Act 1974 (Application outside Great Britain) Order 2013.

The Diving at Work Regulations 1997 also apply to all diving projects at work in Great Britain and UK territorial waters, and also to diving projects conducted in UK-designated areas of the continental shelf associated with offshore installations and energy structures, including wind farms. The regulations place duties on diving

contractors, divers, clients and any other whose acts or omissions could adversely affect the health and safety of those engaged in a diving project. The law is supported by five approved codes of practice, detailed guidance documents and industry safety forums, which ensure a high standard of safety for deep-sea divers working in Great Britain. The detailed guidance requires the diving contractor to plan and prepare for reasonably foreseeable emergencies, including the need to recover an unconscious diver from the water and a diving supervisor to ensure that the dive is conducted safely.

In 2013, in response to concerns raised during discussions with industry, HSE also issued a safety notice about the dangers of tight neck seals. That was widely distributed and discussed with representatives from all diving-at-work industry sectors, including diver training schools. On the specific point about whether HSE has rules in place regarding neck dam tightness, diver training is regulated, and the fitting of the neck dams is on the training syllabus. The helmet operating instructions also stress that the correct fitting of the seal is critical, and we check awareness of this during HSE inspections. A safety alert on this subject has also just been released.

Investigating diving fatalities in the UK is an important area. Since agreeing to take this debate, I have spoken directly to my officials in HSE and I am assured that if such an accident occurred in the UK, we have processes and procedures in place to fully investigate the incident. The first stage of any fatal accident is undertaken by the police, supported by HSE. The police must decide whether the death resulted from a manslaughter offence. If that is likely, they will continue to investigate, supported by HSE. If the police conclude that manslaughter is not an issue, they will hand the investigation over to HSE. These investigations will include taking breathing gas samples, removing equipment for testing, and examining qualifications, medical records and dive project records. If appropriate, HSE will alert the pathologist to the need for a diving pathologist or diving expertise for the post-mortem. The evidence will then be drawn together in an investigation report, which makes recommendations for any further action, including enforcement.

As for European regulations, there is no EU directive covering diving at work, and the UK's Diving at Work Regulations 1997 are solely national regulations. There is a wide variation in the standards of regulation of commercial diving across the EU, although countries with an established offshore oil and gas industry generally have more developed regulations for diving. However, the UK is a member of the European Diving Technology Committee, which promotes safe diving practice in Europe. The UK diving industry and HSE play a key role in this European committee to improve safe diving practice here in the UK and in Europe. I will ask HSE, through its membership of the EDTC, to ensure that lessons are learnt from this tragic case, not just here, but across Europe.

As I have said, I know that the family have asked whether HSE can investigate Stephen's death, but because Stephen died working abroad, outside UK territorial waters and outside the area where HSE has enforcement powers, unfortunately HSE has no powers to directly investigate Stephen's death.

Mrs Ellman: I appreciate the Minister's comments and the care he has clearly taken in preparing for this

debate, but would he or the relevant Minister make further representations to the appropriate authorities, which I assume are the Danish authorities, to reopen this case? I am making my own representations, my constituent is making her representations and it would certainly be helpful to us if the appropriate Minister could assist by doing that.

Justin Tomlinson: I am happy to do that. As I said, I hope that these authorities will see this debate—we will make sure a copy is sent through to them—and I will raise that and ask them. I cannot make them do something—I make that qualification. The tragic circumstances, the way this has been described and from what we have seen, I can say that if it had occurred in this country, that is the very least we would be expecting to do.

Again, I wish to commend the work that the hon. Lady has done right from the beginning in providing

that support at these incredibly difficult times, even more so because this did not happen here in the UK. Commercial diving is clearly a hazardous occupation, but we know that when risks are controlled by complying with regulations and industry best practice, such incidents can be prevented. I am, or HSE officials are, happy to meet her if she would like to know more about the safety regime in the UK. In the UK, I am confident that the diving industry is well regulated and, as mentioned, I will ask HSE, through its membership of the EDTC, to ensure that lessons are learnt from this tragic case. I have genuinely taken a real personal interest in this case. The circumstances were awful. We will do what we can. I am as frustrated as she is about the legal position, but we can act directly only where we have jurisdiction.

Question put and agreed to.

7.9 pm

House adjourned.

Westminster Hall

Wednesday 25 November 2015

[MR ADRIAN BAILEY *in the Chair*]

Clean Energy Investment

9.30 am

Caroline Flint (Don Valley) (Lab): I beg to move,

That this House has considered the future of clean energy investment.

It is a pleasure, Mr Bailey, to serve under your chairmanship. I thank the powers that be for accepting my application for an Adjournment debate on this subject.

Last week, I spoke in the debate on climate change, responding to the Pope's encyclical in which His Holiness said:

“Never have we so hurt and mistreated our common home as we have in the last two hundred years.”

As the Paris talks begin on Monday, it is vital that the world gets a strong deal to ensure the future of our planet for generations to come. We must also speak loudly and clearly about the new economic opportunities within our grasp. The challenge for the 21st century is how quickly we can fully benefit from the clean energy revolution.

As a patriot, I want the United Kingdom to be a global player, leading and innovating in the latest energy technologies and reaping the rewards, jobs and investment that will go to the leaders in this race. This requires an industrial and economic strategy fit for a world kept at less than 2° of warming. If that is the challenge and if that indicates the direction, I am afraid the Government have lost their satnav. The latest Ernst and Young renewable energy country attractiveness index puts the UK out of the top 10 for the first time ever. We now sit at 11th, behind Chile and the Netherlands, and the reason is simple. According to Ernst and Young it is

“death by a thousand cuts... At best it may be a case of misguided short-term politics getting in the way of long-term policy. At worst, however, it's policymaking in a vacuum, lacking any rationale or clear intent.”

That is a damning verdict on the Government's record over the past five years, a record with a very real cost from jobs and investment lost.

Investors do not have to choose the UK. If we do not make it attractive for them to invest in clean energy here, we will lose jobs in new technologies and their supply chains for the lifetime of those investments. That is exactly what happened when we lost out in the 1980s to other countries which saw the potential of wind energy.

I would never advocate that new technologies have never-ending subsidies or that taxpayers and energy bill payers pay a penny more than required, but the Government's actions cannot be justified only on those terms. The decision to charge renewable generators the climate change levy was a grab by the Treasury, pure and simple. Business plans that relied on that income have had to be ripped up. Drax lost a third of its share value in one day following the announcement, and as a

result it and Infinis have launched legal proceedings against the Government. On 25 September, Drax said that policy certainty is no longer there to continue its involvement with the White Rose carbon capture and storage project.

Developing CCS is an important part of our clean energy infrastructure and I thought the Conservatives thought so too. Perhaps the Minister will confirm whether what we hear through the media—that the Government's allocation of £1 billion to support CCS innovation is to be cut—is true. In October, the report of the Committee on Climate Change, “Power sector scenarios for the 5th Carbon Budget”, said:

“CCS is very important for reducing emissions across the economy and could almost halve the cost of meeting the 2050 target in the Climate Change Act.”

Ian Lavery (Wansbeck) (Lab): I congratulate my right hon. Friend on bringing this timely debate to the Chamber. Does she agree that without carbon capture and storage, there is no likelihood whatever of the UK or Europe meeting the emissions level targets that have been set for 2050?

Caroline Flint: I agree with my hon. Friend, and what is so sad is that we have the brains, the skills and the interest from investors, but we do not have the Government's political will to be a leader in this important area of innovation. Too often, we talk big but end up following, and lose the chances that are opened up to us.

Under the coalition Government, the ambition for CCS stalled. The Government's favoured projects, Peterhead and White Rose, have suffered from dithering and delay, and they have put a brake on the other part of CCS—the development of industrial CCS, which can protect our energy-intensive industries such as steel from carbon leakage, watching our jobs exported elsewhere in the world. Alongside that, the cheapest forms of renewable energy seem to be constantly under attack.

Philip Boswell (Coatbridge, Chryston and Bellshill) (SNP): I speak as the contract lead for Shell at the Peterhead carbon capture project. I obviously cannot say too much about it, but it is in the public domain that SSE and Drax have both withdrawn from each of those programmes. Is it incumbent on us to ask the Minister whether she can give assurances that the projects will go ahead?

Caroline Flint: That is a very good question to ask the Minister. I hope that she will give some attention to the hon. Gentleman's point. I have visited Peterhead and I know how important those projects are to communities around the UK and, importantly, to future generations in creating more jobs and opportunities for work here at home, but also for exporting those skills and expertise overseas.

The cheapest forms of renewable energy are under attack. We have seen rapid changes to the renewables obligation and the feed-in tariff, which have already cost UK jobs and are putting off investors. Cuts of up to 87% in the feed-in tariff for small-scale wind and solar are being proposed. The Solar Trade Association predicts that it could put 35,000 jobs in the sector and supply chain at risk, affecting jobs in almost every town in the country. Its latest survey, which is currently being

[Caroline Flint]

carried out, has found that at least 1,500 jobs have been lost already. More than 70% of companies that have responded so far have put employees on notice.

The ending of the renewable obligation one year earlier than expected in April 2016 and changes to the planning system seem economically illiterate when onshore wind is the cheapest form of clean energy. The latest analysis from the Committee on Climate Change of the power sector, which will feed into the carbon budget to be produced this month, shows that the potential of onshore wind is around 80 TW, over four times its current deployment.

As with all development, account should be taken of location and impact, but I have become used to big statements from Tory Ministers about changes to onshore wind planning guidance to placate their Back Benchers. When the dust has settled, that has not amounted to much, but it damages and undermines an industry that provides nearly £900 million in gross value added. We know the damage that business short-termism has inflicted on our economy, but this is political short-termism at its worst.

In June, the Minister, in answer to a question from my hon. Friend the Member for Heywood and Middleton (Liz McInnes), said the UK was on track to meet our interim EU 2020 target for renewable energy generation. Thanks to a leaked letter, we now know the UK will miss our EU 2020 renewables target by a large margin. In that letter, the Secretary of State is frantically lobbying the Chancellor to keep support in place for renewable heat and I hope that the Minister will tell us how that is going. The Secretary of State goes on to suggest that to meet our EU 2020 renewables target we—bill payers and taxpayers—should pay for renewable projects in other countries. Where is the patriotism and ambition for our country in that? It is an affront to people in renewables industries who have lost their jobs or fear for them.

The Secretary of State seems to have woken up belatedly to a car crash about to happen on her watch. The renewables sector does not want or expect to rely on subsidies for ever. Across the sector, it wants to work with the Government to set ambitious and achievable cost reduction milestones. For example, solar provides 2% of UK electricity, but the Government are leaving no room for future growth. That does not make sense when the sector is so close to parity.

How do we get the UK back on track? Here are five recommendations and I look forward to hearing the Minister's response—if not today, perhaps in writing. First, the Government should set out right away the levy control framework for 2020-21 to 2025 or beyond. That would provide investors with confidence and certainty about what support will be available. Secondly, the contracts for difference auctions should proceed as soon as possible, including for onshore wind and solar. Contracts for difference were designed to drive down costs, so it is right that those technologies should be able to bid for them.

Thirdly, I ask the Government to look seriously at the Solar Trade Association's £1 plan to safeguard the bulk of the industry and to sustain cost reductions that depend on market volume. Fourthly, the Government must stop shilly-shallying and commit to our CCS projects, both in Scotland and in Yorkshire. Finally, the

Government should give their full backing to those councils that this week pledged to make their towns and cities 100% clean by 2050.

Clean energy technologies are an industrial revolution unfolding before our eyes. It is not tomorrow's world; it is here today and gaining pace. Britain was at the forefront of the 19th-century industrial revolution, and the UK was instrumental in the computer revolution and the development of the internet. This is the industrial revolution that will shape our planet beyond our lifetimes and I urge the Government not to squander this opportunity for the UK to seize the prize.

Several hon. Members *rose—*

Mr Adrian Bailey (in the Chair): Given the number of hon. Members who want to speak and the fact that we will want to give the Minister the maximum time possible to respond to the debate, it looks as though four or five minutes would be the appropriate time for speeches in order to get in everyone who wants to speak. I will not impose a time limit at this moment, but I ask Members to bear that in mind.

9.40 am

Julie Elliott (Sunderland Central) (Lab): As ever, it is a pleasure to serve under your chairmanship, Mr Bailey. I congratulate my right hon. Friend the Member for Don Valley (Caroline Flint) on securing this timely and important debate. It should surprise no one in the House that she has continued to throw her considerable energy and expertise into this area, both as a Back Bench and as chair of Labour's Back-Bench energy and climate change committee.

The Secretary of State for Energy and Climate Change will no doubt have hoped to prop up investor confidence in her "reset" speech last week. She was right to hope for such a response, because clean energy developers are going bankrupt and investors are fleeing the UK. However, I suspect that she may have been disappointed. As my right hon. Friend said, EY's most recent renewable energy country attractiveness index, published in September, is a damning indictment of this Government's record on clean energy and the power that they have unleashed to scare off investment and the jobs that come with it. In November 2013, the UK was fourth in the world for investor confidence. In February 2014, we fell to fifth; in May 2014, to sixth; in September 2014, to seventh; in March 2015, to eighth; and two months ago, we fell to 11th—outside the top 10 for the first time in a decade. I can see why the Secretary of State was hoping for a reset.

Boosting investor confidence and achieving clean energy security will require more than warm words. Rhetoric does of course matter, and this Government have thrown their fair share against renewables, but investors pay attention to policy. They put their money where they believe that there is a stable regulatory framework. That cannot be said of the UK market at the moment. Wave after wave of policies have deterred investors and confused consumers. The Government claim that affordability is king, yet the main focus of their attacks has been on onshore wind and solar—the two cheapest large-scale renewable technologies. EY calls that

"policy-making in a vacuum, with no rationale or clear intent."

That lack of confidence does not exist in isolation. It seeps into other sectors, such as CCS and offshore wind. Investors will naturally think, “If the most cost-effective and proven technologies are being attacked, surely we will be next.”

John Mc Nally (Falkirk) (SNP): On the point about renewable energy, I think, coming from the background of what is happening in Scotland, where we are pursuing a clean and green energy policy, that the short-term approach to policy that is causing uncertainty among investors needs to go. We need a long-term policy to be agreed across the House, perhaps by means of an all-party parliamentary group. That would reassure investors for the long term that the money that they invest will be secure. We need to get rid of the repair and maintenance that we seem to be so intent on delivering at the moment.

Julie Elliott: I thank the hon. Gentleman for his intervention. Of course the key to good, stable energy policy is to have a long-term framework. Energy policy needs to last through more than one Government. Governments change every four or five years. Energy policy should be agreed and set out for the long term, to attract investment and so that we can regain our place as the world leader in this industry.

Uncertainty is this Government’s watchword. We have no idea what the size of the levy control framework will be post 2021. If we are relying on offshore projects with lead times of eight years or so, how can we expect people to invest when they do not know the size of the pot beyond 2021?

Ian Lavery: Is it not also extremely important, with regard to the levy control framework, that stakeholders should be aware of how this budget is being spent? It is not transparent at the moment, and people do not have a clue about what is being spent, when it is being spent and how it is being spent.

Julie Elliott: Absolutely. I thank my hon. Friend for that intervention; I totally agree with him.

The situation in which we find energy policy today can perhaps best be illustrated by the grotesque chaos of clean energy developers, starved of the certainty that they need, being encouraged to install diesel generators on their sites because the Government’s policies have led to the narrowest—frighteningly narrow—margins this winter. Approximately 1,000 diesel generators, second in carbon intensity only to coal, have been installed in the past 18 months, and another thousand are in the pipeline.

The Paris climate change conference starts in just five days’ time. I wish the Secretary of State and the Minister well, and I know that they will work hard to secure a binding agreement. They may, however, find that not everyone is taking them as seriously as they would like. The UK can take on global leadership abroad only if we are seen to be taking bold action at home. The Department of Energy and Climate Change does not exist in isolation. Our policies are noticed not just by investors, but by policy makers around the world. In passing the Climate Change Act 2008, Britain grabbed the baton of global leadership. Others took note and steps to catch up. Now, we are being overtaken. Today, when we slash support for clean energy, the rest of the world looks on.

David Mowat (Warrington South) (Con): The hon. Lady makes a point about the Climate Change Act. It is true that we showed global leadership on that. However, no other country in the world has passed anything similar and, worse, the EU, for the Paris climate change talks, has put in a submission for decarbonisation that is significantly lower than what the UK is attempting to achieve. We have shown global leadership.

Julie Elliott: I thank the hon. Gentleman for that intervention, but nothing in what he said takes away anything from the point that we were the global leaders. I take great pride in that. The Conservative party supported that measure while it was going through Parliament, so it obviously agreed with it at the time.

Jonathan Reynolds (Stalybridge and Hyde) (Lab/Co-op): A very important point must be put on the record: countries have different climate legislation programmes in place, but this country has never been completely out there on its own and other countries have attempted to do what we have done. There is a huge academic study of climate legislation across the world. Hundreds of countries have attempted to do what we have done—many of them very successfully. Of course we will need to take a higher burden in this country than, for instance, Poland, and that will be reflected across the whole EU target, but we cannot say that other countries have not followed us down this route. That is simply incorrect.

Mr Adrian Bailey (in the Chair): Order. Let me just point out that I did say five minutes. We are already way over that, and long interventions do not help.

Julie Elliott: I shall wrap up quickly, Mr Bailey.

The *Washington Post* noted last week that although Britain had been expected to play a leading role alongside the Obama Administration, the decision to cut support for clean energy at home

“threatens to undermine Britain’s international authority”.

As the United States pushes ahead with an ambitious programme and the rest of Europe pulls ahead of us in meeting renewable energy targets, Britain’s capacity to lead on the world stage is being squeezed.

I am confident that the Minister will deliver a rousing defence of this Government’s record and the importance that she personally places on delivering a low-carbon economy in the UK and securing a binding global deal in Paris. It reminds me of the line that Joe Biden, Vice-President of the United States, is credited with coining. He said:

“Don’t tell me your values. Show me your budget, and I’ll tell you your values.”

Attacks on onshore wind and solar, no extension of the levy control framework, the UK’s position as a world leader dropping like a stone and the fact that we are on course to miss our 2020 target—with such a record, the values are very clear.

9.49 am

Gavin Newlands (Paisley and Renfrewshire North) (SNP): I congratulate the right hon. Member for Don Valley (Caroline Flint) on bringing this important issue to Westminster Hall. Yesterday afternoon in this very Chamber, we debated fuel poverty and its impact on

[Gavin Newlands]

households that have to spend at least 10% of their income on energy costs. In the discussion about ways to eliminate and eradicate fuel poverty, a debate about the future supply and funding of clean energy initiatives is highly appropriate. I say that we debated fuel poverty; I sat patiently waiting to contribute, but one of my Scottish National party colleagues was a tad over-verbose and I was unable to contribute.

Hon. Members: Name and shame!

Gavin Newlands: It was my hon. Friend the Member for Ross, Skye and Lochaber (Ian Blackford). If I had been able to do so, I would have said that the actions and policies of the UK Government are pushing more and more people into fuel poverty. Furthermore, by slashing investment in clean energy initiatives, the Government will not only hurt the renewable sector but make it harder for households to access clean energy.

Clean energy is a massive area, and we in the SNP have made our views on the shameful cuts to onshore wind well known, so, given the time constraints this morning, I will focus my remarks on solar energy. Before I do so, however, it is worth reflecting on the Government's green credentials. In a few short months, we have seen the early closing of the renewables obligation for onshore wind, the removal of the climate change levy exemption, the scrapping of the proposed introduction in 2016 of the zero-carbon homes standard, the cutting of subsidies for biomass and solar under the renewables obligation, the changing of the accreditation rules for the feed-in tariff and the announcement of the ending of finance for the Green Deal Finance Company. So much for the Prime Minister's pledge to lead the greenest Government ever.

During the election campaign, I spent a considerable amount of time campaigning in the town of Linwood in my constituency. It was noticeable that a large number of households in the town had installed solar panels on the roofs of their homes. I appreciate that that is a relatively common sight these days, but not usually on the scale that I saw in Linwood, where every second house seemed to have a solar panel installed. I raised the matter with one of my constituents and asked why the town had taken to solar panels as much as it had. He explained that when he and his neighbours considered the cost of installing them and the subsequent savings on their energy bills, they realised that solar electricity was the most cost-effective way to provide their energy at home. It disappoints me to learn of the Government's plans to make severe cuts to schemes that support solar power, because they will prevent tens of thousands of people from accessing clean energy.

Daniel Zeichner (Cambridge) (Lab): Does the hon. Gentleman share my astonishment at the fact that there appears to be no consultation between the Department of Energy and Climate Change and the Department for Communities and Local Government regarding the impact of the cuts on councils? In my city, those cuts prevented the installation of a thousand solar panels.

Gavin Newlands: That is an entirely fair point, and I do not think that consultation is this Government's strong point. The cuts do not make sense when we consider the significant growth that solar energy has experienced over the years. According to the Solar Trade

Association, nearly 600,000 households in the UK have gone solar. That includes a 32% rise in solar installations in Scotland from 2013-14. Those figures highlight the popularity of solar energy. Instead of making moves to disrupt that growth, we should be encouraging more households to consider installing and using cleaner forms of energy.

My constituency accommodates a number of excellent organisations that work in the renewables sector, and we should note their importance to our local economy. They provide much-needed jobs in our area, and we should be very concerned about the fact that if we scale back our commitment to clean energy, it will put thousands of jobs at risk.

Jim Shannon (Strangford) (DUP): I want to give a quick indication of the impact in Northern Ireland. In the North channel, for instance, if we lose clean energy, as we seem set to do through Government policy by 2017, the Ulster Farmers Union has told me and other representatives that they are very concerned that momentum will be lost in the clean energy revolution. That will affect investment and the resulting benefits. Does the hon. Gentleman share my concern that not just urban areas but rural ones will lose out on solar?

Gavin Newlands: I have not received many representations from Ulster, but I thank the hon. Gentleman for that one. Rural areas were discussed at length yesterday during the fuel poverty debate, so his comments are welcome.

Cuts to clean energy programmes send the message that we are abandoning our commitment to reducing our greenhouse gas emissions. As many hon. Members will be aware, Scotland has world-leading legislation on carbon reduction, and we are making great progress in tackling climate change and reducing our carbon emissions. That has, however, been severely undermined by the UK Government's decisions, and the UK is plummeting down the Ernst and Young renewable energy country attractiveness index, as has been mentioned. It should be noted that Scotland continues to outperform the rest of the UK, and it is one of the leading countries in western Europe for reducing emissions. The progressive approach adopted by the Scottish Government is praised by Christiana Figueres, head of the UN climate body, who claimed:

"Scotland's ambition to create a strong and healthy renewables sector and a low carbon economy is a shining example of measures that can be taken to diversify energy supplies, attain energy security and attract investments."

Despite the success that Scotland has achieved, I fear that, once again, Westminster will force Scotland to tackle climate change with one hand tied behind our back and, as sure as night follows day, ensure that efforts to tackle fuel poverty are severely constrained. I urge the Minister and the Government to reconsider.

9.54 am

Mr David Hanson (Delyn) (Lab): It is a pleasure to serve under your chairmanship, Mr Bailey. I welcome the contribution made to the debate by my right hon. Friend the Member for Don Valley (Caroline Flint), not only today but over many years, and I support her objectives on this important issue. I am concerned about ensuring that we have a policy to tackle climate change, but also about creating jobs and creating a fluent, diverse, dynamic industry in places such as my area of north Wales.

When the Minister responds to the debate, I want to hear four simple commitments from her. I want to hear a welcome for the contribution that renewable energy industries such as solar, wind farm and tidal can make. We need a commitment to ensure that we help grow those industries in all parts of the United Kingdom—Scotland, Northern Ireland, Wales and England. Crucially, we have to learn from Joe Biden's lesson, which my hon. Friend the Member for Sunderland Central (Julie Elliott) mentioned, and put our resources where our policy mouth is. My right hon. Friend the Member for Don Valley has mentioned the key decisions that we need to take to ensure that stability and future planning happen.

In my area, we have all parts of the renewable energy picture in place. My right hon. Friend and I were seasick together off the north Wales coast in February this year when we visited Gwynt y Môr wind farm, which opened earlier this year, in my constituency. I am sad to report that no Minister sought to attend the opening of the wind farm, even though it is the second biggest in the world, with €1.2 billion euros spent on turbines and €2 billion spent on the development overall. That is a massive investment, which creates jobs across the United Kingdom.

Only last week, I attended a wind farm presentation, where we saw that 220 jobs had been created in the Isle of Wight at Vestas for blades, jobs had been created at Lowestoft and 1,000 new jobs related to wind farms had been created at Siemens in Hull. I confess that we missed a trick in north Wales; we should have bid many years ago for that investment in manufacturing. We are now dependent on Mostyn docks in my constituency to assemble goods that are manufactured elsewhere, but there is opportunity for the future, because this industry will grow, to develop manufacturing across the country. Offshore wind at places such as Gwynt y Môr in my patch—the second-biggest wind farm in the world—Burbo Bank and North Hoyle have the ability to create jobs. Only last week, I met three apprentices employed by RWE Renewables to look at how they can learn skills for the future. This is high-skill, high-investment technology.

Jim Shannon: The Government could do more on the tidal movement, which the right hon. Gentleman has mentioned. We have done that in my constituency with SeaGen at Strangford Lough, which involved significant investment from our Government at home and from the industry. The opportunities for tidal energy creation are great. It is clean energy, and I am sure that it can be generated in the right hon. Gentleman's constituency, as it can in others.

Mr Hanson: One of the points that I want to touch on—briefly, because time is pressing—is the proposal for a tidal lagoon off north Wales, which will match the wind farm energy that is now being proposed. We are looking at how we can develop turbines off the coast that have the dual effect of generating energy and preventing flooding. The Minister should look at those interesting developments. Time does not permit me to go into the matter, but I want to flag up to her the fact that she should look at the tidal developments in north Wales and consider how Government can support them.

Solar is not a random idea; it is a practical way to promote renewable energy, and solar equipment is manufactured in north Wales at Sharp in Wrexham and

at Kingspan in my constituency. As my right hon. Friend the Member for Don Valley has mentioned, however, the Solar Trade Association has said that it fears there will be 27,000 job losses in the industry because of the short-termism of Government policy. We need to address those issues.

I support my right hon. Friend in four areas: we urgently need to have an examination of the levy control framework for 2020; we need definitive statements on contracts for difference as soon as possible, so that people can plan; we need to look at the Solar Trade Association's £1 plan; and, crucially, I would like the Minister to look imaginatively at how we can encourage public sector buildings—schools, hospitals and public council buildings—to develop solar.

Mims Davies (Eastleigh) (Con): Will the right hon. Gentleman give way?

Mr Hanson: I am trying to complete my remarks, but I will give way to the hon. Lady for one moment.

Mims Davies: I just wanted to come in on the topic of the Solar Trade Association's £1 plan. In my constituency, 40 jobs are based in the solar industry, and I would be keen for the Government to look strongly at the plan. I reiterate that public buildings are very important for our energy security.

Mr Hanson: I agree with the hon. Lady and I am grateful for her support. Finally, on public sector buildings, at a time of reductions in public spending, there is a real opportunity to put investment up front, to save future energy costs to the public sector, and for the public sector to take a lead.

In conclusion, wind and solar energy are generators of economic success, and tidal lagoons could be. The Minister has an opportunity to give certainty to the industry, so that it can plan for future investment.

Mr Adrian Bailey (in the Chair): I will now impose a time limit of four minutes on speakers. Please be disciplined with interventions.

10.1 am

Liz Saville Roberts (Dwyfor Meirionnydd) (PC): Diolch yn fawr, Mr Bailey. It is a pleasure to serve under your chairmanship. I congratulate the right hon. Member for Don Valley (Caroline Flint) on securing this debate on a topic that is particularly important to Wales and my constituents.

Renewable energy has established itself as a significant contributor to the UK's energy mix with considerable potential for further expansion. There is incontrovertible evidence that renewables are bringing down the wholesale costs of electricity, which is particularly significant for rural regions. An YnNi Llyn report revealed that in three rural wards in Pen Llyn, 43% of households were in fuel poverty and a further 33% were at risk; as an interesting aside, 69% of them were in transport poverty. There is a high level of dependency on unsustainable fuels, so it is deeply regrettable that the UK Government are effectively halting the previous progress on the deployment of low-carbon energy and reverting to a policy of promoting fossil fuel generation.

[Liz Saville Roberts]

It seems as though the UK Government are alone and swimming against the tide of worldwide scientific and political consensus that climate change is one of the most threatening prospects for mankind. The Government are also negligent in respect of the economic value of renewables, particularly in Wales. As a Plaid Cymru MP, I have always campaigned, and will continue to campaign, for responsibility over Welsh energy to be fully transferred to the Welsh Government. For as long as the UK Government refuse to do so, they should at least do what is in the interests of Wales on the Welsh Government's behalf.

Constituencies across Wales, including mine, are already witnessing the damaging economic and social effects of the reversal of policy support for renewable energy. Community energy schemes are no longer emerging, and supply chain businesses in the sector—often very important to the local economy—are already contracting and struggling to survive.

The renewable energy business, Dulas, employs many people living in my constituency. It has seen an 80% drop in demand for its planning and environmental impact assessment services, due to onshore wind and solar park sites being pulled. And for what reason? An audit of the Government's policies on solar, the green deal and zero-carbon homes and offices shows that they will all lead not only to an increase in CO₂ emissions, but to higher bills, according to a BBC report. Would the Minister honestly be able to look my constituents in the eye and tell them that the UK Government have the social, economic and environmental concerns of Wales uppermost in their mind?

Let us compare the situation in Wales with that in Scotland. In Wales, 10.1% of the electricity generated is from renewable sources; in Scotland, where energy is a matter for the Scottish Government, that percentage is 32%. Indeed, despite the fact that Wales is home to the second-highest tidal range in the world and 1,200 km of coastline, and is one of the most attractive locations in Europe for wind energy, it produces proportionately less renewable electricity than any other country in the UK. Yet Wales remains an exporting nation. She is an energy-rich nation. We produce almost twice as much electricity as we use, and the rest is exported to the rest of the UK. We want more to be generated from renewables, but our Government's hands are tied.

I urge the Minister to work with her colleague, the Secretary of State for Wales, to ensure that energy is fully transferred to the Welsh Government in the Wales Bill: that would reflect the situation in the UK's other countries, allow Wales to flourish as a resource-rich nation and resolve the confusion about onshore wind in the draft Wales Bill.

In conclusion, I ask the Minister to give her assurance that the UK Government will ensure that up-to-date information is provided in the form of a comparison between the renewable energy roadmap, Government forecasts and the 2009 EU renewables directive. It is essential that Members and constituents are fully informed on whether the UK is likely to achieve its targets.

10.5 am

David Mowat (Warrington South) (Con): I congratulate the right hon. Member for Don Valley (Caroline Flint) on leading the charge today. I apologise that I was not

here at the start of her speech; I was here at the end, in time to hear her five recommendations, all of which I agree with. I hope the Minister considers them. I have no difficulty with them, although I do have further recommendations.

It is a shame that the debate has become a little bit political but, as it has, I make the point that in 2010 the UK was ranked 25th out of 27 EU countries for the proportion of electricity generated from renewables. That is not the case now and I am proud of that. Although I am in favour of renewables, I think we talk too much about them and not enough about decarbonisation. We must try to achieve the decarbonisation of our electricity supply, as the Climate Change Act 2008 mandates us to do.

In response to my earlier intervention, the hon. Member for Stalybridge and Hyde (Jonathan Reynolds) made the point that I was saying that we are acting unilaterally. I am not saying that. Importantly, what I am saying is that, from looking at the initial submissions to the Paris conference of intended nationally determined contributions, the EU's consolidated submission for reduction in carbon is at a lower rate than we are achieving—and that we are mandated by law to achieve through the 2008 Act—in the UK. That should give us all food for thought: why that is and what the implications are. The implications may be positive, but people in Redcar and Motherwell might not always agree. We need to be cognisant of and responsive to that.

One of the reasons cannot be a lack of renewables in the EU. Germany has 30% renewables—perhaps more. It has a third more carbon emissions per capita than we do, because it burns so much coal. Incredibly, Austria burns 20% more carbon per head in 2015 than it did in 1990. That is extraordinary. When we cite the progress we have made in Europe, we need to be cognisant of what that means.

I did not say that we are acting unilaterally but, as we are citing European achievements, I use the example of France, which has significantly lower carbon emissions than any other country in Europe—even Scotland. I acknowledge, by the way, that the Scottish Government's climate change targets are even more onerous than those of the whole UK. I gently say that I believe that those targets were missed last year. Nevertheless, they are in place. France is easily the lowest carbon emitter in Europe. Why? The reason is that about 70% of its electricity is produced from nuclear power. As a consequence, it has a massive start.

In the whole EU, 33% of electricity is produced from nuclear power. The UK is at about 19%, about the same as the total that we get from renewables. I am in favour of renewables and I would like to see more, but it is absolutely not feasible—not even worth thinking about—for us to meet our climate change objectives, particularly those to which we have signed up under the 2008 Act, without nuclear power being a central and dominant part of the solution. The Government have acted on that. I applaud that and I am sure that the Minister will talk more about it.

The other area on which we need to act more quickly is the removal of coal, which is why getting rid of coal and replacing it—at least as an interim measure—with gas makes a huge difference to our climate change position. We need to make more progress on that more quickly.

10.9 am

Paul Flynn (Newport West) (Lab): My speech was made by the splendid hon. Member for Dwyfor Meirionnydd (Liz Saville Roberts), and very much not by the hon. Member for Warrington South (David Mowat), who represents nuclear power in this Parliament. The pied piper of nuclear power has managed to bewitch many people in this country, but the facts are devastating.

We are planning to build a European pressurised reactor, but such reactors have never produced enough electricity to light a bicycle lamp. The reactor in Finland was due to be generating electricity in 2009, and it is now six years late; the one at Flamanville in Normandy, France, which the hon. Gentleman mentioned, is seven years late. Both reactors are billions and billions over-budget and neither has any date for completion. This year, the reactor at Flamanville had a very special problem when the pressure vessel, a vital part, was found to be made of steel that was brittle and liable to crack. That will add years of delay.

The financial deal that we have agreed with the French, of course, is crazy—Alice in Wonderland stuff. The French are in it because otherwise EDF would go bankrupt; it has debts of €33 billion. The Chinese want to come in after all the sensible investment has gone because they want to take control of not just Hinkley Point but all the future nuclear power stations that might be built. That is the deal. We have bequeathed to China the future of our nuclear industry, and to China it is a deal, but it is not a deal financially because nuclear power has been a basket case.

Lapping the walls of Hinkley Point C, or Hinkley Point A and B as it is now, is an immense power source that we have neglected for centuries. Tidal power has already been mentioned. A vast cliff of water flows up and down the Severn twice a day, and it could be tapped with simple technology to produce electricity that is, of course, not only green but entirely predictable. People have attacked other renewables, such as wind and solar, for being uncertain, but we can predict the power of the tide virtually for eternity. The Government appear to be slowing down on schemes for tidal barrages at Swansea, Newport, Cardiff and north Wales, and we know about Strangford lough. When the British-Irish Parliamentary Assembly considered alternatives, we were hugely impressed by what is going on in Scotland, including its real progress on hydroelectricity.

The blind alley—the nightmare—will be if there is another major nuclear accident in the world such as Chernobyl, Three Mile Island or Fukushima. Such accidents would be fairly reported in this country, and we might find ourselves in Germany's position of turning against nuclear power. We would then have a half-built Hinkley Point, useless, having wasted literally billions of pounds on something that is unable to generate electricity because of public fear of nuclear power. We have these accidents about once every 10 or 15 years, and it is certain that there will be another in the future. Nuclear power is not the way forward; it is a technology whose time has gone.

Mr Adrian Bailey (in the Chair): I call John Mc Nally.

10.13 am

John Mc Nally (Falkirk) (SNP): I was not expecting to speak, Mr Bailey.

Mr Adrian Bailey (in the Chair): I have you on my speakers list, but feel free to sit down if you do not wish to speak.

John Mc Nally: I am quite happy to speak. I am very good at speaking. I spent 40 years as a hairdresser, so I can talk about any subject on the planet.

I was very interested in the speech made by the hon. Member for Warrington South (David Mowat). I recently had a meeting on this subject with Senator Kevin de León, who is over here. He is the leader of the Senate in California, which is spending vast amounts of money on renewable investment—California is the seventh richest economy in the world—and investment has followed that policy into renewable energy.

We have heard about France and various other countries, but there is a lesson to be learned from California. We are doing well in Scotland on our clean and green image, and we want to keep that image at all costs. We are extremely concerned about where the policy of the green investment bank is going, and we need to keep a hand on the tail of that dog—in fact, the tail is now a stump.

Storing renewable energy is the missing link in this debate. Compressed air energy storage needs to be addressed by this country. I would call this country's policy a traffic light—we have a green, an amber and a red—and it is more red than amber. We are going nowhere, and the policy uncertainty does not make sense. We were going in the great direction of following green, renewable, clean energy and clean air, and we now seem to be moving in the opposition direction from the way we want to go. I am unhappy with that, and I think most of this country's taxpayers, who were mentioned earlier, are unhappy with the direction of travel. We need to get back to a firm policy.

Gas is short term; I believe it is all built on the extraction on shale from this country. I can speak for everybody in the country of Scotland: we do not want to go there until it is totally proven to be a safe, efficient method of providing heat. I do not think any of us is convinced. The Minister needs to address compressed air energy storage and the salt caverns underneath this country that run down through England. We need a policy statement if we are to invest money in storage, and then we can start looking at how we produce more investment in the renewables industry.

10.16 am

Martyn Day (Linlithgow and East Falkirk) (SNP): It gives me great pleasure to take part in this debate on clean energy. I start by applauding the right hon. Member for Don Valley (Caroline Flint) for securing this timely debate.

My constituency of Linlithgow and East Falkirk has quite a reputation for energy firms of one sort or another, particularly around Grangemouth, the location of INEOS—perhaps that should be firms with quite a reputation. Today, however, I will comment on perhaps one of the lesser known success stories in the area: a positive, environmentally friendly firm called Verdo Renewables. I first visited the firm about five and a half years ago, accompanying the then First Minister of Scotland on a tour of the plant not long after it opened, and I made a return visit earlier this month.

I have therefore seen for myself the development of the firm's Grangemouth operation and the success of its business growth, and a significant contributing factor

[*Martyn Day*]

has undoubtedly been the support of the renewable heat incentive. In case people do not know, Verdo produces grade 1 premium wood pellets and briquettes suitable for burning in multi-fuel stoves, log burners and open fireplaces, all made from locally sourced sustainable timber. Verdo has another plant in Andover. The firm has made a £53 million investment in the UK with a turnover of around £25 million. After several years of losses, it is now making a profit, producing 120,000 tonnes of high-quality, sustainable wood fuels. Verdo proposes further investments, but those investments are dependent on UK energy market conditions. RHI tariffs or similar support will be needed to maintain the firm's current progress.

On my recent visit. I was pleased to see that, with current orders, the Grangemouth plant is at manufacturing capacity, and the firm has a number of plans to expand further by addressing the layout of the factory, developing adjacent land, increasing the number of production lines and storage capacity and, of course, generating vital local jobs. Unfortunately, those expansion plans are subject to uncertainty on whether RHI will come to an end. RHI has been critical in kick-starting the biomass heat market, and further efforts are needed to decarbonise the heat market if we are to meet EU and UK targets. Biomass heat offers a low-cost route to saving CO₂ compared with other sources of energy. Cost reductions in biomass installations are being achieved, and further cost reductions in installations and fuel are now possible but only if sustained RHI support is available, whereas cutting all subsidies would potentially kill the biomass heating market. Industry sources believe that the UK pellet market needs to triple from its current annual 500,000 tonnes to be sustainable and commercially viable—

Mr Adrian Bailey (in the Chair): Order.

10.19 am

Chris Evans (Islwyn) (Lab/Co-op): It is a pleasure to serve under your chairmanship once again, Mr Bailey.

I congratulate my right hon. Friend the Member for Don Valley (Caroline Flint) on securing this debate. I say to her personally, as a friend, that our Front Bench is weaker for her not being on it, and I am glad that both she and my hon. Friend the Member for Sunderland Central (Julie Elliott) are serving our party as chairmen of our Back-Bench committees.

The future of clean energy investment in the UK is now more at risk than at any other time in history. The decisions to end subsidies for onshore wind early, to remove the guaranteed subsidies for biomass conversions and to consult on controlling subsidies to solar are putting investment in clean energy at a clear and present risk.

The Renewable Energy Association states that the UK is currently eighth in the world for investment in clean technology. When the companies and investment firms interested in clean technology look at the UK and compare us with France, Germany, China and America, the question must be asked: does chopping and changing strategy really inspire confidence? It is not just investment and companies that have been put at risk. In pursuing short-term decisions rather than long-term interests, Ministers have harmed the wider economy.

It is not as if the Government do not know that. In 2012, the BiGGAR Economics report, “Onshore Wind: Direct and Wider Economic Benefits”, for the Department of Energy and Climate Change found that, if different decisions were taken, onshore wind could be worth £1.18 billion in gross value added by 2020 and an extra 17,900 jobs could be created. That is in addition to the 19,000 jobs and £1.7 billion in GVA that onshore wind already supports in the UK economy, according to figures from RenewableUK. Equally, the removal of subsidies from onshore, biomass and solar suggest that there will be higher bills in the long run, because onshore wind is the cheapest method of achieving our 2020 obligation and solar the second cheapest. Any other method of achieving greenhouse gas reduction in the UK is likely to result in higher bills, not next year but for the next 20 years.

However, while encouraging investment in solar, wind and biomass by creating a stable and consistent environment will go a long way, the clean energy sector in the UK has no future without nuclear power. Although I am pleased to note that Ministers are taking action to replace the UK's provision of nuclear energy by 2030, and then to dramatically increase it by 2050, I question the investment decisions.

While the UK accepts investment from China and France for new uranium-based reactors, India is preparing to build new thorium-based reactors. Thorium, unlike uranium, cannot be weaponised and reactors using it have a significantly lower risk of meltdown. Fewer raw materials are needed, and the construction and running costs are lower. Perhaps most importantly of all, the waste from thorium is minuscule and has beneficial applications in medicine and exploration. Indeed, this new technology is so impressive that China and the United States agreed a bilateral project in February to build two thorium reactors on the Chinese mainland. I wonder whether the Minister will commit to asking our new Chinese partners if they would be willing to share not only their investment but their expertise in thorium reactors.

The UK was close to leading the world on clean energy investment, and was quickly catching up with California. Decisions by this Government have put that at risk. Of course we can talk about clean technology, but it really is our last best chance for this country and I am seriously concerned that we are falling behind. I hope that today the Minister brings the type of urgency that we need.

10.23 am

Jonathan Reynolds (Stalybridge and Hyde) (Lab/Co-op): I congratulate my right hon. Friend the Member for Don Valley (Caroline Flint) on securing this debate and on her speech. It was a privilege to serve under her in the shadow Energy team in the last Parliament, when we frequently made the case that the Government's energy policy was ineffective and incoherent. I listened to the Secretary of State's recent speech—the much-lauded “energy reset” speech—but my assessment of the Government's energy policy has not changed a great deal.

The Secretary of State said she wanted an energy policy that was affordable, but the Government have banned the cheapest forms of renewables, such as onshore wind, and they have an abysmal record on energy efficiency. She said that she wanted a system that was

competition-led, but—I say this as a supporter of nuclear power—Hinkley Point C is at the heart of the Government's energy policy, and it was certainly not a competitive system that delivered that. She also said that she wanted a system that was “consumer-led”, but the most popular forms of renewables are frequently undermined by the Government while shale gas, which may have a role to play but is frankly unpopular with the British public at the moment, is always lauded as the solution to everything. So the Government's record is not good.

There are many ways to massage the figures on energy investment; I am sure that we will hear some of them today, or simply a comparison with the past. However, the key question is whether the level of clean energy investment in the UK at the moment is sufficient to meet our needs, and the answer is no.

The situation will almost certainly get much worse today. So much of DECC's budget has to be devoted to nuclear decommissioning that absorbing the type of departmental cuts that non-protected Government Departments will receive today will require the loss of some very effective programmes. The renewable heat incentive is such a programme, and I can almost guarantee that it will be heavily reduced today.

In addition, no assessment of this country's clean energy investment needs can be properly made without proper consideration being given to energy efficiency. Energy efficiency is the only way to decarbonise our electricity and heat supply while also making sure that bills are affordable. On that issue in particular, the record of both this Government and the last Government is absolutely appalling.

The coalition Government's record was very poor because their level of ambition for the number of measures installed was very poor and, frankly, their policies gave them to the people who were not in the most need. But this Government have managed to surpass the coalition Government by setting an even less ambitious target and, frankly, in some areas they have no policy whatever.

Improving energy efficiency is the urgent priority for UK energy policy. Scotland and Wales have the measures to be able to do a little bit more, but fundamentally the UK Government need to do more on energy efficiency and fuel poverty, or none of their energy policy objectives can be fulfilled.

I will say something specific about heat policy because frequently, and understandably, clean energy investment is devoted to conversations that are simply about electricity generation. However, heat policy is in many ways much more challenging—in fact, it is certainly more challenging—than electricity policy when we consider how we will meet our climate change targets while still giving people the security of supply that they need.

That is because low-carbon heat requires us to heat our homes in different ways, and we have to choose from three broad options. First, we can electrify the heat load, but that is very difficult to do because the seasonal demand for heat is so strong. Secondly, we can build heat networks in new-build, but again that is difficult to do because there is less consumer choice with that option and, frankly, to retrofit heat networks is very expensive indeed. Thirdly, we can stick broadly with what we have at the moment, which is the gas grid, but seek to decarbonise some of that gas through green

gas, anaerobic digestion and other technologies, and we can also make our boilers even more efficient in the future.

The choice between those three options must be made in this Parliament and at the moment I would say that we are either making no decisions or simply making poor decisions. Cutting carbon capture and storage when this country has the legacy of offshore oil and gas is, frankly, a terrible decision. Cutting the renewable heat incentive when we need to do more, not less, on heat is, frankly, a terrible decision. Banning onshore wind and sabotaging solar are, frankly, terrible decisions. Doing nothing on energy efficiency is abysmal, zero-carbon homes being stopped is appalling, and the green deal being abolished without a replacement being put in place is simply not good enough. I could go on and on, and I tell the Minister that the Government just have to start doing better.

Mr Adrian Bailey (in the Chair): We come now to the Front-Bench spokespersons. I advise 10 minutes for each spokesperson, and for the Minister, which should give us a couple of minutes at the end for Caroline Flint to sum up.

10.27 am

Callum McCaig (Aberdeen South) (SNP): We have had a very good debate this morning and I thank the right hon. Member for Don Valley (Caroline Flint) for bringing this subject before us. Her speech summed up incredibly well the issues facing the renewable energy industry and the green industry as a whole, and what can be done to make things better. A lot of the discussion this morning has been about the problems that we have had. That is right, but we also need to start looking at the ways in which we can go forward.

The potential of clean energy in terms of jobs and investment has been summed up by colleagues from all parties in this Chamber this morning. We have also heard from hon. Members from all four nations of the United Kingdom, which shows how important the green economy can be to the United Kingdom. It can provide jobs in areas where previously it would have been thought incredibly difficult to provide employment. As for the opportunities in the future, we have heard about how we may have missed the boat in some regards in terms of manufacturing. To some degree, that boat may have sailed, but there is still huge potential for the future. A number of hon. Members have mentioned the potential loss of jobs in the solar industry if the cuts to the feed-in tariff go ahead; I very much hope that that will not be the case. We have also heard about the untapped potential of solar in Scotland.

The right hon. Member for Don Valley outlined her five-point plan for support for industry. My party would back all those five targets. Over and above those targets, however, there are a few things that I wish to see added to the mix. Last week in the debate on climate change, I raised with the Secretary of State the possibility of establishing subsidy-free contracts for difference for onshore wind. As we have heard from a number of Members, it is the cheapest form of renewable energy and compares very well with what we are looking at with nuclear. Albeit that there are different pressures on the system that are addressed by the technologies, I would rather see the investment going into onshore wind.

[Callum McCaig]

As the industry suggests, it can be done without subsidy and to block that would be unpardonable. To block that in planning terms when the matter is devolved to Scotland would be ridiculous.

Over and above those five points, will the Minister consider whether the future CfDs can be brought forward from the dates announced last week? Having those CfDs at the end of next year could be damaging for certain projects. Is it possible to extend the lifetime of the CfD beyond 15 years to reduce costs further? The hon. Member for Stalybridge and Hyde (Jonathan Reynolds)—my pronunciation of such places is better than it would be for the constituencies of some of my Welsh colleagues—mentioned energy efficiency. That is often the Cinderella, and efforts on energy efficiency are even further behind than those on renewable heat. It is one of the easiest things, and a lot could be learned from the decision by the Scottish Government to put energy efficiency measures as a national infrastructure priority in Scotland. If that could be done on a UK-wide level, it would not only provide additional funding for Scotland, which would be welcome, but it would help the UK as a whole meet its climate change targets, reduce fuel poverty and boost the economy.

My hon. Friend the Member for Linlithgow and East Falkirk (Martyn Day) mentioned the renewable heat incentive, which is the area where we struggle most in getting the step change required in investment. The technology is there, if it has the support. To see that support stopped would be foolish and very much a retrograde step.

One thing that we need to do, over and above all that, is look at energy storage. We have heard talk about some of the technologies that are there, but we need a proper strategy and support mechanism for storage to take off as an industry. There is huge potential in the green economy as a whole. Storage provides the balancing support that is required for the grid in terms of intermittent generation. I do not know whether the right thing is battery technology, pumped-storage hydro, compressed gas or whatever, but developing a strategy, providing a mechanism and, dare I say it, allowing the market to decide which solution is best is a sensible way of dealing with things.

We have heard a lot about the damage that has been done. The debate timeously falls on the day of the comprehensive spending review. A number of us who support the green economy have great fears as to what will be announced in a little over two hours' time. The damage has been bad, but the situation is not irretrievable as yet. That may not be the case once the Chancellor sits down later this afternoon. We have heard suggestions from the right hon. Member for Don Valley about the potential for the support mechanism for carbon capture and storage being withdrawn as part of the comprehensive spending review. Frankly, that would not only be a betrayal of the industry, which has invested hugely, but a betrayal of our requirement to take the challenge of climate change seriously. If we are to do what we are required to do, carbon capture and storage provides perhaps the most straightforward solution in adapting to a new way of life. To pull the rug out from under it yet again would be completely and utterly unforgivable.

I will not use my full time to allow more time for others. That time will ideally go to the Minister, although my colleague on the Labour Front Bench may choose to use it himself. So many points have been raised by Members that it would be fitting to hear less from me and more from the Minister.

Mr Adrian Bailey (in the Chair): I am sure your brevity is much appreciated.

10.34 am

Dr Alan Whitehead (Southampton, Test) (Lab): It is a pleasure to serve under your chairmanship this morning, Mr Bailey. I congratulate my right hon. Friend the Member for Don Valley (Caroline Flint) on obtaining this important debate and on how she put forward the case that, so far as the future of this country is concerned, the recent attacks on renewable and low-carbon energy have created a difficult set of circumstances for future investment and have reduced Britain's standing in the world as a good place for renewable investment. That is an extremely important point to make, because renewable energy has enormous potential, and the recent investment in it has started to release that, particularly with solar photovoltaics and onshore wind. As a result of support and assistance, those technologies are coming close to market parity, but the rug is being pulled out from under them. The subsidy was not permanent and was decreasing, but, as my hon. Friend the Member for Sunderland Central (Julie Elliott) said, the Government have made it a cliff edge. At the very least, that is being extremely reckless with future investment in renewables in this country.

My right hon. Friend the Member for Don Valley set out a number of the changes that have taken place, and it might be useful to set them out again briefly. We have had the early closure of the renewables obligation to onshore and large-scale solar; planning rules changed to restrict the deployment of onshore wind; the announcement of the end of the feed-in tariff for small-scale solar; the scrapping of pre-accreditation for small-scale renewables; investment tax relief removed for community renewables; the scrapping of the zero-carbon homes target; future rounds of the contracts for difference under the levy control framework delayed; the scrapping of the green deal, as my hon. Friend the Member for Stalybridge and Hyde (Jonathan Reynolds) mentioned; and the extending of the climate change levy to renewable energy, effectively placing an additional carbon tax on the purchase of renewable electricity.

My right hon. Friend the Member for Don Valley said that the ending of that exemption represented a grab by the Treasury. Indeed, it can be described no less starkly than that. It also comes close to retrospectivity, as those who benefited from the exemption for the climate change levy expected it to be phased out by the early 2020s. As my right hon. Friend set out, the sudden change now has led to serious difficulties for a number of the companies involved, including Drax and Infinis.

Just the ending of the exemption may have been sufficient evidence for investors to decide that it was probably not a good idea to continue investing in the UK. However, when that measure is combined with all the other measures that I mentioned, it cannot fail but produce a bleak outlook for investors in renewable energy in the UK. As we know, because we are enjoined in the UK to

export our renewable investments, it works the other way round; investors are not necessarily looking at coming to the UK only. They have other places that they can go to invest, and all the evidence is that that is beginning to happen. My hon. Friend the Member for Sunderland Central pointed out that we have now fallen out of the attractiveness index top 10 for the first time since the list began, with a serious decline in our country's renewable energy attractiveness.

The case is compounded by the fact that not only have events of the past three months weakened investment, but the Government are simply not taking decisions on various schemes for the next period. If the decisions were taken, we could enhance greatly the certainty for investment in renewables and low carbon energy. There is no certainty on the future of the levy control framework, as several hon. Members have pointed out. Not only is there no certainty on the future of that framework post-2020, but the opaque figures we are presented with at the moment for the levy control framework prior to 2020 mean that it is very uncertain whether there will be further auctions of low carbon energy over the next period, and, even if there are auctions, whether the content of those auctions will be sufficiently large to present any serious opportunities for investors to take part in.

My hon. Friend the Member for Stalybridge and Hyde mentioned the Government's heat policy shambles and the complete uncertainty over the future of the renewable heat incentive. Like him, I fear we may hear further bad news about that incentive this afternoon. As my hon. Friend also pointed out, there is no certainty on the future of the energy company obligation post-2017, and the green deal has been taken out and shot with apparently nothing to take its place over the next period. So that adds up to a really shambolic picture.

John Mc Nally: I should have mentioned it earlier, but I have to declare a family interest in the solar panel business. The right hon. Member for Delyn (Mr Hanson) mentioned that nobody turned up at an official opening. In my own constituency of Falkirk, in Denny, we have the world's first Difgen, which generates electricity from a natural water source. I opened it with another couple of nonentities: Lord Colin Moynihan and Nicola Sturgeon. The significant difference is that they attended and turned up at meetings and official openings. Although it was a small-scale turbine, it was the world's first. That signifies to me the step-change that we are seeing from this Government.

Dr Whitehead: I thank the hon. Gentleman for that intervention. That comes under the category of the signals that the Government are presently giving out, which are almost wholly negative as far as renewable and low carbon investment are concerned.

Ian Lavery: My hon. Friend mentioned the fact that the Government's energy policies are in complete turmoil and are a shambles. Speculation has it that over the next three years, staff in DECC may be reduced by up to 90%. How will that help the situation?

Dr Whitehead: My hon. Friend puts his finger on a very real fear among many people. Future Government cuts will mean that the Department will no longer be able to function as a Department that can marshal investments together. If that is a consequence of the

spending review being undertaken at the moment, it is a serious state of affairs not only for the future of energy management, but for the future of our investment in renewables overall.

My right hon. Friend the Member for Delyn (Mr Hanson) pointed out how much investment has gone into offshore wind, with the emergence of the Siemens arrangement in Hull, the Vestas investment on the Isle of Wight and the appearance of Gwynt y Môr, which he was recently able to attend the opening of, unlike some other people.

The hon. Member for Dwyfor Meirionnydd (Liz Saville Roberts) pointed out the possible economic value for the future of renewables. Perhaps it is worth reminding the House that, according to a recent report by Cambridge Econometrics, the economic value of offshore wind over the next 20 years could increase UK GDP by £20 billion a year by 2030. It could create 70,000 more jobs and reduce gas imports by £8 billion, and it could produce emissions in the power sector that would be three times lower than at present. That is the sort of prize ahead of us as far as investment in renewables is concerned. That is the prize presently being dashed by what has happened recently and by the longer term uncertainty that the Government have introduced in terms of support for renewable investment.

The Minister will say—has said, I am sure—that this is okay because our targets for the deployment of renewable energy to generate electricity look as though they might be reached. I remind the House—indeed, my right hon. Friend the Member for Don Valley underlined this point—that we are failing miserably to reach our overall EU energy targets in electricity, heat and transport. The recent letter from the Secretary of State, which came to public attention, indicated how badly we were likely to miss the targets over the next period. The EU is quite happy for you to overachieve in certain areas, even if we underachieve in other areas. The idea that because you have achieved in one area, you can then drop the baton in all the other areas and not worry about it seems a further misunderstanding of the task ahead of us.

Mr Adrian Bailey (in the Chair): Order. Could you address the Chair? I would also be grateful if you could wind up as I want to give the Minister an appropriate amount of time to respond.

Dr Whitehead: Indeed, Mr Bailey. I was doing exactly that.

Finally, I want to emphasise the importance of the decisions that we take in the near future for our future energy supplies, and how important this debate has been this morning. I look forward to hearing from the Minister what she intends to do to get us back on track as far as these important investments are concerned.

10.48 am

The Minister of State, Department of Energy and Climate Change (Andrea Leadsom): It is a great pleasure to serve under your chairmanship, Mr Bailey. I add my congratulations to the right hon. Member for Don Valley (Caroline Flint), who has done so much. She really does feel passionately about the importance of climate change and a clean energy future. I salute her for that.

[*Andrea Leadsom*]

Last week the Secretary of State set out a clear new direction for our energy strategy, with security and keeping the lights on at its heart. It recognises the need for investor certainty, but also that security is not possible without action on climate change. The system is not delivering for consumers if energy is unaffordable. So clean energy investment is critical to successfully delivering our strategy.

In the Paris climate change talks, the UK will play a leading role not only in meeting our own ambitions for our decarbonisation targets, which are some of the toughest in the world, but in working to influence other nations in being more ambitious about their need for a clean energy future. It is disappointing that so many Opposition Members are pretending otherwise. I believe we have cross-party agreement on the need for ambitious decarbonisation targets.

A key pillar of our new direction is to consult on a shift from unabated coal to gas. Gas produces half the carbon emissions of coal when used for power generation: it is one of the most cost-effective and significant steps we can take in reducing emissions from our electricity sector and sends a very powerful message to the rest of the world about the level of our commitment.

My hon. Friend the Member for Warrington South (David Mowat) absolutely rightly made the point that in Germany and Austria, in spite of a high level of renewables deployment, emissions are increasing because of their use of coal. One of the biggest decarbonisation efforts we can make is to move from coal to gas.

Ian Lavery: Will the Minister give way?

Andrea Leadsom: I am sorry; I will give way in a minute, but I want to make some progress first.

From day one of this Government, our new nuclear programme has been fundamental to our approach to energy security and our shift to low carbon. Industry has set out proposals to develop 18 GW of new nuclear power for the UK, which could deliver around 30% of the electricity we will need in the 2030s. If built, the power plants will reduce our carbon emissions by more than 50 million tonnes, bringing an estimated £80 billion of private investment into the UK, with about 30,000 people employed across the new nuclear supply chain at the peak of construction.

The hon. Member for Newport West (Paul Flynn) rightly expressed concerns about the security of nuclear. I assure him that both our existing nuclear fleet, which produces around 19% to 20% of our electricity every day, and our new nuclear fleet will benefit from the most stringent regulation from our independent Office for Nuclear Regulation.

Paul Flynn: Will the Minister give way?

Andrea Leadsom: I will not. The hon. Member for Islwyn (Chris Evans) said we should be looking at thorium reactor research, and I assure him that we are doing so.

Paul Flynn: Will the Minister give way?

Mr Adrian Bailey (in the Chair): Order. It is for the Minister to decide whether she gives way. There are obviously time constraints.

Andrea Leadsom: Mr Bailey, I am trying to respond to Members' points. If I give way to each Member on their individual point, I will not be able to respond to them all. I do apologise, but there is no time to give way to lots of Members.

I turn to renewables. We have been very clear that they have an important part to play alongside other technologies in our clean energy mix. I am happy to agree to the request from the right hon. Member for Delyn (Mr Hanson) that I welcome the decarbonisation impact of renewables. We are of course all delighted at the enormous success of the industry, but that does not mean that subsidies can continue as they were. The costs of renewables have come down significantly, and as they mature it is right that technologies stand on their own two feet. That is why we are taking action on subsidies for onshore wind and solar, technologies that will be cost-competitive through the next decade.

The hon. Members for Sunderland Central (Julie Elliott), for Paisley and Renfrewshire North (Gavin Newlands) and for Stalybridge and Hyde (Jonathan Reynolds) all mentioned the important issue of fuel poverty, on which there was a debate in this Chamber only yesterday. All Members must recognise that the subsidies for renewable technologies are paid by precisely those people who are struggling with fuel poverty, so excess subsidies simply cannot be afforded.

Take onshore wind, a technology that has deployed very successfully to date—so much so that without action there would be a risk that it would deploy beyond the 11 GW to 13 GW range we set out for 2020, which would have added more to consumer bills. That is what our manifesto commitment set out to address. Even with action, we expect to deliver more than 12 GW by 2020, comfortably within our range and enough to meet our ambition to deliver 30% of the UK's electricity with renewables by 2020.

Similarly, more than 8 GW of solar is already deployed and even with the cost controls we are proposing, we expect to have around 12 GW in place by 2020. Evidence-gathering on costs and deployment-monitoring suggested that action was needed right across the range in solar, including for below 5 MW. There was a risk of projects being over-compensated and of adding to the overspend that we were already projecting for the levy control framework. We have consulted on proposals to constrain solar further under the renewables obligation and on changes to the feed-in tariff scheme more broadly.

The hon. Member for Dwyfor Meirionnydd (Liz Saville Roberts) asked for more liaison with the Welsh Government on how we will meet our EU decarbonisation targets. We speak regularly with the devolved Governments, but I will ensure that those specific points are made. We are looking carefully at the more than 50,000 responses to the feed-in tariff review and will set out our final approach to all schemes by the end of the year.

On the future for renewable electricity, we are continuing to listen to ideas from the renewables sector about how we can best ensure a level playing field for established renewables to compete with other generation technologies. For example, some stakeholders have suggested the concept

of a market-stabilising contract for difference. We would certainly welcome further industry views on that. Being tough on subsidies allows us not only to keep downward pressure on consumer bills, but to direct support where it is needed most: among the less established technologies. For example, it is right that we build on our world-leading position on offshore wind, with more than 5 GW already installed and plans for that to double by 2020.

Last week, the Secretary of State gave real certainty to the sector by setting a very clear challenge: continue to reduce costs quickly and we could support up to 10 GW of new offshore wind in the 2020s. If those conditions are met, we will make funding available for three auctions in this Parliament. We will set out more detailed plans in due course, but we plan to hold the first of these auctions, open to less established technologies, by the end of 2016. I acknowledge that the SNP spokesman, the hon. Member for Aberdeen South (Callum McCaig), said that he would like that auction to be sooner rather than later, but I have heard opposing views from industry. Some companies would like the time to get into a position to enter the first auction, so would like it to be delayed. There are always winners and losers.

As well as action on electricity, it is vital that we change how we use heat to warm our homes and buildings, and how it is used for industrial processes. Heat accounts for about 45% of our energy consumption and a third of all carbon emissions, so different approaches need to be tested. There are technologies with great potential—such as district heating, biogas, hydrogen and heat pumps—but it is not yet clear which will work at scale.

We have to develop a long-term plan that will keep down costs for consumers. We will set out our approach next year as part of our strategy to meet our carbon budgets. The hon. Member for Linlithgow and East Falkirk (Martyn Day) mentioned the value of the renewable heat incentive, and I entirely agree that it has been a valuable policy. As he knows, we will be setting out our plans later today in the spending review.

Looking further forward to innovation, we need to keep an eye on the horizon for promising future developments. Some of the solutions to the challenges we face may right now be just an idea on a drawing board or not yet even exist. There are technologies with great potential, such as nuclear, offshore wind, demand response and storage. In some areas, the UK is a world player in the development of technologies; in others, the challenges we face will require technical solutions specific to the UK, so we remain committed to supporting innovation.

Department of Energy and Climate Change funding is already helping to develop exciting new technologies with great potential, in areas such as energy storage, low-carbon transport fuels and more efficient lighting. Those and many more examples point to the creation of new industries and new jobs in the UK, so it is right that we remove the barriers to their development. The hon. Member for Falkirk (John Mc Nally) mentioned the

importance of storage, and I completely agree with him that it could transform the intermittency of some renewables.

To conclude, investors need clarity on our strategy for clean energy, and that is what we have now given them. New nuclear, new gas, existing and new renewable technologies will all help us to meet the challenge of decarbonisation in the power sector. We will set out our approach to heat next year as part of our wider strategy on carbon budgets, and we will continue to lead the way on innovation by pioneering the discovery of clean and cheap technologies for the future. We have a plan, and it is to deliver affordable, secure, low-carbon energy for today and for generations well into the future.

10.58 am

Caroline Flint: We have certainly heard from all those who participated in this debate what a breadth of knowledge there is throughout the House. Everyone who spoke focused on the opportunities for jobs, skills and investment in their communities. When it comes to debates on climate change, it can too often be the usual suspects from the various green groups who take part. I have to say that I was saddened to hear the Secretary of State refer to some of those people as some sort of anti-capitalist pressure group arguing on these matters. The truth is that we are here today to stand up for British jobs and British investment.

It has been a little bit like having a comeback band, what with my hon. Friends the Members for Sunderland Central (Julie Elliott) and for Stalybridge and Hyde (Jonathan Reynolds) being present, although I am afraid we are missing that very good former Member, Tom Greatrex. There was a great contribution from my right hon. Friend the Member for Delyn (Mr Hanson), as well as from my hon. Friends the Members for Islwyn (Chris Evans) and for Newport West (Paul Flynn), although I might disagree with the latter on nuclear. I am also glad to have the support of the hon. Member for Warrington South (David Mowat); I actually agree with some of what he said about Europe and the decarbonisation target, but the EU submission for the Paris conference sets a reduction in emissions of at least 40%.

What is today about? It is about jobs. Over the past few years I was helped greatly by my hon. Friend the Member for Southampton, Test (Dr Whitehead), who supported me in my previous role. Who said this:

“We want the words: ‘Made in Britain’, ‘Created in Britain’, ‘Designed in Britain’ and ‘Invented in Britain’ to drive our nation forward—a Britain carried aloft by the march of the makers”—*[Official Report, 23 March 2011; Vol. 525, c. 966.]*

It was the Chancellor of the Exchequer. I could not agree more, but instead we have seen fragmented and retrograde policies that have harmed this important sector. What is so wonderful about the clean energy sector? It is a one nation industrial sector. It reaches out beyond London and the south-east. It is a contributor to balancing our economy, and investment in it is more evenly distributed compared with other sectors.

Motion lapsed (Standing Order No. 10(6)).

Forced Adoptions

11 am

Mr Douglas Carswell (Clacton) (UKIP): I beg to move,

That this House has considered forced adoptions.

Forced adoption is necessary; sadly, there are circumstances in which it is right that the state removes a child from their birth parents. I have seen cases in my constituency that made me think, “Thank goodness that there is a system of adoption, that there are good people working in social services who intervene and that there are foster parents willing to care for children. Most of all, thank goodness that there are loving adoptive parents who offer loving homes to children who tragically were not born into one.”

But I have also seen cases that made me feel a little uneasy. I have met tearful grandparents who are about to see their grandchild for the last time and are adamant that social services never seriously considered them as alternatives to adoption. I have often listened to those who feel that their families have been broken up by what they regard as a cartel of family courts, family lawyers and social services. Taking a child from their birth mother by force is a very big deal. Those who make such decisions need to be accountable, but currently they are not. The family courts are shrouded in secrecy. There are too many cosy vested interests operating in ways that are simply not fair or just.

I am sure the Minister will tell us that we need to increase the number of adoptions. In a sense, I do not disagree. I am sure he will point out that there are almost 70,000 cared-for children in this country, and he will make a sound case when he says that surely more should be adopted. Superficially, that is a powerful argument. There is a lot of evidence to suggest that the life chances of children who are adopted, rather than cared for, are vastly improved. Should we not, therefore, seek to adopt more? That is great, but if the unintended consequence of setting targets is that there is pressure to break up families who might otherwise stay together, I think that is wrong. Many of those 70,000 cared-for children are young people and teenagers. We need to ensure that the pressure to adopt does not lead to infants being removed from mum or toddlers from granny and grandpa.

It is reassuring to think that the adoption system and the family courts are presided over by dispassionate, wise experts who are always right—if only that were so. The Court of Appeal, in a judgment only two years ago, expressed real concern about the

“inadequacy of the analysis and reasoning put forward in support of the case for adoption”.

Criticism does not come much more strongly than that.

We like to think that expert witnesses must be right. Surely they weigh up all the evidence; after all, they are paid to do that for a living. But the truth is that many of the social workers and medical experts who testify on behalf of local authorities do so anonymously. Often, those unnamed experts give evidence about families they have never met and situations of which they have no first-hand knowledge. There is the notorious case of Fran Lyon, who I believe has, in effect, fled to Sweden as a result of the heavy-handedness of our family court

system. Solicitors represent families in particular court cases, but the local authority against which the family wants legal advice is often also a long-term client of those solicitors. It is all a little too cosy. The Law Society might be happy with those arrangements, but others might worry that there is a legal cartel in the family court system.

I could make lots of cheap points by highlighting individual examples of injustice, but I am not going to do that. One does not need to look too far on Google or in the tabloid newspapers to find outrageous examples of injustice. The powerful case against the family court system and the adoption system at the moment comes not from individual cases, which rightly make us feel uneasy, but from the aggregate data. I submitted freedom of information requests to every local authority in England and Wales to see what proportion of care orders were converted into adoption orders. I will give hon. Members just three examples.

In the London borough of Enfield, over a six-year period between March 2009 and March 2015, there were 96 care orders, 93 of which were converted into adoption orders. That is a 97% conversion rate. In north-east Somerset, over a one-year period in 2013-14 there were 16 care orders, 15 of which were turned into adoption orders. That is a 94% conversion rate. In Reading, over a one-year period in 2013 28 care orders became 22 adoption orders. That is a 79% conversion ratio.

It all seems pretty automatic: if someone gets a care order, they lose their kids. The staggeringly high rate at which care orders are converted into adoption orders suggests that justice is not being done. Once the legal process begins, almost nothing—not legal advocacy, not the circumstances of the family, not the willingness of loving grandparents to raise their grandchildren—can stop it. It is a done deal; it is a fix.

It is urgent that we make the process and the family courts much more open and transparent. Of course, being a cartel, they are not going to like it. Cartels tend not to like transparency. Hon. Members who were in the House in 2009 will remember a famous example of a cartel not wanting openness and transparency. But those are not arguments against openness and transparency; they are the arguments of a cartel.

Jack Straw, the former Minister, came up with some excellent proposals to ensure openness and transparency in the family court system. Unfortunately, his civil servants got their claws into the proposal, and the legislation that was passed was a watered-down measure that did not achieve what he set out to do. Sir Humphrey prevailed. The law does not belong to the lawyers; social services do not belong to social workers; and the family courts are not the fiefdom of a self-referential legal profession. I hope that Sir James Munby, who is leading a review, is prepared to take on the vested interests and has the courage to open up the system and break open the cartel.

Rachael Maskell (York Central) (Lab/Co-op): I thank the hon. Gentleman for securing this debate. Nobody would deny the importance of safeguarding children who are at risk, but there is huge inequality in the system. Parents do not get the advocacy and support they require to be given a fair opportunity to show they can support their children. Instead, they have to go through a forced adoption.

Mr Carswell: I absolutely agree. The hon. Lady makes an incredibly powerful point. It seems that articulate, highly-educated people who have access to information are able to fight off the system, but people who do not have access to information and are not as eloquent as lawyers tend to be trampled over by the system. Many of the most tragic cases I have come across in Clacton involve people whose love for their grandchildren is as strong as anyone's, but who are just not very articulate and are therefore trampled over by the monstrously unjust and unfair system.

To ensure that even inarticulate grandparents get justice and a fair hearing, we should adopt nine proposals. We need to recognise the importance of balancing the necessity of some degree of privacy with the need to shine a spotlight into the family court cartel. These nine proposals strike the right balance.

First, we need to promote the more extensive use of special guardianship orders, which allow a child to be made a ward of an extended family member, such as their grandparents, and allow close supervision while, in many cases, enabling the family member to raise their grandchild. Secondly, placement and adoption order proceedings should be open to the media on the same basis as other family law proceedings. Thirdly, I want the introduction of a presumption to allow reporting of family court proceedings on an anonymised basis—in other words, references could be made to child A and mother B.

Fourthly, I would like to mandate the publication of all judgments, those from district judges on application, except perhaps where a presiding judge seeks and obtains a contrary order from the president of the family division. The default should be to publish judgments. Fifthly, we should mandate that all local authority witnesses, especially social workers, be identified by name and position held. Sixthly, we should require, on application and subject to administrative costs, all expert witnesses to list the previous court cases in which they have given evidence.

Seventhly, we need to publish on an anonymised basis all statements of case, skeleton arguments, case summaries and other documents prepared and exchanged by the advocates in a case. Eighthly, we need to go far beyond the watered down Straw proposals and allow all media access to expert reports on an anonymised basis, with reporting restrictions imposed in exceptional circumstances only. Finally, we should allow unrestricted access to expert reports to academics for peer review on the condition that any research papers are anonymised.

The nine proposals are sensible and recognise the need for some degree of privacy. At the same time, they will ensure that the family courts cartel cannot continue to preside over the monstrous injustices that we never get to hear about. I hope that the Minister will take some of the suggestions on board. I am encouraged that the ideas seem to be gaining some measure of cross-party support. I hope that we can build a consensus around them and, on the basis of Sir James's proposals, bring about legislative change.

Lucy Allan (Telford) (Con) *rose*—

Mr Adrian Bailey (in the Chair): Order. May I confirm that the hon. Lady has notified both Mr Carswell and the Minister? Are they happy for you to speak?

11.12 am

Lucy Allan (Telford) (Con): Yes. It is a pleasure to serve under your chairmanship, Mr Bailey. I have just come from a meeting organised by the Who Cares? Trust, for which the Minister does amazing work. It supports children who have spent a lifetime in care, so it is pertinent that I am here today to make some comments. I congratulate the hon. Member for Clacton (Mr Carswell) on raising this issue, which is long overdue for debate in this House; it has had far too little exposure, and I hope that this debate will be the first of many.

Hon. Members from both sides of the House will have received in their mailbags heartfelt pleas from desperate families who have been caught up in the system. Such pleas often appear wholly incredible on first reading. It is only when hon. Members have themselves had experience of the system or get to know an ordinary family affected by it that they can ever fully comprehend what can happen to the families caught up in it. Few hon. Members will be aware that, in this country today, the state can remove a child from the care of its parents without consent and when no harm of any kind has occurred.

Before I first came to this place, I sat on fostering and adoption panels. For the first few years of my involvement, I was completely unaware that the natural parents in the cases we were considering were contesting the removal of their children with increasingly despairing battles against the state. It struck me that many children had been removed because a professional believed a child might be at risk of future harm. That risk is not confined to neglect or physical harm; it includes emotional harm.

During the cases heard by the panel, natural parents were repeatedly depicted as having mental health issues, drug and alcohol problems and complex family histories. Those human defects would be elaborated upon such that it became unthinkable for panel members to challenge the depiction of the parents as unfit and incapable of parenting. If we ever questioned whether the parents could, with the right support, offer adequate care in future, we would be reassured with familiar phrases such as, "The child's timeline could not wait for the parents," "The parents were unco-operative with social services," and, "The parents failed to prioritise the needs of their child." The focus throughout was on finding fault in parents, rather than assessing whether their child was happy and thriving in their care. I can say from my family's personal experience that there is no doubt that the process is one of the most stressful that any family will go through. Their voice counts for nothing. Their evidence is always doubted. There is nothing that they can say to prove their innocence.

A short debate cannot do justice to the seriousness of this issue, its consequences for children and families or the wider impact on society. Children taken from their parents, as I have just heard first hand, suffer the trauma of separation, rejection and loss. They also lose their identity, wider family, home, school, friends and all their connections. A childhood spent in care leads to permanent labelling, which is exactly what one young person said to me in the past half an hour. We discover that children who leave the care system are also labelled as potentially unfit to parent their own children. I have come across many cases in which care leavers have lost their child to the care system because they were deemed to have inadequate parenting capacity due to their childhood spent in care. That sums up the situation.

[Lucy Allan]

The families affected are too often the most disadvantaged and least able to defend themselves from the powerful machinery of the state. I have often thought that if Charles Dickens had heard the stories and met the families whom I have met, he would have written a book about it—I am sure that George Orwell probably did. Despite forced adoption being the most draconian power that the state can exercise, the subject is hidden away, leaving families voiceless and impotent against officialdom.

I hope that we will have further opportunity to discuss the matter fully, and I hope to secure a Chamber debate. I thank the hon. Member for Clacton for his work in this area, because he has taken the first step, and encourage him to continue to fight this cause. Many hon. Members on both sides of the House are slowly becoming aware of the matter through their casework, but they are often unable to take up such cases because they are already in the legal system. The only way in which we can represent such families is to be a voice for them here. It is an incredible privilege that we have a platform on which to raise the issues that the world does not get to hear about. I also thank the excellent Minister for Children and Families for being here. He is all too well aware from his extensive experience of the family courts of the difficult and sensitive issues and of the impact on children and their families. I know that the subject is of utmost importance to him and his Department.

11.18 am

The Minister for Children and Families (Edward Timpson):

As ever, it is a pleasure to serve under your chairmanship, Mr Bailey. I congratulate the hon. Member for Clacton (Mr Carswell) on securing this debate. I recall all too vividly our early comradeship on the then Children, Schools and Families Select Committee between 2008 and 2010. Our paths have gone in slightly different directions since then, but I have always looked on in admiration of his crusade to bring greater transparency to public life, and this is another area to which his attention has been drawn.

I thank my hon. Friend the Member for Telford (Lucy Allan) for her contribution. I know that she, too, will pursue the subject personally in the months and years ahead.

The debate gives me the opportunity to set out the Government's position in an important and sensitive area for which I have had the privilege of being the Minister responsible for the past three and a half years. The first principle on which the system of family justice in England is rightly based is that children live with their family wherever possible.

When concerns about a child are raised with a local authority, the law under the Children Act 1989 is clear about looking at what support or help a family might need to enable the child to remain with the family. Achieving that objective includes work not only in the local authority, but with other agencies.

As hon. Members have recognised, however, where a child remains at risk of suffering "significant harm"—we could have a long debate on a definition—the local authority may apply to the courts to take a child into the care system as a looked-after child. Many tens of

thousands of children are either a child in need or on a child protection plan and should be receiving support services from the local authority and others to ensure that they have every prospect of remaining with their family and the vast majority of such cases never get anywhere near a court.

When cases do go to court, parents should have legal representatives who are appointed to support them—for which legal aid rightly remains available—to ensure that their views are heard and that evidence presented by the local authority can be challenged. I am someone who spent many years doing that myself.

In addition, applications made to the court are subject to separate scrutiny by the child's guardian, who must submit his or her own analysis of the evidence. On many occasions in my experience, a child's guardian was the one who was able to give a robust challenge to the local authority's case on behalf of the child. That is an important part of providing an independent view of the veracity of a case before any decision by the judge. The court's paramount consideration is, of course, the welfare of the child, which is known as the paramountcy principle.

Where it is decided that it is not possible for children to remain with their parents, the law is clear that local authorities must consider placing a child with relatives—including grandparents, thousands of whom do an excellent job of supporting and bringing up their grandchildren—and friends before considering other permanency options. We have supported that approach through means such as the advancement of family group conferences, at which families are brought together at a much earlier point in their contact with local authority services, so that they may come up with a plan to keep the child in the family and to enable the family to have the support necessary for a sustainable situation. We have announced the extension of shared parental leave to grandparents, so they are in a better position to put themselves forward as potential carers.

In some cases, however, despite the best efforts of the family to provide an alternative, it is in the best interests of children to be placed in foster care or to be adopted. I know from my family's experience about the huge difference that fostering and adoption can and does make to children who have had a difficult start in life.

The key is always what is in the best interest of the child. That is why we have not, as the hon. Member for Clacton suggested we have, set targets for the number of adoptions—there is no chasing of adoption targets, which simply do not exist. Every decision must take account of a child's individual circumstances and need.

In discussing adoption, it is important to remember the context. Without giving too long a history lesson in the few minutes I have remaining, the Adoption of Children Act 1926 was the first time that adoption was made legal in this country, but that was after the United States of America, Canada, Australia and many other countries had already done so. In 1968, 25,000 children, a large number of whom were babies, were adopted under adoption orders. In 2014, about 5,000 children were adopted, of whom 230 were under the age of one, according to the latest figures. Therefore, only 16% of children leaving the care system were adopted, with the majority returning to their own families after a period in care.

That illustrates, first, that societal shift has meant a corresponding shift in the role of adoption and, secondly, that the outcome being pursued for children is not relentlessly that of adoption, irrespective of what is in their best interest. Many children are now achieving permanence through many different routes, such as supervision orders, what used to be residence orders and are now child arrangements orders, or special guardianship orders, which I will come on to.

The Adoption and Children Act 2002 makes it clear that children cannot be adopted without the consent of their parents unless the courts are satisfied that the welfare of the child requires such consent to be dispensed with. The circumstances in which a court might take that view can be that it is satisfied that the parents cannot be found, that the parents are incapable of giving their consent, or that it has reason to believe that the welfare of the child or children requires parental consent to be dispensed with. That is a stiff and strict test, which Lady Hale reiterated in a recent judgment.

England is not alone in having an adoption system that includes adoption without parental consent; so, too, do Germany, Italy—in what is known as a special adoption—Sweden, Norway and 24 other European countries. The recent announcement by the Prime Minister was all about ensuring that where adoption is in the best interest of the child, there is an early placement for the child, to form the bonds that are so important as children grow up and as they are starting to be nurtured by their adoptive family.

Mr Carswell: If the system works as wonderfully as the Minister claims, how does he explain the Karrissa Cox case? Surely he accepts that, despite what officials tell him, it does not work as well in practice as in the theory in his Department.

Edward Timpson: As the hon. Gentleman understands, I am not in a position to comment on individual cases, but I was going to say—this was drawn out in the *Re B-S* judgment by the president of the family division—that there is still some inconsistency in the practice of social workers. Evidence submitted to the courts in support of such a draconian step—the severing of the legal tie between children and their birth parents—might not be of the quality and depth of analysis required for the judge to make such an important decision.

The president of the family division made that point throughout the judgment, so we need to concentrate on the quality of social work. The hon. Gentleman knows that we have a big reform programme under way to

improve the knowledge and skills at the core of social work. We want judges to have clear opportunities to question the evidence supplied by social workers and to know that it is of sufficient quality to give them confidence about making a good decision.

On special guardianship orders, it is also important to look at the numbers and the rapid change in their role in permanence decisions on children in care. The hon. Gentleman suggested that we should encourage more special guardianship orders, but, as he knows, since their inception in 2005, we have in fact seen their use increase year on year. Since 2011, the number has in fact doubled.

Yes, the increase is a positive development, but it is also apparent that the changes in the use of special guardianship orders have led professionals and others—including some research by Jim Wade—to be concerned that special guardians are not always being assessed or supported appropriately or consistently. Some children are being placed with family members with whom they have no relationship or, in some cases, whom they have never met. We have seen a substantial rise in the number of babies under the age of one leaving care under an SGO from 130 in 2010-11 to 620 in 2014-15. Such a position was not envisaged at the inception and crafting of the special guardianship orders, which is why we are reviewing whether the assessment—important for a child placed under an SGO—is of the veracity that it needs to be and whether support is available should a child be placed in such a placement.

I only have 40 seconds left on the hon. Gentleman's points about the lack of openness of the courts. It was helpful to hear him recognise the fine balance to strike in such matters. The media have been allowed access to most family court hearings since 2009. The need for openness in the family courts, however, has to be balanced against the need to protect the privacy of the child. We know that children are concerned about the details of their case being made public, which is why the judge has the power to order reporting restrictions if deemed necessary to safeguard the identity of the child. Going beyond that requires careful consideration.

As the hon. Gentleman knows, the president of the family division is consulting on the matter, and we look forward to his response, so that we may see what more we can do to ensure confidence in the family justice system.

Motion lapsed (Standing Order No. 10(6)).

11.30 am

Sitting suspended.

UK Musicians Performing Overseas

[MR GEORGE HOWARTH *in the Chair*]

2.30 pm

Nigel Adams (Selby and Ainsty) (Con): I beg to move,

That this House has considered UK musicians performing overseas.

Last Friday was a significant day for two UK music artists. Adele released her third album “25” and after only three days on sale it had sold an amazing 2.3 million copies in the USA. It has now achieved the feat of being the album with the greatest number of sales in its first week of release in America. In the UK, the album is likely to sell at least 800,000 copies in its first week of release. On the same day, Benjamin Clementine was awarded the 2015 Mercury prize album of the year for “At Least For Now”. That critical acclaim in the UK for Benjamin follows commercial success across Europe earlier this year.

As a nation, we are fortunate to have such talented musicians who are enjoyed across the world and contribute to a sector that according to UK Music is worth £4.1 billion to the economy and provides exports of £2.1 billion. A look at this week’s international singles and albums charts shows that Adele is No. 1 in Australia, Austria, Belgium, Canada, Denmark, France, Germany, Ireland, Italy, Norway, Spain, Switzerland and the USA. Her album is No. 1 in Australia, Austria, Belgium—I could go on. She is a worldwide British musical phenomenon.

The other thing those two artists have in common is that neither would have achieved their success without the opportunity to perfect their musical skills in front of audiences overseas, where they can grow fan bases and support. Adele’s debut concert tour of 2008-09 to support her first album “19” focused heavily on north America, which has no doubt contributed to her appeal there. Benjamin Clementine spent a number of years busking and playing bars and hotels in Paris before becoming popular in the French music scene, where he has been described as

“la révélation anglaise des Francos.”

That is easy for me to say!

The specific contribution of musicians including songwriters and composers to the UK economy is £1.9 billion, and they are responsible for export revenues of £926 million. To maintain those impressive figures, it is vital that the Government work with international partners and other countries to overcome specific barriers that act as a restraint on a musician’s trade. In this debate, I want to focus on specific difficulties for UK musicians performing in America and, in particular, the challenges of securing visas to perform there.

The hon. Member for Glasgow North (Patrick Grady) recently tabled early-day motion 609, which I expect many Members in Westminster Hall have signed. I understand that almost all parliamentary parties have signed up to it, which demonstrates we are discussing a genuine cross-party issue, which should reassure the Government in their response and their dealings with their American counterparts.

The American market is key. According to the latest figures, north America is second only to Europe as the biggest music market in the world, generating revenues

of \$5.24 billion. For decades, breaking America has been a key measure of success for UK artists and such achievements significantly benefit our economy. Aspiring UK musicians relish the opportunity to perform in America. Annual showcases such as South by Southwest and Warped Tour are significant events in the development of a musician’s career.

The difficulties about four years ago that UK bands had in attempting to get visas to perform at South by Southwest led to a campaign, spearheaded by John Robb of punk band the Membranes and the hon. Member for Bristol East (Kerry McCarthy), to address problems with the system. The process whereby UK musicians apply for a US work visa is long, complex and prohibitively expensive. While musicians understand the reasons for requiring visas, particularly at a time such as this when we are experiencing heightened security issues, the administration of American visas can nevertheless act as a significant barrier to a musician’s trade. The application process requires face-to-face meetings in either Belfast or London, which may require expensive overnight stays for bands or musicians who live outside those cities. It is worth pointing out that more than half of musicians earn less than £20,000 a year.

While the campaign in 2011-12 did result in some successes, notably the US embassy in London engaging and designating an official to act as a liaison for the UK music industry when problems arise, in the past year the Musicians Union has received an increasing number of complaints from its members who, through no fault of their own, have had to cancel shows and rebook flights due to difficulties and delays at the US embassy in London. Bands have had to cancel 5,000-capacity shows in the US and I have been provided with case studies by UK Music, the Musicians Union and others I know that further illuminate the continuing problems in acquiring visas.

While I appreciate that we are referring specifically to the US, the problem is much wider than that. I am sure, Mr Howarth, that you are familiar with the metalcore genre, in which case you may be aware of the Australian band I Killed the Prom Queen. In the last week they had to endure three days in a Malaysian jail because of visa issues—I imagine that was their toughest gig. Also, as a result of changes to the US visa system, a guitarist who has spent more than 25 years performing in America, typically for two-month tours, now needs a new visa for each working period. Previously he was able to use a visa valid for two or three years each time he performed in the US. Now, however, to avoid paying \$2,250 each time a visa is required, artists have to know all the dates of the gigs they are performing two or three years in advance. That is simply unrealistic and ignores the way in which musicians work.

Secondly, there is the case of a long-established UK punk band who I am sure you are absolutely familiar with, Mr Howarth: the Membranes. John Robb, a member of the band, wrote to me today and said:

“The situation is now ridiculous. I just got back from a US tour with my band...it cost £5,000 in visa fees and having to pay visa agents large amounts of money to process our forms and arrange meetings for us...US bands pay £30 to come to the UK—and of course we were given the visas late which meant we have to cancel the first 2 dates of the tour and rebook our flights meaning we lost several non-recoverable air fares. American promoters and agents are fed up with the situation and the feeling in the UK and Europe is that bands are giving up on touring the USA.”

Similarly, Welsh folk band Calan had to cancel an appearance at a festival in Cumberland in America and lost a considerable amount of money on flights as a result. That was due to delays in band members receiving returned passports after their application for visas was approved. Their problems were intensified by poor communication from the embassy in explaining the delays. Finally, and particularly troubling, is the experience of a folk artist who was sent back to the UK after suffering an anxiety attack following an aggressive interrogation by a border guard at immigration control. She was told that that episode may hinder any future applications she makes for American visas.

What is striking about the problems associated with UK musicians performing in the US is that American musicians, as Mr Robb said, find it comparatively easier to perform in the UK. Typically, the costs for a four-piece UK band to go through an American visa application process would be £2,500, whereas research shows that when a promoter brings a US musician who holds a US passport to the UK, they can enter without a visa but with a work permit issued by the promoter at a cost of £21. A tier 5 temporary visa for a creative or sporting person costs just £225.

Adele is not a new phenomenon, and the likes of the Beatles and Led Zeppelin are just a few of the UK acts that have had considerable success in the US. It was the creativity of our nation that inspired the creativity of Bob Dylan and Paul Simon and enabled Jimi Hendrix, the great American artist, to establish himself here.

I am pleased to report that the music industry, ably led by the Musicians Union and involving UK Music, is attempting to form a taskforce to address problems caused by the American visa system. That is a welcome development, particularly in the run-up to next year's South by Southwest, which is under four months away.

I would like to draw the House's attention to a number of areas where the Government may be able to take forward work to alleviate problems with the system. The discussions between the European Union and the US on the Transatlantic Trade and Investment Partnership present an opportunity to eliminate barriers to trade. As part of TTIP, I understand that the EU is looking at overcoming certain visa-related issues that create difficulties for citizens of some EU member states who want to enter the USA. Those discussions should be expanded to address some of the problems for musicians that I have outlined today. I look to the Government to take that work forward with their EU counterparts.

Before such a solution is achieved, certain other interim measures could be put in place through direct liaison between the UK Government and American authorities. First, our Government could impress upon the American embassy the need to engage again with the UK music industry to monitor problems associated with the US visa system for our musicians. The US ambassador himself has kindly allowed the annual Rock the House finals to be hosted in his London residency. That competition is very close to this place, and it is a project I am now proud to be patron of, having taken over from the former Member for Hove and Portslade.

Ambassador Barzun also addressed the Music Publishers Association's annual general meeting this year, and his enthusiasm for music should be considered an advantage to our officials in their engagement with the embassy on this issue. Either the embassy or Government could

establish a special helpline for periods of high intensity of musician visa applications, such as in the run-up to South by Southwest, which could then be promoted by our industry among the community as a way to address any specific concerns.

Secondly, certain sensible steps could be taken so that America does not have to compromise its visa system entirely. That should include an ability to add dates to a tour once a visa application has been made and granted to a musician, without having to start all over again.

Thirdly, the Government could work with local councils to offer our public buildings—county council offices, registry offices and so on—as a place to hold embassy interviews, so that bands do not need to travel to Belfast or London at great cost. While there could be a fee for that facility, it is unlikely to be as expensive as having to travel and stay over in London or Belfast.

Finally, the Government's work with the Creative Industries Council should be co-ordinated to consider issues associated with visas. I understand that the Creative Industries Council has a trade sector advisory group, for example, which brings in the work of UK Trade & Investment and others. VisitBritain, as a vehicle for promoting UK tourism overseas, should also be engaged.

We are very good at exporting music, but that relies on maximising the performing opportunities of our musicians so that they are discovered in new markets. Music tourism alone generates £3.1 billion for the UK economy, according to figures from UK Music. I thank UK Music for all its research and hard work in this area.

This issue affects not only musicians but crew members, some of whom I have talked to recently. I know a UK sound engineer who makes his living working for bands right across the world, in particular in the US. He has missed out on so much work due to US visa difficulties. One band he works for has been forced to spend many thousands of dollars just to organise his visa. He also told me about his experience of having to renew his passport in August. He had four days back in the UK, supposedly for down time. He spent one day in Liverpool at the passport office and two days in London, getting a visa; that is not a lot of down time. That is a ridiculous situation for a regular worker in the music industry to find himself in. He also told me that the problem is much wider, with the current system holding back a lot of great, talented people in our country who work in our music industry and could be working abroad but are not.

A few years ago, BBC 4 broadcast a three-part documentary entitled "How the Brits Rocked America". The series described the unique relationship between American music fans and UK music, and their appetite for it. There are a huge variety of circumstances in which musicians seek to perform in the States. It may be a solo musician performing a one-off concert, or groups of musicians performing at showcases and tours in venues right across the country. There is a clear need for a cultural exchange that benefits all on fair, reciprocal terms and allows for an efficient flow of work opportunities for artists from both the USA and the UK.

Before concluding my speech, I want to say one final word on an issue not specifically related to American visas yet relevant to the debate. Like any right-minded person, I was shocked by the appalling events at the

[Nigel Adams]

Bataclan in Paris and the massacre at the Eagles of Death Metal concert. That was an attack on our way of life, perpetrated by twisted, evil scum and, specifically and appallingly, an attack on largely young, innocent people who like nothing more than going to gigs. Despite those incidents, everyone who loves music—including me, my children and hon. Members present today—must remember that live music events should not be deemed dangerous activities, and are in fact life-enhancing experiences. I hope that other hon. Members will join me in welcoming the efforts of our Government and Governments around the world to protect our musicians and audiences at home and abroad at this challenging time for international security.

Mr George Howarth (in the Chair): Before I call the first speaker, I am sure everybody would want to associate themselves with the hon. Gentleman's final comments. I should personally thank him for adding to my admittedly patchy knowledge of contemporary music, particularly given that the highlight of my own performing career was in St Aidan's social club in 1968, for which we were paid £5—and we were probably overpaid at that.

2.47 pm

Dr Rupa Huq (Ealing Central and Acton) (Lab): I hope to enlighten you further about other types of music, Mr Howarth. I congratulate the hon. Member for Selby and Ainsty (Nigel Adams) on bringing this important subject to the Chamber, and I echo his revulsion at the recent events in Paris.

Last week, I found myself in China on an overseas trip—my first one as an MP, and my first time in China. I noticed a building that looked very familiar, with Chairman Mao's features adorning the side of it. I had never been there before, but I then had a memory jolt: I had originally seen the building in a copy of *Smash Hits* from 1985, when Wham! toured there. At the time, the fact that they had gone over there to play was hailed as a big cultural thawing process. They were an interesting early '80s band. They not only lyricised about sleepless nights on an HP bed but were astute chroniclers of Thatcher's Britain, chanting "DHSS" throughout some of their tunes. They also broke through cultural barriers to play on the Great Wall of China.

While our delegation leaders, the right hon. and learned Member for Rushcliffe (Mr Clarke) and Lord Mandelson, kept saying on every visit we did, "This is an all-time high for relations between China and Britain," and, "We're entering a golden era," I wonder whether George Osborne's success in China was prefigured by George Michael's success there 30 years earlier. Whenever we have these two-country international cultural exchanges between, for example, the UK and America or China, barriers are broken down, but visa issues can complicate that form of what we might call knowledge transfer.

Regarding China in the post-Wham! era, things seem to be mixed. The British Council had a UK-China season of cultural exchange earlier this year, launched by Prince William. Three newish bands did residencies in different cities, and all that apparently went very well. However, according to Nathaniel Davis, a Brit abroad and music promoter with an agency called Split Works, which does alternative music in China, there is something

called "the process", which is about lyric checks and live video reviews—the background checks that have to be gone through for the setlist of every band.

Nathaniel told me about the time frames involved: "the process" can take 30 days, which is prohibitive to British musicians playing overseas. In fact, the Communist party's Ministry of Culture has prevented concerts by Kraftwerk, Bon Jovi, Maroon 5 and Björk by denying them visas because of various statements they have made about Tibet and the Dalai Lama. However, those people are German, American and Icelandic, and we are talking about British musicians today.

Nathaniel says that the issue is less about censorship, actually, than the difficulties that promoters face when trying to book bands, get the visas and then promote the concerts and sell the tickets in a reasonable time frame after they have gone through all that. He described a Kafkaesque situation involving the band who won the Mercury prize last year, Young Fathers, because they needed original documents and until then it had been scans. In the end, however, that was all resolved happily and they played the Echo Park festival in Shanghai.

However, Nathaniel says that the situation in China is "relatively benign" compared with what is required in the US. Promoters constantly have stories about myriad difficulties for bands wanting to enter America to play. America is not a one-party state or a people's republic; it is meant to be the land of the free. Conversely, when American bands come to Britain, there are virtually no costs when they apply for visas, so the situation is blatantly unbalanced. We are two countries with a special relationship, a common language and in some sense, common customs and culture, but we have wildly divergent policies on this issue.

The main issue that the British Council has pointed out to me appears to be a lack of reciprocity. We do not subject American musicians to interviews, but let them get in under this light-touch permitted paid engagement route. Even across the border in Canada, in order to perform an artist apparently simply shows their letter of invitation or contract and the border officials will green-light them into the country.

By contrast, getting UK musicians to the US is expensive and labour-intensive. A few years ago, the Hallé orchestra in Manchester—the UK's longest established symphony orchestra—had to cancel a US tour because of the time and money needed to secure visas for its players, which would have blown its finances. That case illustrates many of the problems.

Processing an entire orchestra through the application and embassy interviews would have meant 100 work permits and weighed in at a cost of £45,000. They can be got only from the US embassy in London, as the hon. Member for Selby and Ainsty pointed out. Manchester is getting on for 200 miles away from London. Each member of staff would have had to be interviewed and fingerprinted, and the orchestra's spokesperson said that it "simply couldn't bear" the visa fees plus 100 trips to London. They said that the decision was "very frustrating and sad" for all those concerned, but that £45,000 was a substantial proportion of what the costs would be.

As a London MP, I am usually not the first to complain about things being London-centric—I quite like that sometimes—but that case demonstrates how

lopsided things are. As the hon. Gentleman pointed out, if people are nowhere near London and Belfast, they are stuffed. It is not only about the expense and inconvenience, but the time. It could potentially involve two days out of a normal schedule for northern and Scottish bands.

The guidance recommends that preparation should start six months before the start of the engagement. However, as people who know bands and who have played in bands will know—you will remember this from your playing days, Mr Howarth—six months is an eternity. Getting people to plan that far in advance is often impossible. Delays can lead to flights, shows—and for the Hallé, full tours being cancelled. Pretty much any time a professional musician or band wants to perform in the US, even if they are performing for free or being paid outside the US, they need a work visa. That seems unduly harsh.

Figures from the Musicians' Union say that over half of all musicians are paid less than £20,000 a year, so it is a precarious industry. There are also additional costs and hidden fees, such as legal fees. Some musicians have been penalised by airlines for carrying instruments on board; they have been made to pay for extra seats. There are those kinds of things. I found one blog, which said:

“Technically, hiring an immigration attorney is not required,” but that they can help with the visa process, because it is “counterintuitive and filled with traps for the unwary”

and that “a small inconsistency” or even a typo can result in denial.

The very few exceptions are as rare as spotting a unicorn. I think there are certain cultural programmes, although there are lots of hoops to jump through. If people did perform for free, there are some exemptions—where people would be called “visitors for pleasure”—but otherwise, a full work visa is needed, and woe betide anyone who mixes up their categories. As the hon. Gentleman pointed out, if someone uses a regular tourist visa and gets caught, that is unauthorised employment and there are dire consequences, such as removal from the country and a subsequent ban on re-entering the US. That will count against any future application for a work visa or a green card.

The hon. Gentleman pointed out some ways forward. Even with no instant slashing of fees, there are steps that could massively simplify and expedite the whole process of obtaining visas for overseas visiting musicians, and for artists, writers and academics—as a former academic, I ought to say something for them. A clause could be negotiated in the Transatlantic Trade and Investment Partnership. Perhaps we could negotiate the removal of these obstacles, because they are restrictive barriers to trade at the end of the day. The hon. Gentleman mentioned the use of alternative locations to London and Belfast. Interviews could be done at town halls.

I have slightly different figures from those cited by the hon. Gentleman. The House of Commons briefing says that the British music industry contributes £4.1 billion to the UK economy, which I think is about twice as much as what he said—I think he said £1.9 billion or something—but anyway, UK performers need to be able to tour key markets such as China and the US. Whether it is Wham! or the Hallé orchestra, both nations benefit culturally from inter-country musical exchange. The countries benefit as well as the coffers of

the Exchequer. George and Andy, like Elton a decade before them, helped to demystify China, paving the way for our delegation visit.

I agree with the hon. Gentleman: the American embassy now needs to engage directly with musicians via bodies such as the Musicians' Union, the British Council and others to devise a workable system for UK musicians to perform in the US. The tourability of everyone, from bubblegum pop bands, to our finest orchestras, to Adele, whom he mentioned, will be seriously jeopardised if things remain as they are.

2.57 pm

Dr Lisa Cameron (East Kilbride, Strathaven and Lesmahagow) SNP: It is an absolute pleasure to serve under your chairmanship today, Mr Howarth. For once, I have very little to declare in terms of interests, as I am entirely tone-deaf, but I appreciate other people's musical acumen, which is why I am here to speak today.

Economic analysis data demonstrate that the UK's music industry makes a vast contribution to the UK economy. Figures published by UK Music indicate that between 2014 and 2015, although other sectors have been struggling in these times of austerity, the music industry has continued to grow by 5% year on year. Last year, the music industry contributed £4.1 billion to the UK economy, £2.1 billion of which came from musical exports. It provides a large number of jobs—approximately 117,000 full-time jobs—and generates additional revenue from the thousands of musical tourists who visit the UK each year to attend music gigs and festivals or to revel in our rich music history. That also has a knock-on effect for local businesses and communities, creating vibrant local cultures, generating wealth and encouraging economic growth.

Given the obvious value of our music industry, it is important for artists to be able to promote their music abroad, to build fan bases, boost exports and attract more musical tourists. However, it seems that, as described, performing overseas can be problematic and expensive, particularly for musicians in the early stages of their career.

I understand that at present a number of sources can provide assistance to musicians to help them to work abroad. It is mainly financial, but does not reach many artists. Through this scheme, funding is available to UK-registered independent music companies and can help artists to progress from being established UK musicians to being commercially successful international acts, but it does reach the vast number of acts and not everyone can receive funding.

It seems that when performing overseas, many of the issues encountered by musicians relate to cumbersome policies and procedures. I supported a recent early-day motion recognising the specific difficulties for UK musicians in obtaining work visas to perform in the US. In this regard, I note that guidance issued by the Musicians Union, highlights that, except in very specific circumstances, all performances in the US require a visa regardless of whether the artist is being paid. It is a two-step process, and to perform abroad, a petition must be filed by a company in the US before an application can be lodged in the UK. Thereafter, all UK visa applicants must attend an interview at the US embassy in London or Belfast. That can be a long process, and for anyone who does not live locally, it may difficult to attend the interview.

[Dr Lisa Cameron]

The visa process is expensive and may cost thousands of pounds, with fees for processing being incurred in both the US and the UK. If an act has backing musicians or crew, more than one petition is required and each petition in the US is charged separately. Also, if the act is not represented by a US company, it will have to employ immigration professionals to act as the petitioner on its behalf. It seems that the cost for the services of such companies can range from approximately \$800 to over \$8,000. If the visa is required within three months, additional fees are incurred for an expedited service, with the US charging \$1,000 to process an application within 10 to 15 days.

It has been highlighted that many artists find the application process complicated, confusing and unpredictable, which can lead to mistakes by the applicant and the officials processing the application with long delays and increased costs and losses. When applications are delayed, acts that are keen to ensure that they can meet planned dates may have to pay additional costs to try to have their applications expedited, or they may hold off booking travel arrangements until the last moment, which can impact on the cost of flights. That can sometimes result in whole tours being cancelled or postponed, so in addition to losing money on the US tour, artists may also lose money by having to forfeit booked travel and accommodation and by missing out on other bookings that they had refused on the assumption that they would not be available.

Those up-front and hidden costs make it very difficult for musicians who earn under £20,000 a year to meet visa requirements, particularly if they are travelling to perform at free shows aimed at raising their profile. In some circumstances, it may be possible to be exempted from visa requirements on discussion with the US embassy, but that occurs only in very specific showcasing situations, which stipulate that the artist should not yet be a full professional musician.

As a result of these issues, some desperate musicians may risk entering the US to perform without the correct documentation. Surely, the system should be workable, so that people are not placed in this situation and do not go to these extreme lengths. The early-day motion that I signed called for the US and the UK to devise a more workable system for UK musicians to perform in the US, and I reiterate that request to the Minister today. Given the music industry's value to our economy, surely that would be advantageous for both sides of the Atlantic.

I commend the recent success of my local band, Single by Sunday, which won a competition at the weekend for its musical ability. I very much hope the Minister will make strides with such applications, so that Single by Sunday can soon be touring the US.

3.4 pm

Kevin Brennan (Cardiff West) (Lab): I congratulate the hon. Member for Selby and Ainsty (Nigel Adams), chair of the all-party group on music, on securing the debate and on his opening remarks. He covered much of the ground in his speech very well and I associate myself with his remarks about the Bataclan attack in Paris. People getting together to enjoy one another's company,

whether at a football match or music gig, represents the best of humanity, and people killing others while they enjoy themselves for the sake of a twisted ideology represents the worst of humanity. We are here to celebrate the best of humanity in our wonderful musicians and to try to help them a little, with the assistance of the Minister, to pursue their profession, career, trade and art with a bit more freedom and more opportunities to travel and play abroad.

I congratulate the hon. Gentleman and I thank the other hon. Members who have contributed, including my hon. Friend the Member for Ealing Central and Acton (Dr Huq) whose Wikipedia entry describes her occupation as writer, columnist, politician, senior lecturer and music DJ. She did not mention that in her contribution, but I am sure we all look forward to witnessing that talent during this Parliament. She pondered on what would be the contribution to Chinese history of the famous tour by Wham! of the People's Republic of China. The answer may be the same as that given by Zhou Enlai when asked about the French revolution's influence on history: it is too early to tell. No doubt we will eventually find out what contribution Wham! make to Chinese history.

Nigel Adams: That tour may have been preceded by Elton John—I am not sure of my chronology—but its contribution may have been a surge in bleached mullets across China. They became very popular if I remember the period to which the hon. Gentleman refers.

Kevin Brennan: Is it any wonder that from time to time we are condemned for western imperialism by those in the far east?

I congratulate the hon. Member for East Kilbride, Strathaven and Lesmahagow (Dr Cameron) on her contribution. She said she was tone deaf, but I thought she hit exactly the right note with her contribution. She has colleagues who are very musically talented, including the hon. Member for Perth and North Perthshire (Pete Wishart), who plays in the legendary parliamentary rock band, MP4, with me and colleagues from other parts of the House.

Moving on to our discussion today, the hon. Member for Selby and Ainsty and other hon. Members outlined the contribution that the music industry makes to our economy, particularly to our export revenue. When our balance of payments is in significant deficit that is a positive contribution. There is always a danger of double-counting, but the figure for UK music of around £2 billion is credible, and nearly £1 billion of that comes from the work of musicians, composers, songwriters and lyricists in foreign currency revenue from overseas. A significant amount, estimated at £42 million, comes from foreign currency through live performances of UK music. Music is a significant part of our economic strength and our cultural strength, and the soft power of the industry's contribution to promoting democracy, freedom and our cultural values across the world is highly significant and should not be underestimated.

There have been some welcome developments in recent years, including the music export growth scheme, which the Government introduced in the last Parliament to support musicians through grants enabling them to develop, to tour and to play overseas. That scheme is very welcome, but what is not welcome is the fact that musicians who are supported by it, or by Arts Council

and other schemes, are sometimes denied the opportunity to tour overseas and subject to excessive costs if they do. Recently, there has been a particular focus on musicians touring in the USA, because of a number of cases that have been highlighted.

Let me say that I am extremely pro-USA and a big fan of American music. I have an American wife. I first went to America with my guitar—I was not stopped at customs—when I was 19 years old.

Dr Huq: Last year.

Kevin Brennan: It was a lot longer ago than that—it was a long, long time ago. The cultural exchange between the United Kingdom and the United States, particularly in relation to music, is one of the world's great cultural jewels. The tremendous cross-fertilisation we have seen over many decades between music in the United Kingdom and America is a wonderful thing, and the Government should cherish, develop and support it.

I want, however, to highlight a couple of cases, in the hope that that will lead to better procedures in future, because there have been some worrying cases recently. One, which the hon. Member for Selby and Ainsty referred to, was that of Kizzy Crawford, a young singer from Wales. Kizzy has in fact played at the House of Commons—in one of my other roles, I chair the all-party group on folk arts, and Kizzy played earlier this year at one of the little showcases we have from time to time in the Jubilee Room, just next door to this Chamber. She is a wonderful young talent, with a bright future in the music industry, and she has the potential to become quite a big star.

Kizzy visited the US earlier this year, having been invited to participate in a showcase in Kansas City. She travelled first to Canada to do some gigs there before moving on to the United States. All was going well, and she even cleared US customs, going through preclearance at Toronto. Unfortunately, her flight was cancelled, and she had to spend the night at her hotel with her manager and musicians. They returned for the flight the next day, but as they were going through US customs, Kizzy was pulled aside into what I believe is called secondary, where she was questioned.

We should bear in mind that this young girl was—I think I am right in saying—18 years old at the time. She was a young girl from Wales embarking on her musical career, and she was not well equipped to deal with being heavily questioned in such circumstances. She was pulled away from her support mechanism—her manager—on her first visit to America as a musician. It was quite a traumatic experience for her, and it is understandable—I say this as the father of a 21-year-old daughter—that she was frightened. She had a bit of a panic attack, as a result of which she was detained in a locked room for several hours.

She was eventually refused entry into the United States, where she was supposed to play a showcase in Kansas City, despite having funding from the Arts Council of Wales for the visit, and despite having the correct paperwork, visa and so on. She was also told that being refused entry at the border could have a major influence on her ability to visit the United States again as a musician and would automatically mean that she would have to obtain a visa for every visit to the United States.

At this point, I want to praise UK Music and its chief executive, Jo Dipple, for the work it does in this area. I also want to praise the Musicians Union—I declare an interest as a member—under its general secretary, John Smith, and its assistant general secretary, Horace Trubridge, for the tremendous work that it does in this area.

As a result of Kizzy's case, there was a degree of lobbying, and I, among others, got in contact with the US embassy. In terms of what then happened, it is fair to say that the same might have happened in the UK. As MPs, we know that those who write to the Home Office about particular cases of refusal of entry do not always get a full and helpful response. In this case, however, there seemed to be a difference between the attitudes of the State Department and the Department for Homeland Security.

Through the embassy, the State Department had issued Kizzy with all the right documents, allowing her to go to the USA and play in this showcase, and there should not have been a problem. However, that process was separate from the process of the Department for Homeland Security, which, understandably, has to protect the USA's borders and do its job. None the less, one wonders why Kizzy was pulled aside in the way she was and whether there was any racial profiling in this case. I do not know, but it seems that Kizzy was singled out for pretty harsh treatment for a young musician simply travelling to the USA. It is concerning that there seems to be this disparity between the attitudes of the State Department and the Department for Homeland Security.

I do not think that that was deliberate, but this is not an isolated incident. The hon. Member for Selby and Ainsty mentioned another case, involving the band Calan, who are also from Wales. They also encountered great difficulty when they sought to enter the United States. At first, there was a bureaucratic problem involving the computers at the US embassy, which, in fairness, affected everybody, although it was a bit of a nuisance. Subsequently, however, the band did everything they could to get the right clearance, paperwork and visas so that they could fulfil their engagements in the United States.

Initially, Calan did not tour as a whole band, because two of their members could not gain entry. Subsequently, the band ran into problems again, even though they thought they had the right paperwork. In an email to me, their manager said:

“our issue might not be with the embassy but rather homeland security. Calan travelled in what they thought was the correct way... But my main issue is the way they were treated and although there might not have been the right stamp in their passport they had paid for a visa and had a copy of the approval notice... Not letting them into the country was a little over zealous I feel.

They sat around for about 7 hours then had their laces removed along with belts and were put into a cell with other people with a toilet with no door. Then the next day they were escorted to a caged van and taken to the plane. The atmosphere in the holding room was extremely unpleasant with guards being incredibly rude and impatient.

I understand that they have to treat everyone in the same way but to treat them in the same way as criminals was uncalled for. If this was a one off incident then it might be unfortunate but other musicians have travelled to the USA for perfectly valid reasons and been turned away and treated badly.”

I hope that today's debate will open up a dialogue between the Government and the US embassy. We have heard today of the support the US ambassador gives to

[Kevin Brennan]

music, and he is a tremendous music fan—I attended the Rock the House event at his residence earlier this year, and it was incredibly generous of him to give that facility over to allow young people the opportunity to play music. Unfortunately, the very positive example he is setting is being let down a little because of what happens when people get over to the other side of the Atlantic.

As well as opening up a positive dialogue, it would be helpful—there are moves to do this—to have more preclearance in the UK for people travelling to the United States. It is possible for people travelling to the United States to preclear immigration in Ireland, and there are plans for more of that to happen in the UK. I do not know whether the Minister knows anything about that, but does he think it would be a positive contribution to solving the problem?

UK Music has raised the issue of A1 national insurance forms for employees who go overseas for two years or less. Musicians have apparently been having difficulty in getting those forms from HMRC, and UK Music would like the Government to consider what could be done at HMRC to speed up the process. Also, musicians have problems when flying musical equipment to the United States, when the band needs an approved US company with a business premises, a federal tax ID and a previous shipment history, which restricts options to fly equipment as cargo within the USA; equipment can be moved only by cargo plane, and they operate between a minimum number of cities, and are less frequent and much more expensive. That is an additional problem.

I look forward to the Minister's response and hope that he will say something positive about what steps he is taking. As the hon. Member for Selby and Ainsty said, the debate is a cross-party initiative. We are all here for the same reason, because we love British music and want the rest of the world to love it too. The only way that can happen is if our musicians can travel freely. I hope that today's debate can contribute to that.

3.21 pm

Michelle Thomson (Edinburgh West) (Ind): I declare an interest as a former professional musician. I graduated from what was the Royal Scottish Academy of Music and Drama and is now the Royal Conservatoire of Scotland. My studies there were the most fantastic start in life—an immersion in the world of music, studying the technical elements and history, and of course working on, living, sleeping and breathing that interest along with people who shared it.

I remember with pride the day I graduated. I strode down Buchanan Street in Glasgow wearing my gown and an old gentleman came up to me and said, "Now, you think you're fair Airchie today, don't you, doll?" I said, "Well, yeah, of course I do, because I've just graduated from the Royal Scottish Academy of Music and Drama." He said, "Oh, and what did you play?" and I said very proudly that I played the piano concerto by Mozart, K.488; and he said, "Oh, you played the piano. Aye, but doll, can you play 'Spanish Eyes'?" I had to fess up "No," but I could play Mozart K.488.

Why do I tell that story? I suppose it is to illustrate how much when someone is truly immersed in music they eat, sleep and breathe it. It is a passion and a calling. I have always described myself as doing various

things, and I am currently the MP for Edinburgh West, but music is part of my passion. I think I probably speak for many musicians who feel that way.

Something else that I did not know at the time I have been talking about, having studied the classical range of musical styles, was marketing myself in the world of music. That is still a common problem, although courses in all the conservatoires and fantastic UK institutions focus on marketing much more. They tell people how to understand what their product, brand and unique selling points are, to look at their cash-flow modelling and contingency, and so on. I have learned those things through the course of my life, but they do not come naturally—and why should they? It is not unreasonable for us to recognise that the unique skills that enable musicians to express themselves and drive them to give of themselves are special and different. We do not want musicians to take on so many business skills, including visa application processes, that they lose the essence of what gives so much joy.

I agree with all the comments made about how precarious a musician's life is. It is not just about the net profit or, frequently, the losses; it is about how difficult it is to make a living in the world of music. Imagine someone getting to the point where they are doing the right things and they want to go to other climes, such as the United States, and do something marvellous, giving and also taking—because we all learn from each other. It is a struggle for young musicians even to get to that stage of looking abroad, to foreign climes. In Scotland we have many fantastic musicians. Those are not only classical musicians such as the National Youth Choir of Scotland, which plans to go on tour to Los Angeles next April, but also folk musicians. There is a strong bond between the United States and Scots who have gone there.

What I am asking today is that we step back from the specifics of process and cost and reflect on why music, creativity and the arts are so important: they take us out of ourselves and give us something special and different. In this uncertain world, with events such as the recent ones in Paris, we should surely look outwards more, which means reaching out to artists and creatives who have something to give.

3.26 pm

Patrick Grady (Glasgow North) (SNP): It is, as always, a pleasure to serve under your chairmanship, Mr Howarth. I congratulate the hon. Member for Selby and Ainsty (Nigel Adams) on securing the debate. He has a long-standing interest, and valuable experience, in the area in question. I associate myself and the Scottish National party with his concluding remarks about the atrocities in Paris, and particularly what happened at the Bataclan. I am grateful to the hon. Gentleman and other hon. Members who signed my early-day motion on the subject of US visas for performing musicians, and I welcome the various speeches by Members with experience of such areas, which demonstrated the cross-party concern and consensus on the issue.

I tabled my EDM after learning more about the challenges that musicians in Scotland and the UK face in securing visas for the United States, at an event at the university of Glasgow, in my constituency, during the October recess. The event was organised by UK Music and designed to encourage students, and others starting out in the music industry, in their careers as artists or in backstage and support roles.

The location was very appropriate, because the University of Glasgow plays an important role in nurturing talent, and in teaching skills for music careers; but also because the west end of Glasgow—the part that I represent—and the city as a whole are home to one of the most vibrant music scenes in the UK and probably the world. Glasgow is recognised as one of nine UNESCO cities of music. My constituency is home to a number of well-known and successful musicians and, indeed, venues such as the Oran Mor and Cottiers theatre, which are renowned for the gigs and performances that they have hosted over the years. I declare something of a personal interest as well, because I have a number of good friends who have made their career in Scotland's thriving folk scene. I may reflect on some of their experience.

We have heard various statistics on the importance of the music industry to the UK economy, and specifically the statistic about the export revenue from UK music. In 2014 that was some £2.1 billion, £42 million of which came from live performances. Yet we have also heard that more than half of musicians, and especially those early in their careers, will earn less than £20,000 a year. There is something of a tension between the overall value of the industry and the individual experience of a highly competitive market. I know from the experience of good friends what dedication and hard work are needed to make a success of such a career. That no doubt makes artificial barriers such as those that we have heard about all the more frustrating.

Several interesting case studies have come up in the debate, and the issue is not limited to the United States. The hon. Member for Ealing Central and Acton (Dr Huq) outlined the challenges in what historians will from now on clearly refer to as the “post-Wham! period” of China's history. She also mentioned Canada where the story is perhaps slightly more positive. Canada, and Nova Scotia especially, plays an important role in nurturing young Scots artists. I have many friends and acquaintances who have been over there for the feis and folk scene, and that has nurtured their talent and given them exposure to different cultural influences. The ease of entry that the hon. Lady described must help with that.

One of my friends, Adam Sutherland, is a highly talented fiddle player and composer. Over the weekend, when I was speaking to him about the debate, he put out a call on his social media for any case studies—within hours, if not minutes, dozens of people were saying, “This is an issue. I've been affected by it.” A few of them have provided me with stories not dissimilar to those that we have heard. I think that it used to be an issue with the US embassy that interviews were conducted at 8 o'clock in the morning, so it was almost impossible to go for a visa interview without travelling and staying overnight—at huge cost, as those of us who are getting used to staying in London are discovering. I understand that that issue has been resolved, which is welcome. Perhaps that demonstrates that there is some openness to change and a willingness to introduce some flexibility, but I have heard stories similar to the ones that we have heard today.

I heard from a US-based promoter who works with several UK bands that despite having the support of her local US Senator, she has been unable to make progress with certain visa applications. She spoke of visa officers adhering strictly to the letter rather than the spirit of the rules and having little or no understanding

of folk or traditional music. There does seem to be a particular challenge for folk and traditional musicians. The configuration of bands is often different and a bit more fluid than might be the case for a mainstream four-piece rock band. As we have heard, the instruments can also be more complex and varied, and likewise with the technical support and management required.

The friend I mentioned is a member of a 12-piece band—the Treacherous orchestra. We can only begin to imagine the costs and logistics facing a band of that size and the complexity of organising a tour anywhere, let alone having to overcome the visa challenges that we have heard about. But I have no doubt that that band, like so many others in Scotland's thriving music scene, would, if they tried to organise a tour to the States and did have the opportunity to crack that market, go on to major international success.

At this point, it is worth reflecting, as others have, on the intrinsic value of a live music performance. Very little music is composed to be heard as a recording. It is to be live, lived in, a living thing in its own right—unique and memorable every time it is performed and heard. Live performances are also important as ticket and merchandise sales often provide valuable income streams to artists, especially when the cost of recorded music is being pushed down by online retailers and streaming services.

We have heard that UK Music and the Musicians' Union have suggested a number of solutions to the current difficulties facing musicians who wish to perform overseas, especially in the United States. I hope that the Government, and any representatives of the US embassy who are listening, will take those suggestions in the constructive and helpful spirit in which they are offered.

The US has a valuable network of consulates across the United Kingdom, including a valued and respected presence in Edinburgh. Allowing visa processing or interviews to take place there would be warmly welcomed—not only by Scottish artists but, I suspect, by those from the north of England. The UK Government are proud of their special relationship with the US Government, so I hope that they will bring some of their diplomatic influence to bear on this issue.

The Scottish Government and Creative Scotland are taking what steps they can to promote and support artists who wish to perform overseas. I want to highlight some industry initiatives, such as the FolkWaves project, which promotes Scottish music to all kinds of radio stations across the world by allowing musicians to upload their singles to the website and global broadcasters to download the latest releases. That avoids a lot of logistical challenges in terms of posting CDs or demo tapes or other things that had to be done in the past.

In January, venues in my constituency and across Glasgow will play host to the 22nd annual Celtic Connections festival, a celebration of folk and world music that brings together the best of Scottish and global talent and that is worth millions of pounds to the city economy. I say to the hon. Member for Cardiff West (Kevin Brennan) that perhaps MP4 should apply to give a performance, which I have no doubt would be a sell-out. I will say the same to my hon. Friend the Member for Perth and North Perthshire (Pete Wishart) when I see him.

[Patrick Grady]

I am looking forward to seeing one of my favourite American bands, which, as anyone who was in the main Chamber for the EVEL—English votes for English laws—debate will know, is They Might Be Giants, performing as part of the festival. If you want to continue expanding your musical horizons, Mr Howarth, you should know that they are also playing the Shepherd's Bush Empire here in London on 4 February—an unrivalled night of musical entertainment guaranteed.

As Scotland and the UK get ready to welcome artists from all around the world, not just to perform but to learn and to share experience and creative energy, let us hope that some reciprocity can arise from this debate. As other hon. Members have said, in troubled times in particular, music should be a force for bringing peoples together, for cultural exchange and the promotion of harmony—in all its forms.

3.34 pm

Chi Onwurah (Newcastle upon Tyne Central) (Lab): It is a pleasure to serve under your chairmanship, Mr Howarth. I congratulate the hon. Member for Selby and Ainsty (Nigel Adams) on securing this important debate. I associate myself with the remarks that he made regarding the atrocities in Paris. As my hon. Friend the Member for Cardiff West (Kevin Brennan) put it, music represents the best of humanity. It is in some ways an unfortunate—indeed, horrific—tribute to the power of music in our culture that the Daesh terrorists chose to target it and those who enjoy it.

I do not have much of an interest to declare. I should perhaps say that I am taking piano lessons. The hon. Member for East Kilbride, Strathaven and Lesmahagow (Dr Cameron) could no doubt teach me much, but I have no intention of performing in the US or anywhere else. Despite that, or indeed because of it, I understand very well the contribution that music and its performers make to all our lives and how they make our lives better. That is why I am particularly pleased to speak in this debate.

There have been many thoughtful and powerful speeches on the power and value of UK music, whether it is adding £4.1 billion to our economy or contributing in other ways. The creative industries have been growing three times as fast as the national economy in recent years—if only the whole economy could follow the example that musicians are showing us.

In addition, of course, there is the cultural value. Music bridges divides, bringing us together. It creates bonds between people. Few things can jog a memory more quickly than hearing an old song. In my part of the world—Newcastle and Gateshead—music has played a role in regenerating the city. Sage Gateshead is a great example of how culture can act as an anchor for, as well as a symbol of, a stronger economy. The UK does music well, and we have for some time. My hon. Friend the Member for Cardiff West entered the US with a guitar, I think he said, and was not turned back, but also, as part of the cultural contribution, the Animals, from Newcastle upon Tyne, were part of the British invasion of the American charts, accompanied by a significant presence on American soil, as the iconic photograph of the Beatles landing in the US shows. “The House of the Rising Sun” is a brilliant example of cultural fusion between the US and the UK and particularly the north-east.

Live music employs 25,000 people in the UK. We have many world-beating venues, although some of them are disappearing, and, as we have heard, world-beating festivals, which were attended by 9.5 million people last year. As we have also heard, just this week, Adele has broken the US record for first-week album sales.

Like other hon. Members here, I am a good socialist—if not a Maoist—and I am keen to share our music with the world. In fact, in many ways, we already do that. We heard from my hon. Friend the Member for Ealing Central and Acton (Dr Huq) about what I think we should call the Wham! intervention in China's cultural evolution. Our recorded music exports are booming; they were up 17% last year. UK artists account for one in seven of all albums sold worldwide. That is a phenomenal statistic, which shows our contribution to world music culture.

We are one of three net exporters of music, and UK artists accounted for four of the five top-selling albums in the US in 2012. Those included One Direction, which became the first British group to have two albums debut at No. 1 in the *Billboard* top 200. I doubt whether One Direction ever had much of a problem organising a US tour, at least not from a visa point of view, but, as we have heard today, many artists are having problems with the US embassy visa procedure, and it seems to be getting worse.

My hon. Friend the Member for Cardiff West and the hon. Member for Selby and Ainsty contributed some depressing examples. The well-established exchange of culture and ideas—whether written declarations such as that of Thomas Paine, or musical contributions such as those of One Direction—has been a foundation of the long-standing friendship between the US and the UK. The hon. Member for East Kilbride, Strathaven and Lesmahagow has described the increasingly complex and costly processes for getting a visa, including being forced to go to London or Belfast to attend a face-to-face meeting, as a number of hon. Members have mentioned, and facing costs of £2,500 or more. Given the low earnings of many musicians, those costs, combined with the potential travel and accommodation costs, prevent many acts from taking their music abroad.

Although the Minister is not directly responsible for that, I hope that today's debate will provide him with the opportunity to tell the House how he has been supporting our young musicians by tackling those barriers, and I would like to offer him the Labour party's support—it is nice to be able to say that—in his endeavours. What have the Government been doing about the matter? It is not new, although the situation has become increasingly difficult. Are his officials aware of the issues, and how long have they been monitoring them? Perhaps he could say how we got here. Has there always been such an enormous disparity between the costs and difficulties faced by UK musicians going to the US and those faced by US musicians coming to the UK?

What meetings and discussions have the Minister and his officials had with the US embassy regarding its engagement with the music industry? Has the Minister discussed that with representatives of the UK music industry, particularly those such as the Musicians Union that represent smaller or less-established acts? Is he aware of the great work that is, as has been mentioned, being done in that area by UK Music? Have he,

his Department or its agencies had any discussion about simplifying the visa system for musicians? I am sure that he shares the enthusiasm of those in this room for UK live music. He is in the best position to bang the drum for the industry and UK art with the United States, so can he tell the House how his Department and the various agencies that have an interest in this area—UKTI, the British Council, the Arts Council and so on—are working together to make sure that we are all pulling in the same direction?

I agree with the hon. Member for Selby and Ainsty that we should also work with European partners. I merely observe that I hope that we continue to be at the heart of Europe after the European referendum. Will the Minister commit to keeping the House updated reasonably regularly on the progress he is making?

One of the biggest barriers, as we have heard, is the requirement for visa applicants to attend an interview in London or Belfast. I hope that the Minister will recognise that, despite the fact that most arts and culture funding is focused in London, there is a huge wealth of artists and musicians in towns and cities across the country—particularly, I would say, in my own area of Newcastle—and for many of them, the burden of travelling to London for a visa interview seems to be an unnecessary barrier. Can he commit to finding a solution to that problem? I realise that the answer ultimately rests with the US embassy, but I hope that he can turn his famed charm on the ambassador and his officials.

Ambassador Barzun was recently in Newcastle to launch the cultural festival that we will have there in 2017 to commemorate 50 years since Martin Luther King was given an honorary doctorate by Newcastle University, and at which many American musicians will certainly be playing. The ambassador is a strong supporter of cultural exchange, and his cultural attaché has been a great support to us in planning the festival.

Finally, although we have focused today on problems with the US visa system, what are the Minister and his Department doing to monitor the situation in other high-value export music markets? I look forward to his response.

3.45 pm

The Minister for Culture and the Digital Economy (Mr Edward Vaizey): I am grateful for the chance to reply to my hon. Friend the Member for Selby and Ainsty (Nigel Adams) and to take account of the contributions made by many other hon. Members. May I begin by saying what a pleasure it is to serve under your chairmanship, Mr Howarth? It is an impactful point that in 1968 as I was being born, you were thrashing out tunes in a club. I think that that links us in some strange way.

I thank my hon. Friend for proposing this important debate. He is extremely knowledgeable about the music industry, and he is a vigorous supporter of that industry in the House. I echo his and many other hon. Friends' comments about the horrific attacks we saw in Paris a week ago on Friday, particularly the attack on the Bataclan. Everyone has acknowledged and understood that that summed up why the events of that day were an attack on our way of life, because the opportunity to gather and listen to music is one of the manifestations of a free society. That is yet another reason why that day filled us with such horror.

I was lucky enough to meet the French digital Minister the day before the attacks, and the meeting reminded me of the strong links that exist between the UK and France across all our creative industries: not only music but film, video games and many others. I want to forge and strengthen such links, and even more so in the light of what happened on that horrific Friday, which will live in our minds forever.

My hon. Friend made a number of important recommendations, and I will pick those up as soon as possible. As this is the day of the spending review, I want to acknowledge the very good settlement that the Chancellor has given to the arts, because that supports investment in music. In the lonely hour I spent before the Chancellor got to his feet, I did not anticipate how good the settlement would be. As I make my remarks, I will make clear some of the support that the Government are giving to the music industry in general.

My hon. Friend made specific points about engagement with the US embassy, the ability to add tour dates should there be any delay, the possibility for the US authorities to use public buildings in the UK to make access to visa services easier for musicians, and the role of the Creative Industries Council. We also had important contributions from other hon. Members, including the hon. Member for Ealing Central and Acton (Dr Huq), who talked about her experiences in China. Her experiences in a left-wing environment reminded me of my early engagement with music, because I was a west Londoner too, and I well remember going to see the Redskins perform at the Hammersmith Odeon. The message,

“Neither Washington Nor Moscow”—
the title of their best-selling album—
“but international socialism”

never quite got through, but I was pleased to see that the shadow Chancellor, who brandished Mao's “Little Red Book” when he responded to the spending review today, has clearly taken that message on board.

I want to pick up on a point in the speech of the hon. Member for Ealing Central and Acton about how airlines treat musicians. I hope that the message goes out from this debate at least to our own domestic airlines about some of the representations I have received from musicians. I hope they will treat musicians fairly when they travel abroad and that, for example, musicians who want to carry their violin or trumpet case on board will be allowed to take those instruments on board as carry-on baggage. I will obviously not suggest that for a double bass or a set of drums, but I hope some common sense can be used.

The hon. Member for East Kilbride, Strathaven and Lesmahagow (Dr Cameron) mentioned the upfront and hidden costs that can have an impact on musicians, such as visa delays, which not only cause frustration, but can increase the cost of a tour. The hon. Member for Cardiff West (Kevin Brennan) is a well-known supporter of the music industry, and also plays in the legendary band, MP4. He talked about the US-UK relationship and rightly praised the work of Jo Dipple and UK Music, which is fantastic across the piece on music policy, as well as the Musicians Union.

I was humbled by the speech of the hon. Member for Edinburgh West (Michelle Thomson) considering she is a highly qualified musician. I was interested to hear about her experiences, and I think that she will speak

[Mr Edward Vaizey]

with some authority on music issues in the House. I congratulate the hon. Member for Glasgow North (Patrick Grady) for tabling the early-day motion calling attention to the issue that has now been highlighted by my hon. Friend the Member for Selby and Ainsty.

Many hon. Members have talked in great detail about the strong link between America and the UK. That relationship is unequivocally a good thing. From Acker Bilk to Adele is not a great leap alphabetically but, from 1962 to November 2015, they bookend almost 100 British singers and groups who have reached No.1 in the Billboard charts, including the Beatles, the Rolling Stones, Rod Stewart, Elton John, Queen, David Bowie, Bananarama, Kim Wilde, Def Leppard, Leona Lewis, Coldplay, Taio Cruz and a host of others. I could take the rest of my time just listing British musicians who have had an impact on the American charts.

Rightly, many hon. Members wanted to use this opportunity to praise the whole UK music industry. It is a salient and telling fact that five of the top 10 global recording artists last year were British, and one in seven albums sold worldwide was by a British artist. In fact, a British artist, Mary-Jess Leaverland, won the Chinese equivalent of “The X Factor” last year. Sam Smith has had No.1s from Canada to New Zealand, as has Ed Sheeran. Music is one of the things that makes our country great.

It is important to say—and hon. Members pointed this out—that we are talking not just about artists, but about sound engineers, producers, promoters, roadies and many others. Those speaking in the debate have been well informed by UK Music. Some people gloomily forecast that the writing is on the wall for live music and the music industry, but I disagree. I see the vital contribution of the live music scene not only to the worldwide scene, but to the UK’s economy. All around the world, people of all ages arrange their diaries around music festivals, which in many cases provide life support to their local communities. We will continue to support and promote the environment for UK music.

As I have money on my mind, I want to note that between 2012 and 2016, the Government have invested £460 million in a range of music and cultural education programmes. We are introducing tax relief for orchestras, which comes in next April. We recognise that music tourism generated more than £3 billion of spending, and 500,000 people came here just because of our music. I also mention, as it is very relevant to the debate, the music export scheme that we started a couple of years ago, which has helped so many musicians to go abroad. We do not just export our music; we welcome music from around the world. My hon. Friend the Member for Selby and Ainsty will know that the Taiwanese king of pop, Jay Chou, was so taken with the UK that he got married in Selby Abbey earlier this year, promoting a rush of Taiwanese tourists.

The hon. Member for Newcastle upon Tyne Central (Chi Onwurah) asked what the Government are doing about the issue. I will need to check the records but I am certain that when the hon. Member for Bristol East (Kerry McCarthy) raised this issue in the House, I wrote to the American ambassador. She is quite right. We have to be careful as this is a visa system operated by another sovereign country but it is right for Ministers

and, indeed, other Members of this House, to raise representations and make suggestions. I am not the only one who can do this: other Members can as well. Everyone who has come across the new US ambassador—I do not know whether we can call him new now—will know that he is a passionate supporter of the music industry, and I am sure that he would hear and take on board hon. Members’ concerns.

Nigel Adams: Does the Minister agree that the restoration of a dedicated person within the embassy would make a big difference? I have been involved with making phone calls to people I know who work at the embassy over the weekend—these problems often happen then. It would be such a big help if there was a dedicated line for people to call—

Mr Vaizey: I will stop my hon. Friend there because he will get a chance to respond in a couple of minutes. On that point, I will make that representation to the ambassador. It is an interesting point that the Arts Council has a dedicated official who helps artists coming into this country and works closely with the Home Office. I want to ask him about the point about adding tour dates and, potentially, to make the offer of public buildings. I certainly think that we could make representations about an office in Edinburgh. It is not my job, by any stretch of the imagination, to tell the US embassy or Government how to run their affairs, but I could make that suggestion.

Finally, on the Creative Industries Council, we have a sector advisory group for the creative industries, which brings together UK Trade & Investment, the British Council and others. I will ensure that that is on the agenda of the sector advisory group at its next meeting, which is co-chaired by me and the head of BBC Worldwide, Tim Davie. Now it is time for me to “lay me down” my notes, and I will sit down and allow my hon. Friend to respond.

3.57 pm

Nigel Adams: I will be very brief. I am actually quite heartened by what I have heard this afternoon. I am particularly encouraged by the words of colleagues from both sides of the House. This is clearly a huge issue that is stifling creative talents from the UK and affecting their ability to expand their careers abroad. I do not think we have heard any dissenting voices this afternoon, and I am particularly encouraged that the Labour party seems to be on board. The hon. Member for Newcastle upon Tyne Central (Chi Onwurah) had three very good stabs at my constituency name but, if she does not mind me saying, it is Selby and Ainsty, and I think the ambassador is Ambassador Barzun.

Mr Vaizey: I just want to correct something on the record. I do not think that I wrote to the American ambassador, and I do not want to mislead the House. I think we took it up with officials. This issue came across my desk about three years ago. I just wanted to make that clear so that *Hansard* do not report me misleading hon. Members—[*Interruption.*]

Nigel Adams: Absolutely. It would be very encouraging if the Minister was able to write to the ambassador now. It is good news that the Minister and the Government take this issue seriously. These people’s careers have a lot to offer our country. We must remember that many

musicians are on relatively low wages of £20,000 or less, and the cost is simply prohibitive for them to be able to get to the United States to perform their work. I am encouraged by what the Minister said regarding the possibility of liaising with the embassy regarding public buildings so that people do not have to travel to Belfast and London. I conclude my remarks by thanking everyone else for contributing. Hopefully, in the next few months, we will have an update to report.

Question put and agreed to.

Resolved,

That this House has considered UK musicians performing overseas.

Mr Shaker Aamer

[MRS MADELEINE MOON *in the Chair*]

4 pm

David T. C. Davies (Monmouth) (Con): I beg to move,

That this House has considered the Government response to the return to the UK of Mr Shaker Aamer.

It is a pleasure to serve under your chairmanship, Mrs Moon. My interest in this matter stems from various press reports, such as this BBC report from the time of Mr Aamer's return suggesting that he would be entitled to a large and secretive sum of compensation, allegedly in the region of £1 million. That, apparently, is in line with compensation paid to previous inmates of Guantanamo Bay who have returned to the UK.

I wrote to the Minister on this subject and, as always, he wrote back to me swiftly and directly, for which I am grateful. I could read out the whole letter because it is only a couple of sentences long, but I will not. The important sentence states: "In 2010, Kenneth Clarke, the then Lord Chancellor and Secretary of State for Justice, made a statement in the House of Commons. In it he noted that Her Majesty's Government had inherited the issues around the treatment of UK detainees held by other countries from previous Governments and that these issues needed to be addressed." The letter goes on to say: "To that end, Mr Clarke informed the House 'that the Government have now agreed a mediated settlement of the civil damages claims brought by detainees held at Guantanamo Bay.' The details of that settlement have been made subject to a legally binding confidentiality agreement."

I wrote to the Minister asking for confirmation that Mr Shaker Aamer will not be entitled to money, and that is the response I got, so I think it is fair for me to assume that Mr Aamer will be in line for substantial damages. If the Minister wants to intervene at any time to tell me that that is not so and to rule it out categorically, I will happily cut the debate very short and finish now.

Julian Knight (Solihull) (Con): I congratulate my hon. Friend on securing this important debate. On a day when the Chancellor has announced difficult decisions in the spending review, many of my constituents will be horrified at the thought of compensation being paid to Mr Aamer. Will my hon. Friend reflect on that for a moment?

David T. C. Davies: I will further reflect on that and say that my hon. Friend's constituents are absolutely right. I am horrified at the prospect of this happening. It is completely and utterly wrong that Mr Aamer should be entitled to any compensation.

Dr Tania Mathias (Twickenham) (Con): Does my hon. Friend agree that the Government and other groups who fought for 14 years for the release of this resident of Britain, Shaker Aamer, should be given a lot of credit and that nothing can ever compensate somebody for the loss of liberty for 14 years without charge? However, if compensation of a monetary value should be given, surely it is the US Government who should be giving it.

David T. C. Davies: I will not comment on what other people have done, but my hon. Friend is certainly right to say that, if anybody is going to pay compensation, it should not be the British taxpayer given the enormous amount of time and money that British officials have spent trying to secure Mr Aamer's freedom.

I will now set out some of the generally accepted facts. Mr Aamer is a Saudi citizen; he is not a British citizen at all. He was born in 1968 and moved to the UK in 1996. He subsequently got married here. He was given indefinite right to remain here and submitted an application for British citizenship. Before that application went through, he decided in 2001 to leave and move to Afghanistan, which at the time was run by the extreme Islamic Taliban Government.

The war in Afghanistan broke out in 2001, while Mr Aamer was over there. He was able to get his family out of Afghanistan, but he chose to stay there. In, I believe, November 2001, he was kidnapped by Afghan nationals and handed over to American nationals who imprisoned him. On that basis, I fail to see why the British taxpayer should become responsible for handing over to him a cheque for £1 million. He may be completely innocent of terrorist activity, but he certainly chose to embark on a very risky course of action of his own volition.

Dr Mathias: Westminster Hall is a good place to have a debate, but it is perhaps not the appropriate place to put someone on trial who was not tried for 14 years.

David T. C. Davies: My hon. Friend is probably right, but I am not putting him on trial. I have given the generally accepted facts: he chose to come to the United Kingdom as a Saudi citizen; he got married here; he applied to become a British citizen; and, before that application went through, he moved to Afghanistan. He apparently preferred to live in Afghanistan in 2001, and he was captured by Afghan nationals from the Northern Alliance and handed over to the Americans. There is no doubt about any of that, so I am just citing facts. He may be completely innocent of any terrorist activity, and I will assume that he is for the time being.

Dr Mathias: I appreciate my hon. Friend's clarification. Unfortunately, as he knows, some facts have not yet been proven, and the Minister might give us more information on the question of any torture and the presence of British people during that torture. There are therefore many complicated issues with this case.

David T. C. Davies: There are certainly a lot of facts that have yet to come out, and I might refer to a few in a minute. I will first address the statement by the then Lord Chancellor, my right hon. and learned Friend the Member for Rushcliffe (Mr Clarke), in 2010. He made a couple of points setting out why he would make large payments to the previous Guantanamo Bay inmates who returned to the UK.

I will not try to read it out but, in summary, the former Lord Chancellor said that the Gibson inquiry would not be able to begin until the claims had been resolved. My first question is: why not? I do not see why outstanding claims should prevent an inquiry from

being set up. In any case, the Gibson inquiry subsequently ended because apparently nobody was satisfied that it would be impartial. There is no Gibson inquiry now, so that particular problem will not occur in the case of Mr Aamer.

My right hon. and learned Friend's second point was that he felt there was absolutely no admission of culpability in any of the matters to which my hon. Friend the Member for Twickenham (Dr Mathias) has just referred. If we, as a Government or as a country, are not culpable of any misdeeds in these people's cases, why on earth are we not saying so and fighting the court cases? If there is any culpability, it certainly does not lie with any Minister of this Government or the previous coalition Government; the blame will rest with someone else—so maybe someone else, and not the British taxpayer, should be held accountable.

Mr David Nuttall (Bury North) (Con): My hon. Friend is making a compelling speech. What does he think the families of the brave members of our armed forces who lost their lives in Afghanistan will think about this news?

David T. C. Davies: My hon. Friend makes an excellent point, which I will come to in a minute because there are three families in that position in Monmouthshire.

The then Lord Chancellor, my right hon. and learned Friend the Member for Rushcliffe, made the point that the cost of fighting a court case was

"estimated at approximately £30 million to £50 million over three to five years of litigation."—[*Official Report*, 16 November 2010; Vol. 518, c. 753.]

That is a very high figure, and I find it hard to believe, but I am not a legal man. In any event, if we are right then we should fight these cases. We should not simply have a situation where people can pitch up and say, "I'm going to sue the Government for £1 million and it will cost you more than that to defend the case, so you'll have to give me the money." This Government should be a Government of principles and if we believe that we are in the right, we should fight these cases and not simply hand out cheques to people.

Julian Knight: On that point, I wonder whether the figure of £30 million to £50 million that he just cited is in relation to our fighting the case and losing it. If so, what would be the figure if we fought the case and won?

David T. C. Davies: Exactly, and I wonder how much of that £30 million to £50 million would be the costs being submitted by the lawyers working for these people—actually, the statement does not make that clear, so I cannot comment. However, my hon. Friend makes a very good point.

If the Government showed a willingness to go to court, it might well be that Mr Aamer's extremely expensive lawyers would think twice about bringing the case to court. There is certainly an implication of that in this report from the BBC and other press reports. In this report, Mr Stafford Smith, one of the main lawyers involved, implied that he was not going to bother suing the Americans because he had no chance of getting money out of them. As far as I am concerned, let

Mr Aamer's lawyers fight for their money in Britain, and let the Minister and the Government do everything in their power to stop them from getting it.

There are facts that need to come out here. Mr Aamer himself obviously felt that the extreme brand of Islam favoured by the Taliban at that time in 2001 was preferable to anything on offer in the UK. He chose to go out there to Afghanistan.

Dr Mathias: Will my hon. Friend give way?

David T. C. Davies: Hang on; I will give way in a moment, but perhaps my hon. Friend can clarify this matter if she knows anything about it. Mr Aamer claims that he was working for a charity in Afghanistan. I have scoured the internet and looked at every report I can find from everybody that has had an interest in this case, and I have not been able to find out anywhere the name of this charity.

Dr Mathias: There are lots of principles at stake here and I think it is very worthy of us to debate them, but I do not believe that we are here to put somebody on trial who was in prison for 14 years without any trial, and without their being present here today. Will my hon. Friend please stick to the principles of this very worthy debate and avoid putting Mr Shaker Aamer on trial here today?

David T. C. Davies: I am not putting him on trial, but if his lawyer wants to come out and tell us more about this charity that he was working for, his lawyer should do so; he has had plenty of opportunities.

Dr Mathias *rose*—

David T. C. Davies: I will give way once more to my hon. Friend, but lots of people have been saying lots of things in defence of Mr Aamer; nobody has been telling us about this charity that he was working for. If my hon. Friend knows anything about it, I ask her to enlighten us.

Dr Mathias: Yes, I have information, but it needs to be given in a court of law if it is relevant. I do not believe that it is valuable here. I believe that if my hon. Friend needs this conversation, then the lawyer must be here, Mr Shaker Aamer must be here and we must go back 14 years, when a trial should have taken place.

David T. C. Davies: No, I disagree with my hon. Friend. If she knows the name of the charity, then she should say so; it is not listed anywhere else. And while she is at it, she ought to try to find out, or the lawyer ought to explain, why Mr Aamer was apparently arrested on a fake Belgian passport when he was in Afghanistan, because fake passports are not normally *de rigueur* when one is doing work for aid agencies.

Andy Slaughter (Hammersmith) (Lab): The hon. Gentleman should perhaps really abide by the points made by the hon. Member for Twickenham (Dr Mathias). Is he not abusing his position here and taking advantage of parliamentary privilege to try to put on trial a man who spent 14 years in custody without ever having allegations proved against him or ever being put on trial? Is this not a matter where due process should take its course? I hope that is what the Minister will tell us.

Frankly, to try to besmirch this man's name after everything he has been through is really quite disgraceful, and it takes advantage of parliamentary privilege.

David T. C. Davies: I am amazed by what the hon. Gentleman is saying, because this matter is surely relevant. If Mr Aamer was in possession of a fake Belgian passport, that needs to be discussed. I am not besmirching him; I am not even saying that he was in possession of a fake Belgian passport. I am saying that it was widely reported and has not been denied.

The second point is that I am saying there is a lot of information that has been put out there about Mr Aamer by his lawyers, among others, but nobody has seen fit to tell us the name of the charity that he was working for.

Andy Slaughter Will the hon. Gentleman give way?

David T. C. Davies: No, no; I have given way a few times.

Andy Slaughter: On that point?

David T. C. Davies: Okay, if the hon. Gentleman knows the name of the charity, let us have it.

Andy Slaughter: I will make two points quickly.

David T. C. Davies: Ah, right, so he does not know.

Andy Slaughter: The first point is that Shaker Aamer himself has not had the opportunity to put his side of the story. I am sure he will do so at some point, and therefore this discussion is at the very least premature.

The hon. Gentleman is entitled to ask about due process and to question the Minister about how the Government conduct litigation. In my humble opinion, he is not entitled to come here and attack a man who has suffered grievously and not been shown due process, and to add insult to injury by doing what he is doing today.

David T. C. Davies: The hon. Gentleman can relax, because I am not attacking Mr Aamer at all; if I was attacking him, the hon. Gentleman would know about it. I am just raising a few questions. When I am in attack mode, I am in attack mode, and I am not in attack mode. I am actually giving him the benefit of the doubt—

Andy Slaughter: You are in smear mode.

David T. C. Davies: No, I am not in smear mode at all.

Mrs Madeleine Moon (in the Chair): Order. We do not have this discussion in the Chamber.

David T. C. Davies: I find this absolutely extraordinary. These are perfectly reasonable questions to ask, given that this man is apparently about to receive £1 million of taxpayers' money in secret, which I think is outrageous. Three young men from Monmouthshire have lost their lives fighting in Afghanistan. They did not choose to go there; they did not go and choose to live under this extremist Islamo-fascist state that Mr Aamer decided was a worthy state to go and live under. They were asked to go there by the British Government.

[David T. C. Davies]

My hon. Friend the Member for Bury North (Mr Nuttall), who is sitting next to me, made some proper points in this debate. What I have here is a list of the sums that people will get paid if they receive serious injuries in the defence of their country. The absolute maximum that someone can get if they have lost both arms and both legs is £570,000. That is for people who have been doing their duty for this country. This man, Mr Aamer, not a British citizen at all, was given the right to come over to this country because of our generous ways. His family, as I understand it, have been looked after by the state ever since he disappeared off to Afghanistan with them—

Andy Slaughter: Will the hon. Gentleman give way?

David T. C. Davies: No, I am not giving way again, because I asked the hon. Gentleman to answer a straightforward question last time, and he said he was going to and then he did not.

Let me finish by saying that it is absolutely outrageous that British servicemen and women who lost arms and legs in Afghanistan fighting those Islamo-fascists who had launched those disgraceful attacks on New York, while Mr Aamer was apparently out there in Afghanistan by choice working—allegedly—for some sort of charity, will now get only half as much money as Mr Aamer. He is not a British citizen; he chose to go and live in a foreign country; he was kidnapped by members of some other militia in said foreign country; and he was put in prison in another foreign country. It is wrong that the British taxpayer should be expected to pick up the bill for that.

4.16 pm

The Minister for Security (Mr John Hayes): Mrs Moon, you and my hon. Friend the Member for Monmouth (David T. C. Davies), who has secured this debate, will appreciate that there are some things that I can deal with straightforwardly in this debate and some matters that are not appropriate to raise, which are subject to proceedings that would not be appropriate to refer to. Obviously, if there are any security matters that I am unable to raise, my hon. Friend will appreciate that, given his experience of this House, and I know that he will not test me on them.

I am grateful to my hon. Friend for bringing this matter to the House. Shaker Aamer is the last UK resident to be released from Guantanamo Bay. As my hon. Friend will be aware, Mr Aamer was released and returned to the UK on 30 October into Biggin Hill airport. Other Members secured debates earlier this year, seeking Mr Aamer's release, and as you will know, Mrs Moon, there is an all-party group on Shaker Aamer. Those Members have made their arguments and those arguments are now, of course, in the context of Mr Aamer's release, but I appreciate that other Members—my hon. Friend is clearly one of them—who may seek to question why this Government went about trying to seek Mr Aamer's return to the United Kingdom.

David T. C. Davies: Will my right hon. Friend give way on that issue, because that is not actually what I am raising?

Mr Hayes: Forgive me, but I will just make this fundamental point, because I think we can find a synthesis across this Chamber if we all understand it. Indefinite detention without fair trial is fundamentally unacceptable. That is central not only to our view of the legal process but, more than that, to the ethical framework on which that process is built. It is an a priori assumption that detention without trial is unacceptable, and I am absolutely certain that my hon. Friend, who is about to intervene on me again, will agree with that.

David T. C. Davies: Actually, I was just going to point out, with the greatest of respect to my right hon. Friend, whom I have known for a long time, that that is not what I have raised here. I am not making any comment about Mr Aamer's detention. I am making a comment about the prospect of his receiving a secret payment of £1 million or thereabouts. That is what I am raising today.

Mr Hayes: That is what my hon. Friend has raised in part, but it is impossible to consider it out of the context of the circumstances that prevail in respect of Shaker Aamer. My belief, which I am sure my hon. Friend and the whole Chamber shares, is that the fairness of any judicial system is vital to its popular acceptance. The unintended consequence of Guantanamo Bay is to create a perception of unfairness, which potentially fuels distaste for and hostility towards the US and her allies. With that in mind, the UK Government committed to making best endeavours to bring Mr Aamer back to the UK. Representations on his behalf in which the UK position was made clear were made by Ministers at the most senior levels, including by the Prime Minister to President Obama. The whole Chamber will be aware of that, because it was the subject of some publicity. The fact that the US Administration agreed to review Mr Aamer's case as a priority and then release him demonstrated our close ties once again.

Following the return of Mr Aamer, it is important to emphasise that the UK is not considering accepting any further detainees from Guantanamo Bay. The timetable for the closure of that facility has not emerged, but Members will be mindful that it remains a matter for the US Government. Members will know that President Obama has commented on that a number of times. In respect of Mr Aamer, officials in the Foreign and Commonwealth Office and across the Government worked to ensure that the return happened quickly and securely.

Dr Mathias: In view of the motion's wording, will the Minister tell us whether the Government are looking into the allegations that UK personnel may have been present at times when torture was administered to Mr Shaker Aamer, whether in Afghanistan or in Guantanamo Bay?

Mr Hayes: I heard my hon. Friend raise the same issue earlier in the debate.

David T. C. Davies: Will the Minister give way?

Mr Hayes: I will in a moment. I am not sufficiently accomplished to remember all the interventions and then respond to them in sequence. I need to do them one by one, and I am sure that my hon. Friend will understand.

My hon. Friend the Member for Twickenham (Dr Mathias) made her point and put it on record, but she must know that it would not be appropriate for me to comment on the details of anyone involved in alleged events in Guantanamo Bay, and I certainly cannot do so in this debate.

David T. C. Davies: Does the Minister not agree that the allegations of torture are simply that—allegations? Those allegations are besmirching the American Government, and I have as much right to ask why Mr Aamer was out there on a false passport, working for a charity that I cannot find out anything about, as others have to suggest that he was tortured when he got there. They are all allegations, and that is it.

Mr Hayes: With the combination of assiduity, perspicacity and good hearing that my hon. Friend personifies, he will have heard me use the phrase, “anyone involved in alleged events”.

Returning to my script, I understand that the public will have concerns in respect of a former detainee of Guantanamo Bay returning to the UK and the potential security implications. My hon. Friend articulated some of that today, but it is important for me to say that I cannot comment on why Mr Aamer was detained in the first instance or provide any details, as I said at the outset of the debate, on security arrangements in this individual case. It has been a long tradition of successive Governments not to do that, and it would be entirely inappropriate for me to break with it today, given the sensitivity of these matters.

I reassure the whole Chamber, however, that the first duty of any Government is to protect the security of our citizens, and we take that duty extremely seriously. Any individual seeking to engage in terrorism-related activity should be in no doubt that the relevant authorities will take the strongest possible action to protect our national security and ensure that they are brought to justice. Recent events around the world, particularly so close in Paris, have demonstrated that the threat remains real, severe and dynamic.

The Chamber will not be oblivious to the fact that both the Prime Minister and the director of MI5 have made absolutely clear that we have foiled no fewer than seven different terrorist plots in the past year alone through the work of our security services and police. That is ample illustration of the urgency, severity and character of the work we are doing. The police and security and intelligence agencies already have a range of powers available to them, stretching from prosecution for criminal offences relating to terrorism to executive disruption powers, such as the imposition of terrorism prevention and investigation measures.

Dealing with Syria, we have a wide range of powers to disrupt travel and manage the risk posed by returnees. Those powers include the ability to temporarily seize and retain travel documents to disrupt immediate travel and the creation of a temporary exclusion order to enable the UK Government to temporarily disrupt and control an individual’s return to the UK.

Of course there will be those who criticise some of the measures as an infringement of civil liberties, but I disagree. They are about protecting precious freedoms from terrorists who want to steal them from us. Our

legislation is robust, and because of our determination to get the balance right, those powers are matched with appropriate checks and balances, safeguards and judicial oversight. We remain confident that our law enforcement and intelligence agencies have the tools available to deal with those who seek to threaten the UK.

There have been comments in the media, reflected in my hon. Friend’s speech today, about any payments that may be made to Mr Aamer. I refer those present to the statement that my hon. Friend referred to by the then Lord Chancellor, my right hon. and learned Friend the Member for Rushcliffe (Mr Clarke). On 16 November 2010, he stated that

“the Government have now agreed a mediated settlement of the civil damages claims brought by detainees held at Guantanamo Bay. The details of that settlement have been made subject to a legally binding confidentiality agreement.”—[*Official Report*, 16 November 2010; Vol. 518, c. 752.]

I am repeating a point that my hon. Friend made, and I know he would not expect me to go further than that today.

David T. C. Davies: Why does the settlement need be secret?

Mr Hayes: As the statement I just read out said, the settlement is subject to a binding confidentiality agreement. That is not uncommon in law. My hon. Friend is a distinguished parliamentarian and an authority on a number of matters, and he will know that it is not uncommon to have confidentiality agreements in such cases.

The former Justice Secretary, my right hon. and learned Friend the Member for Rushcliffe, noted that the Government of the time inherited the issues around the treatment of UK detainees held by other countries from previous Governments and that the issues needed to be addressed. He said that failure to do so would mean that our reputation as a country that believes in the rule of law and fairness, as was described earlier, risked being tarnished. As was also set out in that statement, no admissions of culpability were made in settling the claims and none of the claimants had withdrawn their allegations. It was a mediated settlement where confidentiality is a common feature. I am therefore unable to provide any further comment on legal action brought by those detained in Guantanamo Bay than that already provided by the statement.

It is open to Mr Aamer to bring a damages claim in the US. That was raised in the course of considerations, and it is a matter for the US justice system. I cannot comment on that, and I cannot comment on what Mr Aamer plans to do, because I do not know.

In conclusion, I reiterate that the UK has long held that indefinite detention without trial is fundamentally unacceptable, because it is unreasonable and unfair. The rule of law depends on popular acclaim. It depends on us all believing that we will be treated fairly, properly and equally. My hon. Friend will know that the Prime Minister has asked the Intelligence and Security Committee to examine the themes and issues set out in “The Report of the Detainee Inquiry”, which was published by the Government in December 2013. I have outlined as far as I can Mr Aamer’s immigration status and the measures in place to deal with any individual engaging in terrorism-related activity. In addition, I have reminded those

[Mr John Hayes]

present of the statement by the former Justice Secretary on the damages claims brought by those detained in Guantanamo and the mediated settlement that followed. I know that my hon. Friend will be pleased to have had the opportunity to put these matters on record, and I know that he feels strongly about them. With the respect I offer him, I hope that he will respect my position in not being able to add further to these matters on this occasion in this House.

4.29 pm

Question put and agreed to.

Low Emission Zones

4.30 pm

Ben Howlett (Bath) (Con): I beg to move,

That this House has considered the introduction of low emission zones.

I am pleased to serve under your chairmanship, Mrs Moon. It is great to host this debate on the vital subject of establishing low emission zones in the UK. Although I will focus my attention on the wider benefits of low emission zones across the UK and why they should be introduced, it will come as no surprise to Members that I would like to use my own constituency of Bath as an example of how the introduction of low emission zones will benefit a UNESCO world heritage site.

I also want to outline why the outcome of the Government's recent consultation on air quality must lead to the introduction of a standardised set of rules and regulations for establishing low emission zones across the UK. In layman's terms, I want to see an off-the-shelf low emission zone system that can be picked up from Government and dropped into a community such as Bath in a much easier way than is currently the case. With the European Court of Justice's deadline for a proposal on how we can bring Britain's air quality up to legal standards almost upon us, we need to look at the introduction of low emission zones and how they can be implemented as quickly and successfully as possible.

It is not only in terms of deadlines that time is ticking. Air pollution is having a devastating impact on the nation's health, and that simply cannot be ignored for much longer. In my view, a national strategy is needed to ensure a continuous and unified approach to implementation, so that drivers are not expected to comply with a variety of different regulations and restrictions as they travel around the country.

Bath, unbeknown to many outside of the south-west, has a huge problem with air pollution. Many of its buildings are constructed out of the famous yellow Bath stone, but they are slowly blackening in many areas. Air pollution levels in Bath far exceed legal limits and are causing problems to constituents' health and wellbeing, as well as the health of the many tourists who visit our city. Bath relies on tourism for much of its income, and the situation puts tourism at risk.

I will show the Chamber a map, which, at the request of the Chairman, I will hand to the Library. It is famously known as the "corridor of death" map in Bath, and I have a copy courtesy of the Federation of Bath Residents' Associations. The map shows the dangerously high levels of air pollution in Bath, which have increased further since it was published in 2009. A study in Bath showed that road traffic contributes a staggering 92% of the total NOx concentration, with heavy-duty vehicles contributing between 24% and 57.1% of that. Those figures are promising in that they show that a restriction on the movement of vehicles through central Bath will reduce the contribution that traffic makes to pollution levels in the city.

Earlier this month I raised the issue with the Secretary of State, who visited Bath prior to the election. She stood with me on the corner of London Road and Cleveland Bridge and we breathed in the air pollution together. She was clear at the time that the Government

would like to introduce a standardised system of low emission zones around the UK. This was music to the ears of members of the Federation of Bath Residents' Associations who were in attendance, along with local residents from Camden and Walcot in my constituency.

Since then I have welcomed both the European Commissioner for the Environment and the Conservative MEP for the South West, Julie Girling, to see the situation at first hand. At our meeting, we discussed Bath's special case and called for Bath to become a special case study for air pollution by the European Commission. Given our unique world heritage status in the UK, our bowl-like geography as a city, and the Bath stone that I mentioned earlier, which seems to take on pollutants in a more destructive way than other building materials, it is important that we have a low emission zone. I want to thank the Bath residents' associations, including FoBRA and the city centre residents' associations, for championing these changes in Bath.

Low emission zones work to deter the vehicles that produce the most harmful gases from entering certain areas of the city. They are not prevented completely from entering, but face large fines if their vehicles are not adapted to reduce the levels of emissions produced. Air pollution contains many different substances, and is one of the biggest causes of man-made pollution in the UK. Road transport, particularly transport that uses diesel engines, contributes the most. The zones restrict the vehicles that have the worst effect on air quality with a system of local charging and regulation.

The idea is that individuals and particularly businesses with a large fleet of vehicles make simple changes to their vehicles, or alternatively replace them, so that they can drive through the area without receiving a charge. This will in turn protect the environment from ever worsening pollution levels. Such zones have been introduced elsewhere in Europe, with Germany having a national framework of more than 70 low emission zones, which has produced staggering results. Berlin alone saw a 58% reduction in diesel particulates, which obviously has had a huge, positive effect on the health of the local population.

Bath needs a handful of major infrastructure projects to reduce the amount of traffic in the city, thus reducing air pollution further. The introduction of a low emission zone will need to work as part of a wider strategy to reduce the amount of diesel cars passing through the city each day. In the previous Budget, the Chancellor championed the cross-party transport strategy that I hope will be implemented by my local authority—the first time it has been run by Conservatives in a very long time; in fact, ever. Only with this combined approach can we reduce the scarily high pollution levels in the city.

Low emission zones are not a new thing to the United Kingdom; the low emission zone in London provides a brilliant starting point for a national strategy. London began with the introduction of charges for vehicles that fail to meet emissions standards and is set to see the introduction of an ultra-low emission zone in 2020.

On a similar note, I am pleased that Transport for London has announced that new black cabs will no longer use diesel and must be capable of running on an electric battery from January 2018. I recently met Calor, the gas supplier, which advocates adopting liquefied

petroleum gas taxis that would be another clean alternative that could help businesses adapt to the introduction of low emission zones.

Outside London, low emission zones have already been introduced in a handful of places across the UK, including Oxford, where many of the main roads in and out of the city have controls in place, and Brighton, which introduced a low emission zone for buses at the start of this year. Bath and North East Somerset completed a feasibility study in 2014. It found that air quality improvements could be made with the introduction of a low emission zone in the central area of Bath. I want to build on this study by working with the Minister and the Department for Environment, Food and Rural Affairs to use the introduction of a low emission zone in Bath as a template for a system that could be replicated across the country in areas of dangerously high air pollution.

The technology currently exists for the police and/or local authorities to prevent high polluting vehicles from accessing built-up areas. The problem really rests in the inability of councils to enforce vehicle access. We need to find a way to enable local authorities to do that. We need to ensure there is improved collaboration on this issue. My understanding is that areas across the country have struggled to introduce low emission zones because Government agencies, including Highways England, the police service and a mixture of local authorities, have not been working in partnership in an effective way to deliver these zones. My hope is that, following the publication of the Government's consultation, a framework will be introduced to ensure that these problems are ironed out.

Sir Greg Knight (East Yorkshire) (Con): Does my hon. Friend agree that there should be exemptions in low emission zones? A class of vehicle that should be exempt is the historic vehicle. The Government define such vehicles as vehicles more than 40 years old. They are used for many charitable and fund-raising events and are a feature at most weddings. As they make up only 0.6% of licensed vehicles on the road, their contribution to pollution is negligible. I declare an interest as the owner of several such vehicles and as chairman of the all-party historic vehicles group.

Ben Howlett: I thank my right hon. Friend for his intervention. I do not wish to be the most unpopular person at every wedding in Bath, so I completely agree that certain vehicles need an exemption, particularly vehicles that cannot be updated. A 40-year limit seems a very sensible one if such vehicles make up only 0.6% of the total number of vehicles currently on our roads. If a national framework were introduced, such exemptions could easily be included so that drivers would not have to check the policy of each individual zone on their route.

Rachael Maskell (York Central) (Lab/Co-op): I thank the hon. Gentleman for calling for this debate, because York's infrastructure and the geography of the vale of York very much mirror what he has described. Is not the urgent issue, though, the need to address the level of nitrogen dioxide in fuels? We should address that immediately, alongside the other measures he has mentioned.

Ben Howlett: I agree that we should be doing all we can to reduce pollutant particulates from our vehicles, whether that is NOx or carbon dioxide. I have given some examples of the exciting new technologies that are available. Whether we need to invest heavily in hydrogen vehicles or introduce the Calor LPG taxis I mentioned earlier, there is a range of technologies out there to help to reduce vehicle emissions. I must say at this point that there is an incredibly exciting new vehicle emissions plant in Bath that is working to reduce vehicle emissions in real-world testing. Hopefully we will see more investment in such plants. Bath is a very similar city to York; they were not built for cars, as the hon. Lady and I know. As a result, unfortunately we are sometimes constrained as to what can be done. If a new standardised system of low emission zones comes in, I hope that our councils will be able to work together closely.

I urge the Minister to consider the introduction of a national framework for the introduction of low emission zones so that any local authority in the UK that needs to take urgent action to reduce air pollution can easily implement a low emission zone without being stopped by red tape and disagreements—that goes for York as well. Our country desperately needs a standardised system of low emission zones. Our economy cannot face a hefty fine from the European Union, and we need solutions that can be implemented smoothly.

Finally, back to Bath. A number of big infrastructure projects are being discussed locally that would directly benefit from a low emission zone. An implemented zone would encourage further use of park and ride, or the use of an alternative link road between the A36 and A46—I have been lobbying the Chancellor on that heavily—to avoid people having to drive through the city. I am concerned that Highways England might try to block any proposed low emission zone, and hope that the Minister will support me in changing its mind. Bath needs red tape and bureaucracy to be cut so that it can use solutions that will make it a beautiful city fit for the 21st century. The first move is to introduce a low emission zone to both protect the iconic Bath stone and prevent the health of residents from deteriorating any further.

4.43 pm

Jim Shannon (Strangford) (DUP): It is a pleasure to speak on this issue. I do not have a large contribution to make. Usually I am a man of many words, but on this issue I will be a man of few words. Nevertheless, I want to contribute to the debate if I can. I thank the hon. Member for Bath (Ben Howlett) for calling for this debate. I very much look forward to the responses by the shadow Minister, the hon. Member for Blaenau Gwent (Nick Smith), and by the Minister, who always brings a flair to his responses, so I look forward to hearing him. I remember the Adjournment debate in which he fiercely defended the lion as the national emblem of the United Kingdom of Great Britain and Northern Ireland.

I live in and represent a largely rural constituency, Strangford. I am fortunate that when I get up in the morning I can breathe the fresh sea air of Strangford loch. I live in the countryside and because of that I have never had to deal with the emissions referred to by the hon. Member for Bath. I have been very fortunate to have always lived in the countryside, and I thank God for that. My constituency is not directly affected by the problems arising from high levels of emissions, but

neighbouring constituencies experience a lot of congestion, and when I join those queues of cars, as I do when I go through Belfast or to the airport—wherever it may be—when I am sitting in the car, with the traffic nose to tail, I understand what it means to have all those emissions around. Even if the windows are up, this is the time of the year when heaters are going, drawing emissions into the car.

There is pollution from cars, but also from the large volume of air travel. Perhaps the Minister can give his thoughts on that. It seems to me that there is an understanding of the issue of emissions from air travel. Some of the planes that are being built now would help to address that, but until the transition to those new planes, we have to deal with the issue as it is, as the hon. Member for Bath said. Pollution brings with it the ultimate effects on the climate, which we cannot ignore, as well as the negative effects on public health, particularly in places close to where emissions are emitted. We have a duty to our citizens when it comes to public health, and we must address that.

The Minister will reply within the scope of his departmental responsibility, but there are other responsibilities, and perhaps he needs to work with other Departments. When he responds, I would be interested to hear about his relationship with, for example, the Department of Health, and about how he will work alongside other Departments to make things better. It is through no fault of their own that citizens come into contact with or are subject to dirty air as a result of emissions. They should not have to suffer the consequent negative impacts on their health. More needs to be done to protect people from the detrimental health effects of being around dirty and polluted air. We have moved on a great deal. We can all remember those grainy images on TV in the 1950s and 1960s—well, I am not sure whether everyone can, but I can—where smog just enveloped everyone, and they had to live in and breathe it. Thank goodness we have made gigantic steps to stop that.

The aim of low emission zones should be welcomed, and such zones could achieve real results if implemented properly. As always, though, we need to be mindful of the potential unintended consequences. I wholeheartedly support what the hon. Member for Bath said, but there is a cost factor, and we should be very cognisant of that, and of what it means. It is all right for many of us, including me, to say, “Let’s take the steps and make the difference,” but if we add in the cost factor, perhaps people’s zeal might be tempered slightly.

Rachael Maskell: In York, it has been estimated that every year 82 people die prematurely as a result of emissions. Surely that cost should be put above other costs.

Jim Shannon: I wholeheartedly agree. I am here to support low-emission zones, but, if I can, I want to put into the debate the cost factor, because it has to be addressed. At the end of the day, we all pay for these things. I agree with the hon. Lady: if 82 people die in York every year because of emissions, let us do something about it. But I am asking who is going to pay to make that happen and how it will work. Will it be local councils, direct funding from Government or something else? We need to look at that. I am not saying that we should not do anything—we should—but I want to be told where the funding is coming from. That is the issue.

Might low emission zones negatively affect economic activity, particularly small and medium-sized businesses? Of all the regions of the United Kingdom of Great Britain and Northern Ireland, Northern Ireland has the largest number of small and medium-sized businesses, which could be directly affected. Large businesses will be able to replace vehicles that fall short of the targets with relative ease compared with SMEs, and local, indigenous businesses will be hit hard if they are hindered in their ability to operate as a result of the introduction of low emission zones. I support the purpose of the debate, but make that point because we have to be honest and realistic about what is achievable. How do we achieve the goals that the hon. Member for York Central (Rachael Maskell) wants, that I want and that everyone else present wants? Perhaps we could alleviate concerns by introducing an exemption system or some sort of assistance for SMEs, particularly indigenous businesses.

We need to take action on this issue. The cost to the climate is too much, as is the cost to our quality of life.

Sir Greg Knight: The hon. Gentleman makes a fair point. Does he agree that if a zone is introduced heavily-handedly it could have the effect of making shoppers go to out-of-town shopping centres where parking is free, rather than go into town or city centres? It would therefore hit small businesses in our towns and cities.

Jim Shannon: As always, the right hon. Gentleman brings his experience and knowledge to the debate. I thank him for that intervention, which helps us develop our debate. I hope the shadow Minister and the Minister will respond to it. It should be done in the right way, and this debate is about how to achieve our goals.

I believe that, as public representatives, we should be bound to do our best to promote better public health. In Berlin, there have been real results from such zones. There are examples from around the world of where they have been successful. Perhaps the hon. Member for Bath mentioned this in his introduction—I am sorry if I missed that bit—but I think Berlin shows how it can be done. There has been a 58% reduction in diesel particulates and a 20% reduction in NO_x. There is no doubt that the LEZs and ultra-low emission zones in Berlin work; it is just a matter of addressing the concerns that other hon. Members outlined.

We have to address the issue of emissions. We have to save the lives that the hon. Member for York Central wants to save in a way that we can afford. If we set goals and targets, I believe we can address the issues of emissions, the climate and public health while having as little a negative impact on stakeholders as possible. I am sorry for labouring that point.

4.51 pm

John Mc Nally (Falkirk) (SNP): I thank the hon. Member for Bath (Ben Howlett) for securing this debate. I declare a family interest: I have a relative who is involved in charging points in Scotland. I want to make that open and plain.

I have been here only since May, but I have been impressed by the knowledge that we gain. I am proud and privileged to be a member of the Environmental Audit Committee. The Minister appeared before us and gave us wonderful information about the Volkswagen

scandal. I cannot say that I agree with him, but I was totally impressed by his knowledge of the situation. He was particularly honest, and everybody in the Committee appreciated it.

There is huge cross-party recognition that we need to do something. Some years ago, I visited Bath and Wells and the surrounding district—if I remember correctly, Cheddar gorge is in that area—so I know it is extremely busy. It is a beautiful area that I would go back to if I had time, but I totally get what the hon. Gentleman meant when he described it as a death route. The map that he produced is probably significant to lots of people in the House.

The area that I represent is similar to that of the hon. Member for Strangford (Jim Shannon). I have the benefit of being 10 minutes away from canals, mountains, hills and rivers. We are building fish ladders and hydro pumps, and there is a general trend towards getting people out and about, walking and cycling, which can only be good for public health. One of our biggest employers, Alexander Dennis Ltd, has just signed a £2 billion contract with a firm from China to deliver all-electric buses. Hopefully, we will see them on the streets of London and Bath in the future.

Local authorities in Scotland have issues, too. To go back to what the hon. Member for York Central (Rachael Maskell) said, we have had more than 2,000 deaths from air pollution in Scotland. That is not good enough; it is not acceptable. I wholeheartedly go along with everything that is going forward. We need a local strategy and we need to take local people and communities with us, but we have to be mindful of how it will impact on businesses, town centres and city centres.

A Dundee taxi operator has the UK's largest electric taxi fleet, with 40 such vehicles. The University of Dundee—I do not know why I am going on about Dundee; I am from Falkirk, so I will probably get a row about that when I get home—has got seven electric vans and is rolling out 12 electric bikes. It aims to reduce its CO₂ emissions by 9 tonnes, which will save £10,000 a year. Those are all good, practical steps towards lowering emissions. I think the whole country should work towards the national strategy. In Scotland, we are working towards it as fast as we can.

Jim Shannon: The hon. Gentleman referred to electric cars. Interestingly, during the May election, one of the things that people said on the doorstep—and, indeed, on the day of the election—was that they wanted to commit to driving electric cars. Many people wish to make that move. I certainly see that in my constituency. We have installed our first few electric power points in the town of Newtownards, which is a magnificent step in the right direction, so things are moving forward. Does the hon. Gentleman feel that the time has come for the Government to harness the energy of our constituents who want to see this happen?

John Mc Nally: I totally agree that we need to harness that energy. In fact, in an earlier debate today we spoke about the need to store renewable electric energy and to produce it when it is required. I do not yet fully understand the Chancellor's autumn statement—once I have read into it, I will—but I believe he said that he is going to put more money towards renewable energy. Perhaps the Minister can enlighten me on that point.

[John Mc Nally]

People want electric cars. From memory—I have not researched this thoroughly—most people travel less than 30 miles a day in and around their own areas. The majority of people do not travel long distances. Therefore, to go back to the point made by the hon. Member for Strangford, having electric charging points in town centres would be great. When we build infrastructure, new shopping centres, schools or hospitals, we should put electric charging points into the construction plan whenever those things are built; it should be like ensuring disability access. That makes absolute sense to me.

I totally agree with what is going on. I am glad I have come along to represent the Scottish National party, and I am happy to share my knowledge at any time in the future. I thank the hon. Members for Bath and for York Central.

4.57 pm

Nick Smith (Blaenau Gwent) (Lab): I congratulate the hon. Member for Bath (Ben Howlett) on securing this debate, and I thank other colleagues for their contributions. It is a pleasure to serve under your chairmanship, Mrs Moon.

We need to introduce a network of low-emission zones. The health impact of air pollution places a huge burden on this and future generations, so we need a genuine long-term solution. Air pollution-related conditions cause thousands of premature deaths in this country every year. Children growing up around severe air pollution are five times more likely to have poor lung development, and long-term exposure leads to an increased risk of lung cancer and heart disease.

Although the majority of harmful substances come from industry, in urban areas as much as 70% of harmful pollution comes from road traffic. Diesel emissions are a particular culprit, as other hon. Members have said. The World Health Organisation has identified diesel fumes as a cause of lung cancer; it classifies diesel exhaust as a group 1 carcinogen, which places such fumes in the same category as arsenic and asbestos. That tells us how dangerous pollutants from diesel are, and it puts the seriousness of the Volkswagen scandal in perspective.

We urgently need to introduce low-emission zones to protect the vulnerable from exposure. Concentrations of nitrogen dioxide on London's Oxford Street are three times over the EU limit and are the highest concentrations in the world. A low-emission zone has been implemented in London, and an ultra-low emission zone is on its way, but much more needs to be done, not least because this is a UK-wide issue. The EU's limits for nitrogen oxides are regularly breached across the UK. Some 31 of 43 areas in the UK already exceed the limits set out in the 2013 EU ambient air quality directive.

Rachael Maskell: In addition to low emission zones, is it not important that we also carry out congestion commissions to look at the issues behind emissions? Vehicles with lower emissions can contribute to the cumulative impact.

Nick Smith: My hon. Friend makes an important point. The more information that is available on this topic, the better. We need more ambition to clean up the air we breathe.

Worse still, the glaring inconsistencies between test data and real world emissions mean that the accuracy of the Department's assumptions on air quality improvements must also be called into question. Given all the recent media coverage—colleagues might have seen Monday's "Panorama"—which has seriously challenged testing data, will the Minister assure us of the robustness of the Government's current consultation and that projections are based on accurate modelling and real world figures?

The consultation is right to suggest that there is more we can do to tackle air pollution, but the Government describe the plan as

"a plan for a plan by others"

and dodge any time-bound targets or real responsibility. The UK is also facing fines from the European Commission of £300 million a year for contravening emissions limits and failing to have a plan to reduce the levels of nitrogen dioxide in the air.

A few years ago, the Government gifted themselves the power to pass such penalties on to local authorities in areas of high air pollution. At the same time, those local authorities faced deep cuts to their budgets. In Wales—you may recognise this, Mrs Moon—we call that a hospital pass. The buck is being passed without the real power to fix the problems being identified. While the Government's approach relies on devolving obligation and accountability to local authorities, it does so without providing any additional resources or the tools for the job.

Local authorities of course have a significant part to play, but the scope of the problem absolutely requires national oversight and guidance, which is the sort of thing that the hon. Member for Bath was talking about. We should be shaping a clear path by granting local authorities the powers that they need to reduce air pollution from vehicle emissions. That means delivering a national framework for low and ultra-low emission zones, implemented locally and informed by local intelligence. The decision-making and responsibility for reducing air pollution cannot be palmed off if local authorities have insufficient direction or investment.

While the Government's plan refers to a national framework of clean air zones, the proposal lacks detail and needs development. Providing local authorities with a national framework would enable far more coherence. Examples from elsewhere, including from the Netherlands, show that such an approach would be a step in the right direction. How does the Minister intend to achieve the necessary improvements given the hefty budget cuts to his Department and local government announced earlier today?

In conclusion, a framework of low emission zones in the UK would be worth while and cost-effective and would make a real difference, but the Government need to throw their full weight behind the framework to ensure that it delivers the benefits it promises for our health and for the health of generations to come.

5.3 pm

The Parliamentary Under-Secretary of State for Environment, Food and Rural Affairs (Rory Stewart): It is a great pleasure to serve under your chairmanship eventually, Mrs Moon. As your husband was a distinguished ecologist and created the local government network of ecologists, I am pleased that it should be an environmental subject

that I have the privilege of presenting in front of you. I thank my hon. Friend the Member for Bath (Ben Howlett) for securing this debate and thank others for their contributions, which I will try to wrap together, to consider what is a surprisingly tricky, important and evolving subject.

The first question is one of science, about which the hon. Member for York Central (Rachael Maskell) made several points in a couple of interventions. One of which was about the chemistry of diesel engines and their nitrogen dioxide content. I think that she was getting at the fact that diesel burns at a different temperature to petrol, producing more nitrogen dioxide. She also pointed out that some emissions may come from technically low-emission vehicles. Nitrogen dioxide is our major concern today, but we are also concerned about particulate matter, and, as others mentioned in the debate, sources of emissions extend to other things apart from vehicles, including non-road mobile machinery, such as construction machinery, and domestic boilers. The sources extend right across the spectrum of vehicles, including buses, taxis, heavy goods vehicles, light goods vehicles and cars.

The hon. Member for Blaenau Gwent (Nick Smith), the shadow Minister, also focused on science and modelling. The modelling that we undertake in Britain is sophisticated, taking nearly three months to run, and European Union-accredited. It is unbelievably complicated, involving the overlaying of emissions and the balance of the fleet. For example, when my right hon. Friend the Member for East Yorkshire (Sir Greg Knight) is driving through his area, his vehicle will have an impact on emissions in a particular place, and the hon. Member for Strangford (Jim Shannon) mentioned emissions from planes, which need to be put into a totally different part of the model due to atmospheric dispersion. The model therefore includes sources of emissions, a climate model, including how the wind moves things around, and the road network, and out of that we attempt to calculate nationally the number of micrograms per cubic metre. As pointed out by the shadow Minister and my hon. Friend the Member for Bath, local situations will always arise in which things are being captured that may not be captured by the national model. Equally, the national model will be much better at reliably catching the national picture than can be achieved on a grid basis.

The shadow Minister mentioned Oxford Street, and I absolutely agree that the situation is shocking. It is terrible that the levels, at 120 micrograms per cubic metre, are three times the EU limit. However, I gently challenge the idea that that is the worst in the world. Someone on a visit to Beijing, Delhi or a number of cities in Latin America will find considerably higher levels, but the situation on Oxford Street is indeed shocking. Such levels will have a serious impact on human health, which was raised by the hon. Member for Strangford.

There is also the question of cost: what do we do about the problem, and where do we allocate the costs? We now have a better understanding of the cost to human health, which has two elements. There is the indirect cost to human health. There is the value that we put on our own lives and the fact that people, if they have lung diseases or heart diseases, may die prematurely. The Treasury attaches an economic value to that, which is a slightly bizarre process. There is also the direct cost to the national health service of trying to treat people.

The hon. Member for Strangford challenged us to try to integrate much more how we use the NHS budget, public health, how we think about air quality and the measures that might be taken by my Department or the Department for Transport.

I am grateful to the hon. Member for Falkirk (John Mc Nally) for his speech. His example—as he said himself, it was perhaps more Dundee than Falkirk—shows how we can learn from the devolved Administrations again and again. In environmental policy, we are already learning from Wales's approach to recycling and from Scotland, in particular Zero Waste Scotland. Different approaches are often taken across borders. The Dundee example of electric vehicles and potentially electric bicycles is something that we are happy to learn from, and we are happy to exchange ideas across borders.

The fundamental challenge posed by the hon. Member for Bath and the shadow Minister was, "What on earth do we do about this? How do we address these problems?" The shadow Minister put his finger on two problems, one of which was how to get the balance right between the national and the local. He was saying that it is all very well the Department pontificating and saying, "This is where we want to get to," but the local authorities are given the job of responding to it without resources. The other problem was how to allocate the resources and costs, which was also the challenge of the hon. Member for Strangford.

One way of understanding the dilemma is to look closely at the exact example raised by the hon. Member for Bath. How does the balance work? Bath, fortunately, is modelled not to be in exceedance by 2020. This is a devolved issue, but the cities we are particularly concerned about in England are Birmingham, Leeds, Nottingham, Derby, Southampton and London. They are our major concerns and we have a different approach to each city—Bath is a good example. Forty micrograms per cubic metre on average of ambient air quality is an EU-set target, but we want to do better than that, because of the benefits to human health. We would like to reach the target sooner rather than later.

Since Roman times, Bath has been a great symbol of health in this country. It was where Roman tourists and 18th century tourists alike went for their health; it is a world heritage site based on the idea of health. We should certainly have a clean air zone in a place that is seen as a great symbol of health.

The council in Bath has led in a number of ways. This is a good example of the local-national thing. The council already has an extraordinary project on bicycles—Bath's answer to the Boris bike—which has just launched and has 5,000 bikes in operation. The council has a good approach to electric vehicle charging and has more than 20 electric vehicle charging points, with businesses also building their own charging points. It has invested in hybrid buses. The Department for Environment, Food and Rural Affairs has been proud to co-operate in a small way on the Bath website and on some of the research into moving towards low emission vehicles. Now Bath has come forward with a proposal to have its own low emission zone, which we welcome.

There has to be a national contribution, which I will set out in a moment, but the reason why getting the balance between local and national is vital is that we can see in a single road such as Rossiter Road in Bath an exceedance reduced by 18 micrograms per cubic metre

[Rory Stewart]

through a single local intervention. It is not sensible for the Department to fantasise that, sitting here in London with a 300-mile screwdriver, we have a solution for 28 cities. Much will be about having active traffic management systems.

One Labour MP, the hon. Member for Southampton, Test (Dr Whitehead), came to me with a brilliant idea about how to resolve diesel pollution issues caused by passenger vessels docking in port. It involved setting up electricity charging points, so that the vessels did not have to run off their diesel engines. He found a solution that involves the local enterprise partnership and the local council. Such solutions can have much more of an impact much more rapidly than our simply mandating things from the centre.

As for cities where we will be in exceedance by 2020, however, we are clear that we will take action. The Government are determined to be in compliance. In 2020, we will be judged on whether we are below 40 micrograms per cubic metre in every city in England, with the exception of London, and we will be in compliance in London by 2025. We will ensure that we put structures in place to support local initiatives.

My hon. Friend the Member for Bath made a final challenge: can we produce a standardised system of low emission zones to be rolled out across the cities? Yes, of course we can. The point of our consultation is to provide four straightforward models of what low emission zones—what we call clean air zones—can look like. The first model deals with buses and taxis; the second with buses, taxis and heavy goods vehicles; the third with buses, taxis, HGVs and light goods vehicles; and the fourth one goes all the way down to cars.

Sir Greg Knight: Does the Minister agree with me and the Mayor of London that there is a case for exempting historic vehicles from any restrictions or penalties?

Rory Stewart: My right hon. Friend makes a powerful point and one we will have to think about. We have to get the balance with simplicity right, and that is what we are trying to achieve. The request made by my hon. Friend the Member for Bath for a straightforward, simple system was a good one. The objective is for an HGV driver to know that the same rules apply throughout England or, ideally, if we can work with the devolved Administrations, throughout the United Kingdom, so that we do not have different rules in different places. Provided we can achieve simplicity and a national standard, however, I can see a good argument for excluding historic vehicles. In essence, because the low emission zones would be standard, provided that HGV drivers had a Euro 6 diesel engine in their lorry, for example, they would know that they could enter any of the zones anywhere in the country, as such vehicles would be exempt. We do not want to end up with a situation in which any individual business has no idea what is happening when it turns up somewhere.

We have made some progress since the 1970s. The hon. Member for Strangford reminded us about the problems of smog, which were much worse. In the late 1940s, some incidents cost thousands of lives over two or three days. Since then, we have reduced sulphur dioxide by a

dramatic 90%, which was an extraordinary achievement, particulate matter by 73% and the nitrogen oxides, NO_x, by 62%, but we can still do better and we have a huge opportunity to do so. The Government have put £2 billion into that.

The real game in town is to ensure not only that by 2020 or 2025 we meet the targets, but that by 2050 we are in the lead and that, with the exception of my right hon. Friend the Member for East Yorkshire and his exotic car, we are predominantly driving electric vehicles. We can see the direction in which we are going: Britain should be in the industrial lead, and we should be the country where such vehicles are manufactured and tested.

Jim Shannon: I thank the Minister for his comprehensive reply. In my contribution, I mentioned the example of what Berlin had done. I am sure he is coming to it, but I was hoping to hear his thoughts on that.

Rory Stewart: The Berlin model is interesting in a couple of ways. First, it has had a good result; the system was put in quite early. Secondly, it was done without cameras. The German system is simply to say, “You will not drive into the centre of Berlin if you have less than a”—I cannot remember exactly what the rules are, but people must have in their vehicles something along the lines of a better than Euro 4 petrol engine or a better than Euro 6 diesel engine. However, there are no cameras to monitor licence plates. The German citizen appears to be so law-abiding that the system relies simply on the police to turn up and inspect the tax disc.

Our assumption is that we would do better to follow the London example of having cameras to recognise people’s number plates, rather than relying on that German system, which is nevertheless an example of how Berlin achieved something pretty remarkable at a very low cost. It did not have to put up any camera infrastructure, or do anything at all; the authorities simply told people not to drive in with certain vehicles and, in essence, that was that.

Rachael Maskell: I note the Minister’s concern about some of the larger cities, but some of the smaller cities and in particular, as we have heard today, the historic cities have problems and pockets of very high emissions, which cause concern. Will he look specifically at some of our historic cities to ensure that they can be part of the wider programme to reduce emissions?

Rory Stewart: Let me take the opportunity to conclude on exactly that point, because the hon. Lady has summed up our discussion: it is about exactly that balance between local knowledge and national.

The whole point of our consultation is to feed in the complexities. One thing that we have picked up is that there is, of course, a real problem with historic cities. The problem can be geographical; my hon. Friend the Member for Bath said that his city in essence sits in a bowl, and the pollution tends to congregate in it. The problem in York is a medieval street network, or just narrow streets, as potentially in the centre of Leeds, creating a real problem of congestion. A diesel engine might run well on the open road, but the problem is that, as soon as the vehicle gets stuck on a hill, its engine is pumping out a great deal of particulate matter and nitrogen dioxide. That is why we want our process to be

an open one that embraces the offers made by York and Bath, gets behind them and clears the obstacles out of the way.

The Government's main objective must be to bring into compliance cities that are not in compliance. However, as I said, the European target is simply a compliance level and we really encourage people to do better. Any city that wants to do better will find a huge benefit for human health and tourism: Bath alone, with its millions of visitors, is bringing in £400 million a year in tourism. It will also be good for businesses. We want this country to be a place where people are proud to breathe the air.

Ben Howlett: One of the key issues in historic cities, however, is that while we may have the ambition of introducing electric cars, we cannot just dig up the roads to introduce electric car charging points. One thing we are having a lot of difficulty with is getting through the planning process to introduce charging points in cities. Will the Minister guarantee that he will go away and work with the Department for Communities and Local Government to streamline the planning system for electric car charging points?

Rory Stewart: That is a very good challenge, which will apply to many of us. We see the same challenge in the installation of broadband and insulating historic buildings, as well as in electric infrastructure, and DEFRA tries to use different mechanisms to address that. We sit on taskforces on housing and infrastructure, which provide good opportunities to raise that point. I absolutely take the point that historic cities are different. They operate differently and it will not always be possible to have a solution for an historic city that can be applied to a new city.

Nick Smith: I thank the Minister for accepting my intervention and for his contribution. There seems to be a lot of willingness across the UK to introduce these schemes and he has spoken about introducing cameras and background administrative systems to help implement them, so how will the Government financially help local authorities to implement these good ideas?

Rory Stewart: The answer to that, I am afraid, is that we are still completing our consultation on the plan. The plan will be printed by the end of the year and a final answer will be presented to the shadow Minister

on exactly that. We have just compiled more than 700 different responses and we are going through them to try to understand what local authorities wish to do in their different towns. We are trying to work out how many projects will involve cameras and how many will involve light goods vehicles, HGVs and taxis. Some will want to invest money in hybrid buses, while others will want to go for electric charging schemes and others will want active traffic management systems to move traffic around in different directions.

The plan, which will be the answer to that, will be scrutinised carefully by the Opposition and also by ClientEarth, the Supreme Court and the European Commission, all of whom will look at it to ensure that they can be confident that we can deliver by 2020. That is the document that we wish to present at the end of this year.

I thank all right hon. and hon. Members for attending. This is a really important issue on a change. We did not know much about nitrogen dioxide until relatively recently: the first scientific evidence on it came out of when the "Six Cities" study in the United States that began on particulate matter and moved on to nitrogen dioxide began to identify correlations between pollution and morbidity. We still do not completely understand the chemical processes and health implications. We know that there is some kind of correlation between these substances and effects on human health and that we have to act to reduce these substances, but this is something that Governments were not really focused on even as recently as five to seven years ago.

Science is changing all the time. New research is coming in and we have doubled our numbers in a lot of these areas. I am very grateful to those who have participated in the debate and we look forward to working with everyone around the table and every local authority and devolved Administration to ensure that we provide what everyone in the United Kingdom wants: that the invisible substance that we breathe and on which we depend and our children's lungs depend is safe and clean and that British air remains something that we proudly breathe.

Question put and agreed to.

Resolved,

That this House has considered the introduction of low emission zones.

5.24 pm

Sitting adjourned.

Written Statements

Wednesday 25 November 2015

BUSINESS, INNOVATION AND SKILLS

EU Competitiveness Council

The Secretary of State for Business, Innovation and Skills and President of the Board of Trade (Sajid Javid):

The EU Competitiveness Council will take place on Monday 30 November and Tuesday 1 December. Baroness Neville-Rolfe and I are currently to represent the UK on day one—industry and internal market—with the deputy permanent representative Shan Morgan representing the UK on day two—research, innovation and space.

There are no legislative items on the agenda for this Council.

Day One

The first item will be a “competitiveness check-up,” during which the Commission will set out the latest economic data related to competitiveness, and the Luxembourg presidency will present its assessment of which Commission proposals impact on competitiveness. Then there will be a presentation by the Commission on the single market strategy in goods and services, which was released last month. This will be followed by a policy debate.

The afternoon session will start with a brief report on the outcome of the lunch discussion on better regulation. This will be followed by a presentation by the Commission and exchange of views on the Commission’s recommendation for the establishment of National Competitiveness Boards within the euro area.

The agenda items under any other business are a presentation by the Commission on the state of play on real driving emissions and the manipulation of emission control system in cars; a presentation by the Commission summarising the activities of the SME Envoy network from 2015; and a discussion on stricter firearms control. The Council will end with a presentation by the Dutch delegation on priorities for their EU presidency which will begin on 1 January 2016.

Our main objectives on the internal market and industry day are to:

Ensure that proposals brought forward in the single market strategy, in particular on priority areas such as the services passport, are implemented quickly and with the necessary level of ambition; and

Encourage as many like-minded member states as possible to support us in pressing the Commission to bring forward proposals for EU burden reduction targets.

Day Two

The research day will see three sets of draft Council conclusions on: research integrity; advancing gender equality in the European Research Area (ERA); and the advisory structure of the ERA. There will be an exchange of views on potential of the European Fund for Strategic Investment (EFSI) to stimulate research and innovation in Europe. There will also be a lunchtime discussion on bringing the higher education and research areas closer together.

There are five any other business items being discussed. The first four are information from the Commission on: the Retirement Savings Vehicle for European Research Institutions (RESAVER); the “Science4Refugees” initiative; Sustainable Agriculture, Forestry and Fisheries in the Bioeconomy—A challenge for Europe, SCAR Foresight Exercise; and a report on the state of the Energy Union.

The meeting will end with a presentation by the Dutch delegation on the priorities for their upcoming EU presidency.

Our objective for the research day is to support the balance achieved in the work on research integrity, advancing gender equality and the advisory structure of the ERA, and to participate positively in the exchange of views on EFSI. ERA in particular has had significant UK input and we have consistently supported Commissioner Moedas on taking forward EFSI in the area of research and innovation.

[HCWS324]

EU Foreign Affairs Council

The Minister for Small Business, Industry and Enterprise (Anna Soubry): My noble Friend the Minister of State for Trade and Investment has today made the following statement:

The EU Foreign Affairs Council (Trade) will take place in Brussels on 27 November 2015. I shall represent the UK.

The substantive items on 27 November will be: Adoption of Council conclusions on the recently published Commission trade strategy; state of play discussions on preparations for the 10th World Trade Organization ministerial conference; on the Transatlantic Trade and Investment Partnership (TTIP) negotiations between the EU and the US; the EU-Mercosur free trade agreement negotiations; and on trade negotiations with ASEAN countries and Japan. There will also be a discussion on the trilateral talks that have been taking place between the EU, Russia and Ukraine on planned implementation of the EU-Ukraine DCFTA. Over lunch trade relations and trade policy matters pertaining to China will be discussed.

[HCWS325]

TREASURY

Autumn Statement (Measures with Immediate Effect)

The Financial Secretary to the Treasury (Mr David Gauke): As part of “Spending review and autumn statement 2015”, the Government have announced a number of measures which will have immediate effect.

Loans to Participators: trustees of charitable trusts

The Government are introducing legislation to exempt loans or advances made by close companies to trustees of charitable trusts from the tax charge under the loans to participators rules where the loans are applied only to the purposes of the charitable trust. This ensures that transactions which do not fit the policy rationale of the rules are not caught. The change will have effect for all loans or advances made on or after 25 November 2015.

Reform to the related party rules in the intangible fixed assets regime

The Government are introducing legislation to confirm how the corporation tax rules for intangible fixed assets apply to partnerships with corporate partners. This ensures

the related party commencement rules will apply as they are intended to apply. The change will be effective immediately but only in respect of debits and credits accruing on or after 25 November 2015

Capital Allowances and Leasing: Anti-Avoidance

The Government are introducing legislation countering two types of avoidance involving capital allowances and leasing. The first involves artificially lowering disposal values, allowing businesses to claim excess capital allowances, and the second involves transferring entitlement to tax deductible lease payments in return for receiving a payment that is not taxed as income. The legislation will have effect for relevant transactions that take place and agreements entered into on or after 25 November 2015.

Further details on the measures listed above are contained in the draft legislation, explanatory notes and tax information and impact notes published on the gov.uk website.

[HCWS327]

JUSTICE

Prisons

The Lord Chancellor and Secretary of State for Justice (Michael Gove): Social reform is at the heart of this Government's programme, and nowhere is that more true than in criminal justice.

We are embarking on a radical reform of our prisons to rehabilitate offenders, cut crime and enhance public safety. Investment for nine new prisons, which will have better facilities for work and education, has already been announced.

Today I can also announce a new beginning for female offenders with women prisoners serving their sentences in more humane surroundings better designed to keep them out of crime. We will close the inadequate and antiquated Holloway prison and invest in 21st-century solutions to the problems of criminality.

For women offenders in London, we are now in a position to hold them on remand in the more modern facilities at HMP Bronzefield. We will also reopen newly refurbished facilities at HMP Downview as a women's prison later next year. This will allow sentenced women to be held in an environment that is more appropriate for many of those currently sent to Holloway. Both provide a better setting for children visiting their mothers. Both are well located with good transport links to London.

I am very grateful to the hard-working staff in the prison who have deservedly won praise for their work. Despite their inspirational efforts, Holloway's design and physical state do not provide the best environment for the rehabilitation of women offenders. Her Majesty's chief inspector of prisons last published inspection of Holloway noted that the

"size and poor design make it a very difficult establishment to run".

I am extremely mindful that Holloway holds many vulnerable women. For that reason, no one will be moved immediately and we will not close the prison until services similar to those currently provided for women offenders are in place elsewhere. We expect the prison to close by summer next year.

The closure of Holloway underlines our determination to invest in a high-quality, modern prison estate with better facilities to help prisoners turn away from crime.

[HCWS326]

Petition

Wednesday 25 November 2015

PRESENTED PETITION

Petition presented to the House but not read on the Floor

School Funding Model

The petition of residents of North Hertfordshire,

Declares that the petitioners believe the existing school funding model in England is arbitrary and unfair; further

declares that the ten best funded areas of England have on average received grants of £6,300 per pupil this year, compared to an average of £4,200 per pupil in the ten most poorly funded areas of England; and further declares that the petitioners welcome the Government's commitment to introduce fairer school funding.

The petitioners therefore request that the House of Commons supports the earliest possible introduction of a new National Funding Formula for schools in England.

And the petitioners remain, etc.

[P001579]

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Wednesday 25 November 2015

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